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## VIA ELECTRONIC FILING

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street S.W., Room 1034  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings  
May 27, 2020  
Part of  
Public Record

Re: **Docket No. FD 36332**  
**National Railroad Passenger Corporation -- Petition for**  
**Proceedings and Relief Under 49 U.S.C. § 24903(c)(2)**

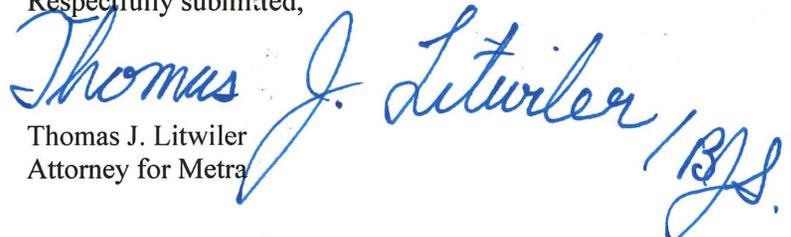
Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is the **Opening Statement of Commuter Rail Division of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation**, dated May 20, 2020 ("Opening Statement"). The Opening Statement is submitted in two volumes, with a third, multipart filing of supporting work papers.

Pursuant to the Board's order served May 19, 2020, Metra will submit a redacted version of this filing by May 27, 2020.

Should any questions arise regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,

  
Thomas J. Litwiler  
Attorney for Metra

TJL:bs

Attachment

cc: Parties of Record

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION —  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

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**OPENING STATEMENT OF THE COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND NORTHEAST ILLINOIS  
REGIONAL COMMUTER RAILROAD CORPORATION**

**VOLUME I OF II**

***BRIEF AND SUPPORTING MATERIALS***

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REGIONAL TRANSPORTATION AUTHORITY  
AND NORTHEAST ILLINOIS REGIONAL  
COMMUTER RAILROAD CORPORATION**

Dated: May 20, 2020

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BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION –  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

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**OPENING STATEMENT OF THE COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND THE NORTHEAST ILLINOIS  
REGIONAL COMMUTER RAILROAD CORPORATION**

Pursuant to the decision of the Surface Transportation Board (the “Board” or “STB”) served in this matter on April 29, 2020, Respondents Commuter Rail Division (“CRD”) of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation (collectively, “Metra”) make this Opening Statement. The evidence and argument presented in this statement follow the outline of issues contained in the Joint Submission Regarding List of Issues for Determination (the “Issues list”) filed by Metra and Petitioner National Railroad Passenger Corporation (“Amtrak”) on February 7, 2020. This statement also reflects the Joint Stipulation filed by the parties on May 18, 2020, which resolved certain disputed matters, and narrowed and refined the Issues List with respect to several other matters. As outlined in depth below, the Board should find that the compensation owed by Metra to Amtrak under 49 U.S.C. § 24903(c)(2) (“Section 24903”) for use of Chicago Union Station (“CUS”) in fiscal year 2020 is either **\$6,759,888** or **\$7,926,527**. Allocation of future capital expenditures at CUS should be handled under the parties’ well-established and successful procedures for such expenditures, and other contractual details of the arrangement between Amtrak and Metra regarding CUS are appropriately left to negotiation between the parties.

## INTRODUCTION

After four decades of cooperative relations (35 years under the current agreements—a Station Use Agreement governing regular use payments to Amtrak, and a Fixed Facility Agreement applicable to capital expenses and specific facility modifications and improvements), 38 contract amendments to the Fixed Facility Agreement, at least three adjustments of the terms of the Station Use Agreement, and more than \$140,000,000 in voluntary Metra capital contributions for the upkeep and improvement of CUS, Amtrak has initiated this matter under 49 U.S.C. § 24903(c)(2) to force Metra’s acceptance of a June 4, 2019 Proposed Agreement (the “Proposed Agreement”), contending that the Proposed Agreement meets the relevant statutory criteria for such a Board order. Amtrak Petition, filed July 22, 2019, 6 (“Amtrak will therefore present its Proposed Agreement to the Board, and ask the Board to adopt the terms of that Proposal as the basis for ordering Metra’s future access and use of Chicago Union Station.”). As discussed below, Amtrak’s request ignores the Board’s historic practice of applying legal and regulatory principles so as to avoid the “minute detail” of, for example, whether CUS needs a new restroom. In this case, the Board should play a defined role befitting its stature as a national regulator of railroad policy to: (1) adjudicate disputes regarding the applicable law; (2) resolve important disputes of fact where the parties cannot agree; and (3) prescribe a framework for further resolution of details. Metra addresses each in turn.

The legal standards the Board should apply are threefold: the compensation Metra pays for its ongoing use of CUS must reflect actual costs (Issue 1.1.3); be based on Metra’s usage (Issue 1.1.4); and cannot result in a cross-subsidy (Issue 1.1.5).<sup>1</sup> Metra’s proposals below on the remaining disputed compensation items with Amtrak meet each of these standards.

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<sup>1</sup> Enumeration of the issues here follows the parties’ joint Issues List.

Metra's proposal on Police costs (Issue 2.3) adopts Amtrak's own calculation of Metra's actual use of Amtrak police resources.<sup>2</sup> Similarly, Metra's proposal on Station Operations and Maintenance ("SOM") (Issue 2.4) reflects Metra operations actual use and the limited time and space Metra riders occupy in CUS on their commutes. On the subject of ground power expenses (Issue 2.5), Metra should not pay when [REDACTED] from air rights tenants for ventilation. Metra's proposal on cost indexing (Issue 2.6) is unassailable as an adoption of Amtrak's own forecasting. Finally, Metra's proposal for future capital expenditures (Issue 3.1) reflects the lack of a disagreement on projects, and avoids needless speculation on fact-intensive issues, such as the distinct need and utility of improvements between commuter and inter-city rail passenger operations.

Because Metra's methodologies adhere to the applicable legal standards, and its conclusion on each of the pertinent disputes are supported by the facts below and the accompanying expert testimony, the Board should adopt Metra's proposals. Rather than further attempting to resolve every minor dispute over the contract form and terms—many of which are capable of negotiated resolution once the Board adjudicates the main issues here—or engage in detailed contract drafting over the course of the 120 days contemplated for a Board decision<sup>3</sup>, the Board should permit the parties a suitable time period of 60 days to negotiate a final agreement after the Board's decision in this matter, to be extended at the discretion of the Board upon the mutual request of the parties.

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<sup>2</sup> Metra depends heavily upon Amtrak's figures and calculations. That is due to the nature of the proceeding. Metra has little independent insight into the costs of CUS, beyond the information Amtrak chose to record and has supplied. Thus, Amtrak data and calculations therefore provide an initial starting point for much of Metra's case-in-chief.

<sup>3</sup> 49 U.S.C. § 24903(c)(2).

Amtrak’s Proposed Agreement and its petition in this matter are, together, a unfortunate attempt to strong-arm excess compensation from what it views as a captive tenant to Amtrak’s financial advantage. Amtrak’s incentive to effectively cross-subsidize its core operations at the expense of Illinois taxpayers and local commuters is perhaps understandable, but hardly justified. Amtrak was chartered to be a private, for-profit corporation providing a public service (one borne out of market failures), even though the transportation services it is mandated to offer are government subsidized or government-supplied in virtually every other comparative modern context. *See gen.* Rail Passenger Service Act, Pub. L. No. 91-518, § 301. In that context, Amtrak may press potential advantage for funds out of a sense of corporate duty to support intercity service. But, Section 24903(c)(2) does not permit Amtrak to extract cross-subsidies from Metra to contribute to Amtrak’s intercity railroad passenger service offerings. Rather, the statute entitles Amtrak only to recover the actual costs it incurs in hosting Metra operations and passengers at CUS.

## **BACKGROUND**

CUS is the principal passenger rail terminal of the midwestern U.S., serving 38 million annual intercity and commuter passengers. Constructed in 1925, it was formerly the union terminal of several railroads, including the four former shareholders of the Chicago Union Station Company (“CUSCo”), which owned the station: the Chicago, Milwaukee St. Paul & Pacific Railroad (the “Milwaukee Road”), the Chicago Burlington & Quincy Railroad (the “Burlington,” predecessor to the modern BNSF Railway); and the Pittsburgh, Fort Wayne & Chicago Railway (which was leased to the Pennsylvania Railroad).<sup>4</sup> After various railroad reorganizations in the latter half of the 20<sup>th</sup> Century—including, among others, the “Penn

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<sup>4</sup> The Chicago & Alton Railroad was a tenant.

Central” merger and the ensuing creation of Conrail (implemented by the Regional Rail Reorganization Act of 1973, Pub. L. No. 93-236 (“the 3R Act”))—Amtrak obtained control of CUS in 1984 when it obtained a controlling, exclusive interest in CUSCo. See gen. *Penn C. Corp. v. Chi. Union Station Co.*, 830 F.Supp. 1509, 1515 (Sp. Ct. R.R.R.A. 1993).

Commuter service at CUS is as old as the station itself. Metra services<sup>5</sup> are the modern incarnation, and have operated to and from CUS since commuter service became publicly-supported in 1974. Metra’s recently-expired agreements with Amtrak related to CUS date from 1984, and were, combined, the subject of over 40 voluntary amendments and adjustments—each one of which memorializes Metra’s significant contribution and willingness to improve CUS beyond Metra’s original obligations.

Amtrak believes that this agreement is inadequate, and demands a significant increase in annual compensation. Amtrak’s first tactic intended to improve its negotiating leverage by merging CUSCo, a Board-regulated rail carrier, into Amtrak—which appeared to beegally dubious attempt to: (a) remove CUS from the Board’s jurisdiction; and (b) deprive Metra of a forum for relief. See *Commuter Rail Division of the Regional Transportation Authority of Northeast Illinois Regional Commuter Railroad Corporation — Petition for Declaratory Order—Status of Chicago Union Station Company*, Docket No. FD 36171 (STB served Aug. 22, 2018), 5 (“But should this matter be presented to the Board in the future, Amtrak would need to show that the statutory language exempting it from much of the Interstate Commerce Act specifically enables it to take actions that cause **another regulated carrier’s**

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<sup>5</sup> BNSF Railway Company provides commuter service under the Metra service mark at CUS. Other commuter services at CUS are operated directly by Metra. What is now broadly considered “Metra” service predates Metra’s existence.

**facilities to be removed from the Board’s jurisdiction without any agency review or approval.”)** (emphasis in original).

This gambit having failed, Amtrak filed the instant petition, seeking to have the Board prescribe each of the terms and conditions of Amtrak’s June 4, 2019 Proposed Agreement. Amtrak Pet. at 6 (“Amtrak will . . . ask the Board to adopt the terms of the Proposal as the basis for ordering Metra’s future access and use of Chicago Union Station.”). Notwithstanding concerted efforts of the business principals and legal counsel of both sides, the parties have been unable to fully resolve the dispute over how (and in some cases, what) CUS costs are to be allocated.

The differences may result from Amtrak’s faulty presuppositions. Amtrak undertook this petition claiming, incorrectly, that Metra was getting an “incredible deal” under the false premise that Metra ought to be treated “like their NEC [Northeast Corridor] Brethren.” Frank Wilner, Amtrak Bullying Now Targets SEPTA, RAILWAY AGE (June 18, 2019), available at <https://www.railwayage.com/passenger/intercity/amtrak-bullying-now-targets-septa/> (viewed on May 20, 2020).

Amtrak is mistaken on both counts. First, it is evident Metra is not getting an “incredible deal.” Rather, application of the relevant statutory standards of Section 24903(c)(2) demonstrates that Metra *overpays* for CUS access—and that Amtrak’s proposed method of calculation under its new proposal would overcharge Metra. And Amtrak’s overreaching ask of the Board on that compensation doesn’t even include Amtrak’s wholly-unsupported (legally or factually) flat capital contribution demand for undesignated, unknown, capital projects.

Amtrak also is mistaken in any belief that the NEC and the “Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy” (“NEC Policy”) represents the appropriate

paradigm for resolving this dispute. In the Passenger Rail Investment and Improvement Act of 2008, Congress separated NEC stations from the treatment of Midwest properties under Section 24903—reflecting a demonstrable dissimilarity of Chicago-based Metra to its purported Northeast siblings. Pub. L. No. 110-432, Subtitle B §212(a). In the NEC, multiple commuter railroads—sometimes within the same region—utilize large portions of the Amtrak main line and share Amtrak terminal facilities.<sup>6</sup> Consider, for example, commuter service in the New York metropolitan area where New Jersey Transit (“NJT”), Long Island Railroad (“LIRR”), and Metro North Railroad (“MNR”) all use Amtrak assets—including significant NEC trackage for NJT and MNR, and a significant terminal facility (Penn Station) for NJT and LIRR—within a single, regional, 55 mile radius of mid-town Manhattan.

The situation in Chicago is not at all similar. Metra uses a very limited amount of Amtrak infrastructure and a single rail terminal, and for perhaps 90% of a similar 55 mile radius from Chicago is the singular provider of commuter rail (even then, the balance of this percentage is provided by the Northern Indiana Commuter Transit District, which does not use the Amtrak terminal or trackage). Moreover, Metra does not use Amtrak main line in any significant manner,<sup>7</sup> as opposed to other would-be comparisons such as the Maryland Transit Administration’s “MARC” service; the Southeast Pennsylvania Transit Authority Regional Rail Service, or the Massachusetts Bay Transportation Authority. Cost sharing by Amtrak with a single commuter authority is not the problem the NEC Policy is designed to address. Rather, Congress has established, and continues to mandate, that properties outside the NEC be the

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<sup>6</sup> Any analogy to the NEC, to be at all valid, would put Metra in Amtrak’s shoes, as it is Metra that must engage with 6 distinct rail carriers to provide service within the region.

<sup>7</sup> Minimal trackage rights to gain access to CUS from the south are governed under a separate agreement, not implicated in this proceeding.

subject of independent, STB-determined policy-making<sup>8</sup> and cost allocation. There is no basis in fact or law for treating CUS disputes with NEC remedies.<sup>9</sup>

## LEGAL STANDARDS

Three legal standards govern the allocation of costs under Section 24903, one common sense standard from recent Board precedent, and two directly from the statute. First, costs must be more than numbers on paper; every cost, in order to be allocated, must be specific, verifiable, and quantifiable. *Application of the National Railroad Passenger Corporation under 49 U.S.C. § 24308(a) — Canadian National Railway Company*, Docket No. FD 35743 (STB served Aug. 9, 2019) (“*Amtrak/CN*”), 23. Second, these costs must be calculated from factors reflecting Metra’s use of CUS for transportation. Amtrak may not simply allocate any costs to a tenant. *See* Section 24903(c)(2)). Contrary to Amtrak’s thesis, Section 24903 is not simply a vehicle to impose a lease; it is a division of costs based on the actual *use* of resources, rather than on the mere existence of the property or presence of assets or personnel and potential use thereof. Third, as an overarching control on the second standard (that costs must be allocated on a use basis), costs allocated to Metra *cannot* cross-subsidize Amtrak’s other business enterprises, including Amtrak’s intercity passenger service and commercial real estate development. *Id.*

A fourth legal standard is of general applicability: as the petitioner and proponent of a Board order, Amtrak bears the burden of proof in this matter in accordance with the

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<sup>8</sup> *Contra* the Northeast Corridor Policy the substance of which was drafted by the Northeast Corridor Commission (“NECC”), a body on which Amtrak and its sole shareholder hold the majority of seats and on which Metra and Illinois have *no* representation.

<sup>9</sup> The NEC situation created a “tragedy of the commons” as each commuter entity formerly had an individual arrangement with Amtrak to the detriment of regional rail service. *See* Northeast Corridor Commission, Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy, 8 (as amended Jun. 19, 2019) available at [https://nec-commission.com/app/uploads/2018/04/2019-06-19\\_Cost-Allocation-Policy\\_v09.00\\_Cmsn-Amended-2019-June-19-Clean.pdf](https://nec-commission.com/app/uploads/2018/04/2019-06-19_Cost-Allocation-Policy_v09.00_Cmsn-Amended-2019-June-19-Clean.pdf). No such problem exists in the Midwest.

Administrative Procedure Act, 5 U.S.C. § 556(d)(2) (“APA”). The briefing schedule does nothing to alter the strictures of the substantive law of the APA.

**I. COSTS ALLOCATED MUST BE SPECIFIC, VERIFIABLE, QUANTIFIABLE, AND REASONABLE (ISSUE 1.1.3)**

Again, the Board may only allocate costs that are “specific, verifiable, and quantifiable.” *Amtrak/CN*, 23 & n.41 (“if costs are not specific, verifiable, and quantifiable . . . there would be an insufficient basis on which the amount of the costs could reasonably be determined. The Board has previously found in multiple contexts that speculation is not an appropriate basis for decision making”) (internal citation omitted).

Where, as here, actual costs are available, they should be used as a basis for compensation. *W. Texas Utilities Co. v. Burlington N. R.*, 1 S.T.B. 638, Appendix F. (1996) (“actual costs are preferable to system-average costs . . . .”); *see also, San Antonio, Texas v. Burlington N. R.*, 1 I.C.C. 2d 561, 572 (1986) (rejecting projected maintenance costs and adopting methodology that more closely resembled actual costs incurred). Thus to the extent a cost is one that is “normalized,” “projected” or “budgeted”—or even subsidized by a third party such that it no longer exists as a cost—it cannot be recovered. Finally, actual costs are not themselves free from further restraint for review: they must be reasonable in order to be recoverable. *National R. Passenger Corp — Petition for Relief under 49 U.S.C. § 24903(c)(2)*, Docket No. FD 36332 (STB served Sep. 27, 2019) 1.

**II. ALLOCATION FACTORS MUST REFLECT ONLY THE COSTS OF TRANSPORTATION AND USAGE OF RAIL PROPERTY BY METRA (ISSUE 1.1.4)**

Congress directed the Board to use “factors” in determining how to apportion or allocate transportation costs. The factors must reflect a “relative use” of the underlying asset. 49 U.S.C. § 24903 (c)(2) (“ . . . The proportionate share shall reflect . . . factors that represent the

relative use of rail property.”). As such, non-usage based costs are not allocated. Board precedent on “use” factors is generally rooted in its prescription of trackage rights compensation. *See gen. St. Louis Southwestern Railway — Trackage Rights over Missouri Pacific R.— Kansas City to St. Louis*, 1 I.C.C. 2d 776 (1984) (“SSW Compensation”); *New England C. Railroad — Trackage Rights Order of Pan-Am S. LLC*, Docket No. FD 35842 (STB served Feb. 12, 2016) (“NECR”), 1 (highlighting expense sharing as a function of “usage proportion[.]”). Usage costs must be actual—not projected. *SSW Compensation*, 1 I.C.C.2d at 790; *see also, NECR* (STB served Oct. 30, 2017), 10) (adopting 6-year average of actually incurred costs and rejecting theoretical calculation).

Section 24903 distinguishes between costs conferring some benefit on Metra—which are to be considered—and those “proportionate share” costs reflecting Metra’s use, which is the subset of considered costs that are ultimately allocated. This proportionate share has a precise substance—it must be based on “relative measures . . . that reasonably reflect the relative use of rail property . . . .” Thus if Amtrak conveys a marginal or *de minimis* benefit to Metra, Amtrak may only recover the cost to the extent it reflects Metra’s use, not an estimate of the potential or latent benefit, if any.

### **III. ALLOCATION OF ANY COSTS TO METRA THAT RESULTS IN CROSS-SUBSIDIZATION OF AMTRAK IS PROHIBITED (ISSUE 1.1.5)**

Cross-subsidization occurs when “one segment of the rail industry bears the expenses of facilities and improvements of primary benefit to another.” *Boston & Me. Corp v. ICC*, 911 F.2d 743, 752 (D.C. Cir. 1990) *reh’g denied*, 925 F.2d. 427 (D.C. Cir. 1991), *rev’d on other grounds*, 503 U.S. 407 (1992). Cross-subsidization is not merely a concern that Section 24903 generally avoids or minimally tolerates. Rather, Section 24903 completely prohibits cross-

subsidization in any allocation methodology. 49 U.S.C. § 24903(c)(2) (providing for cost allocation based on factors but first charging that any allocation be “without allowing cross-subsidization . . .”). Section 24903 addresses cross-subsidization at the outset because it is a paramount Congressional concern, overriding the secondary directives of how to select the factors of allocation. Based on the textual structure of the statute, the cross-subsidization prohibition is a governing restraint on the results of any allocation methodology.

Thus, if a given usage factor accurately prescribes most costs based on a usage, but otherwise assigns to Metra the majority of the value of a particular cost for which Metra incurs little to no benefit, it fails the cross-subsidy test, and is not “allow[ed].” Section 24903. The prohibition functions as an as-applied check on factor selection and the end result, not merely as an added consideration in the factoring of costs. Cross-subsidization is not included in the list of concerns to be weighted or taken into account in factor selection described in the latter half of the subsection—it is not something that is equivalent to selecting a factor representing relative usage—but rather has a distinct placement and meaning as a guard against specific abuses that occur under an otherwise generally acceptable standard. Different words within the same statute mean different things. *SEC v. McCarthy*, 322 F.3d 650, 656 (9th Cir. 2003) *citing Russello v. United States*, 464 U.S. 16, 23 (1983).

This is also in keeping with how the Board has historically approached cross-subsidization. The agency looks at the application of a policy or prescription, and then determines if it “results . . . in cross-subsidization.” *E.g.*, *General American Transp. Corp v. Ind. Harbor Belt Railroad Co.*, 3 I.C.C.2d 599, 608 (1987). In sum, the factor selection ultimately must be governed by the cross-subsidization prohibition.

If the cross-subsidization prohibition was not an independent constraint on cost allocation factors, but rather were cross-subsidization part of the initial selection criteria, it might not be possible to select a factor because, while factors must only “reasonably” (e.g., generally, and without absolute precision) reflect usage, the prohibition on cross-subsidization is an absolute command. Unlike other references to the concept in distinct bodies of law, the Section 24903 mandate is not merely to “avoid” cross-subsidization, it is to not allow it. *See, e.g.* § 24903(c)(1) (a cost allocation arrangement “may not cross-subsidize.”). If cross-subsidization concerns are applied as part of selecting allocation factors, such a selection process could well be impossible—the generalized, perfect, usage factor that does not result in cross-subsidization may not exist in many factual circumstances.

Such a sequential application of the cross-subsidization rule as an independent constraint on cost allocation factors conforms to the relative breadth of the principles. Section 24903 recites relative, reasonable, generalized usage factors for apportioning cost types (“relative measures of volume of car operations, tonnage, or other factors that reasonably reflect the relative use of rail property”), while the prohibition on cross-subsidization is specific, and targets the dollars actually apportioned (“ . . . the . . . Board shall determine compensation . . . (without allowing cross-subsidization . . . )”). 49 U.S.C. § 24903(c)(2). This clarifies and simplifies the cross-subsidization concern to an appropriate scope. The Board need not address cross-subsidization in identifying otherwise reasonable factors, it need only apply the constraint to discrete expense assignments those factors generate. This use of the cross-subsidization test as a secondary, “as-applied” limitation to specific cost allocation results of the selected factors satisfies both parts of the statute.

This is not to say that the Board cannot utilize approximate, relative usage factors; rather, it simply means that some of the costs allocated by those factors—the end result of the Board’s process to which cross-subsidization applies—will be excluded. Essentially, the prohibition on cross-subsidization is a final check that excludes costs representing a marginal utility to the primary payer; where “one segment of the rail industry bears the expenses of . . . primary benefit to another.” *Boston & Me. Corp. v. ICC*, 911 F.2d 743, 752 (D.C. Cir. 1990) *reh’g denied*, 925 F.2d. 427 (D.C. Cir. 1991), *rev’d on other grounds*, 503 U.S. 407 (1992).

#### **IV. AMTRAK BEARS THE BURDEN OF PROOF ON EACH OF THE CONTESTED ITEMS**

A proponent of an administrative determination bears the burden of proof except where a statute provides otherwise. 5 U.S.C. § 556(d)(2) (“Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof”). Section 24903(c)(2) was enacted by RPSA. *Compare* Pub. L. No. 91-518 § 402(a) *with* 45 U.S.C. § 562(a) (1988) and Pub. L. No. 103-272 § 1; *Application of the National Railroad Passenger Corp. under 49 U.S.C. § 24308(a) — Springfield Terminal Railway Company, Boston & Maine Corporation, and Portland Terminal Company*, Docket No. FD 33381 (STB served May 6, 1997) n. 1 (“Originally, section 402(a) of the Rail Passenger Service Act was codified at 45 U.S.C. 562(a)”). The ICC determined that RPSA is not a statute that shifts the burden of proof from the proponent of relief. *National Railroad Passenger Corporation — Conveyance of Boston & Maine Corporation Interests in Connecticut River Line in Vermont and New Hampshire*, Docket

No. FD 31250 (ICC served Jul. 1, 1988), 1.<sup>10</sup> Amtrak is the proponent here, in view of its unilateral petition for Board-ordered relief, and it alone bears the burden of proof.

## DISCUSSION

Amtrak has elected to initiate this proceeding because, despite efforts on both sides, the parties have been unable to reach an accord concerning the annual amount that Metra should pay for its use of CUS, and, so Amtrak has solicited the Board's intervention and guidance to resolve the dispute under Section 24903. The parties have endeavored, both before this proceeding was initiated and thereafter, to narrow the issues in dispute. Accordingly, the parties have agreed to negotiate CUS costs by addressing each of four component cost elements, which, together, comprise the total of pertinent costs that should be shared between them: (1) Dispatching, (2) Maintenance of Way ("MOW"), (3) Policing, and (4) Station Operations and Maintenance ("SOM").

The parties have reached an agreement regarding, and have stipulated to, Metra's 2020 share of two of the above cost components – dispatching and MOW. They remain of very different views with respect to CUS police cost allocation, and have not yet been able to reach an agreement on Metra's share of SOM costs, although the differences on the latter cost component

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<sup>10</sup> Indeed, until sometime recently, Amtrak always had to bear the burden because Amtrak was the only entity that could seek relief under RPSA. *National R.R. Passenger Corporation — Conveyance of Boston & Maine Interests in Connecticut River Line in Vermont and New Hampshire*, Docket No. FD 31250 (ICC served May 25, 1988) ("Under sections 402(a)-(d) of RPSA, respectively, Amtrak is empowered to seek different types of relief depending on the type of service problems it encounters with other railroads. In each case, relief may be granted only upon application by Amtrak, and in each case different criteria, procedures, and standards apply. See 45 U.S.C. § 562(a)-(d). Here, Amtrak has made an election of remedies by filing its application under section 402(d) for conveyance of the subject line, and has done so deliberately.") (emphasis supplied). The Board has recently extended the ability of a party to seek relief to non-Amtrak parties. *Petition by the Southeastern Pennsylvania Transportation Authority for Relief under 49 U.S.C. § 24903*, Docket No. FD 36281 (STB served Mar. 27, 2019) (permitting non-Amtrak party to petition for relief under codification of RPSA Section 402(a), notwithstanding prior holding on exclusivity of availability of relief to Amtrak).

are less stark than is the case with dispatching. The parties also disagree about whether Amtrak’s supply of electrical ground power should be considered an allocable cost, and the inflationary index that should be applied to CUS costs. Finally, Metra and Amtrak dispute whether or not the Board should prescribe a fixed amount of Metra contribution to apply to future CUS capital project expenses, or whether the parties should instead simply be encouraged to continue to negotiate and resolve future capital expenditure issues on a case-by-case basis as the parties have proven able to do successfully throughout their ongoing relationship.

Metra’s position on each of these remaining areas of disagreement is set forth in the sections following, in which Metra addresses, in order, the appropriate Metra contribution for policing costs; Metra’s share of SOM costs; why Amtrak’s ground power costs are real estate-driven, and thus are not allocable to Metra (and would produce an unlawful cross-subsidy if Metra were required to pay a portion of those costs); the appropriate inflationary index to apply to CUS costs – Core PCE; and, finally, the absence of any current (or likely) dispute on capital contribution, rendering Board intervention on capital costs premature and unnecessary. Regarding Metra’s share of annual CUS costs for 2020, Metra submits the appropriate amount that it should pay should be no higher than \$7,926,527 (depending upon the CUS police cost allocation methodology that the Board elects to apply), broken down as follows:

1.	Policing (per stipulation)	\$1,800,000
2.	MOW (per stipulation)	\$2,950,000
3.	Policing (disputed)	\$143,440 or \$1,310,079 <sup>11</sup>
4.	SOM (disputed)	\$1,866,448
	<b>TOTAL</b>	<b>\$6,759,888 or \$7,926,527</b>

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<sup>11</sup> See policing discussion below, discussing Metra’s options for calculating its share of Amtrak’s CUS policing costs.

**I. AMTRAK'S PROPOSAL OVERSTATES THE METRA'S SHARE OF CUS POLICE SERVICES EXPENSES. (ISSUE 2.3)**

In its operation of CUS, Amtrak provides a police force comprised of deputized railroad police, including a K9 detail. As a component of its CUS rental payments, Metra has historically made payments to Amtrak to defray the police force expenses. Neither Amtrak nor Metra is proposing a change to this basic arrangement.

As with the other disputed costs, significant disagreement has arisen concerning the appropriate level of annual payment that Metra should make to Amtrak for Amtrak's policing efforts at CUS. In its Proposed Agreement, Amtrak demands Metra pay \$4,092,980 annually (indexed) as Metra's share of Amtrak's cost of policing CUS. Nothing about the nearly \$4.1 million<sup>12</sup> demand, however, is appropriate or supported. Amtrak's \$4.1 million figure is premised [REDACTED], that do not appear to have been staffed today, or that [REDACTED] provide virtually no benefit to Metra. These are costs that were not incurred at all, or were not incurred for the benefit of Metra. They are not specific, quantifiable, or verifiable.

Moreover, Amtrak's proposed allocation of its overall policing cost for CUS fails to account for the very different needs for policing services of Amtrak and Metra passengers at CUS, as demonstrated by Amtrak's own statistics. Nowhere is the divergence between Amtrak's proposed allocation to Metra and Metra's actual use of Amtrak's police resources more stark than with respect to the costs of Amtrak's K9 units. [REDACTED]

[REDACTED]. Further,

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<sup>12</sup> Except when performing calculations, and in an effort to improve readability, Metra will use the approximation of \$4.1 million in lieu of Amtrak's actual proposed police payment of \$4,092,980 when referencing same, but in each instance, the actual amount proposed by Amtrak is intended.

Amtrak's Proposed Agreement fails to account for the many persons requiring police services at CUS that have no relation to either Amtrak or Metra (such as lunchtime visitors to the food court), yet Amtrak proposes that Metra pay a portion of the police protection provided at CUS for these persons, too. To the extent these costs do not "reasonably reflect the relative use" of CUS, they are not allowable. 49 U.S.C. § 24903(c)(2).

In sum, Amtrak's police funding proposal fails to account for, or comply with, the applicable legal standards. When reviewed in light of those standards, Amtrak's proposed allocation of nearly \$4.1 million annually (indexed) to Metra must be rejected. By contrast, Metra's alternative proposals – one based on requiring Amtrak to adhere to traditional notions of the burden of proof, and one premised on allocating all police costs by comparing Metra's usage to Amtrak's usage of police at CUS - are based on a thorough examination of Amtrak's data, adherence to applicable statutory and precedential requirements, and reliance on the expert opinions of a thirty-year veteran, Chicago-area based, commuter police chief. Viewed in this context, Metra's alternative proposed annual payments for Amtrak's police services are clearly the more appropriate cost allocations, and one of them should be prescribed by the Board.

A. Amtrak's Proposed Agreement Disproportionately Shifts Police Costs at CUS to Metra.

Amtrak's Proposed Agreement contains scant discussion of Amtrak's policing of CUS. In Section 6.2 of the Proposed Agreement (Verified Statement of Robert K. Byrd ("V.S. Byrd") Ex. 6, 14) Amtrak sets forth the general policing obligations that it assumes (and shares with Metra) with respect to CUS. Section 12.1 (*Id.* at 20) states Amtrak's opinion that Metra should pay almost \$4.1 million annually as a "Base Usage Fee" for "Police." Finally, in Exhibit D to the Proposed Agreement ("Base CUS Access Fee Calculation"), Section A.1.d (*Id.* at 44), Amtrak explains that its \$4.1 million figure is calculated by multiplying Amtrak's "Category

Costs” (Amtrak’s standard cost categories) by Metra’s “portion of a usage metric that represents an equal weighting of ridership (measured by passenger on-off counts) and train movements.”

Unfortunately, the Proposed Agreement and documents produced by Amtrak do not lend much insight into how the \$4.1 million dollar suggestion was calculated. In fact, documents produced by Amtrak—the only source available to Metra for information on the costs of providing police services to Metra and others at CUS—confirm that Amtrak’s CUS policing cost contribution proposal seriously overstates Metra’s use of those services.

In an effort to understand the components of Amtrak’s police costs and proposed allocations, Metra has resorted to several documents Amtrak has produced in discovery, [REDACTED], found at Verified Statement of Messrs. Crowley and Mulholland (“V.S. Crowley/Mulholland”), Workpaper (“WP”) 6. In that document, under the “Police” tab (V.S. Byrd Ex. 3), Amtrak has summarized calendar year [REDACTED] [REDACTED] [REDACTED] administratively housed within the CUS budget.<sup>14</sup> At the top of the first page of the Police tab, Amtrak lists total policing costs<sup>15</sup> for CUS of [REDACTED] [REDACTED]. Because Amtrak proposed in 2019 that Metra pay \$4.1 million of Amtrak’s CUS policing costs for that year, it is clear that Amtrak expects Metra to bear the vast majority of Amtrak’s CUS policing costs. Amtrak appears to base its allocation on extrapolating Metra’s share of policing use from

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<sup>13</sup> The years agreed by Metra and Amtrak to form the basis for establishing costs in this docket.

<sup>14</sup> It is not entirely clear to Metra that the costs contained on Amtrak Document 5283 reflect [REDACTED] [REDACTED]. As discussed below, a budgeted police position that is not filled constitutes neither an actual cost to Amtrak nor any use by Metra pursuant to which an allocation of cost may be made to Metra. Payment by Metra to Amtrak for budgeted but unfilled positions would constitute a proscribed cross-subsidy in Amtrak’s favor.

<sup>15</sup> The amounts are listed before inclusion of a General and Administrative “G&A” expense that is overstated by Amtrak and will be addressed below.

Metra's share of trains and passengers per year at CUS, compared to Amtrak's, but the law and the facts do not support anything close to such an outsized allocation of police expense to Metra.

### B. Cost Input Adjustments

Before addressing the errors in Amtrak's policing cost allocation methodology, it is helpful to test the components of Amtrak's alleged 2016 and 2017 police cost data, as Metra has done. Most notably, Amtrak has added [REDACTED] [REDACTED] Police costs that did not then exist. V.S. Byrd, Ex. 3. As best Metra can tell, Amtrak had assumed [REDACTED] in 2018. Whatever the basis of that assumption, the result is that Amtrak's 2016 and 2017 Amtrak police cost estimates, which Amtrak purports to reflect "actual" costs, include fabricated cost elements, [REDACTED] [REDACTED].<sup>16</sup> It may be that Amtrak's inclusion [REDACTED] [REDACTED] is an attempt to capture [REDACTED]. But budgeted is not the same as a filled position. A budgeted [REDACTED] position provides no police protection, and it is not an actual, incurred police cost. As such, Metra cannot be obligated to any share of a budgeted, [REDACTED] police position. [REDACTED], budgeted positions also provide no expense to Amtrak, for that matter.

The issue of budgeted-but-unfilled Amtrak police positions is a genuine concern. Amtrak [REDACTED] [REDACTED] or were filled by a person on long-term disability (thereby providing no policing services to Metra). V.S. Byrd, 8. The exact number of [REDACTED] police positions will undoubtedly fluctuate as positions are vacated and ultimately filled, but any allocation of police costs to Metra

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<sup>16</sup> A legitimate question can also be raised about Amtrak's assumption that the newly-hired positions that it planned to budget in 2018 would, in their first year, earn the average compensation paid to Amtrak's then-existing police force, many of whom undoubtedly had decades more seniority than the contemplated newly hired police officers. V.S. Byrd, 8.

stemming [REDACTED] in Amtrak police hiring violates the statute's requirements for actual costs and usage factors, and the cross subsidy prohibition. These ([REDACTED] police positions must not be counted among Amtrak's police expenses, and, by extension, none of those costs may be allocated to Metra.

To address the issue of budgeted [REDACTED] [REDACTED] positions, Metra has subtracted [REDACTED], consistent with Amtrak's current police staffing for CUS, and resulting in a true-cost itemization of Amtrak policing expenses for CUS in those years. Using Amtrak's assumption that each position would have cost Amtrak [REDACTED] Metra has reduced CUS police expenses by [REDACTED] [REDACTED] and [REDACTED] [REDACTED] [REDACTED] for 2017. The elimination [REDACTED] from the police calculation results in restated "Station Police Cost" totals of \$ [REDACTED] for 2016 and \$ [REDACTED] for 2017.<sup>17</sup>

Additionally, Amtrak's CUS police roster [REDACTED], while staffed, do not benefit Metra or its customers. The [REDACTED] [REDACTED] As explained by Mr. Byrd (V.S. Byrd, 11-12), this [REDACTED] [REDACTED]. In keeping with the discussion of Amtrak's K9 service cost allocation below, [REDACTED] [REDACTED] [REDACTED]. That is, [REDACTED] of Amtrak-reported drug and narcotic interactions

<sup>17</sup> Amtrak's separate calculation for K9 expense at CUS is not affected by the removal of positions from Amtrak's police roster.

<sup>18</sup> As explained below, Amtrak compiles records of its performance of duty as either an "Incident" or a "Call for Service." Annual summaries of Incidents and CFS's may be found at V.S. Byrd Ex. 7.

involved Amtrak customers [REDACTED] [REDACTED]). In addition, Amtrak receives a 10% “bounty” from DEA for the value of the drugs it seizes at CUS (V.S. Byrd, *id.*), so it can safely be assumed that Metra’s [REDACTED] [REDACTED] (thus not representing a cost to Amtrak). The simple fact is that the DEA targets Amtrak users, not Metra passengers, and any allocation of the cost of the DEA position to Metra inherently overstates the role that policing plays with respect to Metra. Removal of the average position costs [REDACTED] from the revised Station Police Costs results in a 2016 calculation of \$2,961,607 and a 2017 figure of \$3,135,271.

A similar issue is presented with an [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]. [REDACTED].

This particular Amtrak officer is very rarely located at CUS, instead focusing on regional and national terrorist threats spreading well beyond CUS, and that officer coordinates with other police agencies across the region. V.S. Byrd, 12-13. None of those tasks are necessarily focused on CUS, and the fact that Amtrak accounts in its budget for this officer at CUS does not mean that his or her focus is limited to CUS; in fact, quite the opposite is true. While undoubtedly this important position on Amtrak’s duty roster is staffed, Amtrak deploys this officer in a way that disqualifies that position as a CUS policing cost. It is a cost that benefits the broader scope of Amtrak’s services beyond CUS, and, for Metra to pay a percentage of this officer’s costs would be an impermissible Metra subsidy of a cost that is not focused on Metra’s presence at CUS. Removal of the yearly average position costs from the revised Station Police Costs leaves total expenses for Station Police Costs of \$2,862,887 for 2016 and \$3,030,762 for 2017.

Again, Metra does not, at this juncture, dispute Amtrak's internal assessment of pre-G&A K9 Unit expenses of [REDACTED] as reflected on Exhibit 3 to Mr. Byrd's Verified statement.

In summary, once revisions are made to Amtrak's stated Station Police Costs to reflect truly filled positions and is further adjusted to account for positions that uniquely benefit Amtrak, the yearly, allocable policing cost totals are as follows:

	2016:	2017:
Station Police Cost	\$ [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Adjusted CUS Police Costs</b>	<b>\$3,419,603</b>	<b>\$3,671,977</b>

C. Application of Revised G&A Rates to Amtrak's Adjusted Police Expenses.

Amtrak applies unusually high G&A rates to its CUS police costs. V.S. Byrd Ex.

3. The result of application of Amtrak's proposed G&A rates is an increase in both the Station Police Cost and K9 Unit expenses that serve as the starting point for allocating those costs between Amtrak and Metra. As explained in more detail below in connection with station operations and maintenance cost allocation, experts Thomas D. Crowley and Robert D. Mulholland arrived at a more appropriate G&A additive: 3.73% for 2016 and 3.03% for 2017. See V.S. Crowley/Mulholland, 11. Using these G&A rates and applying them to the numbers reflected above, Metra believes that the total Amtrak policing expenses for CUS in 2016 and 2017, as they are pertinent to this proceeding, after application of adjusted G&A rates, are as follows:

	2016:	2017:
Station Police Cost + G&A	\$ [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total CUS Police Cost + G&amp;A</b>	<b>\$3,547,154</b>	<b>\$3,783,237</b>

#### D. Cost Allocation – Station Police Costs.

After the foregoing adjustments are made to Metra’s CUS policing cost inputs, it is appropriate to consider an equitable allocation of those costs as between Metra and Amtrak. Amtrak has offered that an appropriate metric for allocating all of the CUS police costs between Amtrak and Metra (both the “Station Police Costs” and “K9 Unit” expenses) would be to multiply those costs “by the Metra Commuter Service’s portion of a usage metric that represents an equal weighting of ridership (measured by passenger on-off counts) and train movements.” V.S. Byrd Ex. 5, 44. The Proposed Agreement proposes using this train count and passenger formula to allocate both Station Police Costs and K9 Unit expenses.<sup>19</sup> *Id.*

Amtrak’s approach to allocating Station Police Costs is unacceptable and legally unwarranted as contrary to the requirement that costs be allocated according to usage. There is no basis for incorporating train counts as a component of determining which party is a user of police services. Trains do not commit crimes, and trains do not need medical assistance. Under Amtrak’s formula, an increase in the number of Metra trains operating to and from CUS would increase Metra’s share of police costs at CUS, regardless of whether any passengers were even located on those trains.

The other half of Amtrak’s proposed allocation formula—passenger counts—while superficially associated with use of police services, seriously misunderstands the different nature of the way Amtrak and Metra passengers use CUS. Commuter rail customers and intercity rail passengers boarding and alighting at CUS are simply not fungible, as is suggested by Amtrak’s allocation metric. Metra passengers use CUS as a conduit, largely to move them between their train and their downtown job. V.S. Byrd, 3-5. They generally move briskly to their

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<sup>19</sup> Inherent problems with Amtrak’s calculation of this ratio are discussed in the station operations and maintenance portion of this Opening Statement. Because there is no basis for using this ratio in the context of allocating police costs, those issues will not be addressed here.

destination (either their job or their train) in a fairly set pattern. By contrast, because intercity trains generally operate less frequently and with less consistency, Amtrak passengers usually arrive earlier for their train's departure, experience more station time waiting for their train's departure, are more likely to have heavier and bulkier luggage, and are less familiar with the station and departure gates. Accordingly, Metra passengers generally spend [REDACTED] [REDACTED] and they are less of a target for criminals because of their brisk pace and familiarity with surroundings. *See also*, V.S. Byrd, Ex. 2. More time spent within CUS also increases the potential need for medical attention, and Amtrak's police force is frequently called upon as a first responder in such situations.

In short, the mere availability of police services does not correspond to passenger use, not when commuters spend far less time on average in the station when compared to intercity passengers. [REDACTED], to the extent their police are called upon for assistance in some fashion, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. V.S. Byrd, Ex. 7. Of the [REDACTED] total Incidents recorded during that time period, Amtrak attributed [REDACTED] Incidents to Amtrak passengers, [REDACTED] Incidents to Metra passengers, and the [REDACTED] Incidents [REDACTED] to either Metra or Amtrak.<sup>21</sup> Within that time frame, [REDACTED] Amtrak

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<sup>20</sup> "Incidents" as dispatched or self-initiated events for police to conduct investigations, make arrests, formally document a crime, report an injured person, or similar occurrences. "Calls for Service" are non-criminal events documented for the purpose of measuring police activity, and to provide a reference marker for statistical data, such as providing information for lost and found items, assisting a homeless person or passenger with an issue, or reporting a section of inoperable lighting requiring repair. Byrd VS at 14 n. 11.

<sup>21</sup> Exhibit X, Amtrak Document 6428.

passengers were involved in an Incident at CUS for ██████████ Metra passenger Incident. A similar divergence, although slightly less pronounced, is found in reviewing the Amtrak's CFS logs, wherein, out of a total of ██████████ CFS, ██████████ were attributed by Amtrak to Amtrak passengers, and ██████████ to Metra.<sup>22</sup>

The predominance of Amtrak passenger Incidents and CFS's is also reflected in Amtrak's "heat maps."<sup>23</sup> The heat maps depict the station layout and levels of CUS, and ██████████ (██████████) ██████████ ██████████, areas that are less likely to be frequented by Metra passengers. V.S. Byrd, Ex. 9.

The attribution data amply reflected in Amtrak's Incidents and CFS logs, and Amtrak's heat maps, should put to rest any notion that allocation of police costs should involve any mere headcount of total passengers or train logs. Metra passengers ██████████ use of Amtrak's police services, and any allocation formula that ignores the data supporting that conclusion would violate the legal standards regarding usage (use of Amtrak's police services), and compel cross-subsidization in favor of Amtrak.

Fortunately, the data presented in Amtrak Document Nos. 6422 through 6428 provides a reasonable and documented (if incomplete) means of determining an appropriate allocation of actual policing costs to Metra. As mentioned previously, Amtrak's records of police activity attribute ██████████ and ██████████ total CFS's ██████████) to Metra passengers at CUS over the studied time frame. That is, over a recent three year and three month period, Metra passengers represent only ██████████ out of ██████████ total

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<sup>22</sup> Exhibit X, Amtrak Document 6422.

<sup>23</sup> Heat maps (Exhibit X, Amtrak Documents 6581 through 6599) are a graphic representation of data. In this instance, Amtrak police's heat maps reflect the layout of various floors at CUS with plotting of Incidents and CFS's, color coded to reflect the frequency of those events in various portions of CUS.

Incidents and CFS's) of Amtrak's CUS police responses.<sup>24</sup> That percentage — [REDACTED] — is the single best evidence of Metra passenger usage of Amtrak's Station Police Cost (a mandate for awarding costs in this docket), and that percentage should reflect Metra's share of Amtrak's CUS Station Police Costs.<sup>25</sup>

The modest [REDACTED]% cost allocation to Metra notwithstanding, Amtrak, as the petitioner here, bears the burden to establish that its method for allocating police costs is appropriate. Moreover, the allocation must, by necessity, turn upon data that is exclusively Amtrak's. Yet Amtrak has admitted that it [REDACTED] [REDACTED]),<sup>26</sup> despite knowing that Amtrak's attribution for Incidents and CFS's would be the most precise data for tracking Metra passenger use of Amtrak's police services at CUS. Any apportionment of Amtrak's CUS police costs to Metra beyond the documented [REDACTED] of Incidents and CFS's attributed to Metra passengers unfairly penalizes Metra for Amtrak's data failure. Amtrak, as the party with the burden of proof, cannot be rewarded for incomplete records, any more than Metra should bear the brunt of Amtrak's inaction. A prescription of more than [REDACTED] of Amtrak's Station Police Costs would require the Board to rely upon speculation as to Metra's actual use, all of which could have been avoided by more careful Amtrak record keeping.

Allocation of [REDACTED] of Amtrak's Station Police Costs to Metra attributes \$ [REDACTED] of those costs to Metra for 2016, and [REDACTED] for 2017.

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<sup>24</sup> The vast majority of Amtrak's Incidents and CFS's are not attributed by Amtrak to either Amtrak or Metra.

<sup>25</sup> As will be discussed shortly, a subset of Amtrak's overall Incident and CFS data is most appropriate for allocating Amtrak's K9 costs to Metra.

<sup>26</sup> V.S. Byrd, Ex. 7.

The absence of data on which to allocate more than [REDACTED] of Amtrak's CUS Station Police Costs to Metra is troubling. If Amtrak is not required to bear the entire burden of its failure to record relevant data, Amtrak Documents 6422 through 6428 suggest an alternative, yet still problematic, approach to police cost allocation. Specifically, the information therein [REDACTED] involving Amtrak passengers. A comparative ratio between Metra and Amtrak of Incidents and CFS's using the [REDACTED] of the records for which Amtrak attributed the event as between Amtrak and Metra passengers can be developed, and this ratio can be applied to CUS Station Police Costs to allocate all of those expenses.

Returning to Amtrak data on Incidents and CFS's at CUS for the January 1, 2016 through March 31, 2019 time frame, Metra passengers were involved in [REDACTED] total events, while Amtrak passengers, by contrast, accounted for [REDACTED] reported events. Collectively, these statistics account for [REDACTED] Incidents and CFS's recorded by Amtrak police at CUS. From this limited data, Metra accounted for approximately [REDACTED] of the [REDACTED], while Amtrak passengers were associated with [REDACTED] of them. In Amtrak Document 186 (V.S. Byrd Ex. 6) Amtrak rounds these percentages to determine that, as between Metra and Amtrak and excluding consideration of unattributed Incidents and CFS's, Metra should be allocated [REDACTED] of Station Police Costs at CUS, which Amtrak should bear [REDACTED] of such costs.

Of course, several problems arise from extrapolation of the [REDACTED] ratio of Incidents and CFS across the police responses at CUS. The attributed Incidents and CFS's [REDACTED] of the total number of Incidents and CFS's recorded at CUS by Amtrak [REDACTED]). Thus, the relatively small sample size could lead to large allocation errors with

relatively modest changes in the attributed Incidents and CFS. More fundamentally, logic indicates that many of the people requiring police services at CUS are not train travelers, but rather are food court patrons (open to the public), visitors admiring and photographing the Great Hall, or non-rail-passenger pedestrians simply using the CUS structure as a covered pathway to offices above CUS, or even individuals seeking shelter in CUS from inclement weather. Such third-party users of CUS, if they are attributable at all, should be attributed to Amtrak, which owns and operates CUS as a facility open to the public, and in fact invites the non-train riding public into the station to visit various vendors (vendors that pay rent to Amtrak for the privilege of operating businesses within CUS, rent of which Metra gets no cut) or allows them to walk through the structure. Use of the [REDACTED] ratio to cover Amtrak's Station Police Costs (beyond the [REDACTED] of police responses attributable to Metra) likely requires Metra to pay Amtrak for the police services that Metra provides to third party users of CUS, users that may provide some residual benefit to Amtrak, but none to Metra. However, because Amtrak cannot muster proof that Metra's use of Amtrak's police services exceeds [REDACTED] of the total documented users of Amtrak's police, the Board should refuse to allocate and Station Police Costs above that percentage to Metra.

Without solid data to know how many people (both rail customers and third-party users) inhabit CUS each day, it is impossible to determine what percentage of Amtrak's police expense is incurred policing for third party users. Suffice to say, however, that use of the [REDACTED] ratio for dividing police costs inevitably entails an overstatement of Metra's share of CUS policing costs. In the absence of Amtrak tendering some evidence to show what percent of its police responses are in support of third-party users (or, at minimum, some evidence of the total number of people inhabiting CUS on a daily basis, from which, with the passenger counts

already known for Amtrak and Metra, a count of third party users could be derived), the adoption of any allocation formula that does not account for third party users of CUS simply rewards Amtrak for its absence of records, at the expense of Metra.

Metra acknowledges that, when considering the usage of Amtrak police only as between Amtrak and Metra riders, and excluding policing of third party users for the sake of discussion, the █████ Metra cost allocation proposed by Amtrak is a somewhat plausible allocation alternative, putting aside its legal deficiencies and the serious limitations of Amtrak's policing data. However, if the Board is not inclined to excuse Amtrak from its burden of proof, and is prepared to require Metra to pay Amtrak for Amtrak's policing of third party users, the █████ allocation formula is a basis for division of those costs.

Use of a █████ allocation formula to assess Metra's share of Amtrak's Station Police Costs would result in Metra paying Amtrak \$1,187,869 based on 2016 costs (prior to indexing) and \$1,249,038 for 2017. V.S. Byrd, 17.

#### E. Cost Allocation – K9.

Police dogs (K9 Units) are used to detect illegal drugs or explosives. V.S. Byrd, 18-21. Many urban police forces employ dogs to assist in their detection of crimes and potential terrorist activities. At times, both Amtrak and Metra have recognized that Amtrak's expenses for K9 Unit expenses at CUS may merit a different allocation method than that selected to allocate Amtrak's Station Police Costs. The parties do not agree on what that different allocation method should be.

Amtrak suggests that █████ of CUS K9 Unit expenses should be allocated to Metra. V.S. Byrd Ex. 6. But elsewhere in that same document, Amtrak also appears to maintain that Metra should bear █████ of Amtrak's K9 Unit expenses based on ridership statistics. But



And it is clear that Amtrak wants Metra to pay for the lion's share of a cost [REDACTED]. Based upon the recorded occurrence data, Amtrak, as the [REDACTED] Metra the balance. Therefore, Metra's allocation of K9 Unit expense for 2016 would be \$6,352, and, for 2017, \$7,267.

F. Cost Allocation Summary.

Using the restated Station Police Costs and Amtrak's K9 Unit expenses, applying an appropriate G&A additive, and relying upon data and use-specific allocation, Metra's share of total annual CUS policing costs should be as follows:

<u>Using 4.28% of Station Police Costs</u>	<u>2016</u>	<u>2017</u>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Metra Share</b>	<b>\$127,454</b>	<b>\$140,914</b>

<u>Using 40% of Station Police Costs</u>	<u>2016</u>	<u>2017</u>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Metra Share</b>	<b>\$1,194,221</b>	<b>\$1,256,665</b>

G. Appropriate Index for 2016 and 2017 Calculations.

The above exercise reflects Metra's share of Amtrak's CUS police expenses as stated in 2016 and 2017 dollars. For the Board to set an annual payment from Metra to Amtrak in 2020 dollars, an index must be selected and applied. As discussed in later sections of this Opening Statement, the Core Personal Consumption Expenditures Price Index ("Core PCE") is an appropriate index to forecast CUS police cost changes. In fact, Core PCE [REDACTED] for its internal accounting of police expenses. V.S. Crowley/Mulholland, 24. Using a Core PCE of 3.84% to increase 2016 costs to reflect 2018 values, and a Core PCE index of 1.95% to inflate

2017 expenditures into 2018 values results in the figures used in the previous tables into 2018 dollars:

Using █████ % of Station Police Costs	2016	2017
Metra's Share of Station Police Costs	█████	█████
Metra's Share of K9 Unit expenses	█████	█████
<b>Total Metra Share</b>	<b>\$132,348</b>	<b>\$143,662</b>

Using █████ of Station Police Costs	2016	2017
Metra's Share of Station Police Costs:	\$█████	█████
Metra's Share of K9 Unit expenses	\$█████	█████
<b>Total Metra Share</b>	<b>\$1,240,079</b>	<b>\$1,280,803</b>

Looking first at the table reflecting a █████ allocation to Metra of Station Police Costs, the 2016 and 2017 amounts, restated into 2018 dollars, average \$█████. Applying a similar Core PCE index of 1.95% yields \$140,696 in 2019 dollars, and \$143,440 in 2020 dollars. Similarly, turning to the table reflecting a █████ allocation of Station Police Costs to Metra, and averaging the 2016 and 2017 totals, both restated into 2018 dollars, yields \$1,260,441, with an adjustment in 2019 to \$1,285,020, and 2020 to \$1,310,079.

#### H. Other Considerations.

Each year since at least 2016, Amtrak has qualified for \$10 million grant from the Department of Homeland Security. The Intercity Passenger Rail (“IRP”) grant program (found at 6 U.S.C. § 1163) is made available annually, but only to Amtrak. Grant money can be used to promote “sustainable, risk-based efforts to protect critical infrastructure and the traveling public from acts of terrorism.” V.S. Byrd, 23-24. Amtrak’s actual use of the grant money is protected as Sensitive Security Information (“SSI”) under 49 U.S.C. § 1520, so Metra cannot tell how much of the grant is used to defray policing costs. But Mr. Byrd is aware that activities such as terrorism training for Amtrak police officers qualifies as an acceptable use of the grant. Undoubtedly, Amtrak uses some portion of its IPR grant money for items listed on its police

budget. Because deployment of the federal funds is confidential, Metra is unable to suggest a precise deduction from its annual police payment to account for the grant. But all uses of the IPR grant for police budget line items should disqualify those grant-covered expenses from reimbursement by Metra.

Further, Amtrak announced in February that it was undergoing a shift in police strategy, deploying police officers to ride Amtrak trains more frequently, and devoting less police hours to patrolling Amtrak stations. V.S. Byrd, 26. The February 21, 2020 edition of the WASHINGTON POST reported that the shift in policing strategy is designed to bolster police visibility on trains in response to an increase in crimes on Amtrak trains.<sup>28</sup> The extent of the shift of officers from stations to trains wasn't discussed in the article, and how much the shift will affect officers stationed at CUS is unknown. But any future shift of officers away from CUS should result in a corresponding reduction in Metra's CUS policing cost allocation.

Metra also notes that CUS is not open 24 hours per day, but is instead usually closed between 1:00 AM and 5:00 AM. V.S. Byrd, 26. Amtrak nevertheless stations officers at CUS during that time frame, but no Metra trains are scheduled then. A portion of Metra's share of Amtrak's Station Police Costs is paying for officers when no Metra passengers are in the station.

Finally, Metra is already paying separately for CUS security services. V.S. Byrd, 27. As an element of Metra's contract with BNSF for that railroad's operation of certain of Metra's trains, Metra pays BNSF to furnish qualified police officers to provide Metra platform security at CUS. These off-duty officers handle a variety of security-related tasks that might otherwise fall to Amtrak's police.

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<sup>28</sup> Downloaded on April 16, 2020 from [https://www.washingtonpost.com/local/trafficandcommuting/amtrak-is-shifting-police-officers-from-stations-to-trains/2020/02/20/9bf7d874-330a-11ea-91fd-82d4e04a3fac\\_story.html#comments-wrapper](https://www.washingtonpost.com/local/trafficandcommuting/amtrak-is-shifting-police-officers-from-stations-to-trains/2020/02/20/9bf7d874-330a-11ea-91fd-82d4e04a3fac_story.html#comments-wrapper); See also, V.S. Byrd, Ex. 11.

## II. STATION OPERATIONS AND MAINTENANCE (ISSUE 2.4)

Among the chief components of the expenses that Amtrak incurs for the benefit of Metra service is the cost to operate and maintain those portions of the CUS edifice that, among other things, house certain of Metra's ticketing windows and staff quarters, and through which many, but certainly not all,<sup>29</sup> Metra passengers traverse to access Metra trains. As relevant here, the "Station" as defined by Amtrak, consists of those portions of the CUS structure generally deployed in the support of railroad passenger services, and includes the basement, concourse, and mezzanine. V.S. Terry, Ex. 7. The Station excludes building areas that are unrelated to, and do not support, railroad transportation services, including several floors of office space that Amtrak could rent to commercial tenants.

As set forth below, Metra's share of Station Operation and Maintenance ("SOM") costs, is \$1,795,731 for 2018 (deriving from adjusted 2018 SOM costs of \$12,215,859), \$1,830,748 for 2019, and \$1,866,448 for 2020.

Metra's computation of its annual share of SOM costs derive from Amtrak-supplied SOM cost data for 2016 and 2017. As elaborated upon in the sections following, the distinctions between Amtrak's and Metra's respective computations of Metra's annual share of SOM costs result, generally, from: (a) disagreements over the appropriate cost allocation formula—one relating to station square footage (and corresponding square footage allocations), and the other concerning the formula for determining Metra's relative use of station common areas in 2016 and 2017; and (b) disagreements over the appropriate scope of a general and administrative ("G&A") cost additive that Amtrak has included in annual SOM costs, and over

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<sup>29</sup> For example, for Metra trains operating to and from the north side CUS platforms, passengers can and do access Metra trains via stairways connecting to Madison Street, allowing passengers to bypass the areas defined herein as the Station.

the use of a suitable inflationary index used to restate the average of 2016 and 2017 SOM costs into 2018, 2019, and 2020 dollars.

A. Spatial Formula Ratio and its Calculation

The parties agree that Metra should bear reasonable SOM costs that Amtrak incurs for those areas reserved for Metra’s exclusive benefit, and for an appropriate share of reasonable SOM costs for areas of the Station that commonly benefit Amtrak and Metra. In order to determine Metra’s SOM contribution, Metra understands that the parties have agreed to the following basic spatial formula—Spatial Formula Ratio (“SFR”)—as an SOM allocation factor to apply against total, annual Amtrak SOM costs to determine Metra’s portion of those costs:

$$\frac{(\text{Metra exclusive use square footage}) + [(\text{Usage Factor}) \times (\text{common benefit square footage})]}{\text{Total Station square footage}}$$

While Metra and Amtrak agree about how the SFR would be calculated; the total Metra exclusive square footage; and the residual amount of square footage subject to dispute, (Verified Statement of Alvin T. Terry (“V.S. Terry”), 2; *id.* at Exs. 2, 3-4), they do not agree on: (a) the Usage Factor; (b) total common benefit square footage; or (c) the total Station square footage upon which costs should be allocated. That leaves it to the Board to determine the correct SFR. The correct SFR—that is the factor that should be applied to the Board-adopted 2018 Amtrak SOM costs—is 14.7%. Following, Metra will explain each of the inputs that support its SFR calculation.

*1. The Usage Factor*

Because certain areas of the Station are used in a way that commonly benefits Metra and Amtrak, the parties have agreed that common benefit areas will be allocated based upon a relative (or “weighted”) factor—the Usage Factor—that will determine the percentage of

common benefit Station square footage to be attributed to Metra for purposes of SOM cost allocation. The appropriate common benefit Usage Factor is 82.15%, meaning that Metra would assume 82.15% of Amtrak's SOM costs allocated to common benefit areas based on total Station square footage, while Amtrak would shoulder the remaining 17.85% of those costs. The parties have agreed that the Usage Factor will be calculated as the average of: (a) Metra's 12-month passenger counts at CUS as a percentage of the total (Amtrak and Metra) 12-month passenger counts at CUS;<sup>30</sup> and (b) Metra's FY 2017 CUS train counts as a percentage of the total (Amtrak and Metra) FY 2017 train counts at CUS;<sup>31</sup> as represented in the following equation:

$$\frac{(\text{Metra passengers/CUS passengers total}) + (\text{Metra trains/trains total})}{2}$$

The parties are likely not far apart on the appropriate Usage Factor. However, as explained in the V.S. Crowley/Mulholland, Amtrak's assumed Metra passenger count is over-inclusive, because Amtrak mistakenly has assumed that each passenger riding Metra trains operating to and from CUS alights and boards at CUS, respectively, when that is not the case. That mistaken assumption results in a roughly 6.4 million Metra passenger over-count. V.S. Crowley/Mulholland at 16. In fact, many Metra passengers riding trains operating to and from CUS do not use CUS, because they instead board and alight at intermediate stations. Metra properly adjusts to the correct Metra ridership statistics. *Id.* Moreover, as Crowley/Mulholland have explained, Amtrak failed properly to weight train counts when factoring the ratio for Metra's per-train usage of CUS, modestly overstating the percentage of Metra trains at CUS, compared to total train counts. *Id.* at 17. Accounting for Amtrak's erroneous passenger count,

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<sup>30</sup> Metra ridership counts used in this process derive from September 2016-August 2017 data; corresponding Amtrak ridership data is based on October 2016-September 2017 figures.

<sup>31</sup> Metra and Amtrak train counts are each based on October 2016-September 2017 data (Amtrak's FY 2017).

and overstatement of Metra's share of total CUS trains, Metra has determined that the appropriate Usage Factor is 82.15%. *Id.* at 17.

### *2. Metra Exclusive Square Footage*

Metra and Amtrak have conferred in an effort to reach an accord on the portions of CUS used in support of rail transportation that are apportioned exclusively to Metra, exclusively to Amtrak, and those that are used in common by Metra and Amtrak. The parties agree that at 10,629 square feet of CUS are dedicated to Metra's use and exclusive benefit. See *V.S. Terry* at 2. Metra submits that the agreed-upon minimum square footage allocation for Metra's exclusive benefit (10,629) is all of the space that Metra uses for its exclusive benefit.

### *3. Metra/Amtrak Common Benefit Square Footage*

Here, also, the parties have agreed that there is at least 74,850 square feet of "common benefit" floor area at CUS. However, the parties disagree as to whether any additional CUS floor area should be added to that square footage amount. Metra maintains that 74,850 of square feet is indeed the correct amount of common benefit floor area. See *Id.* at 2, 5-9.

### *4. Total CUS Square Footage*

Metra and Amtrak have agreed upon CUS floor area that is used in support of rail transportation services as depicted in Document 5283 provided by Amtrak. *V.S. Terry* Ex. 8. This square footage is apportioned over three different levels of CUS—the basement, concourse, and mezzanine. On the basis of the square footage shown in the Amtrak documents, Metra submits that the total floor area of CUS used in support of rail transportation is 489,555 square feet. *V.S. Terry* at 3-4. This total square footage accounts for areas exclusively supporting Amtrak transportation services (404,076 square feet), areas exclusively supporting Metra

transportation services (10,629 square feet), and areas that commonly benefit Metra and Amtrak transportation services (74,850 square feet).

*5. Applying Allocated Station Square Footage to Calculate SFR*

Factoring Metra's inputs into the above, agreed upon equation for calculating SFR, Metra can show that the appropriate SFR is 14.7%, calculated as follows:

$$\frac{10,629 \text{ square feet} + [(0.8215) \times 74,850 \text{ square feet}]}{489,555 \text{ square feet}} = 14.7\%$$

B. Calculation of 2018 Station Operation and Maintenance Costs and Beyond

In attempting to determine Amtrak's SOM costs, Amtrak used overall CUS cost data. Additionally, in an effort to resolve this dispute, Amtrak took 2016 and 2017 CUS cost data and classified by function (maintenance of way, SOM, policing, and dispatching), placing each of the numerous cost inputs into one of the aforementioned four cost categories. As best Metra can tell, there is no systematic manner in which Amtrak accounted for the SOM costs it seeks to allocate to Metra, either at incurrence, or in its accounting records, or for any of the other three cost categories, for that matter. Rather, in assembling its proposal for Metra's payments for the use of CUS going forward, Amtrak relied on the exercise of classifying and segregating cost inputs from overall 2016-2017 Amtrak data. Amtrak did not repeat this CUS cost allocation process among the four expense categories for 2018 costs.

The challenge for Metra is either to accept Amtrak's purported costs and cost classifications—as opaque, subjective and unverifiable as Amtrak's costing information and classifications may be —or to concoct its own universe of Amtrak cost inputs and assumptions. In that regard, the parties to this case are in a disagreement that largely centers upon the use of a

building in downtown Chicago, including the costs to maintain and operate that building and to keep it and its users secure, for which only Amtrak data is available. As such, the parties find themselves in a dispute under which expenses cannot reasonably be determined using “default” cost metrics, such as the well-known Uniform Rail Costing System (“URCS”) that is applicable to railroad cost of service issues presented to the Board. Metra, frankly, has little option but to accept Amtrak’s cost data.

Under these peculiar circumstances, the parties have agreed to use Amtrak’s 2016 and 2017 cost data as the basis for projecting post-2017 SOM costs, and, in turn, respective SOM cost allocations in to the future. Annual SOM costs, as indicated, would be allocated on a going-forward basis according to the SFR of 14.7%.

To arrive at 2018 SOM costs (and beyond), the parties have resolved to take Amtrak’s base SOM costs for the years 2016 and 2017, include a G&A additive (although Metra questions the propriety of such an adjustment), and then restate each year’s SOM costs (including a G&A additive) to 2018 dollars by way of an appropriate inflationary index. The average of 2016 and 2017 costs so adjusted would result in a 2018 SOM cost figure that the parties have agreed would serve as the foundation for the computation of SOM costs after 2018. Specifically, the parties anticipate, that the subject inflationary indices would be applied to the 2018 SOM cost to establish 2019 and 2020 SOM costs, and for years thereafter. Additionally, Metra’s share of SOM costs (the “SOM Contribution”) would be 14.7% of that particular year’s SOM cost figure. Stated as equations, Metra’s SOM Contribution for any given year after 2018 would be determined as follows:

$$\text{SFR} \times [(\text{2018 SOM costs}) \times (\text{index})] = \text{SOM Contribution}$$

Or, as simplified,

$$\text{Prior year's SOM contribution} \times \text{Core PCE index} = \text{SOM Contribution}$$

As explained above, Metra's and Amtrak's respective 2018 SOM and SOM Contribution calculations derive from Amtrak-supplied SOM figures for the years 2016 and 2017. See Amtrak Document 5283, Station Cost Allocation Tab, Columns D (2016 = [REDACTED]), included in the workpapers associated with the V.S. Crowley/Mulholland. (V.S. Crowley/Mulholland, WP 6). To be clear, however, Metra does not accept the Amtrak-supplied 2018 SOM cost estimate for reasons discussed below, but it uses Amtrak's 2018 SOM figure as a starting point, and has made adjustments as necessary to more accurately reflect SOM costs and to project SOM costs for subsequent years.

The intended ending point of the SOM costs exercise is to arrive at a mutually-acceptable SOM Contribution for Metra, including, of course, application of an agreed-upon inflationary index, and, barring that, for the Board to determine the appropriate 2018 SOM cost figure, Metra's SOM Contribution, and, as part of that process, to designate an index to be applied in future years. Again, Metra has determined that the 2018 SOM Contribution is \$1,795,731 (from adjusted 2018 SOM expenses of [REDACTED]), and that the SOM Contribution for 2019, would be \$1,830,748.<sup>32</sup> To gain an understanding of how Metra arrived at the 2018 SOM Contribution amount, Metra offers the following discussion of the foundational Amtrak Model for SOM costs, and explains its adjustments to Amtrak 2018 SOM expenses, including the application of an appropriate inflationary index.

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<sup>32</sup> Metra understands that Amtrak will assert that Metra's 2018 SOM Contribution should be \$5,350,519 (with total adjusted 2018 SOM expenses of \$12,801,311).

### *1. Amtrak's 2018 SOM Cost Model*

Amtrak's initial calculation of 2018 SOM expenses is reflected in a series of ledger entries and a subsequent inflationary adjustment known generally (and collectively) as the "Amtrak Model" (Amtrak 0005283). The Amtrak Model estimates an adjusted total of \$ [REDACTED] in 2018 SOM expenses (excluding a portion of SOM costs allocated to dispatching—discussed below).<sup>33</sup> As shown in the sections following, Metra has corrected Amtrak's estimate of 2018 SOM costs—and the Metra's 2018 SOM Contribution—by replacing the Amtrak Model's G&A additive with a more appropriate G&A adjustment, and by adopting and applying a more accurate and better-suited inflationary index. See V.S. Crowley/Mulholland at 23-25.

The Amtrak Model is one of two Amtrak-advanced SOM Contribution calculations. Specifically, while the Amtrak Model estimates the 2018 SOM Contribution at \$ [REDACTED] Amtrak separately has proposed in its Access Agreement (bearing a proposed May 1, 2019 effective date) a 2018 SOM Contribution of \$ [REDACTED] and a 2020 SOM Contribution of \$ [REDACTED]. Compare V.S. Byrd Ex 5 and V.S. Crowley/Mulholland WP 7. Metra asked Amtrak to explain the discrepancy between Amtrak's two proposed 2018 SOM Contribution figures, whereupon Amtrak offered Amtrak0005990.xlsx to demonstrate Amtrak's so-called "outside adjustments" to the Amtrak Model's cost figures.

Amtrak's "outside adjustments" appear to relate to Great Hall costs that are unsupported by expense materials provided by Amtrak, and to a so-called [REDACTED] adjustment that is also unsupported and unjustified. *Id.* at 20. By comparison, the Amtrak Model 2018 SOM, despite its overstatement of costs, at least can be adjusted to show a rational summation of the respective values of Amtrak's asserted SOM cost inputs, where the "outside

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<sup>33</sup> See V.S. Crowley and discussion therein of Amtrak0005283.xlsx at tab "Summary-Operating."

adjustments” are not explained adequately, if at all. Accordingly, for purposes of the analysis that follows and the calculation of the appropriate 2018 SOM Contribution, Metra has decided to work from the Amtrak Model’s 2018 SOM figure of \$ [REDACTED], and, from there, make adjustments to account for the Amtrak Model’s flawed elements.

According to Messrs. Crowley and Mulholland, total SOM Costs for 2016 and 2017 (again, the basis for determining 2018 SOM costs) derive from Amtrak’s data file labeled as Amtrak0008162.xlsx, containing [REDACTED] line items that collectively make up the universe of 2016-2017 SOM expenses included in the Amtrak Model. The Amtrak model increases its base 2016-2017 SOM costs to include a general and administrative (“G&A” or “overhead”) additive averaging [REDACTED] per year. Id at 8-12. Next, the Amtrak Model escalates the 2016 and 2017 expenses (including G&A) to 2018 dollars using an Amtrak-created blended index. Next, the indexed 2016 and 2017 expenses are averaged, and the resulting average forms the basis for Amtrak’s total 2018 SOM calculation of \$ [REDACTED]

But the Amtrak Model’s SOM and the corresponding SOM Contribution are overstated due to: (1) the application of an inflated G&A additive to Amtrak SOM cost inputs that, if used, would deliver a statutorily-prohibited cross-subsidy in favor of Amtrak; and (2) Amtrak’s use of an inappropriate escalator (index) and a technical error in the application of that index which, together, over-inflate Amtrak’s 2016 and 2017 costs adjusted to 2018 dollars.

## *2. G&A Additive Adjustment*

Metra believes that a G&A additive is unwarranted as a general matter, but nevertheless accepts the application of an overhead additive in the spirit of compromise, just not the inflated, roughly [REDACTED] inflationary factor that Amtrak has used in its Model to [REDACTED] indexed SOM costs. Rather, following a careful itemized assessment of Amtrak’s alleged G&A

cost inputs, Metra is willing to regard some of those costs inputs are arguably defensible, but it has concluded that other G&A cost inputs—\$ [REDACTED] [REDACTED] are unjustified under the circumstances. Therefore, Metra has excluded certain of Amtrak's inputs from its compromise G&A factor. *Id.* at 11. Metra notes that Amtrak's expenses for operating and maintaining CUS (an urban, multi-use Amtrak property holding) are largely removed from the costs of Amtrak's core function of providing intercity train service across its various routes. As such, Amtrak's proffered G&A adjustment is little more than an attempt by Amtrak to pad its income, despite the fact that Metra's use of CUS consumes very little, if any, Amtrak overhead. *Id.*

Again, setting aside the position that it should be responsible for none of Amtrak's overhead, Metra proposes a G&A additive of 3.73% for 2016 and 3.03% for 2017, reflecting arguably valid overhead cost inputs. *Id.* at 12.

The use of Amtrak's proposed G&A additive would result in Metra contributing to Amtrak's overall G&A costs, much of which have nothing to do with CUS but rather with Amtrak's core function of providing intercity rail passenger service, and for which Metra derives absolutely no benefit. Accordingly, Amtrak's G&A additive subjects Metra to costs that, beyond contributing fairly to Amtrak G&A as related to the costs of operating and maintaining the Station, deliver a statutorily-prohibited cross-subsidy to Amtrak. Again, it could be argued that any G&A adjustment results in an impermissible cross-subsidy.

Applying Metra's more appropriate G&A additive in place of Amtrak's, the 2018 SOM would be reduced by \$ [REDACTED] resulting in a restated 2018 SOM of \$12,585,237. *Id.*

### 3. Cost Escalator/Index Adjustment

In order to calculate Amtrak's 2018 SOM costs from Amtrak's 2016 and 2017 SOM cost data, Amtrak has applied to the 2016/2017 costs (as adjusted by way of a G&A additive) a "Composite Inflator." This Composite Inflator—[REDACTED]—[REDACTED]—is neither an accurate nor an appropriate escalator to be applied to SOM costs. *Id.* at 21. Additionally, Amtrak's Model includes a technical error which results in a miscalculation (overstatement) of the 2017 to 2018 inflation rate under its Composite Inflator Index. *Id.* at n. 45.

Amtrak materials documenting the development of its Composite Inflator show that the index itself reflects application of a different inflationary index—the Core Personal Consumption Expenditures ("Core PCE") Index—to the cost items that make up the SOM category. These Amtrak-supplied documents reveal that Core PCE alone is the appropriate index, because Amtrak applies the Core PCE to [REDACTED] costs to develop the Composite Inflator. *Id.* at 22.

Amtrak's application of the Composite Inflator here instead of Core PCE not only deviates from Amtrak's normal course of business in dealing with SOM-related expense categories, but it also substantially overstates SOM cost increases over time. *Id.* at 23-24. Accordingly, Metra has chosen to apply the Core PCE Index to 2016/2017 SOM cost data. After making appropriate G&A adjustments to Amtrak's 2016 and 2017 SOM cost data (as discussed previously), and then applying Core PCE indexing to the revised costs, the 2018 SOM is further reduced by \$216,765, resulting in a fully-restated 2018 SOM of \$12,368,472.

### 4. Dispatching SOM Cost Allocation

Although the parties have been unable thus far to agree on Metra's share of SOM costs, they have reached an accord on Metra's share of certain other CUS costs. As relevant here,

the parties have stipulated to Metra's allocation of dispatching costs for 2020, which will serve as a base for establishing Metra's share of these costs in subsequent years. As part of the resolution of dispatching costs, and setting aside methodological differences on SOM allocation for this limited purpose, the parties have agreed to re-designate \$152,163 of the aggregate 2018 SOM costs as costs associated with the upkeep and operation of Amtrak's CUS dispatching office.

This agreed-upon re-allocation of SOM costs to dispatching is factored into Metra's calculation of its portion of remaining SOM costs. In Metra's case, following the above-described G&A and 2016-2017 cost indexing adjustments (each of which also reduces overall SOM costs), the adjusted 2018 SOM is then reduced by the agreed-upon \$152,163, producing a 2018 adjusted SOM of \$12,215,859.

### C. Metra's 2018 SOM Contribution

As explained above, Metra's annual contribution to Amtrak CUS station operation and maintenance costs incurred for the benefit of Metra's passenger train service would be calculated under the agreed-upon SOM Contribution formula as follows:

$$\text{SFR} \times \text{SOM cost} = \text{SOM Contribution}$$

In the foregoing sections, Metra has explained that the appropriate SFR is 14.7% (or 0.147), and Metra has explained how it has arrived at a 2018 adjusted SOM cost of \$12,215,859, and how and why that estimate differs from (and is more accurate than) the 2018 SOM estimate included in the Amtrak Model. Applying both factors into the equation (as shown below) yields an appropriate 2018 SOM Contribution for Metra of \$1,795,731:

$$0.147 \times \$12,215,859 = \$1,795,731$$

Again, applying the Core PCE Indexing to 2018 SOM, Amtrak's 2019 and 2020 SOM costs, respectively, are \$12,454,069 and \$12,696,923, using Amtrak-supplied Core-PCE indexing for 2019 and 2020 of 1.95% for each year (*id.* at 23), while Metra's corresponding annual SOM Contribution would be \$1,830,748 and \$1,866,448, respectively.

### **III. GROUND POWER (ISSUE 2.5)**

Amtrak supplies "stand-by" ground power at CUS—480 volt electrical power—to avoid diesel exhaust emissions that would otherwise issue from idling locomotives at CUS platforms. The use of this ground power would be unnecessary but for the fact that the CUS platforms, particularly the north platforms, are completely covered, blocking the normal escape of exhaust upward into open air. The need for Amtrak-supplied stand-by electrical power is a direct result of CUSCo's decision years ago to allow for the development of its air rights (to CUSCO's financial gain) above the north platforms of CUS.

In trading in the air rights at CUS, CUSCo (and now Amtrak) earned, considerable real estate income, but the development of the air rights also triggered the need for locomotive exhaust remediation. See gen. Exhibit A (produced as Amtrak Document No. 5274 et seq). So, while Amtrak (as the putative-but-illegitimate successor to CUSCo) has chosen to benefit from trading in CUS air rights, and to develop a separate stream of income from that development, it now expects Metra to subsidize its air rights arrangements by paying for stand-by power that would be unnecessary but for CUSCo's real estate enterprise.

Accordingly, neither the Amtrak-supplied stand-by electrical power nor the ventilation systems also used to channel away otherwise trapped locomotive exhaust are costs of transportation to be allocated between the parties under Section 24903. Rather, they are the costs stemming from Amtrak's unilateral decision to trade in air rights development above the CUS

platforms, and they exist strictly for the benefit of Amtrak (as a real property investor) and the users of the air rights development.

Amtrak already ██████s the costs of locomotive exhaust remediation from the users of the air rights development that enclose on the CUS north side platforms. See, e.g., Lease between Chicago Union Station Company and Chicago Daily News Printing Co., Amtrak Document No. 7372, 164 (Exhibit B); Amtrak Document No. 6991, Article 6 (Exhibit C) (acquisition of CUSCO's air rights at location of 10 S. Riverside Plaza subject to acquiror's ██████); Amtrak Document No. 7095, Article 6. (Exhibit D) (again, conditioning transfer of CUSCo's air rights upon ██████ obligations).

The foregoing documents reveal that Amtrak is attempting to ██████ on exhaust remediation in an effort to force Metra to subsidize Amtrak's non-rail transportation real estate business. The building improvements—and their concomitant ventilation systems—are not rail assets for which Amtrak can seek recovery, because they are not useful for transportation. *Penn C. Corp. v. United States Rwy. Assoc.*, 475 F. Supp. 165, 167. In fact, those improvements are detrimental to rail transportation in that they simply increase transportation costs. Certainly, Metra could be charged for use of air rights if it had any, but it cannot expected to contribute to the costs of air rights developments it does not use, and from which it does not derive any financial benefit.

For these reasons, Amtrak's demand for contribution to ground power costs is a blatant Amtrak cross-subsidy grab, and it reflects the depths of Amtrak's misguided sense of entitlement. It is precisely the form of cross-subsidy that the law prohibits. See *Boston & Me. Corp v. ICC*, 911 F.2d 743, 752 (D.C. Cir. 1990), *rev'd on other grounds*, 503 U.S. 407 (1992).

Accordingly, ground power costs must be excluded as not constituting a cost of transportation, and also because Amtrak's proposed charge is not specific, quantified or verified.

#### **IV. OPERATIONS COSTS INDEX (ISSUE 2.6)**

For internal forecasting purposes, Amtrak applies the Core Personal Consumption Expenditures ("Core PCE") index for the vast majority of CUS expense inputs that factor into the subject cost allocation proceeding. See V.S. Crowley/Mulholland, 23-25. Specifically, Amtrak applies Core PCE to forecast roughly █████ station operations and maintenance ("SOM") expenses; █████ of police expenses; █████ of maintenance of way ("MOW") expenses; and it is applied to more of Amtrak's dispatching cost inputs than any other inflationary factors Amtrak applies. *Id.* In all, Amtrak itself uses Core PCE to forecast roughly █████ of the aggregate of all CUS expenses for SOM, dispatching, MOW, and police. *Id.*

Metra examined whether Amtrak's application of the projected Core PCE rate could be ratified with independent empirical evidence, to ascertain whether inflation patterns for certain CUS costs corresponded to Core PCE. Metra employed a market basket-index ("MBI") selecting relevant indexes for services, utilities, materials, and labor in the Chicago area market and weighting them on the observed distribution of 2016-2017 SOM expenses. See *Id.* at 22 and Ex. 5). The MBI was not purposefully built or tailored to mimic PCE so as to achieve a desired result, but rather is based on CPI—a different set of inflationary indexes than PCE. *Id.* Even so, the MBI validates the use of Core PCE. The MBI resulted an actualized adjustment of 1.9% on the 2016-2017 average costs; Core PCE was nearly identical at 1.92%. Amtrak's use of Core PCE is plainly a reasonable proxy of inflation for the costs in issue here.

In light of Amtrak's broad application of Core PCE to the CUS costs it seeks to allocate, and the independent, empirical validation Metra has undertaken through its experts,

Metra agrees that Core PCE is a very sound and effective basis for making annual inflation adjustments to allocated CUS costs, particularly when compared to the use of an alternative index, such as AAR Quarterly Index of Chargeout Prices and Wage Rates (“AAR Index”). See *id.* at 24.

Given Core PCE’s demonstrable utility and adhesion to relevant price movements, Metra proposes Core PCE should be applied to any Board-prescribed terms and should be adopted as the method by which future year costs will be projected for future years, ensuring predictable payments without the need for reconciliation. For those years in which the annualized Core PCE index is known, the real annualized index calculated by the federal Bureau of Economic Analysis would be applied to bring the Board-determined compensation values forward until the time of prescription (pursuant to the Board decision in this matter). For each year in the term after the Board’s decision, the Federal Reserve System forecast of annual Core PCE (as published in December of each year by the Federal Reserve Bank of St. Louis) would be applied to the forthcoming year’s compensation.

Thus, if the Board is to prescribe the application of an annual cost index, it should adopt Core PCE, the index that Amtrak [REDACTED] and, more importantly, one that correlates with demonstrable, empirical changes in the types of costs relevant here. Doing so is consistent with the primary objective of this proceeding – to arrive upon a reasonable measure of costs incurred in the provision of transportation, and it avoids the potential for proscribed cross-subsidization in favor of Amtrak. For these reasons, the Core PCE Index should be employed as a single, uniform cost adjustment, particularly since Amtrak and Metra agree that it is relevant to [REDACTED]% of all costs subject to allocation in this matter.

**V. PRESCRIPTION OF FIXED CAPITAL EXPENSES TO METRA IS UNNECESSARY AND UNWARRANTED (ISSUE 3.1(a))**

On 38 past occasions Metra has agreed to Amtrak's request for contribution to specific CUS capital projects on a case-by-case, project specific basis, meeting capital needs cooperatively and without formal dispute. See gen. Exhibit E. Metra's annual share of case-by-case CUS capital expenses has averaged over \$4,000,000. Exhibit F. For these reasons, Board-prescribed capital expense contributions from Metra to Amtrak are entirely unnecessary. At most the Board should prescribe the parties' preference for arbitration to resolve any (currently unforeseen) dispute that may arise on the subject.

**A. There is no need for capital expense prescription.**

Despite an extensive and consistent track record of reaching successful, project-by-project accords on capital expense contribution for CUS, the Proposed Agreement would require Metra to make so-called Tier 1 and Tier 2 capital contributions to cover unknown, unspecified, and speculative Amtrak capital projects. Amtrak insists upon these annual contributions despite not knowing what projects they will fund or the cost of those projects.<sup>34</sup> Amtrak maintains that if Metra does not accept Amtrak's demand, then the Board must step in to mandate that Metra make specific, annual contributions to cover a portion of Amtrak's future CUS capital spending.

Amtrak has tendered solution in search of a problem. There is no genuine dispute, and certainly not one that is ripe or that warrants Board intervention to impose specific

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<sup>34</sup> It is clear that Amtrak's capital contribution demands are entirely speculative and unsupported. See, e.g. Amtrak Response to Interrogatory No. 94 (Exhibit F) (acknowledging that Amtrak-supplied capital expenditure data offered in support of its capital contribution request bore no relationship "to either Tier 1 or Tier 2 Recapitalization Costs."); Amtrak Response to Interrogatory No. 119 (stating that "No calculations were undertaken in support of the utilization of a 10-year cost of good repair factor [for determining Metra's annualized capital contribution under Amtrak's proposal]. The 10-year period was based on the fact that Amtrak's proposal was for a 10 year period" (V.S. Terry Ex. 5, 4).

contribution amounts. Metra has not rejected any Amtrak-demanded for project-specific capital contribution. Although the parties have been unable to agree about the amount Metra should pay for its use of CUS in the absence of a governing contract, there is simply no evidence to suggest that Metra would not continue to reach an accord with Amtrak on CUS capital expenses, as Metra has for more than four decades.

Board precedent rejects the proposition advanced here by Amtrak that the agency can, or ever should, prescribe definite amounts for future capital expenses where the capital expenses are conceptual, unspecified, and speculative. *Atchison, T. & S.F. Ry. Co. — Operating Agreement — Southern Pacific Transp. Co.*, 8 I.C.C.2d 297, 299 (1992) (“*Santa Fe II*”) (declining one party’s request to prescribe future capital contribution for theoretical, future capital projects that were neither formally proposed nor presently disputed); *and see New England Central Railroad — Trackage Rights Order — Pan Am Southern LLC*, Docket No. FD 35482 (STB served Oct. 31, 2017) 29 (detailing with skepticism petitioner’s request for a Board order requiring the trackage rights user to pay for unspecified future “Major Capital Projects”); *cf. National Railroad Passenger Corporation and Consolidated Rail Corporation — Application under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation*, Docket No. FD 32467 (ICC served Jan. 19, 1996), 16 (“There is no reason to use an indirect measure of expenditures, based on a projection of what might happen many years down the road, when a direct measure of what has happened in the recent past has already been calculated”).

Neither Metra nor the Board should have to wade through the extensive speculation and deficiencies in Amtrak’s capital plan and cost projections now, or ever. For these reasons, the Board should declare Amtrak’s request for prescribed, forward-looking capital

contribution for as-yet-unspecified CUS capital projects unripe for adjudication and unwarranted under guiding precedent.

B. At most, the Board should require the Parties to negotiate and recognize their common desire to arbitrate disputes

Because neither Amtrak nor Metra can accurately forecast future CUS capital expenditures, the Board may consider, if it believes any action should be taken now on capital project cost allocation, the following two-step process: (1) the parties shall commit to good faith negotiation; and (2) if either party declares an impasse on capital cost allocation, that party may initiate dispute resolution in accordance with the Amtrak Proposed Agreement, Section 18, with the added requirement that any award resulting from such dispute resolution processes must conform with Section 24903.

This is consistent with the Board's historical approach to capital cost issues and dispute resolution. *See gen. Use of Alternative Dispute Resolution Procedures*, 8 I.C.C.2d 657 (1992). Most importantly, Metra's proposal, unlike Amtrak's, eliminates speculation as to capital needs. The Board may thereby avoid, for example, speculation concerning the need for, or cost of, replacing air conditioning at CUS (as a hypothetical illustration). Metra's proposal avoids miring the Board in "minute detail." *Atchison, T. & S.F. Ry. Co. — Operating Agreement — Southern Pacific Transp. Co.* 331 I.C.C. 367, 383-84 (1967) ("*Santa Fe I*").

*I. Negotiation*

Only private negotiation can offer the sort of flexibility that has been a hallmark of Metra's longstanding relationship with Amtrak. It also recognizes that, in any given year, Metra may, if warranted, agree to much more than the \$1.7 million Tier 1 contribution Amtrak

demands. And Metra and Amtrak will have the flexibility to structure a contribution schedule that is best-suited to contemporary needs.

Board precedent requires the parties to engage in mutual, project-specific discussions. *Santa Fe II*, 8 I.C.C.2d at 299 (“we view the parties as having the duty in the first instance to seek to negotiate an agreement on this matter.”). Indeed in *Santa Fe II*, the agency declined to address the specter of a potential capital dispute that might not occur at all. *See id.* Nor can a dispute be created at the mere insistence of one party. *Santa Fe II* rejects the notion advanced here that Metra should be required to pay at the *diktat* of Amtrak without good faith negotiation.<sup>35</sup> *See id.* (declining to “allocate [capital] costs . . . at the initiative of only one party”). The Board should again reject one party’s assumption—unsupported in light of 38 consecutive accords—that a future disagreement on capital expenses will arise so as to warrant prescriptive relief without negotiation. Consistent with the law, Metra remains ready and willing to negotiate its contribution to future capital expenses for CUS as Amtrak presents those expenses, and it believes that the parties will continue to reach an accord on a case-by-case basis as capital needs arise—as they have in the past with regard to every specific project need presented to Metra.

## 2. Arbitration

Metra proposes to resolve disputes in the event of failed negotiation via arbitration, in accord with the Proposed Agreement. By design, arbitration minimizes Board intervention and honors Board preferences for alternative dispute resolution, particularly those that relate to contractual relationships. As Board precedent states: “[t]here is nothing in the

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<sup>35</sup> See Amtrak Proposal, 12.3.1 (“For Tier 1 Investment projects, Amtrak will determine the projects to be funded in each Contract Year and Amtrak agrees to spend such capital contributions in accordance with their intended uses . . . For Tier 1 contributions, Metra will not have the ability to . . . reject projects.”).

[Interstate Commerce Act] compelling this [agency], after it has established terms and conditions, to referee their application in minute detail . . . Arbitration provisions . . . are included in [many agency-approved] transaction[s] approved by us . . . [It] would be impractical and overly cumbersome to require procedures before this [agency] to settle such differences.” *Santa Fe I*, 331 I.C.C. at 383-84. The need for capital projects are precisely the minute details the Board should continue to refrain from resolving, lest it become an arbitrator of plumbing and an umpire of roof replacement at CUS.

**VI. THE BOARD SHOULD NOT PRESCRIBE THE PRECISE TERMS OR FORM OF AGREEMENT AT THIS JUNCTURE (ISSUES 4 AND 5)**

The Board’s role in this proceeding should to prescribe principles applicable to the material issues in dispute; provide an opportunity for the parties to resolve disputes via negotiation; and only intervene further as required if agency guidance fails to steer the parties to an accord. *The National Railroad Passenger Corporation — Conveyance of Boston & Maine Corporation Interests in Connecticut River Line in Vermont and New Hampshire*, 6 I.C.C.2d 539, 540 (1990) (“While Amtrak had submitted a proposed trackage rights agreement, we declined to impose it. Instead, we gave the parties 20 days to negotiate, with recourse to us if private settlement efforts failed . . . .”); *see also*, *Application of the National Railroad Passenger Corporation under 49 U.S.C. § 24308(a)*, Docket No. FD 35743 (STB served Aug. 8, 2019) 1; *Arkansas and Missouri R. v. Missouri Pac. R.*, Docket No. FD 31281 (ICC served Mar. 17, 1989) (“The Commission prefers that the parties agree to the terms of a replacement trackage rights agreement themselves.”); *St. Louis Southwestern Rwy. — Temporary Authority — Chicago, Rock Island & Pac. R.* 360 I.C.C. 686 (1980) (setting allocations and compensation, but generally encouraging parties to negotiate the commercial terms); *Chicago & North Western*

*Transp. Co. v. Peoria & Pekin Union Rwy.*, 360 I.C.C. 168, 181 (1979) (“Moreover we would allow a period for a negotiated resolution between the parties if possible.”). As such, the Board should not, and, in Metra’s view need not, move immediately to prescription on novel costing issues.

To this point, the parties have made considerable progress toward narrowing the matters for determination. For its part, Metra is aware of both the agency’s interest in conserving its resources, and the 120-day statutory timeframe in which the Board must render a decision. Moreover, preliminary Board guidance on the issues presented may disabuse either or both sides of the dispute of legal or costing misconceptions, and thereby facilitate renewed progress toward a resolution without final adjudication.

### **CONCLUSION**

Notwithstanding that this is a case of first impression, Congress has given precise guidance to the Board on station cost allocation. The costs must be actually incurred; allocation must represent actual usage; and the prescription must not result in cross-subsidization of Amtrak’s various intercity activities and commercial development. Nevertheless, this is a case of first impression, employing cost analyses and data atypical to Board practice.

Despite these challenges, Metra has endeavored to apply the relevant legal standards faithfully. In so doing, it has retained qualified expert witnesses to examine Amtrak’s costing data and the respective uses of CUS by Metra and Amtrak, broken down into separate, disputed cost categories—particularly with respect to police and station operations and maintenance costs—and to advise as to an appropriate inflationary index, among other things.

Based upon the foregoing presentation, the Board should prescribe the following as Metra's share of annual CUS costs for 2020 (depending upon the Board's holding concerning the appropriate CUS police cost allocation method):

1. Policing (per stipulation)	\$1,800,000
2. MOW (per stipulation)	\$2,950,000
3. Policing (disputed)	\$143,440 or \$1,310,079
4. SOM (disputed)	\$1,866,448
 TOTAL	 \$6,759,888 or \$7,926,527

In addition, the Board should find that Amtrak's ground power supply costs are not allocable to Metra, endorse the use of Core PCE as the appropriate inflationary index to apply to allocable CUS costs, and hold that a fixed Metra contribution to Amtrak's CUS capital project expenses is unnecessary.

Regarding issues that are not so easily monetized, rather than writing a contract over the course of the next 120 days, the Board should prescribe guidance to the Parties such that the Parties can effectively negotiate a comprehensive usage agreement for CUS.

Respectfully submitted,

By:

  
Thomas J. Litwiler  
Robert A. Wimbish  
Thomas J. Healey  
Bradon J. Smith

Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1500

**ATTORNEYS FOR  
COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY  
AND NORTHEAST ILLINOIS REGIONAL  
COMMUTER RAILROAD CORPORATION**

Dated: May 20, 2020



# U.S. EPA Air Quality Study of Union Station Train Platforms

November 5, 2015

Michael Compher

EPA Region 5, Air and Radiation Division



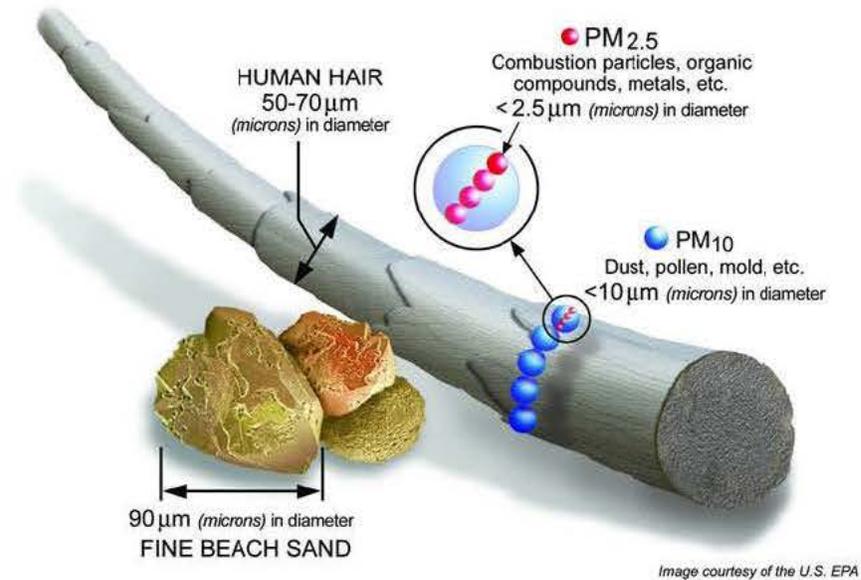
# Overview





# Particulate Matter ( $PM_{2.5}$ ) Air Pollution

- One of several criteria pollutants
  - EPA National Ambient Air Quality Standards (NAAQS)
- Emitted directly and formed in the atmosphere from precursors
- Mixture of solids and liquid droplets
- Variable chemical composition





# Study Design

- Three instruments, triplicate data.
- Collected one-minute average and hour average.
- Each day of monitoring included 1-2 periods of monitoring background concentrations.
- Platform tests (2-6) per day, each at least 45 minutes long.
- EPA scientists collected 64 platform tests and 35 background tests over 14 days.



June 15, 2015. (Phil Velasquez, Chicago Tribune)

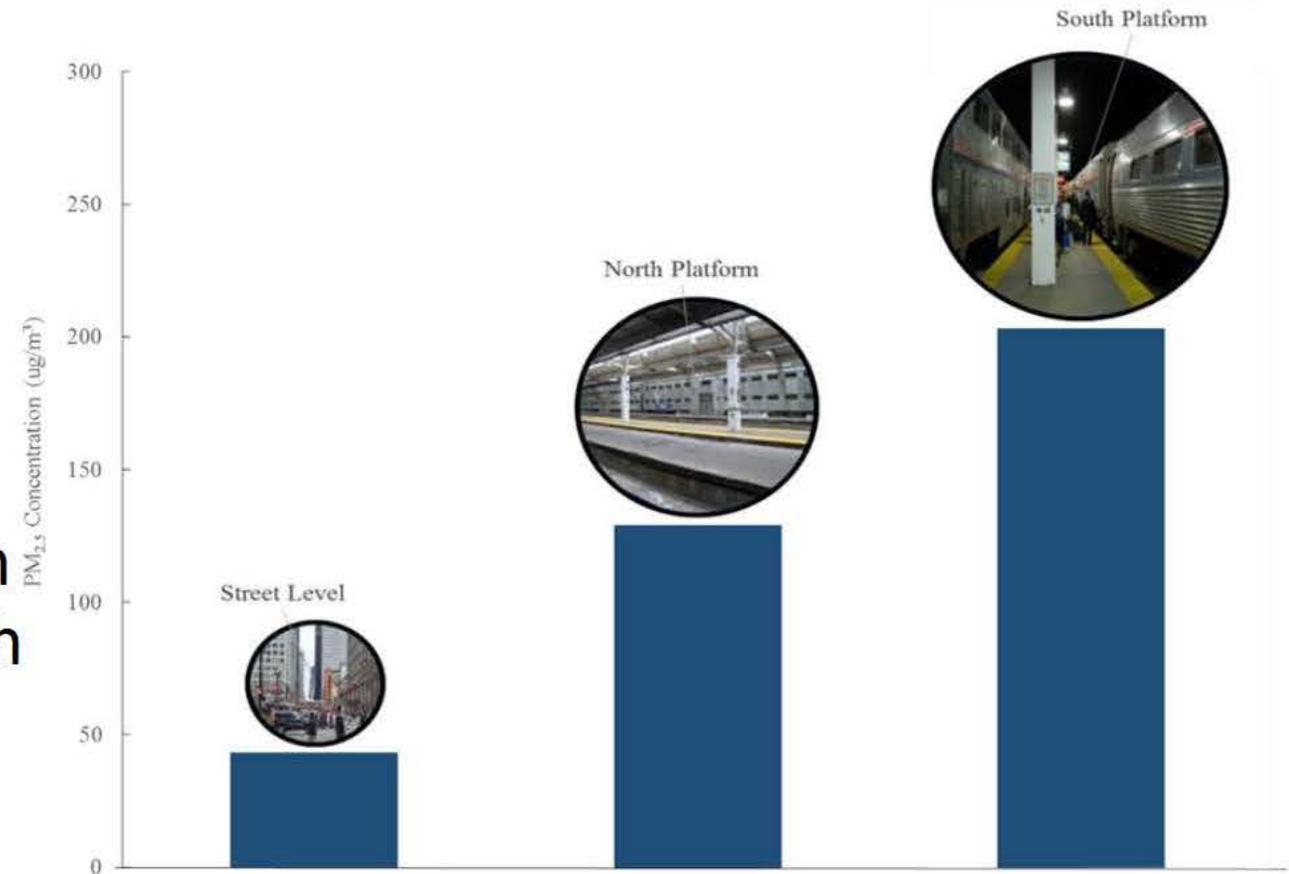


# Results

Higher concentrations on train platforms than background concentrations measured on the street.

Higher average concentrations on the south platform than the north platform.

Average Levels of PM<sub>2.5</sub> at Street Level, North Platform and South Platform

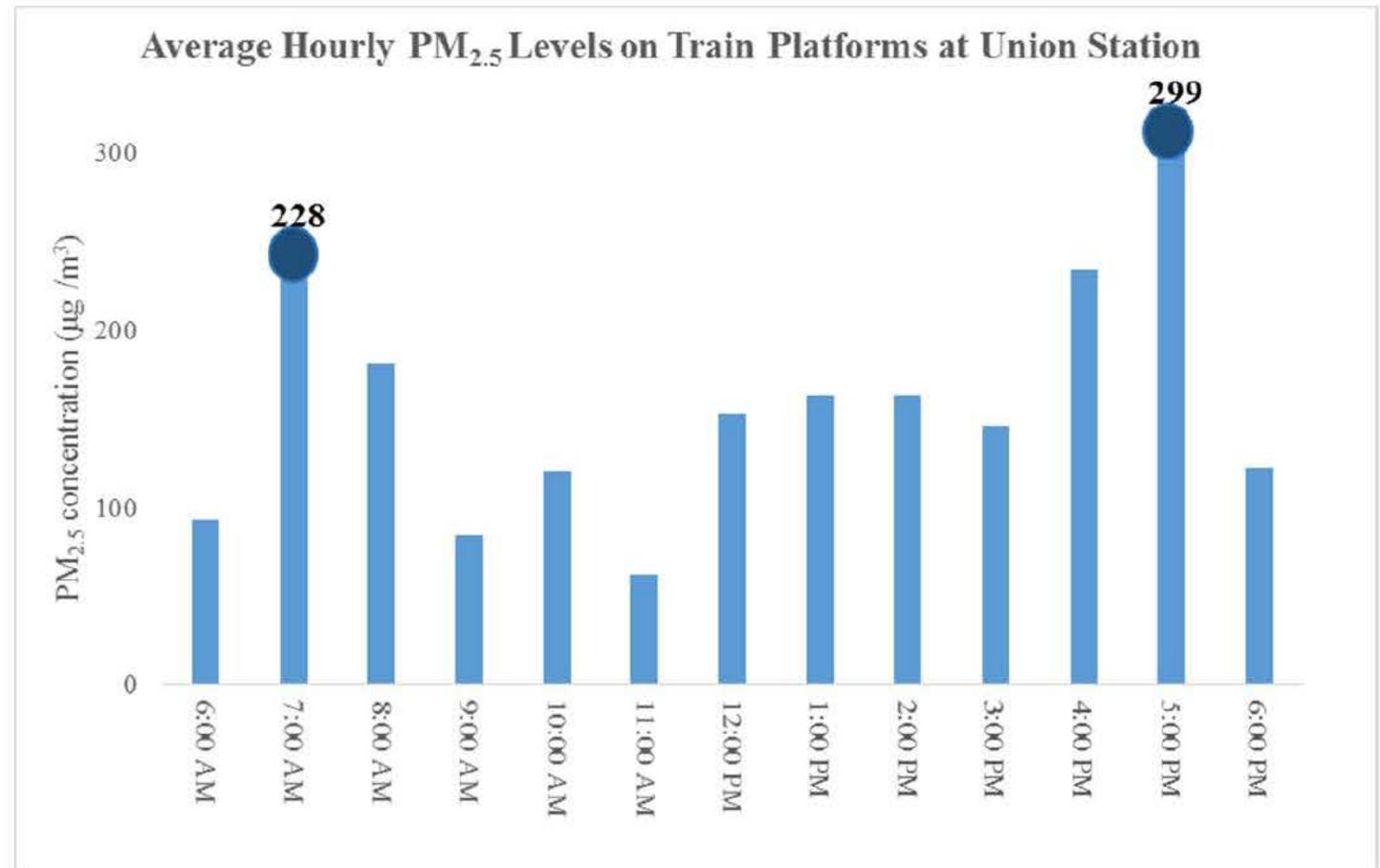




# Results

Highest concentrations on the platforms during rush hour periods

Short-term localized peak concentrations near the locomotives.





# Next Steps

EPA has met with representatives of Amtrak, Metra and buildings with ventilation systems that impact air quality at Union Station.

Identify short and long term options to reduce emissions, modify ventilation, and operational practices at Union Station to improve air quality.

<http://www2.epa.gov/il/union-station-platform-air-quality-study>





# Questions









































































































































































































































































Date: April 3, 2019  
 To: James M. Derwinski, CEO/Executive Director  
 From: Jack Bauer, Director – Contracts   
 RE: Fixed Facility Amendment

Agreement Type: Fixed Facility Agreement  
 Party: Amtrak  
 District: CUS

Salient Facts:

Amendment No. 38 to the Amtrak/Metra Fixed Facility Agreement I obligates funding for Metra's share of the following projects:

- Project HD/KD4841 – CUS South Side Interlockers: Funding has changed by increasing Contract Purchases by \$661,940 and increasing Contract Construction line item by \$1,872,257.

Metra staff has approved these cost estimates and work scopes. This amendment causes a net increase of \$2,534,197 in obligated funding. The funding for these projects are included in Metra's approved capital program.

The Executive Director may execute this document without Board approval in accordance with CRB Ordinance No. MET 14-19, Revised Bidding Regulations, under Section 4.02(h)(3) which authorizes the Executive Director to execute fixed facility, trackage rights and purchase of service agreement amendments with other railroads valued over \$100,000 that are necessary to accommodate the operation, repair, renovation or construction of commuter facilities or related improvements, provided the Board has approved the expenditure of the relevant funds through the annual operating or capital budget.

Approved:  Chris Krakar Date: 4.5.19

Approved:  Habib Ismail Date: 4-8-19

CONSENT TO FORWARD FOR SIGNATURE: 



547 W. Jackson Boulevard Chicago, IL 60661 312.322.6900 TTY: 1 312.322.6774

March 26, 2019

William C. Setser  
Assistant Vice President Operations  
Amtrak  
500 West Jackson Blvd, 2<sup>nd</sup> Floor  
Chicago, Illinois 60661

Subject: Amendment No.38 to Fixed Facility Agreement I ("FFA I")

Dear Mr. Setser,

The following projects reflect changes in funding:

**HD/KD4841 – CUS S Side Interlockers** - Funding has changed by increasing the Contract Purchases line item by \$661,940 and increasing the Contract Construction line item by \$1,872,257.

We have enclosed for your review and approval a set of appendices (B, F, & G) that includes all the revisions covering the projects which make up this agreement. Any and all resulting newly bid and/or awarded subcontract work this year is subject to the prevailing wages of General Decision Number: IL190009 01/11/2019 IL9 and General Decision Number: IL190011 03/15/2019 IL11. To the extent not otherwise revised in this Amendment No. 38 the terms and conditions of FFA I shall remain in full force and effect and this letter will serve as the only formal notice of this Amendment. In the event of any conflict between this Amendment and FFA I, this Amendment shall take precedence and control. If Amtrak agrees to this Amendment to FFA I, please sign the attached Amendment and return a copy of the Amendment to Jack Bauer at Metra.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Derwinski", is written over a horizontal line.

James Derwinski  
Executive Director/CEO

JD/SKF

**AMENDMENT NO. 38 TO  
FIXED FACILITY AGREEMENT**

This Amendment No. 38 ("Amendment") is made and entered into as of this 18<sup>th</sup> day of April 2019, by and between the National Railroad Passenger Corporation ("Amtrak") and the Commuter Rail Division of the Regional Transportation Authority ("CRD").

**PRELIMINARY STATEMENT**

Amtrak, by and through its predecessor, the Chicago Union Station Company, and CRD previously entered into a Fixed Facility Agreement, dated October 1, 1985, and amended said Fixed Facility Agreement thirty-seven (37) times between October 1, 1985 and March 26, 2019 (collectively, the "Agreement"); and

Amtrak and CRD wish to further amend the Agreement to change the funding for Lake Street Interlocker and include revised appendices.

The parties therefore agree as follows:

1. Funding has been added to project 4841 to pay for the labor cost and materials for curved rail rehabilitation and switch machine installation.
2. The funding changes set out above are detailed in the Appendix B, dated March 26, 2019, attached.

Amtrak and CRD have caused this Amendment to be duly executed as of the day and year first written above.

THE COMMUTER RAIL DIVISION OF  
THE REGIONAL TRANSPORTATION  
AUTHORITY:

NATIONAL RAILROAD PASSENGER  
CORPORATION:

By:



James Derwinski  
Executive Director/CEO

By:



Name:

Paul E. O'Mara

Title:

AUP Transportation - Central

APPENDIX "B" - FIXED FACILITY AGREEMENT I - AMTRAK/CRD

GRANT NUMBER: IL-03-0203/CAP-99-658-FED      Project Element No. TJ/TY/AV/BG/BH/BX      COMPANY: AMTRAK  
 IL-03-0214/CAP-99-658-FED      /CJ/CX3241  
 IL-03-0220/CAP-99-658-FED  
 IL-03-0226/CAP-99-658-FED  
 IL-90-X415/MET-053  
 IL-03-0231/CAP-99-658-FED  
 IL-03-0237/CAP99-658-FED/CRD-2013-3RTASB  
 IL-03-0250

PROJECT DESCRIPTION: Lake Street Interlocker

CRD PORTION (88.0% & 67.13%)	Current Funding		CHANGE	Revised	
	AMTRAK ACTIVITY			AMTRAK ACTIVITY	
TJ3241-56401004					
Contract Purchases	\$ 1,750,000.00	\$	-	\$ 1,750,000.00	
TJ3241-56401005					
Contract Engineering	\$ 3,795,000.00	\$	-	\$ 3,795,000.00	
TJ3241-56401006					
Contract Construction	\$ 5,854,470.00	\$	-	\$ 5,854,470.00	
TY3241-56401004					
Contract Purchases	\$ 3,118,250.00	\$	-	\$ 3,118,250.00	
TY3241-56401006					
Contract Construction	\$ 7,136,004.00	\$	-	\$ 7,136,004.00	
AV3241-56401004					
Contract Purchases	\$ 1,165,000.00	\$	-	\$ 1,165,000.00	
AV3241-56401006					
Contract Construction	\$ 5,847,041.00	\$	-	\$ 5,847,041.00	
BG3241-56401004					
Contract Purchases	\$ 176,604.00	\$	-	\$ 176,604.00	
BG3241-57103003					
Contract Engineering	\$ 138,630.00	\$	-	\$ 138,630.00	

HI/SKF  
08/07/2018

BG3241-56401006					
Contract Construction	\$	8,584,855.00	\$	-	\$ 8,584,855.00
BH3241-56401004					
Contract Purchases	\$	-	\$	-	\$ -
BH3241-57103003					
Contract Engineering	\$	-	\$	-	\$ -
BH3241-56401006					
Contract Construction	\$	-	\$	-	\$ -
BX3241-56401004					
Contract Purchases	\$	1,884,487.00	\$	-	\$ 1,884,487.00
BX3241-57103003					
Contract Engineering	\$	-	\$	-	\$ -
BX3241-56401006					
Contract Construction	\$	9,115,513.00			\$ 9,115,513.00
CJ3241-56401004					
Contract Purchases	\$	1,637,934.00	\$	-	\$ 1,637,934.00
CJ3241-57103003					
Contract Engineering	\$	670,148.00	\$	-	\$ 670,148.00
CJ3241-56401006					
Contract Construction	\$	14,691,918.00	\$	-	\$ 14,691,918.00
CX3241-56401004					
Contract Purchases	\$	-	\$	-	\$ -
CX3241-57103003					
Contract Engineering	\$	-	\$	-	\$ -
CX3241-56401006					
Contract Construction	\$	-	\$	-	\$ -
TOTAL PROJECT	\$	65,565,854.00	\$	-	\$ 65,565,854.00

The CRD's Portion of the cost associated with project identified as Project Element No. CJ3241 shall be 88% for the removal of the Plenum above #352 Lap Switch

Note: Amtrak will contribute 32.87% of the funds needed for all activities relating to the Southside of CUS.

HI/SKF  
08/07/2018

APPENDIX "B" - FIXED FACILITY AGREEMENT I - AMTRAK/CRD

GRANT NUMBER: IL-54-0003 Project Element No. HD4841  
KD4841 COMPANY: AMTRAK

PROJECT DESCRIPTION: CUS South Side Interlockers

CRD PORTION (88.0% & 67.13%)	Current Funding		Revised	
	AMTRAK ACTIVITY	CHANGE	AMTRAK ACTIVITY	
HD4841-56401004				
Contract Purchases	\$ 900,000	\$ -	\$ 900,000	
HD4841-56401006				
Contract Construction	\$ 812,200	\$ 287,800	\$ 1,100,000	
FIKD4841-12.64.01-004				
Contract Purchases	\$ -	\$ 661,940	\$ 661,940	
FIKD4841-12.64.01-006				
Contract Construction	\$ -	\$ 1,584,457	\$ 1,584,457	
<b>TOTAL PROJECT</b>	<b>\$ 1,712,200</b>	<b>\$ 2,534,197</b>	<b>\$ 4,246,397</b>	

Note: CRD will contribute 67.13% for the CUS switch Machine Replacement Program (\$2,081,030) and 88% for the Curved Rail Activities (\$453,166) for CY 2019.  
Amtrak will contribute 32.87% of the funds needed for all activities relating to the Southside of CUS.

APPENDIX "B" - FIXED FACILITY AGREEMENT I - AMTRAK/CRD

GRANT NUMBER: IL-2016-021-01 Project Element No. JG4343 COMPANY: AMTRAK

PROJECT DESCRIPTION: Positive Train Control

<u>CRD PORTION (88.0% &amp; 67.13%)</u>	<u>Current Funding</u>		<u>Revised</u>	
	<u>AMTRAK ACTIVITY</u>	<u>CHANGE</u>	<u>AMTRAK ACTIVITY</u>	
JG4343-56401004				
Contract Purchases	\$ 86,134.00	\$ -	\$	86,134.00
JG4343-56401006				
Contract Construction	\$ 279,252.00	\$ -	\$	279,252.00
<b>TOTAL PROJECT</b>	<b>\$ 365,386.00</b>	<b>\$ -</b>	<b>\$</b>	<b>365,386.00</b>

Note: Amtrak will contribute 32.87% of the funds needed for all activities relating to the Southside of CUS and 22.00% relating to the Northside of CUS

APPENDIX "F" - FIXED FACILITY AGREEMENT I - AMTRAK/CRD

GRANT NO.: IL-03-0203/CAP-99-658-FED  
IL-03-0214/CAP-99-658-FED  
IL-03-0220/CAP-99-658-FED  
IL-03-0226/CAP-99-658-FED  
IL-90-X415/MET-053  
IL-03-0231/CAP-99-658-FED  
IL-03-0237/CAP-99-658-FED/CRD-2013-3RTASB  
IL-03-0250  
IL-54-0003  
IL-2016-021-01  
IL-2019-bb

PROJECT NO.: TJ3241, TY3241, AV3241, BG3241, BH3241, BX3241,  
CJ3241, CX3241, HD4841, KD4841 and JG4343

COMPANY: Amtrak

DESCRIPTION:

TJ3241/: This project provides for the rehabilitation of the  
TY3241/ Chicago Union Station Lake Street, and Harrison Street  
AV3241/ Interlocking. In addition, the removal and  
BG3241/ construction of the plenum above #352 Lap Switch  
BH3241/  
BX3241/  
CJ3241/  
CX3241

KD/HD4841: This project provides for the rehabilitation of the  
Chicago Union Station and Harrison Street  
Interlocking. The removal and construction of the  
plenum above #352 Lap Switch. In addition, curved rail  
activities at Canal Street.

JG4343: This project provides for expansion of the WIFI  
capability in the North Side of Chicago Union Station,  
which will support Metra's PTC operations.

APPENDIX "G" - FIXED FACILITY AGREEMENT I - AMTRAK/CRD

GRANT NO.: IL-03-0203/CAP-99-658-FED  
IL-03-0214/CAP-99-658-FED  
IL-03-0220/CAP-99-658-FED  
IL-03-0226/CAP-99-658-FED  
IL-90-X415/MET-053  
IL-03-0231/CAP-99-658-FED  
IL-03-0237/CAP-99-658-FED/CRD-2013-3RTASB  
IL-03-0250  
IL-2016-021-01  
IL-2019-bb

PROJECT NO.: TJ3241, TY3241, AV3241, BG3241, BH3241, BX3241,  
CJ3241, CX3241, HD4841, KD4841 and JG4343

COMPANY: Amtrak

OWNERSHIP PROVISIONS:

TJ3241/: The Commuter Rail Division shall retain 100% ownership  
TY3241/ in that portion of the materials and equipment  
AV3241/ installed under this project which is designated as  
BG3241/ the commuter rail portion (88.0% or 67.13%) of this  
BH3241/ project as described in Appendix B for the North and  
BX3241/ South side of the Chicago Union Station.  
CJ3241/  
CX3241

HD4841/: The Commuter Rail Division shall retain 100% ownership  
KD4841/ in that portion of the materials and equipment  
installed under this project which is designated as  
the commuter rail portion (88.0% or 67.13%) of this  
project as described in Appendix B for the North and  
South side of the Chicago Union Station.

JG4343/: The Commuter Rail Division shall retain 100% ownership  
in that portion of the materials and equipment  
installed under this project which is designated as  
the commuter rail portion (88.0% or 67.13%) of this  
project as described in Appendix B for the North and  
South side of the Chicago Union Station.



**Engineering PMO Estimate Report**  
Detailed Project Estimate

**ENGINEERING APPROVED**

DATE: 2/13/19

BY: [Signature]

CMK \_\_\_\_\_

BRIEF  
EXHIBIT E  
10 of 49

[Signature]  
2/13/19  
Rev. 9/11/2018 10:04 AM

Unapproved Project ID: 12245  
Project Description: TKRH CENTRAL DIVISION - TRACK REHABILITATION  
Project Definition: C.EN.100799  
Project Manager: Roche, William E  
Project Funding Source: GCAP - General Capital

WBS ID	WBS Element	WBS Description	Forecast TO Qty	Unit of Meas	UM / Shift	Shifts (Total)	Man Count	Rate / Shift	Total Man Hours	OT %	OT %	Labor Costs	Material Costs	Equipment Total Cost	Fees Total Cost	Subcontract Total Cost	Other Total Cost	Add-ons	Total Costs
58	8658	C EN 100799 0058 TKRH CEN DIV - CUS CP CANAL 1KRH 1, 2 & 3 RPL	3	EA	0.07	45.00	0.00	0	1,320			94,965	208,392	35,110	17,984	134,347	0	24,163	514,962
58.1	HD 0000732	Construction Phase	1,642	LF	54.73	30.00	0.00	0	1,200			87,436	208,392	35,110	17,984	134,347	0	0	483,269
58.1.1	HD 0000730	Manpower	1,642	LF	54.73	30.00	0.00	0	1,200			87,436	208,392	35,110	17,984	134,347	0	0	483,269
58.1.1.1	HD 0000731	TKRH CEN DIV - RPL DIV CURVE	1,642	LF	54.73	30.00	0.00	0	1,200			87,436	208,392	35,110	17,984	134,347	0	0	483,269
58.1.1.2	HD 0000732	TKRH CEN DIV - RPL DIV CURVE	1,642	LF	54.73	30.00	0.00	0	1,200			87,436	208,392	35,110	17,984	134,347	0	0	483,269
58.1.1.3	HD 0000733	TKRH CEN DIV - RPL DIV CURVE	1,642	LF	54.73	30.00	0.00	0	1,200			87,436	208,392	35,110	17,984	134,347	0	0	483,269
58.1.2	HD 0000732	Equipment	15	Day	1.00	15.00	1.00	8	120	100.00	6.00	7,530	0	0	0	0	0	0	7,530
58.1.3	HD 0000736	Contingency	1	LS	0.00	0.00	0.00	0	0	100.00	0.00	0	0	0	0	0	0	24,163	24,163
		Report Total							1,320			94,965	208,392	35,110	17,984	134,347	0	24,163	514,962

Note: Labor costs include Benefits and Overheads; Fees Total Cost include material handling additive; If applicable, Add-ons includes Contingency fees.



# Engineering PMO Estimate Report

## Detailed Project Estimate

**ENGINEERING APPROVED**

DATE: 3/22/2019

BY: [Signature]

CMK \_\_\_\_\_

Run: 3/14/2019 3:44:12 PM

Unapproved Project ID: 12245  
 Project Description: TKRH CENTRAL DIVISION - TRACK REHABILITATION  
 Project Definition: C.EN.100799  
 Project Manager: Roche, William E  
 Project Funding Source: GCAP - General Capital

WBS ID	WBS Element	WBS Description	Forecast T/O Qty	Unit of Meas	UM Sh. ft	Shifts (Total)	Min Count	Hrs/Shift	Total Man Hours	ST %	OT %	Labor Costs	Material Costs	Equipment Total Cost	Fees Total Cost	Subcontract Total Cost	Other Total Cost	Add-ons	Total Costs
45	0045	C.EN.100799.0045 TURK CEN DIV - CUS TRK SWITCH RPLCMNT -	1	LS	0.01	156.54	0.00	8	5,563			443,557	427,785	239,067	36,918	1,669,409	0	283,264	3,100,000
45.1	HD.0000442	CP Roosevelt TO CP Taylor TRK Rehab (FY19)	1	LS	0.01	156.54	0.00	8	5,563			443,557	427,785	239,067	36,918	1,669,409	0	283,264	3,100,000
45.1.1	HD.0000509	Construction Phase	1	LS	0.01	136.54	0.00	8	5,403			409,466	427,785	239,067	35,918	1,669,409	0	0	2,782,647
45.1.1.1	HD.0000563	#9 DCL Slip, RSM Frog W/D Ties, 213# Rail A5 SW Machine (#W23A/W54B)	1	LS	0.07	14.56	0.00	8	508			36,524	0	31,456	0	270,136	0	0	340,117
45.1.1.1.1	HD.0000536	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	270,136	0	0	270,136
45.1.1.1.2	HD.0000580	Labor	7	Day	0.99	7.06	0.00	8	508	80.00	20.00	36,524	0	0	0	0	0	0	36,524
45.1.1.1.3	HD.0000584	Equipment	5	Day	0.67	7.50	0.00	8	0	100.00	0.00	0	0	31,456	0	0	0	0	31,456
45.1.1.2	HD.0000585	#9 DCL Slip, RSM Frog, W/D TIES, 136# Rail, A5 SW and GM400 SW Machines (2 Types) (#W23A / #W34B)	1	LS	0.07	14.56	0.00	8	508			36,524	0	31,456	0	270,136	0	0	340,117
45.1.1.2.1	HD.0000545	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	270,136	0	0	270,136
45.1.1.2.2	HD.0000723	Labor	7	Day	0.99	7.06	0.00	8	508	80.00	20.00	36,524	0	0	0	0	0	0	36,524
45.1.1.2.3	HD.0000654	Equipment	5	Day	0.67	7.50	0.00	8	0	100.00	0.00	0	0	31,456	0	0	0	0	31,456
45.1.1.3	HD.0000605	#9 DCL Slip, RSM Frog, W/D TIES, 136# Rail, A5 SW and GM400 SW Machines (#W23A / #W34B)	1	LS	0.07	14.56	0.00	8	508			36,524	0	31,456	0	270,136	0	0	340,117
45.1.1.3.1	HD.0000560	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	270,136	0	0	270,136
45.1.1.3.2	HD.0000589	Labor	7	Day	0.99	7.06	0.00	8	508	80.00	20.00	36,524	0	0	0	0	0	0	36,524
45.1.1.3.3	HD.0000618	Equipment	5	Day	0.67	7.50	0.00	8	0	100.00	0.00	0	0	31,456	0	0	0	0	31,456
45.1.1.4	HD.0000815	#9 RH TO, RSM Frog, W/D Ties, 136# Rail, A5 Single SW Machine (#G43A TO)	1	LS	0.07	14.56	0.00	8	508			36,524	0	31,456	0	94,080	0	0	163,060
45.1.1.4.1	HD.0000541	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	94,080	0	0	94,080
45.1.1.4.2	HD.0000608	Labor	7	Day	0.99	7.06	0.00	8	508	80.00	20.00	36,524	0	0	0	0	0	0	36,524
45.1.1.4.3	HD.0000624	Equipment	5	Day	0.67	7.50	0.00	8	0	100.00	0.00	0	0	31,456	0	0	0	0	31,456
45.1.1.5	HD.0000626	#8 LH TO, RSM Frog, W/D Ties, 129# Rail, GM400 SW Machine (#117 TO)	1	LS	0.12	6.00	0.00	8	364			27,606	0	12,582	0	65,000	0	0	125,190
45.1.1.5.1	HD.0000501	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	65,000	0	0	65,000
45.1.1.5.2	HD.0000626	Labor	5	Day	0.90	5.00	0.00	8	364	80.00	20.00	27,606	0	0	0	0	0	0	27,606
45.1.1.5.3	HD.0000627	Equipment	3	Day	1.00	3.00	0.00	8	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.6	HD.0000628	#8 LH TO, RSM Frog, W/D Ties, 129# Rail, GM400 SW Machine, TC=13-3 1/2" at SP, 13-3 1/4" HB and 13-2 1/2" PoF (#F9A TO)	1	LS	0.12	6.06	0.00	8	364			27,606	0	12,582	0	65,000	0	0	125,190
45.1.1.6.1	HD.0000562	Material	1	EA	0.00	0.00	0.00	8	0	100.00	0.00	0	0	0	0	65,000	0	0	65,000

Note: Labor costs include Benefits and Overheads; Fees Total Cost include material handling additive; if applicable, Add-ons includes Contingency fees



# Engineering PMO Estimate Report

## Detailed Project Estimate

Run: 3/14/2019 3:44:12 PM

WBS ID	WBS Element	WBS Description	Forecast T/O Qty	Unit of Measure	UM / Shift	Shifts (Total)	Man Count	Hrs. Sh.H	Total Man Hours	ST %	OT %	Labor Costs	Material Costs	Equipment Total Cost	Fees Total Cost	Subcontract Total Cost	Other Total Cost	Add-ons	Total Costs
45.1.1.8.2	HD.000623	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.8.3	HD.000630	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.7	HD.000631	#8 RH TO, RRM Frog, WO ties, 136# rail, GMM#00 SW Machine, TC=14'-0" at SP, 13'-0" HB and 12'-1 1/2" PwF (#078 TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.7.1	HD.000653	Material	1	CA	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.7.2	HD.000623	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.7.3	HD.000633	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.8	HD.000634	#8 RH TO, self-guarded frog, wood ties, 136# rail, A5 switch machine, TC=16'-0 1/4" at SP, 16'-11 3/4" HB and 16'-10" PwF (#07A TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.8.1	HD.000654	Material	1	LS	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.8.2	HD.000632	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.8.3	HD.000636	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.9	HD.000637	#8 RH TO, self-guarded frog, wood ties, 136# rail, A5 switch machine, TC=16'-0" at SP, 17' HB and 16'-9 1/2" PwF (#07B TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.9.1	HD.000644	Material	1	LS	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.9.2	HD.000638	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.9.3	HD.000638	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.10	HD.000640	#8 LH TO, self-guarded frog, wood ties, 136# rail, A5 switch machine, TC=16'-0 1/4" at SP, 16'-10 1/4" HB and 16'-9 3/4" PwF (#07A TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.10.1	HD.000647	Material	1	LS	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.10.2	HD.000638	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.10.3	HD.000642	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.11	HD.000643	#8 LH TO, self-guarded frog, wood ties, 136# rail, A5 switch machine, TC=16'-3 5/8" at SP, 16'-11 1/2" HB and 16'-9 3/4" PwF (#07B TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.11.1	HD.000654	Material	1	LS	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.11.2	HD.000641	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.11.3	HD.000640	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.12	HD.000647	#8 LH TO, RRM frog, wood ties, 136# rail, A5 switch machine, TC=12'-11 3/4" at SP, 13'-0" HB and 12'-11 1/4" PwF (#05A TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190
45.1.1.12.1	HD.000655	Material	1	LS	0.00	8.00	0.00	8	0	100.00	0.00	0	0	0	0	35,000	0	0	35,000
45.1.1.12.2	HD.000644	Labor	5	Day	0.99	5.00	9.00	5	364	80.00	20.00	27,608	0	0	0	0	0	0	27,608
45.1.1.12.3	HD.000646	Equipment	3	Day	1.00	3.00	0.00	3	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.13	HD.000648	#8 LH TO, RRM frog, wood ties, 136# rail, A5 switch machine, TC=12'-11 1/2" at SP, 13'-0" HB and 12'-9 3/4" PwF (#05B TO)	1	LS	0.12	8.00	0.00	8	364			27,608	0	12,582	0	85,000	0	0	125,190

Note: Labor costs include Benefits and Overheads; Fees Total Cost include material handling additive, if applicable, Add-ons includes Contingency fees

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## Engineering PMO Estimate Report

### Detailed Project Estimate

Run: 3/14/2019 3:44:12 PM

WBS ID	WBS Element	WBS Description	Forecast T/O Qty	Unit of Mags	UM / Shift	Shifts (Total)	Man Count	Hrs / Shift	Total Man Hours	ST %	OT %	Labor Costs	Material Costs	Equipment Total Cost	Fees Total Cost	Subcontract Total Cost	Other Total Cost	Add-ons	Total Costs
45.1.1.1.3.1	HD.000556	Materials	1	LS	0.00	3.00	0.00	0	0	100.00	0.00	0	0	0	0	65,600	0	0	65,600
45.1.1.1.3.2	HD.000546	Labor	5	Day	0.99	5.00	3.00	0	394	50.00	20.00	27,500	0	0	0	0	0	0	27,500
45.1.1.1.3.3	HD.000551	Equipment	3	Day	1.00	3.00	0.00	0	0	100.00	0.00	0	0	12,582	0	0	0	0	12,582
45.1.1.14	HD.000557	Diamond PKG Blt #67XC and #76 XC	1	LS	0.00	3.00	0.00	0	0	100.00	0.00	0	200,000	0	17,200	0	0	0	217,200
45.1.1.15	HD.000453	Misc Material and Labor	1	LS	0.17	3.78	2.00	0	62	100.00	0.00	6,902	227,785	0	19,658	0	0	0	294,345
45.1.2	HD.000456	Project Management	1	LS	0.00	20.00	0.00	0	160			34,069	0	0	0	0	0	5,000	39,069
45.1.2.1	HD.000535	Project Manager	160	HR	0.00	20.00	1.00	0	160	100.00	0.00	34,069	0	0	0	0	0	0	34,069
45.1.2.2	HD.000098	Project Management Incidental	1	LS	0.00	0.00	0.00	0	0	100.00	0.00	0	0	0	0	0	0	5,000	5,000
45.1.3	HD.000346	Contingency (10%)	1	LS	0.00	0.00	0.00	0	0	100.00	0.00	0	0	0	0	0	0	278,284	278,284
Report Total:									5,563			443,557	427,785	229,067	36,818	1,699,400	0	283,264	1,100,000

Note: Labor costs include Benefits and Overheads; Fees Total Cost include material handling additive; if applicable, Add-ons includes Contingency fees

General Decision Number: IL190009 01/11/2019 IL9

Superseded General Decision Number: IL20180009

State: Illinois

Construction Types: Building, Heavy, Highway and Residential

County: Cook County in Illinois.

BUILDING, RESIDENTIAL, HEAVY, AND HIGHWAY PROJECTS (does not include landscape projects).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

BRIEF  
EXHIBIT E  
14 of 49

Modification Number	Publication Date
0	01/04/2019
1	01/11/2019

ASBE0017-001 06/01/2017

	Rates	Fringes
<b>ASBESTOS WORKER/INSULATOR</b> Includes the application of all insulating materials, protective coverings, coatings, and finishes to all types of mechanical systems.....	\$ 50.50	25.80
Fire Stop Technician.....	\$ 40.40	24.54
<b>HAZARDOUS MATERIAL HANDLER</b> includes preparation, wetting, stripping removal scrapping, vacuuming, bagging and disposal of all insulation materials, whether they contain asbestos or not, from		

mechanical systems.....	\$ 37.80	24.54
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BOIL0001-001 05/01/2017		
	Rates	Fringes
BOILERMAKER.....	\$ 46.18	29.58
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BRIL0021-001 06/01/2016		
	Rates	Fringes
BRICKLAYER.....	\$ 44.88	26.62
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BRIL0021-004 06/01/2017		
	Rates	Fringes
Marble Mason.....	\$ 44.63	26.83
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BRIL0021-006 06/01/2017		
	Rates	Fringes
TERRAZZO WORKER/SETTER.....	\$ 44.38	25.84
TILE FINISHER.....	\$ 38.56	22.10
TILE SETTER.....	\$ 45.49	25.72
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BRIL0021-009 06/01/2017		
	Rates	Fringes
MARBLE FINISHER.....	\$ 33.95	26.03
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BRIL0021-012 06/01/2017		
	Rates	Fringes
Pointer, cleaner and caulker.....	\$ 45.42	24.06
-----		
CARP0555-001 06/01/2018		
BUILDING, HEAVY, AND HIGHWAY		
	Rates	Fringes
CARPENTER		
Carpenter, Lather,		
Millwright, Piledriver,		
and Soft Floor Layer		
Building.....	\$ 47.35	32.83
Heavy & Highway.....	\$ 47.35	32.83
-----		
CARP0555-002 10/01/2018		
RESIDENTIAL CONSTRUCTION		
	Rates	Fringes
CARPENTER.....	\$ 38.11	32.83
-----		
ELEC0009-003 06/03/2018		
	Rates	Fringes

Line Construction

Groundman.....	\$ 40.48	61.52%
Lineman and Equipment		
Operator.....	\$ 51.90	61.52%

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ELEC0134-001 06/04/2018

	Rates	Fringes
ELECTRICIAN.....	\$ 48.35	33.11

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ELEC0134-003 06/04/2018

	Rates	Fringes
ELECTRICIAN		
ELECTRICAL TECHNICIAN.....	\$ 43.96	24.51

The work shall consist of the installation, operation, inspection, maintenance, repair and service of radio, television, recording, voice sound vision production and reproduction, telephone and telephone interconnect, facsimile, data apparatus, coaxial, fibre optic and wireless equipment, appliances and systems used for the transmission and reception of signals of any nature, business, domestic, commercial, education, entertainment and residential purposes, including but not limited to communication and telephone, electronic and sound equipment, fibre optic and data communication systems, and the performance of any task directly related to such installation or service whether at new or existing sites, such tasks to include the placing of wire and cable and electrical power conduit or other raceway work within the equipment room and pulling wire and/or cable through conduit and the installation of any incidental conduit.

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\* ELEV0002-001 01/01/2019

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 56.61	33.705+a+b

FOOTNOTES:

a) PAID HOLIDAYS: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving Day; Veterans' Day and Christmas Day.

b) Employer contributes 8% of regular hourly rate as vacation pay credit for employee with more than 5 years of service, and 6% for employee with less than 5 years service

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\* ENGI0150-006 06/01/2017

Building and Residential Construction

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 50.10	36.45
GROUP 2.....	\$ 48.80	36.45
GROUP 3.....	\$ 46.25	36.45
GROUP 4.....	\$ 44.50	36.45

## POWER EQUIPMENT OPERATORS CLASSIFICATIONS

BRIEF  
EXHIBIT E  
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GROUP 1: Mechanic; Asphalt Plant\*; Asphalt Spreader; Autograde\*; Backhoes with Caisson attachment\*; Batch Plant\*; Benoto(Requires two Engineers); Boiler and Throttle Valve; Caisson Rigs\*; Central Redi-Mix Plant\*; Combination Backhoe Front Endloader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted)\*; Concrete Conveyor; Concrete Conveyor, Truck Mounted; Concrete Paver over 27E cu. ft.\*; Concrete Paver 27E cu ft and Under\*; Concrete Placer\*; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes\*; Cranes, Hammerhead\*; Cranes, (GCI and similar type Requires two operators only); Creter Crane; Crusher, Stone, etc; Derricks; Derricks, Traveling\*; Formless Curb and Gutter Machine\*; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2 1/4 yd. and over; Hoists, Elevators, Outside Type Rack and pinion and similar Machines; Hoists, One, Two, and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes\*; Hydraulic Boom Trucks; Hydraulic Vac (and similar equipment); Locomotives; Motor Patrol\*; Pile Drivers and Skid Rig\*; Post Hole Digger; Pre- Stress Machine; Pump Cretes Dual Ram(Requiring frequent Lubrication and Water); Pump Cretes; Squeeze Cretes-Screw Type Pumps Gypsum Bulker and Pump; Raised and Blind Hole Drill\*; Roto Mill Grinder (36" and Over)\*; Roto Mill Grinder (Less Than 36")\*; Scoops-Tractor Drawn; Slip-Form Paver\*; Straddle Buggies; Tournapull; Tractor with Boom, and Side Boom; and Trenching Machines\*.

GROUP 2: Bobcat (over 3/4 cu yd); Boilers; Broom, Power Propelled; Bulldozers; Concrete Mixer (Two Bag and over); Conveyor, Portable; Forklift Trucks; Greaser Engineer; Highlift Shovels or Front End loaders under 2 1/4 cu yd; Automatic Hoists, Hoists, Inside Elevators; Hoists, Sewer Dragging Machine; Hoists, Tugger Single Drum; Laser Screed; Rock Drill (Self-Propelled); Rock Drill (Truck Mounted)\*; Rollers; Steam Generators; Tractors; Tractor Drawn Vibratory Roller (Receives an additional \$.50 per hour); Winch Trucks with "A" Frame.

GROUP 3: Air Compressor-Small 250 and Under (1 to 5 not to exceed a total of 300 ft); Air Compressor-Large over 250; Combination-Small Equipment Operator; Generator- Small 50 kw and under; Generator-Large over 50 kw; Heaters, Mechanical; Hoists, Inside Elevators (Remodeling or Renovatin work); Hydrualic Power Units (Pile Driving, Extracting, and Drilling); Low Boys; Pumps Over 3" (1 To 3 not to exceed a total of 300 ft); Pumps, Well Points; Welding Machines (2 through 5); Winches, 4 Small Electric Drill Winches; Bobcat (up to and including 3/4 cu yd)

GROUP 4 - Bobcats and/or other Skid Steer Loaders; Brick Forklifts; Oilers

\*-Requires Oiler

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\* ENGI0150-025 06/01/2018

Heavy and Highway Construction

Rates Fringes

OPERATOR: Power Equipment

GROUP 1.....	\$ 49.30	38.15
GROUP 2.....	\$ 48.75	38.15
GROUP 3.....	\$ 46.70	38.15
GROUP 4.....	\$ 45.30	38.15
GROUP 5.....	\$ 44.10	38.15

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant\*; Asphalt Heater and Planer combination; Asphalt Heater Scarfire\*, Asphalt Spreader; Autograder/ GOMACO or similar; ABG Paver\*, Backhoes with Caisson attachment\*, Ballast Regulator, Belt Loader\*; Caisson Rigs\*Car Dumper, Central Redi-Mix Plant\*, Combination Backhoe; Front End Loader Machine (1 cu yd or over Backhoe bucket or with attachments); Concrete Breaker (truck mounted); Concrete Conveyor; Concrete Paver over 27E cu ft\*; Concrete Placer\*; Concrete Tube Float; Cranes, all attachments\*; Cranes, Hammerhead, Linden, Peco and machines of a like nature\*; Creter Crane; Crusher, stone; All Derricks; Derrick Boats; Derricks, traveling\*; Dowell Machine with Air Compressor (\$1.00 above Class 1); Dredges\*; Field Mechanic Welder; Formless Curb and Gutter Machine\*; Gradall and machines of a like nature\*; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver mounted\*; Hoists, one, two, and three Drum; Hydraulic Backhoes\*; Backhoes with Shear attachments\*; Mucking Machine; Pile Drivers and Skid Rig\*; Pre-Stress Machine; Pump Cretes Dual Ram (requires frequent lubrication and water)\*; Rock Drill- Crawler or Skid Rig\*; Rock Drill truck mounted\*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)\*; Slip-Form Paver\*; Soil Test Drill Rig, truck mounted\*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader\*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine\*; Trenching Machine; Truck Mounted Concrete Pump with boom\*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.\*; Wheel Excavator\* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft\*

GROUP 2: Batch Plant\*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed\*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self- propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push,

pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large , over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;

GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

\*Requires Oiler

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IRON0001-026 06/01/2018

	Rates	Fringes
IRONWORKER		
Sheeter.....	\$ 49.08	38.28
Structural and Reinforcing..	\$ 48.83	38.28

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IRON0063-001 06/01/2018

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 48.05	35.93

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IRON0063-002 06/01/2018

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 40.88	28.74

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IRON0136-001 07/01/2018

	Rates	Fringes
IRONWORKER		
Machinery Movers; Riggers;		
Macinery Erectors.....	\$ 41.00	33.96
Master Riggers.....	\$ 43.50	33.96

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LABO0002-006 06/01/2017

	Rates	Fringes
LABORER (BUILDING &		

RESIDENTIAL)

GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.20	27.47
GROUP 3.....	\$ 41.28	27.47
GROUP 4.....	\$ 41.30	27.47
GROUP 5.....	\$ 41.40	27.47
GROUP 6.....	\$ 41.40	27.47
GROUP 7.....	\$ 41.43	27.47
GROUP 8.....	\$ 41.53	27.47
GROUP 9.....	\$ 41.55	27.47
GROUP 10.....	\$ 41.75	27.47
GROUP 11.....	\$ 41.78	27.47
GROUP 12.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1: Building Laborers; Plasterer Tenders; Pumps for Dewatering; and other unclassified laborers.

GROUP 2: Fireproofing and Fire Shop laborers.

GROUP 3: Cement Gun.

GROUP 4: Chimney over 40 ft.; Scaffold Laborers.

GROUP 5: Cement Gun Nozzle Laborers (Gunite); Windlass and capstan person.

GROUP 6: Stone Derrickmen & Handlers.

GROUP 7: Jackhammermen; Power driven concrete saws; and other power tools.

GROUP 8: Firebrick & Boiler Laborers.

GROUP 9: Chimney on fire brick; Caisson diggers; & Well Point System men.

GROUP 10: Boiler Setter Plastic Laborers.

GROUP 11: Jackhammermen on fire brick work only.

GROUP 12: Dosimeter use (any device) monitoring nuclear exposure); Asbestos Abatement Laborer; Toxic and Hazardous Waste Removal Laborers.

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LAB0002-007 06/01/2017

Rates Fringes

LABORER (HEAVY & HIGHWAY)

GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.28	27.47
GROUP 3.....	\$ 41.40	27.47
GROUP 4.....	\$ 41.43	27.47
GROUP 5.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1: Common laborer; Tenders; Material expeditor (asphalt plant); Street paving, Grade separation, sidewalk, curb & gutter, strippers & All laborers not otherwise mentioned

GROUP 2: Asphalt tampers & smoothers; Cement gun laborers

GROUP 3: Cement Gun Nozzle (laborers), Gunite

GROUP 4: Rakers, Lutemen; Machine-Screwmen; Kettleman; Mixer-men; Drun-men; Jackhammermen (asphalt); Paintmen; Mitre box spreaders; Laborers on birch, overman and similar spreader equipment; Laborers on APSCO; Laborers on air compressor; Paving Form Setter; Jackhammermen (concrete); Power drive concrete saws; other power tools.

GROUP 5: Asbestos Abatement Laborers; Toxic and Hazardous Waste Removal Laborers, Dosimeter (any device) monitoring nuclear exposure

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LABO0002-008 06/01/2017

	Rates	Fringes
LABORER (Compressed Air)		
0 - 15 POUNDS.....	\$ 42.20	27.47
16 - 20 POUNDS.....	\$ 42.70	27.47
21 - 26 POUNDS.....	\$ 43.20	27.47
27 - 33 POUNDS.....	\$ 44.20	27.47
34 - AND OVER.....	\$ 45.20	27.47
LABORER (Tunnel and Sewer)		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.33	27.47
GROUP 3.....	\$ 41.43	27.47
GROUP 4.....	\$ 41.55	27.47
GROUP 5.....	\$ 41.20	27.47

LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

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LAB00225-001 06/01/2017

	Rates	Fringes
LABORER (DEMOLITION/WRECKING)		
GROUP 1.....	\$ 36.00	27.47
GROUP 2.....	\$ 41.40	27.47
GROUP 3.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1 - Complete Demolition

GROUP 2 - Interior Wrecking and Strip Out Work

GROUP 3 - Asbestos Work with Complete Demolition/Wrecking or Strip Out Work

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PAIN0014-001 06/01/2018

	Rates	Fringes
PAINTER (including taper).....	\$ 46.55	27.24

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PAIN0027-001 06/01/2018

	Rates	Fringes
GLAZIER.....	\$ 43.85	36.22

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PLAS0005-002 07/01/2015

	Rates	Fringes
PLASTERER.....	\$ 42.25	26.65

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PLAS0502-001 06/01/2018

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 45.25	33.48

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PLUM0130-001 06/01/2018

	Rates	Fringes
PLUMBER.....	\$ 50.25	30.07

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PLUM0597-002 06/01/2018

	Rates	Fringes
PIPEFITTER.....	\$ 48.50	31.44

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ROOF0011-001 12/01/2018

	Rates	Fringes
ROOFER.....	\$ 43.65	23.45

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SFIL0281-001 01/01/2018

	Rates	Fringes
SPRINKLER FITTER.....	\$ 48.10	27.05

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SHEE0073-001 06/08/2018

	Rates	Fringes
Sheet Metal Worker.....	\$ 44.25	37.02

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SHEE0073-002 06/08/2018

	Rates	Fringes
Sheet Metal Worker ALUMINUM GUTTER WORK.....	\$ 31.32	37.02

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TEAM0731-001 06/01/2017

COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 or 3 Axles.....	\$ 35.60	22.10
4 Axles.....	\$ 35.85	22.10
5 Axles.....	\$ 36.05	22.10
6 Axles.....	\$ 36.25	22.10

FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

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TEAM0731-002 03/01/2012

	Rates	Fringes
Traffic Control Device Monitor TRAFFIC SAFETY WORKER: Primary duties include but are not limited to the delivery, maintenance and pick-up of traffic control devices, the set-up and installation of traffic		

signs, pavement markings,  
barricades, crash barrels  
and glare screens, traffic  
control surveillance, the  
repair and maintenance  
trucks, cars, arrow  
boards, message signs,  
barricade and sign  
fabrication equipment.....\$ 28.25                      9.08

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TEAM0786-001 06/01/2017

COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 39.942	0.25+a
4 Axles.....	\$ 39.75	0.25+a
5 Axles.....	\$ 39.967	0.25+a
6 Axles.....	\$ 40.184	0.25+a

FOOTNOTES:

a. \$719.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses

(29CFR 5.5 (a) (1) (ii)).

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EXHIBIT E  
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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

#### Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

#### Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

#### Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date

for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

General Decision Number: IL190011 03/15/2019 IL11

Superseded General Decision Number: IL20180011

State: Illinois

Construction Types: Heavy and Highway

Counties: Boone, De Kalb, Du Page, Kane, Kendall, Lake, McHenry and Will Counties in Illinois.

HEAVY AND HIGHWAY CONSTRUCTION PROJECTS (does not include landscape projects).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Modification Number	Publication Date
0	01/04/2019
1	03/15/2019

CARP0555-003 06/01/2018

DUPAGE ANE LAKE COUNTIES

	Rates	Fringes
CARPENTER		
Building.....	\$ 47.35	32.83
Heavy & Highway.....	\$ 47.35	32.83

CARP0555-008 06/01/2016

WILL COUNTY

	Rates	Fringes
Carpenter and Piledriver.....	\$ 45.35	32.30

CARP0555-011 06/01/2018

KANE, McHENRY (North of Hwy 52), AND KENDALL COUNTIES

	Rates	Fringes
Carpenter and Piledriver.....	\$ 47.35	32.84

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CARP0790-003 05/01/2018

DE KALB COUNTY

	Rates	Fringes
CARPENTER.....	\$ 41.77	29.18

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CARP0790-004 05/01/2018

CARROLL, JO DAVIESS, LEE, OGLE (Oregon and South thereof),  
STEPHENSON, and WHITESIDE COUNTIES

	Rates	Fringes
CARPENTER.....	\$ 41.77	29.18

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CARP0792-003 05/01/2018

BOONE COUNTY

	Rates	Fringes
CARPENTER.....	\$ 44.22	26.73

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ELEC0009-002 06/03/2018

WILL COUNTY

	Rates	Fringes
Line Construction		
Groundman.....	\$ 40.48	61.52%
Lineman and Equipment		
Operator.....	\$ 51.90	61.52%

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ELEC0117-001 06/04/2018

KANE (Northern Half) and McHENRY (All) COUNTIES

	Rates	Fringes
ELECTRICIAN.....	\$ 48.64	32.60

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ELEC0150-001 07/01/2017

LAKE COUNTY

	Rates	Fringes
ELECTRICIAN.....	\$ 40.00	38.49

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ELEC0176-011 06/01/2018

WILL COUNTY

	Rates	Fringes
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ELECTRICIAN.....\$ 43.50 39.26

\* ELEC0196-001 03/04/2019

BOONE, DEKALB, DUPAGE, KANE, KENDALL, LAKE, and MCHENRY COUNTIES

	Rates	Fringes
Line Construction		
Equipment Operator.....	\$ 43.87	32.75%+6.00+A
Groundman Truck Driver.....	\$ 35.05	32.75%+6.00+A
Groundman.....	\$ 33.85	32.75%+6.00+A
Lineman, Substation Technician, Cable Splicing Technician, Digger Operator, Crane Operator 20 tons and above, and Signal Technician.....	\$ 52.59	32.75%+6.00+A

FOOTNOTE: A. PAID HOLIDAYS: Memorial Day, Independence Day, Labor Day, and Thanksgiving Day

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ELEC0364-003 06/01/2018

BOONE (All) & DEKALB (Remainder) COUNTIES

	Rates	Fringes
ELECTRICIAN.....	\$ 47.00	33.51

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ELEC0461-006 06/04/2018

DEKALB (Sandwich TWP), KANE (Southern Half) & KENDALL (All) COUNTIES

	Rates	Fringes
ELECTRICIAN.....	\$ 47.72	32.39

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ELEC0701-001 06/04/2018

DUPAGE COUNTY

	Rates	Fringes
ELECTRICIAN.....	\$ 40.50	102.09%

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ENGI0150-015 06/01/2018

BOONE and DE KALB COUNTIES

	Rates	Fringes
OPERATOR: Power Equipment		
Group 1.....	\$ 46.65	37.45
Group 2.....	\$ 46.10	37.45
Group 3.....	\$ 44.80	37.45
Group 4.....	\$ 43.35	37.45
Group 5.....	\$ 41.90	37.45

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant; Asphalt Heater and Planer combination; Asphalt Spreader; Asphalt Silo Tender; Autograder, GOMACO or similar; Belt Loader; Caisson Rigs; Car Dumper, Central Redi-Mix Plant; Combination Backhoe Front End Loader Machine (1 cu yd or over Backhoe bucket with attachments); Backhoe with Shear attachment; Concrete Breaker (truck mounted); Concrete Conveyor; Concrete Paver over 27E cu ft; Concrete Placer; Concrete Tube Float; Cranes, all attachments; Cranes, Hammerhead, Linden, Peco and machines of a like nature; Creter Crane; Crusher, stone; Derricks; Derrick Boats; Derricks, traveling; Dredges; Field Mechanic Welder; Formless Curb and Gutter Machine; Gradall and machines of a like nature; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver mounted; Hoists, one, two, and three Drum; Hydraulic Backhoes; Locomotive, all Mucking Machine; Pile Drivers and Skid Rig; Pre-Stress Machine; Pump Cretes Dual Ram; Rock Drill-Crawler or Skid Rig; Rock Drill truck mounted; Roto Mill Grinder, 36" and over; Roto Mill Grinder, less than 36"; Slip- Form Paver; Soil Test Drill Rig, truck mounted; Straddle Buggies; GCI Crane and similar; Hydraulic Telescoping Form (tunnel); Tie Back Machine; Tractor Drawn Belt Loader: Tractor Drawn Belt Loader with attached Pusher; Tractor with boom; Tractaire with attachment; Traffic Barrier Conveyor Machine; Raised or Blind Hoe Drill (Tunnel & Shaft); Trenching Machine; Truck Mounted Concrete Pump with boom; Truck mounted Concrete Conveyor; Underground Boring and/or Mining Machines under 5 ft; Wheel Excavator & Widener (Apsco)

GROUP 2: Batch Plant; Bituminous Mixer; Bobcats over .75 cu yd; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, less than 1 cu yd Backhoe Bucket with attachments; Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine, Burlap Machine; Belting Machine and Sealing Machine; Conveyor Muck Cars (Haglund or similar type); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist-Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Locomotives, Dinky; Pump Cretes, Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, etc self-Propelled; Scoops-Tractor Drawn; Self-propelled Compactor; Spreader-Chip- Stone etc; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to to Group 2 hourly rate for each hour and for each machine attached thereto); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Pipe Jacking Machines; Post- hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 185 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 185; Asphalt Spreader Backend Man; Combination - Small Equipment Operator; Generators - Small 50 kw and under; Generators - Large , over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants All (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches; Bobcats up to and including .75 cu yd

GROUP 5: Oilers

PREMIUM PAY:

Long Boom :

Cranes & Derricks 90' to 150' including jib receive an extra \$.50 per hour. Cranes & Derricks over 150' including jib receive an extra \$.50 per hour plus an additional \$.10 for each additional 10' of boom or jib.

Capacity Pay: Cranes & Derricks with maximum capacity exceeding 50 ton with less than 90' of boom or jib shall be compensated \$.01 per hour for each ton of the rated capacity in excess of 50 ton.

Long Boom pay and Capacity pay cannot be combined.

Crane mounted earth auger, raised and blind hole drills, and truck mounted drill rigs receive an extra \$.50 per hour.

Creter Cranes:

When the Creter Crane is equipped with a conveyor system capable of extending 70' or more, the engineer shall receive an extra \$.50 per hour.

Truck Mounted Concrete Pumps:

When the Truck Mounted Concrete Pump is equipped with a boom, which is capable of extending 90' or more, the engineer shall receive \$.50 per hour extra.

Truck Mounted Concrete Conveyor:

Truck Mounted Concrete Conveyors equipped with conveyors that are capable of extending 90' or more, the engineer shall receive an extra \$.50 per hour.

Underground Work:

Employees working in tunnels, shafts, etc. shall be paid an additional \$.40 per hour. Employees working under air pressure 1/2 pound to 7 pounds shall receive an additional \$.50 per hour. Employees working under air pressure of 7 pounds or over shall receive \$.65 per hour more.

Mining Machines- Boring Machines:

The crew operating and maintaining the Mining Machines shall be compensated an additional \$.50 per hour.

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\* ENGI0150-024 06/01/2018

DUPAGE, KANE, KENDALL, LAKE, McHENRY, and WILL COUNTIES

Rates Fringes

OPERATOR: Power Equipment

GROUP 1.....	\$ 49.30	38.15
GROUP 2.....	\$ 48.75	38.15
GROUP 3.....	\$ 46.70	38.15
GROUP 4.....	\$ 45.30	38.15
GROUP 5.....	\$ 44.10	38.15

BRIEF  
EXHIBIT E  
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POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant\*; Asphalt Heater and Planer combination; Asphalt Heater Scarfire\*, Asphalt Spreader; Autograder/ GOMACO or similar; ABG Paver\*, Backhoes with Caisson attachment\*, Ballast Regulator, Belt Loader\*; Caisson Rigs\*Car Dumper, Central Redi-Mix Plant\*, Combination Backhoe; Front End Loader Machine (1 cu yd or over Backhoe bucket or with attachments); Concrete Breaker (truck mounted); Concrete Conveyor; Concrete Paver over 27E cu ft\*; Concrete Placer\*; Concrete Tube Float; Cranes, all attachments\*; Cranes, Hammerhead, Linden, Peco and machines of a like nature\*; Creter Crane; Crusher, stone; All Derricks; Derrick Boats; Derricks, traveling\*; Dowell Machine with Air Compressor (\$1.00 above Class 1); Dredges\*; Field Mechanic Welder; Formless Curb and Gutter Machine\*; Gradall and machines of a like nature\*; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver mounted\*; Hoists, one, two, and three Drum; Hydraulic Backhoes\*; Backhoes with Shear attachments\*; Mucking Machine; Pile Drivers and Skid Rig\*; Pre-Stress Machine; Pump Cretes Dual Ram (requires frequent lubrication and water)\*; Rock Drill- Crawler or Skid Rig\*; Rock Drill truck mounted\*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)\*; Slip-Form Paver\*; Soil Test Drill Rig, truck mounted\*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader\*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine\*; Trenching Machine; Truck Mounted Concrete Pump with boom\*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.\*; Wheel Excavator\* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft\*

GROUP 2: Batch Plant\*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed\*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self- propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large , over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;

GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

\*Requires Oiler

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IRON0001-014 06/01/2018

DU PAGE (Eastern 1/4), LAKE, AND MCHENRY (Hebron, Woodstock, and East thereof) COUNTIES

	Rates	Fringes
IRONWORKER		
Sheeter.....	\$ 49.08	38.28
Structural and Reinforcing..	\$ 48.83	38.28

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IRON0063-003 06/01/2018

LAKE, DUPAGE (Eastern 1/4) and MCHENRY (HEBRON, WOODSTOCK & EAST THEREOF) COUNTIES

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 48.05	35.93

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IRON0393-003 06/01/2018

DEKALB (SOUTHEASTERN 2/3 including Sycamore and Dekalb), DUPAGE (REMAINDER), KANE, KENDALL (NORTHERN PART), and MCHENRY (SOUTHEAST 1/4) COUNTIES

	Rates	Fringes
IRONWORKER.....	\$ 45.84	35.50

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IRON0444-006 06/01/2018

KENDALL (Southern Part) and WILL COUNTIES

	Rates	Fringes
IRONWORKER.....	\$ 43.00	38.20

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IRON0498-003 06/01/2018

BOONE, DEKALB (EXCEPT Southeast), and MCHENRY (Northwest)  
COUNTIES

	Rates	Fringes
IRONWORKER.....	\$ 39.39	38.89

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LAB0002-004 06/01/2017

DUPAGE COUNTY

	Rates	Fringes
LABORER (SEWER CONSTRUCTION)		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.33	27.47
GROUP 3.....	\$ 41.43	27.47
GROUP 4.....	\$ 41.55	27.47
GROUP 5.....	\$ 41.20	27.47

LABORER CLASSIFICATIONS

GROUP 1: Signalmen Top Laborers, and all other Laborers not  
Mentioned.

GROUP 2: Concrete Laborers; Steel Setters.

GROUP 3: Cement Carriers; Cement Mixers; Concrete Repairmen;  
Mortar Men; Scaffold Men; and Second Bottom Men.

GROUP 4: Bottom Men; Bracers-Bracing; Bricklayer's Tender;  
Catch Basin Digger; Drainlayer; Dynamiter; Form Men;  
Jackhammermen; Powerpac; Pipelayers; Rodders; Welders &  
Burners; Well Point System Men.

GROUP 5: Asbestos Abatement Laborers, Toxic and Hazardous  
Waste Removal Laborers & Dosimeter use (any device)  
Monitoring Nuclear Exposure.

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LAB0002-009 06/01/2017

DU PAGE COUNTY

	Rates	Fringes
LABORER (Compressed Air)		
0 - 15 lbs.....	\$ 42.20	27.47
16 - 20 lbs.....	\$ 42.70	27.47
21 - 26 lbs.....	\$ 43.20	27.47
27 - 33 lbs.....	\$ 44.20	27.47
34 lbs and over.....	\$ 45.20	27.47
LABORER (Tunnel and Sewer)		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.33	27.47
GROUP 3.....	\$ 41.43	27.47
GROUP 4.....	\$ 41.55	27.47

GROUP 5.....\$ 41.20 27.47

BRIEF  
EXHIBIT E  
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LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

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LAB00032-007 05/01/2018

DE KALB COUNTY

	Rates	Fringes
LABORER		
General Laborer.....	\$ 35.40	31.73
Skilled Laborer.....	\$ 38.25	31.73

LABORER CLASSIFICATIONS

General Laborer: Carpenter Tender, Tool Cribman, Fireman or Salamander Tender, Flagman, Gravel Box Man, Bumpman & Spotter, Form Handler, Material Handler, Fencing Laborer, Cleaning Lumber, Pit Man, Material Checker, Landscaper, Unloading Explosives, Laying of Sod, Planting of Trees, Asphalt Workers With Machine & Layers, Asphalt Plant Laborer, Wrecking, Fire-proofing, Driving Stakes, Stringlines for All Machinery, Window Cleaning, Demolition

Worker, Explosive Handling, Trimming & Removal of Trees, Multi-Plate Pipe, Pilot Cars for Traffic Control, Power Rigging

BRIEF EXHIBIT E 37 of 49

Skilled Laborer: Asbestos Abatement Worker; Hazardous Waste Worker Handling any Materials with any Foreign Matter Harmful to Skin or Clothing, Track Labor, Cement Handler, Chloride Handler, Unloading & Laborers with Steel Workers & Re-bars, Wet Concrete Workers, Tunnel Tenders in Free Air, Batch Dumper, Mason Tender, Kettle & Tar Man, Tank Cleaner, Plastic Installer, Scaffold Worker, Motorized Buggies or Motorized Unit Used For Wet Concrete or Handling of Building Materials, Laborers With De-Watering Systems, Sewer Workers Plus Depth, Vibrator Operator; Cement Silica, Clay, Fly Ash, Lime & Plasters Handlers (Bulk or Bag); Cofferdam Worker Plus Depth, Concrete Paving, Placing, Cutting & Tying of Reinforcing, Deck Hand, Dredge Hand and Shore Laborer, Bankman on Floating Plant, Grade Checker, Power Tools, Front End Man on Chip Spreader, Caisson Worker Plus Depth, Gunnite Nozzleman, Leadman on Sewer Work, Welder, Cutter, Burner & Torchman, Chain Saw Operator, Jackhammer & Drill Operator, Layout Man and/or Tile Layer, Steel Form Setter - Street & Highway, Air Tamping Hammerman, Signal Man On Crane, Concrete Saw Operator, Screenman on Asphalt Paver, Tending Masons with Hot Material or Where Foreign Materials are used, Mortar Mixer Operator, Multiple Concrete Duct - Leadman, Luteman, Asphalt Raker Curb Asphalt Machine Operator, Ready Mix Scaleman Permanent Portable or Temporart Plant, Laborer Handling Masterplate or Similar Materials, Laser Beam Operator, Concrete Burning Machine Operator, Coring Machine Operator, Plaster Tender, Underpinning & Shoring of Buildings, Pump Man, Manhole & Catch Basin, Dirt & Stone Tamper, Hoseman on Concrete Pump.

LAB00075-002 06/01/2017

WILL COUNTY

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.55	27.47
GROUP 3.....	\$ 41.20	27.47
GROUP 4.....	\$ 41.55	27.47
GROUP 5.....	\$ 41.40	27.47
GROUP 6.....	\$ 41.55	27.47
GROUP 7.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1 - Mortar mixers, handling asphalt shingles; Scaffolds; Sewer and trench work (ground level down to 8 feet); Catch basin and manhole diggers, mesh handling on road work; Cement and mineral filler handler; Concrete puddlers; Batch dumpers (cement & asphalt); Vibrator operators; Sand and stone wheelers to mixer Handlers); Concrete wheelers; Airtamping hammermen; Concrete & paving breakers; Rock drillers/Jackhammermen; Chipping hammermen 1-Bag mixer; Asphalt laborer; Chain and power saws; Pit men; Fencing laborers; Mason tenders (mortar and brick wheeler); Kettlemen & tarmen, tank cleaners; Scaffold and staging laborers; Pot Firemen (tarmen); Heaters tender for

any purpose; Water pumps (portable water pumps shall be tended by laborers if the employer determines tending is required); Rip rap; Handling of slab steel road forms in any manner, except road form setting, setting center strips, Contraction and expansion joints (road work); Unloading and handling of lumber, brick, transite materials, cast iron water pipe, reinforced concrete rods, sewer and drain tile, railroad tiles and all other creosoted materials; paving blocks and concrete forms; Handling of insulation of any type; all work involving the unloading of materials, fixtures, or furnishing, whether crated or uncrated; all mortar and composition mixers of sewer work; track laborers; Chimney and silo laborers working at a height of 1 to 48 feet; All laborers working on swinging suspended, or any type or make of scaffolding 1 to 48 feet; All laborers working inside a sphere or any type or make of tank; Working inside a sphere or any type or make of tank from bottom to a height of 48 feet; Form strippers (any type); Mechanical or motorized buggies, for concrete or masons employers; Use of skid steer loads or any other machinery which replaces the wheelbarrow or buggy; Handling multiple concrete duct or any other type of pipe used in public utility work unless otherwise specified herein; Snapping of wall ties and removal of rods; drilling of anchor bolt holes; Concrete or asphalt clipper type saws and self-propelled saws; Shoulder and grade laborers; All hydraulic electric and air or any other type of tools; Grouting and caulking; Cleaning lumber, Nail pulling, Deck hand; Dredgehand; Shore laborer; Bankmen on Floating Plant; Tool and material checkers; Signalmen and Flagmen on all construction work; Cleaning of debris; Removal of trees; Concrete curing, temporary concrete protection regardless of manner or materials used; Laborers on Apsco; Janitorial; Wrecking and demolition laborers

GROUP 2 - Sewer and drain pipe layers and multiple concrete duct or any other type of pipe used, on public utility work (ground level to 8 feet); Pumpcrete pipe handlers

GROUP 3 - Asphalt rakers; Hod carriers; Plasterer laborers; Gunnite laborers, Slab for setters on roads, highways, streets, airport runaways, and radii (any type of form) stringline men for all aforementioned work; Wagon and tower drillers on land and floating plant used on dredging; Asphalt gunners and plug men (undercoating on road work); Mortar pump laborers; Plaster pump laborers

GROUP 4 - Tunnel miners, and all laborers inside tunnel; Air blow pipemen; Torchmen (burners); Mortaring men on sewer and drain pipe (the applying of mortar and composition mixes); All bottom men on sewer work-all sewer and drain pipelayers-multiple concrete duct or any other type of pipe used on public utility work-8 feet or more below ground level, and all other sewer and trench laborers 8 feet or more below ground level regardless of excavation area; All labor work inside cofferdam; Use of a 10 foot or more drill steel for hand held drills; Caisson laborers ground level down 15 feet; All air tools 8 feet or more below ground level; All laborers working on swinging-suspended or any type or make of scaffolds, 48 feet to 100 feet; All chimney and silo laborers working at a height of 48 to 100 feet; All tamping hammers over 150 lbs.; All laborers working inside of a sphere or any type or make of tank at a height of 48 feet to 100 feet; all hydraulic, electric and air tools or any other type 8 feet or more below ground level;

Vibrators-any type-8 feet or more below ground level

GROUP 5 - Gunnite nozzle men; Caisson laborers and all tamping hammers from 150 lbs and over; from 15 feet below ground level down to 50 feet; and all laborers working inside of a sphere or any type of tank for every additional 50 feet or part thereof above 100 feet in height

GROUP 6 - All underground cavern laborers; Caisson laborers 50 feet or more below ground level; Laborers working under radio active conditions (suiting up); Blasting men (Powdermen)

GROUP 7 - Dosimeter (any device) used for monitoring nuclear exposure; Asbestos abatement worker; Toxic and hazardous waste removal laborer; and chimney and silo laborers for every additional 50 feet or any part thereof above 100 feet high

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LAB00149-002 06/01/2017

BOONE, KANE, KENDALL, AND MCHENRY COUNTIES

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.43	27.47
GROUP 3.....	\$ 41.20	27.47
GROUP 4.....	\$ 41.20	27.47
GROUP 5.....	\$ 41.43	27.47
GROUP 6.....	\$ 41.55	27.47
GROUP 7.....	\$ 41.55	27.47
GROUP 8.....	\$ 41.20	27.47
GROUP 9.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1: Common laborer, Asphalt laborer, Asphalt plant laborer, Striping laborer, Clipper type concrete saw, Self-propelled saws

GROUP 2: Air tampers & Vibrators

GROUP 3: Mortar & Concrete mixers

GROUP 4: Stringline & form setter; Torchman (demolition), Sheeting & Cribbing, Black top rakers & lutemen, Machine screwmen

GROUP 5: Chain saw man, Jackhammer man, Drillman, Concrete breaders & air spade,

GROUP 6: Tunnel laborers, Tile layers & bottom men

GROUP 7: Caisson diggers, Dynamiters

GROUP 8: Flagman

GROUP 9: Asbestos apatement laborers, Toxic & hazardous waste removal laborers & Dosimeter (any device) monitoring nuclear exposure

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LAB00152-003 06/01/2017

LAKE COUNTY

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 41.20	27.47
GROUP 2.....	\$ 41.28	27.47
GROUP 3.....	\$ 41.20	27.47
GROUP 4.....	\$ 41.43	27.47
GROUP 5.....	\$ 41.40	27.47
GROUP 6.....	\$ 41.40	27.47

LABORER CLASSIFICATIONS

GROUP 1: General laborers; Asphalt

GROUP 2: Cement gun laborers

GROUP 3: Asphalt Tampers and Smoothers

GROUP 4: Rakers and Lutemen; Machine screwman; Kettleman; Mixer-men, Drum-Men; Jackhammermen (Asphalt); Mite Box Spreaders; Laborers on birch overman and similar spreader equipment; Laborers on apSCO; Laborers on Air Compressors; Paving Form Setters; Jackhammerman (Concrete); Power Drive Concrete Saws

GROUP 5: Cement Gun Nozzle (Gunitite)

GROUP 6: Asbestos abatement laborers; Toxic and hazardous waste removal laborers; Dosimeter (any device monitoring nuclear exposure)

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PAIN0014-003 06/01/2018

LAKE and WILL COUNTIES

	Rates	Fringes
PAINTER: Brush Only.....	\$ 46.55	27.24

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PAIN0030-001 07/01/2018

DE KALB, DU PAGE, KANE, KENDALL AND MCHENRY COUNTIES

	Rates	Fringes
PAINTER		
Brush, Drywall Taper/Finisher, Sandblaster, and Spray.....	\$ 46.55	21.58

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PAIN0030-004 07/01/2018

BOONE, JO DAVIESS, LEE, OGLE, STEPHENSON AND WINNEBAGO COUNTIES

	Rates	Fringes
PAINTER		
Brush, Roller, Spray, Sandblasting, Paperhanger, Drywall Finishing, Taper, and Spray Structural Steel..	\$ 39.95	22.61

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PLAS0011-002 06/01/2017

WILL COUNTY

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 42.00	34.56

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PLAS0011-008 06/01/2017

DE KALB, KANE, KENDALL, AND McHENRY COUNTIES

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 44.84	31.60

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PLAS0011-013 06/01/2017

LAKE COUNTY

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 44.98	31.47

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PLAS0011-015 06/01/2017

BOONE COUNTY

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 36.99	26.93
PLASTERER.....	\$ 34.78	27.28

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PLAS0803-001 08/01/2010

DUPAGE COUNTY

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 38.00	24.03

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\* TEAM0179-002 06/01/2017

KENDALL and WILL COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2 or 3 Axle Trucks.....	\$ 37.68	0.15+a
4 Axle Trucks.....	\$ 37.83	0.15+a
5 Axle Trucks.....	\$ 38.03	0.15+a
6 Axle Trucks.....	\$ 38.23	0.15+a

FOOTNOTES:

- a. \$733.20 per week.
- b. Lowboy rate based on number of axles

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes;  
Air Compressor and Welding Machines, including those pulled

by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0301-001 06/01/2017

LAKE AND MCHENRY COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 37.69	10.15+a
4 AXLES.....	\$ 37.84	10.15+a
5 AXLES.....	\$ 38.04	10.15+a
6 AXLES.....	\$ 38.24	10.15+a

FOOTNOTES:

- a. 325.20 per week.
- b. Lowboy rate based on number of axles

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years -

2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0325-004 06/01/2017

BOONE and WINNEBAGO COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2 - 3 Axles.....	\$ 36.62	20.40
4 Axles.....	\$ 36.77	20.40
5 Axles.....	\$ 36.97	20.40
6 Axles.....	\$ 37.08	20.40

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers Pole Trailer, up to 40 feet; Power Mower Tractors; Skipman; Slurry Trucks, two-man operation; Teamsters; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long, additional \$0.50 per hour; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more

\*Mechanic\*Truck Welder and Truck Painter; \*Winter Rate: Between Dec. 15 and Feb. 28 the mechanic and welder rate shall be \$2.00 less than the scheduled scale. Truck Painter and Truck Welder classifications shall only apply in areas where and when it has been a past area practice; Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories

Group 4 - Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0330-002 06/01/2017

DEKALB COUNTY

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 36.64	0.15+a
4 AXLES.....	\$ 36.79	0.15+a
5 AXLES.....	\$ 36.99	0.15+a
6 AXLES.....	\$ 37.19	0.15+a

FOOTNOTE: a. \$780.90 per week

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20

years - 4 weeks paid vacation.

CLASSIFICATIONS:

BRIEF  
EXHIBIT E  
45 of 49

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0673-003 06/01/2017

DU PAGE and KANE COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 36.93	0.15+a
4 AXLES.....	\$ 37.08	0.15+a
5 AXLES.....	\$ 37.28	0.15+a
6 AXLES.....	\$ 37.48	0.15+a

FOOTNOTE: a. \$767.70 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence

Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year.

Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

#### Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

#### Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

#### Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the

interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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STB Docket No. FD 36332

PETITION BY THE NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK) FOR PROCEEDINGS UNDER 49 U.S.C. § 24903(c)(2)

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**AMTRAK'S RESPONSE TO METRA'S THIRD SET OF INTERROGATORIES**

Pursuant to 49 C.F.R. § 1114.26 and the Board's Procedural Schedule in this matter, Amtrak submits these responses to the Third Set of Interrogatories of the Commuter Rail Division of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation (Metra).

**GENERAL OBJECTIONS**

1. Amtrak objects to the Definitions and Instructions to the extent that such Definitions and Instructions exceed the scope of the Surface Transportation Board's discovery rules, *see* 49 CFR §§ 1114.21–1114.31 and purport to impose on Amtrak undue burden and expense or raise issues untimely or inappropriate to the proceeding.
2. Amtrak objects to the number of Interrogatories (29 in the Third Set) as imposing an undue burden on Amtrak, particularly where Amtrak has already responded to 89 Interrogatories and 41 Requests for Production from Metra. Metra has now served nearly 120 Interrogatories and 60 Requests for Production in this case. The volume of discovery sought is not proportionate to the needs of the case.
3. Amtrak objects to the Interrogatories to the extent the Interrogatories purport to require disclosure of information that was prepared in anticipation of litigation, constitutes attorney work product, reveals attorney-client communications, or is otherwise protected from disclosure under applicable privileges laws, or rules. In responding to these Interrogatories,

Notwithstanding its objections, Amtrak responds to Interrogatory No. 93 as follows: The remainder of Amtrak Bates No. 5283 contains back-up information for each of the listed items. Those back-up tabs show the calculations for rows 6-9 on the “Summary-Operating” tab. Row 10 was calculated by adding rows 6-9.

**INTERROGATORY NO. 94:**

Identify what WBS Element or Cost Centers were used to produce the values in rows 6-10 of the “Summary-Capital” tab in file Amtrak Bates No. 5283; describe how the value of each row was calculated; and identify any relationship to either Tier 1 or Tier 2 Recapitalization Program Costs identified in the Access Agreement.

**RESPONSE TO INTERROGATORY NO. 94:**

Amtrak incorporates its General Objections. Amtrak further objects to this Interrogatory as seeking irrelevant information and therefore overly burdensome. The Summary-Capital tab addresses an early capital proposal by Amtrak that Metra knows has long been superseded and does not have any relationship to either Tier 1 or Tier 2 Recapitalization Program Costs identified in Amtrak’s proposal.

Notwithstanding its objections, the Summary-Capital tab is based on the Capital-Common and Capital-Projected tabs. Amtrak further refers Metra to Amtrak Bates No. 233.

**INTERROGATORY NO. 95:**

Identify whether any portion of the Depreciation value in row 6 of the “Summary-Capital” tab arises from assets for which Metra has paid a portion or all of the purchase price, and if so, identify those assets and where they are listed in Amtrak Bates Nos. 233, 294, or 907, the corresponding depreciation values that were included in row 6, and describe the calculations used to arrive at the row 6 sum.

**INTERROGATORY NO. 117:**

Describe the relationship between WBS element and Cost Center element such that, read together, they identify “whether the employee is working at Chicago Union Station” consistent with Amtrak’s answer to Interrogatory No. 51.

**RESPONSE TO INTERROGATORY NO. 117:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 117 as follows: The WBS element is a “bucket” where all the activities belonging to a specific project are captured. The Cost Center is a specific department within Amtrak. Labor and other expenses coded to a WBS element are identified by cost centers that reflect the specific department that incurred costs to execute the project. The WBS element is the primary indicator of whether the employee was working at Chicago Union Station.

**INTERROGATORY NO. 118:**

Identify whether the costs of the assets in the SOGR tab calculations of Amtrak Bates Nos. 1 and 294 are supported or otherwise derived from the 2017 Amtrak Asset Management Plan and explain how the 2017 Amtrak Asset Management Plan was incorporated into the calculations, or otherwise explain the reason for any departure.

**RESPONSE TO INTERROGATORY NO. 118:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 118 as follows: As indicated in the footnote in Amtrak Bates Nos. 1 and 294, the costs of the assets in the SOGR tab calculations were derived from the 2017 Amtrak Asset Management Plan.

**INTERROGATORY NO. 119:**

Describe all calculations undertaken in support of the 10-year cost of good repair factors described on row 7 of the “Summary” tabs of Amtrak Bates No. 1 and 294.

**RESPONSE TO INTERROGATORY NO. 119:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 119 as follows: No calculations were undertaken in support of the utilization of a 10-year cost of good repair factor.

The 10-year period was based on the fact that Amtrak’s proposal was for a 10-year contract.

Dated: January 28, 2020

William H. Herrmann  
Christine E. Lanzon  
National Railroad Passenger Corporation  
(Amtrak)  
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/s/Neil K. Gilman  
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Corporation (Amtrak)*

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day, January 28, 2020, caused copies of the foregoing to be served by electronic mail on:

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Robert A. Wimbish  
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*Counsel for Metra*

/s/Perie Reiko Koyama  
Perie Reiko Koyama

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION —  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

---

**OPENING STATEMENT OF COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND NORTHEAST ILLINOIS  
REGIONAL COMMUTER RAILROAD CORPORATION**

**VOLUME II OF II**

***VERIFIED STATEMENTS AND SUPPORTING MATERIALS***

Thomas J. Litwiler  
Robert A. Wimbish  
Thomas J. Healey  
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**ATTORNEYS FOR  
COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY  
AND NORTHEAST ILLINOIS REGIONAL  
COMMUTER RAILROAD CORPORATION**

Dated: May 20, 2020

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION —  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

---

**VERIFIED STATEMENT  
OF**

**ROBERT K. BYRD**

**ON BEHALF OF  
THE COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND THE NORTHEAST  
ILLINOIS REGIONAL COMMUTER RAILROAD CORPORATION  
(METRA)**

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## **I. BACKGROUND, EDUCATION, AND WORK EXPERIENCE**

My name is Robert K. Byrd. I was retained by The Commuter Rail Division of the Regional Transportation Authority and the Northeast Illinois Regional Commuter Railroad Corporation (collectively “Metra”) through P4 Security Solutions to provide opinion testimony relative to an appropriate allocation of expenses to Metra incurred by the National Railroad Passenger Corporation (“Amtrak”) for the provision of police services at the jointly used Chicago Union Station (“CUS”).

I graduated from Hobart High School in 1973. I then graduated from the United States Army Military Police Academy in 1974, the Indiana Law Enforcement Academy’s Recruit School in 1977, that same school’s Executive Police Chief Training Program in 1989, and Northwestern University’s School of Police Staff and Command in 1998. I also received two degrees from Calumet College of St. Joseph (B.S. Law Enforcement Management, 2000, and M.S. Law Enforcement Administration, 2003), and hold a Graduate Certificate in Public Management (2002) from Indiana University.

Upon graduating from high school, I enlisted in the U.S. Army, where I served for 2 years before joining the Lake County Indiana police department for eight years. Then, in 1984, I was selected to form the police department for the Northern Indiana Commuter Transportation District (“NICTD,” the operator of the South Shore Line Commuter Rail Service (“South Shore”)), and I became the first Chief of Police of that agency. NICTD operates a 90-mile commuter rail system that carries between 3.5 and 4 million passengers annually between the South Bend Indiana Airport and downtown Chicago. NICTD had up to 17 police positions (full and part time), all operating under my supervision, along with temporary hires to assist in policing of special events. As NICTD’s first police chief, I had the unique opportunity to literally build a new transit police department from the ground up by recruiting talented officers and

acquiring increased funding via state and federal grants. During my time with NICTD, I was responsible for recruiting personnel, developing policy and procedure, and establishing liaisons with 25 police agencies, 15 prisoner reception sites, and 11 primary court locations in Indiana and Illinois. I am most proud of the fact that two NICTD officers were selected as “Indiana Police Officer of the Year” by the Indiana Association of Chiefs of Police. As part of my responsibilities, I was granted an FBI Secret Security Clearance and routinely networked with a host of counter-terrorism agencies to include the FBI, Department of Homeland Security, Federal Railroad Administration, and the Chicago Police Department. I served as NICTD’s Passenger Rail Security Coordinator to the Transportation Security Administration. I also provided law enforcement representation to the Chicago Regional Transportation Security Working Group, a public transportation organization consisting of Metra, Chicago Transit Agency, the Pace bus service of the Regional Transportation Authority, NICTD, Transportation Security Administration, Amtrak, and Illinois and federal emergency management agencies. I retired as Chief of Police for NICTD in 2017.

One of my more important roles at NICTD involved oversight of the NICTD Police Department budget (\$2,000,000 annually at the time of my retirement). During my thirty-three years with NICTD as Chief of Police, I participated in annual budget reviews and workshops to identify and explain costs associated with funding police operations. During these reviews, I was responsible for understanding and defending each line item on NICTD’s police budget, a process that could become quite focused, given the many competing priorities that NICTD needed to fund. Typical Police Department budget line items would include: (1) personnel costs, such as wages and fringe benefits; (2) equipment expenses, for items such as vehicles, firearms, and uniforms; (3) building expenses, covering police station maintenance and

repairs; (4) legal expenses, for the Department's legal advisor, and to cover police liability insurance; and (5) training costs, to provide for attendance at police academy and in-service programs. I also gained budgeting experience through my five years as Treasurer for the Northwest Indiana Major Crimes Task Force, a 501(c)(3) non-profit organization charged with coordinating complicated homicide investigations with 27 law enforcement agencies.

As an Indiana certified Medicolegal Death Investigator, I serve as the Chief Deputy Coroner for the Porter County (IN) Coroner's Office. I lead a team of ten investigators who establish the cause and manner of deaths and then coordinate those investigations with police, prosecutors, and pathologists.

I am proud of being a co-founding member, past President, Treasurer and Spokesperson for the Northwest Indiana Major Crimes Task Force, a consortium of twenty-eight local, state and federal law enforcement agencies from Lake and Porter Counties. Eighty detectives from the member agencies collectively investigate homicides, serial rapes, arsons and non-parental child abductions.

In 2009 I was honored to be named the "2008 Public Safety Person of the Year" by Calumet College of St. Joseph. I also have railroad operating experience, serving as both Chief of Police and Trainmaster for the Chicago, Missouri & Western Railroad, a one-time affiliate of the South Shore.

## **II. CONTRASTING THE BEHAVIOR OF COMMUTER AND INTERCITY RAIL PASSENGERS**

Over my decades of policing commuter rail operations, I have observed a very marked distinction between the behavior of commuters and that of intercity rail passengers (such as those riding Amtrak's trains) when using station facilities and services. Commuters generally have a set path through a station, and they rarely vary from that path, preferring the shortest route

from their arriving train to their ultimate destination, usually their place of employment (in a station like CUS, “inbound”), and that same path, in reverse, when moving between their job and the outbound train that usually departs from the same track each evening. Most commuters are pre-ticketed (often on monthly, and less frequently, weekly passes), so they rarely have need for the ticketing booths located at all downtown Chicago Metra stations. Similarly, while some commuters may stop within a train station to buy refreshments or reading material, or use restroom facilities, the majority of commuters proceed straight from their station entrance to their train, or vice versa. The diversions they encounter through the station seem rarely noticed by commuters, for whom the station’s sole purpose is to serve as a conduit between where they were and where they are going, no different than how billboards adjacent to a highway are rarely noticed by those who frequent the route. This typical commuter behavior was noted in the Chicago Department of Transportation’s “Chicago Union Station Master Plan Study” of May 2012 (the “Master Plan”), wherein it was noted “commuters closely coordinate their arrival at [CUS] with their train’s departure time.” Exhibit 1, 37. Indeed, many commuters have selected their inbound train car to minimize the time spent in the station moving between their train and their destination, and it is not uncommon for commuters to know, to the minute, when they have to leave their office in order to make their customary evening train.

By contrast, intercity rail passengers, by and large, are not engaged in intercity rail travels on a daily basis. Rather, from the perspective of users, intercity rail travel on Amtrak is far more similar to air travel, an infrequent event for almost all persons, and one that generally involves getting to the rail station far in advance of the scheduled departure of the Amtrak train. Because travel on Amtrak is not routine for almost all rail travelers (and hence, travel times to and through the station are more of an unknown), the majority of intercity rail passengers arrive



station resting, enjoying refreshments, or reading a newspaper or their phone, all done within what's likely to be a less-familiar environment. Additionally, the reduced time spent within a train station by commuters also reduces the likelihood that they will need police assistance with a medical emergency. In other words, a sheer headcount of commuter versus intercity rail passengers using a rail station each day provides precious little basis on which to judge the relative benefit from police services. As I discuss below, other means of more accurately measuring actual usage for police assistance provide an improved, if imperfect, measure of benefit or other need for police involvement.

### **III. AMTRAK'S EXPENSES ATTRIBUTABLE TO CUS POLICING**

As an initial step to determining an appropriate allocation to Metra of Amtrak's expenses incurred for providing police services at CUS, I first investigated the total charges that Amtrak attributed to policing costs at the station.<sup>1</sup> In this portion of my statement, I will review the costs that Amtrak has proposed to include within the tabulation of police costs for CUS. I will also review specific elements of those costs, and give my opinion as to why certain costs included by Amtrak should actually be excluded from this exercise, usually because incursion of such costs does not benefit Metra and, on occasion, because they do not represent any cost to Amtrak. In the next section of my statement, I will assess appropriate methods for allocating the remaining, legitimate costs as between Amtrak and Metra. In the final section of my statement, I will discuss a number of factors that demonstrate the reasonableness of Metra's final allocated cost for police services provided by Amtrak at CUS. While these final considerations have not

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<sup>1</sup> I was told that Amtrak and Metra have agreed for purposes of this proceeding that the relevant charges would be taken from the years 2016 and 2017, then indexed to current levels. I have focused my review of relevant information accordingly.

been quantified, they amply demonstrate why Metra's proposed payment level for policing at CUS is, if anything, overly generous.

The starting point for assessing Amtrak's costs for policing CUS is a document produced by Amtrak, attached here as Exhibit 3 and also included in the workpapers supporting the Verified Statement of L.E. Peabody & Associates as File No. 6. In that document (titled by Amtrak as "Access Fee Calculation for Metra for Chicago Union Station"), under the tab labeled "Police Cost Allocation," Amtrak has summarized what it believes to be expenses for its "Station Police Cost" and "Station K9 Unit" for 2016 and 2017. Taking these costs and making various adjustments and additives (which I will assess momentarily), Amtrak concludes that its overall costs for policing CUS, prior to the addition of a General and Administrative ("G&A") additive that I will address *infra*, [REDACTED] for Station Police Cost and [REDACTED] for K9 Unit expense, while in 2017, those costs rose to [REDACTED], divided as [REDACTED] for Station Police Cost and [REDACTED] for K9 expense.<sup>2</sup>

**A. Remove Retrofitted and Unfilled Positions.**

A review of Exhibit 3 indicates that several of Amtrak's adjustments to its baseline Station Police Costs for 2016 and 2017 need to be removed. Most critically, Amtrak has [REDACTED] [REDACTED]. Those [REDACTED] do not reflect any actual costs to Amtrak. Adding this layer of costs to the expenses that were actually incurred by Amtrak in 2016 and 2017 goes against the parties' understanding that actual 2016 and 2017 costs would be the basis for determining Metra's reasonable allocation. Those four positions did not exist in

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<sup>2</sup> In this review, I have not included Amtrak's calculation of an inflation measure to bring the 2016 and 2017 numbers up to 2018 levels, as other indexing criteria are appropriate. I will apply an appropriate General and Administrative ("G&A") charge to Amtrak's costs later in this statement.

2016 and 2017, and retrofitting them onto those years artificially inflates the actual, documented expenses for policing CUS incurred by Amtrak for those years.

Several distinct circumstances argue that [REDACTED] [REDACTED] should not only be excluded from those costs, but should remain excluded from any calculation of Metra's share of police costs. First, even if Amtrak can show that [REDACTED] were added to the police budget after 2017, Exhibit 3 assumes that such positions should be included in an assessment of costs at the average Station Police Cost for each position [REDACTED], as reflected in the box on the lower left of the Police tab of Exhibit 3). While it is possible that more veteran police officers, or those hired to occupy elevated ranks within the department, might actually be hired at a salary in excess of the average position cost, my experience has been that newly-hired employees begin their tours of duty at lower salaries than the average position. Thus, without any further reference points, it appears to me that Amtrak's assumption [REDACTED] [REDACTED] improperly adds expenses to Amtrak's overall CUS police budget. Removing such costs from Amtrak's tabulation is therefore appropriate.

Perhaps more importantly, "budgeted" positions and "filled" positions are two quite different concepts. A budgeted position that is not filled represents no expense to Amtrak (and hence no basis for reimbursement from Metra), and, just as critically, an unfilled position in the budget provides zero policing usage by Metra's passengers. Both of those facts disqualify those budgeted but unfilled positions from being included in any discussion of allocating police costs at CUS to Metra. Exhibit 4 (which Amtrak produced in discovery as Document No. 6416) presents a summary chart for positions within Amtrak's CUS budget for 2017, 2018, and 2019.

In that document, Amtrak accounts for [REDACTED] 2017,<sup>3</sup> but two of those officers left Amtrak's employment in August of 2017, [REDACTED] at the end of the year (very likely accounted for by officers on K9 duty). While the 2019 police roster on that same spreadsheet [REDACTED], six of the 2019 positions left the Amtrak force in 2019, but their salary is shown as [REDACTED] [REDACTED]. Indeed, it is my understanding that as recently as January 2020, Amtrak had six budgeted positions for policing CUS that were either not filled or were filled by someone on long-term disability. None of these six positions are used for policing Metra's customers, and none of them should be counted when determining Metra's share of policing costs as CUS.

As the Chief of Police for NICTD for several decades, I became intimately familiar with the struggles a police force may face when filling positions. Qualified candidates need to be identified, background checked, interviewed, hired, and trained. It is not intended as any slight of Amtrak's well-regarded police force to point out that budgeted positions may not be filled by working officers for some time. But within the context of this proceeding, I see no basis for charging Metra for police positions that, for whatever reason, remain unfilled. If Metra is to pay a set annual fee for Amtrak's police services at CUS, that number should be based as closely as possible on actual police officers who are involved with policing activities that are used by Metra customers.<sup>4</sup> The consistent turnover of any police roster prevents the assumption that

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<sup>3</sup> The [REDACTED] in 2017 referenced on Exhibit 4 exceed the 32 positions in 2017 listed on Exhibit 3 because it appears that Exhibit 3 includes the expenses of officers assigned to K9 teams on the "K9 Unit" cost summary, but does not separately break out the number of such positions, as was done for non-K9 police positions. I therefore read those two totals as congruous.

<sup>4</sup> In that regard, I note that if this proceeding had been completed last year and a set monthly fee for Amtrak's police services been set on 2019's budget, Metra would have paid Amtrak for up to six police positions in January 2020 that were not used for policing Metra passengers (and [REDACTED] but no actual cost to Amtrak).

reimbursement should be based on budgeted positions. Unfilled positions on any police roster are unfortunately the norm, and should be accounted for in any calculation of Amtrak’s reimbursement. Any other approach to calculating reimbursement, such as payment by Metra to Amtrak of a percentage of all budgeted positions regardless of the occupancy or function of those positions, places Metra at risk of over-compensating Amtrak, but leaves Amtrak entirely immune from any risk of being undercompensated.

In order to account for the turnover of police officers at Amtrak, I believe it is appropriate to permanently subtract out the [REDACTED]. Removing [REDACTED] reduces Amtrak’s stated costs to levels of payroll expense that it actually incurred in 2016 and 2017, and appropriately reflects the vacancies that apparently exist and will undoubtedly continue to arise in the future.

Amtrak’s budgeting in Exhibit 3 reflects that the additional expense<sup>5</sup> for the [REDACTED] “phantom” policing positions were assumed by Amtrak to be [REDACTED] multiplied by an average cost in 2016 of [REDACTED] in 2016 and [REDACTED] (those same [REDACTED] positions multiplied by the 2017 average cost of [REDACTED] in 2017. Removing those totals from Amtrak’s 2016 and 2017 Station Police Cost figures reduces Amtrak’s total Station Police Cost for CUS to be:

<p>2016: [REDACTED]</p> <p style="padding-left: 40px;">- [REDACTED]</p> <p style="padding-left: 40px;">= \$3,060,327</p>	<p style="text-align: center;">[REDACTED]</p> <p style="text-align: center;">= \$3,239,780</p>
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<sup>5</sup> These figures are calculated before the addition of G&A expenses, also called overhead expenses, which I will address once several further reductions in overall headcount are reviewed.

## **B. Remove DEA-assigned Officer.**

One of the police positions budgeted by Amtrak for CUS is assigned full time to working with the U.S. Drug Enforcement Administration Chicago Task Force (“DEA”). For a host of reasons, this position should in no way be funded by Metra. First, as discussed in more detail with respect to the allocation of K9 Unit costs to Metra, the vast majority (██████████) of the attributed drug interactions recorded at CUS are reported (by Amtrak itself) to be related to Amtrak travelers, not Metra passengers. Based on my years of police experience, Amtrak’s DEA-dedicated position is much more likely to be focused on the large quantities of drugs movable over long distances in the checked or carry-on baggage that is ubiquitous to Amtrak travel, rather than the relatively smaller quantities carried on the person that I frequently saw at the South Shore, and that are likely moving with some Metra passengers. In that regard, Illinois’ recent legalization of possession of smaller quantities of marijuana should further reduce any minimal drug enforcement efforts on Metra passengers.

Second, I have learned that Amtrak is incented to assign an officer to the DEA task force as Amtrak receives an equitable financial share (I understand it to be 10% of the value) of forfeited drug proceeds. As Amtrak does not appear to share any of those payments with Metra, it is unclear to me why Metra should be asked to reimburse Amtrak for any portion of the cost of a DEA-related position that apparently has no regular contact with Metra passengers. Similarly, any overtime incurred by Amtrak’s DEA liaison is paid for by DEA, and thus does not represent a cost to Amtrak.

Removing the cost of the DEA-embedded position from Amtrak’s CUS police budget (and using the average cost per position referenced by Amtrak in Exhibit 3, even though a specialized position such as this one likely earns higher compensation), Amtrak’s Station Police Costs at CUS are reduced to:

2016:	\$3,060,327 <sup>6</sup>	2017:	\$3,239,780
	- [REDACTED]		[REDACTED]
	= \$2,961,607		= \$3,135,271

**C. Remove FBI Joint Terrorism Task Force Officer.**

I believe that one final position contained within Amtrak’s budget for police officers should be removed in this exercise. One Amtrak police officer is assigned to a full-time detail with the Federal Bureau of Investigations (“FBI”) Joint Terrorism Task Force. Although contained on Amtrak’s police budget for CUS, this officer is very rarely actually at CUS, providing virtually no “on the ground” assistance for or policing of Metra’s commuters, instead focusing on significant national and international terrorism plans, even if those plans have no relevance to CUS. The need for Amtrak to have a qualified police officer working in concert with the FBI on terrorism issues is undoubtedly true, but the fact that the officer is accounted for on Amtrak’s CUS budget does not mean that Metra should pay a portion of the costs of staffing that position.

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<sup>6</sup> This line item is carried over from the previous calculation.

Using an average position cost for each year and reducing the cost of this position from Amtrak's Station Police Cost yields:

2016:	\$2,961,607 <sup>7</sup>	2017:	\$3,135,271
	- [REDACTED]		[REDACTED]
	= \$2,862,887		= \$3,030,762

**D. Summary of Reductions.**

As reflected above, removal [REDACTED] ) reduces Amtrak's Station Police Cost at CUS in 2016 from \$3,455,207 to \$2,862,887. Similarly, Amtrak's 2017 Station Police Cost is reduced by those same six positions [REDACTED] ) from \$3,657,816 to \$2,626,762. I have not suggested any reduction in K9 Unit expenses in either 2016 or 2017 from the figures Amtrak reflects on Exhibit 3 [REDACTED] . All of these figures are reflected before addition of an appropriate G&A additive. In chart form, these figures are as follows:

	2016:	2017:
Station Police Cost	\$2,862,887 <sup>8</sup>	\$3,030,762
K9 Unit expense	[REDACTED]	[REDACTED]
Total Adjusted CUS Police Cost	<b>\$3,419,603</b>	<b>\$3,671,977</b>

**E. Adjustment of G&A Expense.**

Exhibit 3 reflects Amtrak's use of a G&A additive on top of its calculation of Station Police Costs and K9 Unit expenses to arrive at total annual police expense figures for CUS policing for 2016 and 2017. In its calculations, Amtrak uses a [REDACTED] G&A additive for

<sup>7</sup> This line item is carried over from the previous calculation.  
<sup>8</sup> This line item is carried over from the previous calculation.

2016, and a [REDACTED] additive for 2017. It is my understanding that LE Peabody & Associates, Inc. (“Peabody”), also retained by Metra to assist in this docket, has determined that more appropriate figures for Amtrak’s G&A additives would be 3.73% for 2016, and 3.03% for 2017.<sup>9</sup> Using Peabody’s G&A percentages increases the above summary figures as follows:

	2016:	2017:
Station Police Cost + G&A	\$2,969,672	\$3,122,594
K9 Unit expense + G&A	[REDACTED]	[REDACTED]
Total CUS Police Cost + G&A	\$3,547,154	\$3,783,237

**IV. APPROPRIATE ALLOCATION OF CUS POLICING COSTS TO METRA**

Now that I have determined an appropriate accounting of expenses (including G&A) incurred by Amtrak for the police services at CUS that provide any significant benefit to Metra, I turn to the proper allocation of those expenses as between Amtrak and Metra. For this exercise, I break down Amtrak’s policing costs into two components, in accord with accounting data provided by Amtrak in this proceeding: Station Police Cost, and K9 Unit expense. I discuss each component below.

**A. Station Police Costs.**

In its Proposed Agreement (Exhibit 5), Amtrak suggests dividing its CUS Station Police Costs using a weighted percentage, comprised 50% of train counts as between Metra and Amtrak at CUS, and 50% based on relative ridership percentages between Metra and Amtrak, resulting in a cost allocation to Metra, for both Station Police Cost and K9 Unit expense components, of roughly 85%. I do not find this weighted percentage formula to be at all

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<sup>9</sup> In this statement, I am not rendering any opinion on Amtrak’s stated G&A rates; I am merely adopting those G&A rates determined to be more appropriate by Peabody.

reflective of the actual use of police services at CUS. As stated previously, Metra's commuter passengers generally do not use CUS in the manner that it is used by Amtrak's intercity travelers. Metra passengers generally spend far less time within CUS than do Amtrak's customers, and Metra's passengers are, as a rule, less sedentary within the station. This fundamental dichotomy means that Metra passengers are less likely to encounter a criminal element within CUS, and less likely to require medical assistance. To a typical Metra passenger, the station is a place to transit as quickly as possible, making them less likely to require police assistance. Using passenger and train counts significantly distorts the actual usage of Amtrak's police forces without any justification.

Determining a more appropriate metric for allocating Amtrak's Station Police Costs (one that takes into account actual usage of Amtrak's police services, and not simply the presence of police within CUS) is not necessarily difficult, but identifying the available data to support that metric has been made somewhat problematic by Amtrak. In a perfect world, for each Incident and every Call For Service ("CFS")<sup>10</sup> handled by Amtrak's police, and for each person requiring police intervention at CUS (whether because they are the victim of a crime at CUS, they require medical assistance, or some other reason), Amtrak would determine whether that person was at CUS in relationship to riding Metra, or riding Amtrak, or riding both, or riding neither.<sup>11</sup> Determining each person's affiliation (or lack of affiliation) would make the task of allocating Amtrak's Police Station Cost that much simpler, as the actual use of Amtrak's police

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<sup>10</sup> Incidents and CFS's are Amtrak's two categories for tracking the activities of its police force. Although I have not seen a definition of these terms in Amtrak's documents, I would define an "Incident" as a dispatched or self-initiated event for police to conduct investigations, make arrests, formally document a crime, report an injured person, or similar. I would define a "CFS" as a non-criminal event documented for the purpose of measuring police activity, and to provide a reference marker for statistical data, such as providing information for lost and found items, assisting a homeless person or passenger with an issue, or reporting a section of inoperable lighting requiring repair.

<sup>11</sup> As discussed later in this statement, CUS is open to the public, and is used every day by a host of people for a variety of reasons unrelated to any train service (such as accessing on-site vendors, getting out of the weather, admiring the architecture, and so on).

services would be attributed in each instance. Unfortunately, despite being the only party to this proceeding in a position to determine and record the affiliation of persons requiring police assistance at CUS, Amtrak by and large has not recorded that data. Amtrak's document production contains an admission that Amtrak has not asked its police officers to record attribution data.<sup>12</sup>

Exhibits 6 and 7 are documents Amtrak created to calculate a proposed allocation of CUS policing costs between Metra and Amtrak that takes into account the relative usage of Amtrak police resources. Of particular note for this discussion is Amtrak's own statistical analysis regarding Incidents and CFS (Exhibit 8) in which Amtrak reviews the occurrence of each in 2018 at CUS. Of the referenced Incidents, approximately [REDACTED] were attributed to either Metra or Amtrak passengers, leaving approximately [REDACTED] with no attribution. More alarmingly, Amtrak was able to attribute less than [REDACTED] of the overall CFS's (which occur far more frequently) to rail customers (either Amtrak or Metra) collectively. *Id.* In other words, when the Incidents and CFS's recorded in 2018 are combined, over [REDACTED] have no attribution to either Metra or Amtrak. A similar result is found in Exhibit 7, reflecting that between January of 2016 and March of 2019, [REDACTED] of Incidents and CFS's went unattributed.

Amtrak's failure to have but scant records to show a person's reason(s) for being in CUS when the need for police assistance arose has at least two negative consequences for this proceeding. First, because the number of Incidents and CFS's attributable to either Amtrak or Metra represents only about [REDACTED] of the overall Incidents and CFS's, extrapolating the relative percentages attributed to either Metra or Amtrak over the unattributed Incidents and CFS's is much less certain. Obviously, having attribution for 100% of the Incidents and CFS's would

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<sup>12</sup> [REDACTED]

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make extrapolation unnecessary; the relative percentages would speak for themselves. When relatively small changes in attribution for either Amtrak or Metra are overlaid on [REDACTED] of the Incidents and CFS's that have no attribution, small changes in the total number of Amtrak or Metra Incidents or CFS's take on much greater significance. The other problem with the absence of attribution data is that it allows the cost of providing police services to people that are in CUS but who have no connection to either Metra or Amtrak to be covered by the relative percentages assigned to Metra and Amtrak, with no discernment that application of either percentage to them is incorrect. The absence of attribution data inevitably overstates Metra's funding responsibility, which should be limited to police services required by the presence of Metra passengers in CUS, and not expanded to cover costs for policing all persons that Amtrak allows into CUS. I will discuss this issue in greater depth in the last section of this statement.<sup>13</sup>

In Exhibit 6, Amtrak suggests that based on a review of 2018 data, when attributed Incidents and CFS's are viewed proportionally between Amtrak and Metra, [REDACTED] are attributable to Metra, and approximately [REDACTED] are attributable to Amtrak. This calculation is generally in line with the figures found on Exhibits 7 and 8. In my opinion, while I have serious misgivings about the absence of robust data that Amtrak could have generated to calculate more appropriate percentages, I find this ratio to be the most reasonable estimate of the relative uses of Station Police Costs<sup>14</sup> to reflect actual usage of police services at CUS for Incidents and CFS attributed to Amtrak and Metra passengers. In other words, once the expense of the [REDACTED]

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<sup>13</sup> I understand that Metra includes a discussion in its opening brief of the need to hold Amtrak to a legal burden of proof, and that doing so results in a lower percentage allocation of Station Police Costs to Metra than I discuss here. My statement does not address that legal argument; I have limited my opinions in this statement to determining a Station Police Cost allocation that reflects the documented percentages of attributed Incidents and CFS between Amtrak and Metra, and extrapolating that ratio over all CUS Station Police Costs, while identifying the limitations of that approach.

<sup>14</sup> Exhibit 6 suggests that K9 expenses should be allocated between Metra and Amtrak on a different metric than is used for Station Police Costs. I agree with Amtrak that a different metric is required for K9 expenses, but as discussed in the next section of this statement, I disagree on the appropriate data to be used to calculate that metric.

[REDACTED] or are not actually expenses to Amtrak) are removed, I agree with Amtrak that using the ratio of Incidents and CFS's attributed to Amtrak and Metra passengers is the most logical (though imprecise and over-inclusive) means of allocating Station Police Costs for policing the attributed police responses. Further, while it is unfounded guesswork to use this [REDACTED] ratio to allocate costs for usage of police services onto the roughly [REDACTED] of Incidents and CFS that Amtrak chose not to attribute, as such an allocation over-compensates Amtrak and penalizes Metra by requiring Metra to pay for police services that were provided by Amtrak to third party users of CUS, if all Station Police Costs for Amtrak's police force at CUS are to be divided between Amtrak and Metra in this proceeding, with no reduction of Metra's payment for Amtrak's third party policing, use of the [REDACTED] ratio is the most logical basis to do so. Dividing Station Police Costs between the parties by these percentages results in the following calculation:

	2016: \$2,969,672 <sup>15</sup>	2017: \$3,122,594
Amtrak [REDACTED]	[REDACTED]	[REDACTED]
Metra [REDACTED]	[REDACTED]	[REDACTED]

**B. Police K9 Unit expenses.**

The second category of expense items that Amtrak attributes to policing of CUS involves canine ("K9") services. Amtrak's police forces, like most police forces in medium and larger urban areas, is equipped with K9 teams. These teams include dogs that have been trained to identify either illegal drugs or explosives (never is a dog trained to sniff both). Because dogs have a far more developed sense of smell than humans, they are able to detect very small

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<sup>15</sup> This line item is carried over from the previous calculation.

traces of drugs and explosives that may be enclosed, or invisible to the eye, and therefore beyond the capabilities of a human to sense. Police dogs are a reliable and trusted element of modern policing strategies where the presence of narcotics or explosives may be a concern. Amtrak dogs are not trained for other services, such as crowd control.

Amtrak's police department includes a K9 unit, and the expenses for maintaining that unit are a significant portion of Amtrak's overall policing budget for CUS. As stated previously, I've taken Amtrak's listed expense for the K9 police (not including Amtrak's G&A percentage) at CUS of [REDACTED] (approximately [REDACTED] as large as the overall Station Police Cost for that year) and applied the 3.73% G&A additive, yielding \$577,482 for 2016. Similarly, Amtrak's K9 Unit expense of [REDACTED] was increased to [REDACTED] after consideration of the appropriate G&A additive.<sup>16</sup> Amtrak has not broken down the items included in those totals, but I have familiarity with the costs of maintaining K9 units, and those costs do not appear out of line to me.

While I have no basis to contest the level of expense that K9 Unit services costs Amtrak at CUS, I do take issue with Amtrak in its proposed allocation of that expense. In its budget planning (Exhibit 6), Amtrak proposes to allocate [REDACTED]. I find no basis for this proposed division of expenses whatever. Apparently, from the text on Exhibit 6, [REDACTED]. Regardless of the accuracy of the ridership percentages, it is abundantly clear that ridership does not reflect the use of K9 services at CUS. Because the primary purpose of K9 policing is drug and explosives detection, Amtrak has no basis for its proposed allocation of the majority of CUS' K9 cost to Metra, when virtually

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<sup>16</sup> Exhibit 3

all of the attributed Incidents and CFS's involving narcotics and explosives at CUS relate to Amtrak passengers. As I mentioned earlier, bomb- and drug-sniffing dogs are generally deployed to identify large quantities that are more easily moved on Amtrak trains, not Metra trains. For that reason, I am certain that the focus of Amtrak's K9 unit is on Amtrak trains, facilities and passengers, and not on Metra trains and passengers. While it is possible that a drug-sniffing dog may detect illicit drugs in the wake of a Metra commuter, the police dogs are focused on sniffing Amtrak-bound luggage and personal effects. That distinction is reflected in Amtrak's records relative to Incidents and CFS's with respect to drugs and bomb investigations. The statistical analysis in Exhibit 7 reflects a summary, [REDACTED]

[REDACTED]. Somewhat astoundingly, of the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

While I remain concerned that Amtrak's failure to identify attribution for all Incidents and CFS's related to drugs and explosives at CUS, I believe that the drug and explosives Incidents and CFS that Amtrak did attribute provide a better basis for allocating the costs of Amtrak's K9 forces between Amtrak and Metra than do ridership numbers or train counts. Consistent with the methodology I used when looking at Station Police Cost expenses, wherein I used Amtrak's attribution of Incidents and CFS's to suggest that the [REDACTED] allocation of Amtrak's Station Police Costs to Metra was the most appropriate means of assessing the parties' relative usage of Station Police Costs, I believe that Metra should be allocated only 1.1% of the total cost to Amtrak of maintaining K9 support at CUS. Using Amtrak's 2016 and 2017 K9 Unit

costs as shown on Exhibit 3 and adjusting them using the Peabody G&A formula, I find that a proper allocation of K9 Unit costs at CUS as between Metra and Amtrak would read as follows:

2016:	██████████	██████████
Amtrak (98.9%)	██████████	██████████
Metra (1.1%)	██████████	██████████

**C. Summary Allocated Station Police Costs and K9 Expenses.**

Based upon the work that I have outlined above, and with the assumptions, caveats and reservations that I express herein, I conclude that the following totals reflect the cost allocations to Metra and Amtrak for Amtrak’s police services at CUS for 2016 and 2017. I understand that others will take these calculations and provide insight into appropriate means of indexing them to restate them in more current year dollars. My work on this matter culminated with the calculation of these totals and the observations I offer in the final section of my statement. I have no independent expertise in indexing of these figures, and took no part of such calculations.

	2016	2017
Amtrak Station Police Costs	██████████	██████████
Amtrak K9 Expenses	██████████	██████████
Amtrak Total	<b>\$2,352,933</b>	<b>\$2,526,932</b>
Metra Station Police Costs	\$1,187,869	\$1,249,038
Metra K9 Expense	\$6,352	\$7,267
Metra Total	\$1,194,221	\$1,256,665

## **V. OTHER CONSIDERATIONS**

In the prior sections of my statement, I have reviewed the merits of expenses claimed by Amtrak for providing police services at CUS, and then discussed the allocation of the legitimate police costs between Amtrak and Metra. During the course of preparing my thoughts on those first two subjects, I identified a number of other facts that give perspective to the contribution that Metra believes it should pay to Amtrak for policing CUS. Each of these issues points to the conclusion that not only is Metra's proposed annual payment reasonable, but it likely overstates, perhaps by a very significant amount, the appropriate payment to be made by Metra. Unfortunately, some of these issues defy mathematical precision, or otherwise cannot be easily quantified and confirmed. Nonetheless, consideration by the STB of each of these issues is merited to facilitate a more complete understanding of why Metra should not be required to pay to Amtrak any more than is suggested herein.

### **A. Third Party Users.**

As mentioned previously in my statement, CUS is a structure that is open to the public (with early morning closure hours, as discussed below). Certainly, commuters moving to or from their Metra train comprise a very significant segment of the daily occupants of CUS, as do Amtrak's fewer intercity passengers. But the general public also occupies CUS, despite having no connection to either Amtrak or Metra. So, for example, many members of the public enter CUS to buy food at the food court, purchase flowers, get a shoeshine, or draw money from an on-site ATM. Additionally, the station provides two contiguous blocks of covered, environmentally-controlled access during inclement weather, for those merely needing to transit through the station. Certainly, people come to CUS to admire and photograph the Great Hall. Many people work in the buildings above CUS, and it is likely that some of them live in the burgeoning residential neighborhood west of the station or take Chicago's bus or transit systems

to work at CUS (and thus do not need rail to commute). CUS even offers private meeting rooms for rent.

It goes beyond argument to say that there is no valid reason for Metra to pay Amtrak for Amtrak's policing services performed for the general public. Not only has Amtrak elected to leave CUS open to the public for all of these (and more) non-rail purposes, but in fact many people occupy CUS to shop with Amtrak's tenants, without any rail travel, thereby benefitting Amtrak by patronizing businesses that pay rent to Amtrak.<sup>17</sup> Such patrons are of no benefit to Metra. Confirmation of the prevalence of police Incidents and CFS's arising in areas where Metra passengers rarely congregate (CUS's Great Hall and food court, among others) is found in Amtrak's "heat maps," which are maps designed to highlight the portions of CUS where most Incidents and CFS's occur (*see* Exhibit 9). These maps amply demonstrate that Amtrak's police are most frequently called to areas of CUS that are most unlikely to be occupied by Metra commuters.

Unfortunately, I have not been able to identify any accurate assessment of the total number of people that enter or exit CUS daily. Without this information, it is impossible for me to discuss with any specificity a necessary further reduction of Metra's police contribution commensurate with the cost of Amtrak's policing of third-party users of CUS. Nonetheless, when considering the reasonableness of Metra's suggested police payment, the fact that, by definition, it includes some amount of overpayment to cover Amtrak's policing of third-party users must be considered.

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<sup>17</sup> As an aside, I am curious as to whether Amtrak's many non-Metra tenants at CUS, such as McDonald's, pay anything to Amtrak for Amtrak's police services. If they do not, it is unclear to me why Amtrak should expect Metra to pay a portion of the cost of policing customers of Amtrak's other tenants. If the other CUS tenants do pay something to Amtrak for police services, it is not clear to me why such payments should not qualify as an offset against Amtrak's total CUS police expense.

## **B. Federal IPR Grant Funding.**

Amtrak is the beneficiary of an annual federal grant, designed to assist its counter-terrorism efforts. Since at least 2014, the Department of Homeland Security (“DHS”) has operated the Intercity Passenger Rail (“IPR”) grant program. The IPR program was established by the Implementing Recommendations of the 9/11 Commission Act of 2007, (Pub. L. No. 110-53) (6 U.S.C. § 1163). IPR provides grant money to Amtrak “for the protection of critical transportation infrastructure and the travelling public from acts of terrorism and to increase the resilience of transportation infrastructure.” DHS’ “Notice of Funding Opportunity” (“NFO”) for fiscal year 2020, and an accompanying Face Sheet for fiscal year 2020 (“Fact Sheet”), which outline the grant program, are attached as Exhibit 10. Each year since at least 2016 (the first of two budget years I am focused on in this exercise), DHS has made available to Amtrak a \$10,000,000 grant to promote “sustainable, risk-based efforts to protect critical transportation infrastructure and the traveling public from acts of terrorism.” Amtrak is the only entity eligible to apply for IPR grants.

The details of Amtrak’s grant requests are deemed Sensitive Security Information under 49 U.S.C. 1520, so there is no publicly available information to understand how or where Amtrak has spent its \$10,000,000 annual grant. I believe, however, that some portion of the \$10,000,000 grant is available to Amtrak’s police department, to cover such items as anti-terrorism training for police officers. To the extent that IPR grant money is used to fund line items contained in Amtrak’s CUS police, those items are no longer an expense to Amtrak, and thus should not be included within Metra’s allocation of Amtrak’s CUS police expense. Again, without knowing the specifics of Amtrak’s use of each annual \$10,000,000 grant, it is impossible for me to calculate any proposed reduction in Metra’s contribution toward Amtrak’s CUS police

expense. As with the other issues in this section of my verified statement, I raise the issue here merely to point out that in years where IPR grant money is used by Amtrak to cover expenses listed on Amtrak's CUS police budget, Metra is reimbursing Amtrak for expenses that Amtrak is ultimately not paying, showing once more the reasonableness of Metra's proposal.

### **C. Redeployment of Amtrak Police.**

“Amtrak is shifting many of its police officers from stations to trains to bolster their visibility in response to an increase in crime on board, the company said.” *Washington Post*, February 21, 2020.<sup>18</sup> While the precise contours in this shift of policing strategy isn't revealed in the referenced newspaper article, the impact of the shift on policing protection for Metra passengers at CUS is apparent.

Amtrak has already implicitly acknowledged, as it must, that Amtrak police riding Amtrak trains do not provide any benefit to Metra passengers at CUS, and thus should not be paid for by Metra. In its “Access Fee Calculation for Metra for Chicago Union Station” (Exhibit 3), Amtrak removed one police position from its calculation of overall Station Police Cost at CUS, to account for time spent by Amtrak police “riding the Amtrak train, patrolling (sic) yard”. While Metra has no way to verify that estimated valuation, it is clear from the declaration of Amtrak's new policing policy that a greater deduction should be given to Metra for the additional time Amtrak police will spend away from CUS, and thus not providing any police support for Metra. Until greater clarity is provided regarding the new train-riding policy, it would be guesswork to suggest a factor by which Metra's contribution for police services at CUS should be reduced. The point is raised here, however, simply to reinforce that Metra's suggested

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<sup>18</sup> Downloaded on April 16, 2020 from [https://www.washingtonpost.com/local/trafficandcommuting/amtrak-is-shifting-police-officers-from-stations-to-trains/2020/02/20/9bf7d874-330a-11ea-91fd-82d4e04a3fac\\_story.html#comments-wrapper](https://www.washingtonpost.com/local/trafficandcommuting/amtrak-is-shifting-police-officers-from-stations-to-trains/2020/02/20/9bf7d874-330a-11ea-91fd-82d4e04a3fac_story.html#comments-wrapper) (Exhibit 11).

total for policing expense at CUS is likely to be greater than is merited by the circumstances, as it likely covers Amtrak police that will now be called upon to ride Amtrak trains, and thus provide no policing benefit to Metra's passengers.

#### **D. Expenses for Overnight Policing.**

The Amtrak police department's weekly work schedule specifies that at least two police officers are present at CUS twenty-four hours a day, three hundred sixty-five days a year. At first it may seem odd that police would be needed in the early morning hours, when no trains are scheduled to arrive or depart, and the station's public areas are closed from 1:00AM to 5:00AM. However, it must be remembered that for a variety of reasons, Amtrak's trains are often delayed many hours before they reach CUS. Thus, it is not impossible for an Amtrak long-distance train to arrive and disembark passengers at 2AM or 4AM. Particularly at that hour, it is appropriate for Amtrak police to provide policing assistance when necessary. Metra trains, however, are not known for being so far delayed as to arrive in the early morning hours. It would be highly unusual for a Metra train to arrive at CUS more than an hour past the last scheduled arrival (around 10:00 PM).

It would be incredibly unusual for a Metra passenger to require the services of Amtrak's police department between the hours of 1:00AM and 5:00AM. Yet, an allocation of policing costs that doesn't account for this time period of lack of need overstates the costs that Metra should pay to Amtrak, particularly given that Amtrak has no records of the affiliation of more than 90% of the police contacts at the station. Again, the point is raised here merely to show that Metra's proposal, if anything, is generous towards Amtrak.

### **E. Metra's Contracted Security Services.**

While Amtrak provides the police presence at CUS, it does not provide all the security services there. As an element of Metra's contract for services with BNSF Railway, off-duty police officers are retained to ride Metra trains and, more germane to this discussion, provide a uniformed presence on Metra platforms at CUS. While Metra's contracted-for security services do not execute arrests (those are performed by Amtrak police), they are fully trained police officers, equipped to handle almost every situation that is likely to arise in a passenger terminal. They meet every incoming Metra train on the platform with an armed presence.

The security presence provided by Metra at CUS likely addresses many of the issues that would otherwise have to be addressed by Amtrak's police force. Situations where a person is causing a disturbance on Metra platforms are resolved by Metra's security forces, not Amtrak police, by way of example. Metra's provision of this security force, at no expense to Amtrak, makes it even more likely that the more than 90% of CUS police Incidents and Calls for Service that Amtrak cannot attribute to either Amtrak or Metra passengers involve Amtrak passengers or third party users, once again demonstrating that Metra's proposal for funding Amtrak's police services at CUS is more favorable to Amtrak than actual circumstances warrant.

### **VI. CONCLUSION**

For all of the foregoing reasons, I believe that Metra's total annual contribution to Amtrak for Amtrak's provision of policing services at CUS, at the very maximum, should be premised on the basis of **\$1,194,221** total Metra allocation of Amtrak's police costs for 2016, and **\$1,256,665** total Metra allocation of Amtrak's police costs for 2017, subject to indexing.

**VERIFICATION**

I, Robert K. Byrd, verify under penalty of perjury that I have read the foregoing Verified Statement of Robert K. Byrd, know the facts asserted therein, and that the same are true as stated to the best of my knowledge, information and belief.

A handwritten signature in cursive script, appearing to read "R. K. Byrd", written in dark ink.

---

Robert K. Byrd

Dated: May 18, 2020

# Chicago Union Station Master Plan Study

## Final Report



Prepared For:



In Cooperation With:



May 2012



**Chicago Union Station Master Plan Study**

**Prepared For:**

Chicago Department of Transportation

**In Cooperation With Stakeholders Including:**

Amtrak

Metra

Chicago Transit Authority

Regional Transportation Authority

Chicago Metropolitan Agency for Planning

Illinois Department of Transportation

Metropolitan Planning Council

U.S. Department of Transportation

City of Chicago Department of Housing and Economic Development

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[www.UnionStationMP.org](http://www.UnionStationMP.org)

Some blank pages have been inserted to facilitate two-sided printing.

Labels on some engineering drawings may require printing at 11" x 17" to be readable.

Photographs were taken by TranSystems unless otherwise noted.

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- Railway Age article on the opening of CUS
- 1950s CUS promotional brochure

### B - Street Access Existing Conditions report

### C - Medium Term Ideas

- Widen 6/8 and 10/12 platforms, add vertical access
- Convert mail platform – Phase 1
- Space planning concepts
- Canal St. viaducts concepts
  - Adams-Jackson block island, plan and section
  - Union Station area plan (assuming Canal operates southbound)

### D - Long Term/Visionary Ideas

- New 300 Block Station Alternative
  - Convert mail platform – Phase 2
  - Widen all platforms
  - Space planning concepts
  - Fourth North lead track
- New 200 Block Station Alternative
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- Canal/Clinton Subway Alternatives
  - Constructability Analysis
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  - Clinton Subway Profile
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### E - Real Estate Information

### F - Alternatives Studied but Not Advanced

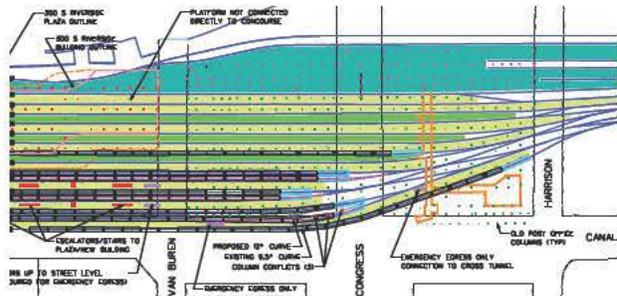
### G - Media articles, various

### H - CUS Concepts in Context





# Executive Summary





## Overview

The Chicago Department of Transportation (CDOT) has conducted the Chicago Union Station Master Plan Study in a collaborative effort with extensive participation from Amtrak (the station's owner), Metra (the station's primary tenant), and other stakeholder organizations. The current planning efforts represent a continuation of the City of Chicago's longstanding interests in improving passenger transportation and interchange facilities in the Union Station area, consistent with the City's Central Area ACTION Plan of 2009 and the Chicago Metropolitan Agency for Planning's GO TO 2040 regional plan.

Union Station is one of the region's key transportation facilities and economic drivers. It is the third-busiest railroad terminal in the United States, serving over 300 trains per weekday carrying about 120,000 arriving and departing passengers – a level of passenger traffic that would rank it among the ten busiest airports in the U.S. Most travelers at Union Station take Metra commuter trains. The Station is also the hub of Amtrak's network of regional trains serving the Midwest as well as most of the nation's overnight trains, which connect to the Atlantic, Gulf, and Pacific coasts.

This Study identifies potential ideas for adding tracks and platforms, as well as possible opportunities for improving passenger flows. Short, medium, and long-term opportunities have been identified to assist Amtrak, Metra, and other station stakeholders in preparing for these future improvements.

## Goals of the Study

- \* Provide sufficient capacity for significant increases in Metra and intercity passenger train ridership
  - \* Estimated 40% increase in trains by 2040
  - \* Possible significant further increases
- \* Make the terminal more inviting for passengers
- \* Provide more direct and convenient transfers to buses, CTA trains, taxis, shuttles, pick-up/drop-off
- \* Create a terminal that is vibrant, a civic asset, and a catalyst for growth in the West Loop and region

## Existing Conditions

Today's Station originally opened in 1925, and was designed primarily to serve long distance trains, including large amounts of mail and express traffic. Significant alterations were made to the station's Concourse level, located east of Canal Street, in 1970. Soon after Amtrak was established in 1971, it concentrated all intercity passenger train operations in Chicago at Union Station. Amtrak gained ownership of Union Station in 1984 and completed a major re-modeling in 1992. Amtrak is currently planning further improvements to the station in 2012 and beyond.

Most passenger station activities today take place in the Concourse area of the station, which now often operates at or close to capacity. In addition, station activity is constrained by street-level conflicts between taxis, buses, automobiles, shuttles, pedestrians, and bicycles. Continuing growth in both commuter rail service and Amtrak long distance and intercity passenger rail service, combined with the potential for future growth in high-speed intercity passenger rail, has compelled the City and affected railroads to consider future options for accommodating further growth in station traffic.



*South concourse in morning rush hour*

## **Planned Short Term Station Improvements**

Several station improvement projects currently have funding committed for implementation during the next few years.

### **Amtrak Improvements**

Amtrak is currently making a number of improvements that will enhance passenger conditions and amenities within the Station and reduce crowding. Installation of air conditioning in the historic headhouse building was completed by Amtrak in 2011. During 2012-13, Amtrak plans to replace the unsightly and obstructive concrete security barriers at major station entrances with more functional bollards. Amtrak also plans to relocate its Metropolitan Lounge facility into the headhouse building. This lounge is where sleeping car passengers wait before boarding their train, and is very well used as Chicago is served by more overnight trains than any other Amtrak station. After this move is completed the existing main waiting area will be nearly doubled in size, incorporating the space occupied by the old Metropolitan Lounge. The waiting room improvements and addition of new rest rooms are currently being budgeted and scheduled by Amtrak.

### **CDOT Improvements**

Two upcoming CDOT projects will improve local street traffic flow and curbside access to Union Station. The Central Area East-West Bus Rapid Transit project will improve bus lanes adjacent to the station on Clinton and Canal streets and provide enhanced Chicago Transit Authority (CTA) bus connections

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between the station and the Central and East Loop areas. The Union Station Transportation Center project will create an off-street bus terminal located on the site of the existing surface parking lot south of Jackson, between Canal and Clinton (immediately north of the Amtrak-owned parking garage). It will provide direct, weather protected connections between the station and CTA buses while also relieving congestion on some of the nearby streets. Both of these CDOT-led initiatives are currently being designed and are scheduled for construction in 2013-2014.

## **Proposed Medium Term Station Improvement Ideas**

This study has proposed several ideas for medium term improvements to be studied further and implemented over a 5-10 year horizon.

### **Convert baggage platforms for commuter use**

Union Station features special baggage platforms that alternate with the passenger platforms on either side of the terminal tracks. Today many of these baggage platforms are seldom used, and the space they occupy could be better allocated to relieve crowding on the relatively narrow platforms that primarily serve commuter train passengers. It is proposed to remove two of the baggage platforms on south side tracks that are used almost exclusively by Metra commuter trains. Two tracks could then be relocated into the space now occupied by baggage platforms, allowing the adjacent passenger platforms to be widened to about 22 feet. That would be wide enough to permit the construction of stairs, escalators or elevators to provide direct access between the platforms and street level. These improvements would relieve overcrowding by both adding space and providing the opportunity for passengers to exit without going through the Station concourse.

### **Convert unused mail platform for intercity passenger train use**

Another vestige of an earlier time is the large unused "mail platform" located between the station's south tracks and the Chicago River. It is proposed to convert this space to passenger platforms served by tracks from both the north and south, which could add critical capacity to accommodate growth in intercity passenger train operations. Under the mail platform there is an existing underutilized basement area with high ceilings, as well as a below-grade passageway connecting this area to the basement under the existing passenger waiting areas. The space under the repurposed mail platforms could be redeveloped into a dedicated departure lounge and food service areas for the new passenger platforms, while the below-grade passageway could be renovated as a formal walkway connection to the existing station's concourse and waiting areas.

### **Enhance existing passenger station facilities to improve flow**

This study has developed ideas to more boldly reconfigure space within the existing concourse area to increase capacity and overall station utility for peak period crowds. The goals would be to open up the concourse to:

- \* Improve circulation and relieve congestion, particularly during peak periods and in the event of a major train delay
- \* Improve sight lines, so that people can more easily see where they want to go
- \* Expand capacity to allow for bi-directional access at major points of vertical circulation



*As shown in the BEFORE (top) and AFTER (bottom) images to the left, reallocating baggage platform space would allow for passenger platforms to be widened and vertical circulation to be added.*

Some existing facilities on the concourse-level, such as Amtrak's ticket office, the passenger service area, rental car counter, and newsstand may be relocated to the historic headhouse to free up space for these circulation improvements in the concourse area.

#### **Rebuild Canal Street viaduct in a manner that improves street access**

Key segments of Canal Street are on a viaduct structure over Union Station's tracks. Constructing station tracks under the viaduct was an original design feature to increase the capacity of Union Station, and in the block between Adams and Jackson, the Canal Street viaduct forms the ceiling over an integral part of Union Station's passenger concourse. The viaduct was constructed in conjunction with the station, and is at the end of its design life. CDOT is planning to rebuild the viaduct later this decade and the Master Plan Study team has investigated whether some modifications could and should be made to the future replacement viaduct design to help in achieving the study goals, rather than simply replacing the structure exactly as it was originally built. Chief among these ideas would be creating traffic islands in Canal Street to add curb space for pick-up and drop-off traffic. This would be similar to pick up lanes at an airport terminal, with channelized traffic and parallel curbs. As part of the viaduct reconstruction project, direct stairs/escalators could be added between street level along Canal Street and the track/concourse level immediately below.

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*Planned reconstruction of Canal Street will provide an opportunity for improved street access as shown in the BEFORE (top) and conceptual AFTER (bottom) images to the right*



Before



After

### **Possible Long Term/Visionary Station Improvement Ideas**

The study has developed concepts for increasing passenger handling capacity and improving the traveler experience by significantly expanding or completely replacing the existing intercity and/or commuter station facilities. These plans include two alternatives:

- \* Development of a new passenger train station facility in the 300 S. Riverside block, to be constructed on air rights over Union Station's south tracks (which are owned by Amtrak) and integrating parts of the existing office building on this block
- \* Development of a completely new commuter and intercity passenger train station in the 200 S. Riverside block (replacing the structures currently on this block)

The study has also investigated two concepts for adding additional track and platform capacity in underground alignments that bypass and augment Union Station's existing track and platform infrastructure. These plans would entail construction of functionally equivalent subway tunnels on one of two alternative alignments, Clinton Street or Canal Street.

## **Placemaking**

The Union Station Master Plan Study team has worked closely with a Civic Advisory Committee established by the Metropolitan Planning Council to advance the goal of creating a transportation terminal that is vibrant, a civic asset, and a catalyst for growth in the West Loop and region, as well as exploring innovative financing strategies for the overall redevelopment effort. These placemaking principles call for the station's redesign to favor the creation of vibrant public spaces that have the potential to transform an imposing historic structure into one that invites interaction with its users and the surrounding city. Through the planned investments, the station should not only evolve into an efficient intercity and regional railroad hub, with easy connections to other transit modes, but also become a truly great place that attracts travelers and non-travelers alike.

## **Public Input**

A public meeting was held as part of the Union Station Master Plan Study during the late afternoon/early evening of Thursday, December 15, 2011 at Union Station's Union Gallery Room. The meeting utilized an open house format so that attendees could browse through numerous exhibits and discuss issues individually with staff from stakeholder agencies and the consultant team. A narrated presentation was delivered at two times during the open house. Approximately 200 people attended the event, and 67 of the attendees completed questionnaires on site. Additional comments from 30 people were also submitted by the Midwest High Speed Rail Association at the meeting, and 30 more comments were received online at the project website. This feedback was incorporated into the study's findings and recommendations.

## **Next Steps**

This master planning study has advanced and developed numerous ideas that are intended to address major functional and operational issues affecting Chicago Union Station in the short, medium, and long term. The next steps for these ideas vary, but all involve proceeding with further planning, design, and/or construction to achieve the expected benefits. The overarching objective is to move each of these projects from ideas into construction and operation.

The Short Term ideas described in this report are already well advanced in planning and design, and in the case of CDOT's off street bus terminal and improved bus lane projects grant funds have been obtained for their construction. Several near term Amtrak customer facility improvement projects have also had their design work largely completed, but construction is not yet funded. Obtaining funding to complete these initiatives, as well as addressing Amtrak's outstanding "state of good repair" needs throughout Union Station should be a priority next step.

The Medium Term projects that have been identified are all focused on resolving serious operational shortcomings that have a direct impact on the ability of Union Station to serve a growing number of passengers. These projects will require further planning analysis and design work before they are ready to be funded for construction. The next stage of the CDOT-led Union Station Master Plan Study, involving simulation of train, station, and nearby street operations, is to begin later this year. This analysis will more precisely quantify the capacity increase that may be expected from each of the Medium Term ideas. It will effectively determine just how long the "medium term" is likely to be, and how soon the stakeholders will need to begin more serious consideration of the "long term/visionary" ideas for increasing capacity and improving the station's functionality.

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The Medium Term ideas have thus far been conceived such that each of them would complement and not preclude or make more difficult the implementation of any of the more complex and expensive Long Term/Visionary ideas. However, the Long Term/Visionary ideas include two mutually exclusive alternatives for adding track and platform capacity via new underground alignments, as well as two other mutually exclusive alternatives for creating new station building facilities in either the 200 or 300 block of South Canal Street. Further analysis and public/stakeholder consultation will be needed to assess and determine the relative merits of each of these proposals and to decide which alternatives should advance towards implementation.



*A new intercity passenger train station could be constructed in the 300 S. Riverside block, integrating part of the existing office building on this block as well as Amtrak-owned air rights*





## I - Introduction



*Main entrance to Union Station located on S. Canal Street*



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The City of Chicago's Department of Transportation has been conducting the Chicago Union Station Master Plan Study in a collaborative effort with extensive participation from Amtrak (the station's owner), Metra (the station's primary tenant), and other stakeholder organizations. All stakeholders were represented on a Technical Advisory Committee for this study, which met five times as the study progressed.

Union Station is one of the region's key transportation facilities and economic drivers. It is the third-busiest railroad terminal in the United States, serving over 300 trains per weekday carrying about 120,000 arriving and departing passengers – a level of passenger traffic that would rank it among the ten busiest airports in the U.S. Most travelers at Union Station take Metra commuter trains. The Station is also the hub of Amtrak's network of regional trains serving the Midwest as well as most of the nation's overnight trains, which connect to the Atlantic, Gulf, and Pacific coasts.

Today's Station originally opened in 1925, and significant alterations were made to the Concourse level, located east of Canal Street, in 1970. Soon after Amtrak was established in 1971, it concentrated all intercity passenger train operations in Chicago at Union Station. Amtrak gained ownership of Union Station in 1984 and completed a major re-modeling in 1992. Amtrak is currently planning further improvements to both the Concourse and the headhouse in 2012 and beyond.



*Entrance to Union Station near W. Adams Street, existing conditions*

Most passenger station activities today take place in the Concourse area of the station, which now often operates at or close to capacity. Continuing growth in both commuter rail service and Amtrak long distance and intercity passenger rail service, combined with the potential for future growth in high-speed intercity passenger rail, has compelled the City and affected railroads to consider future options for accommodating further growth in station traffic.

Based on passenger traffic, Union Station would currently rank among the ten busiest *airports* in the country.

The current planning efforts represent a continuation of the City of Chicago's longstanding interests in improving passenger transportation and interchange facilities in the Union Station area. The City's Central Area Plan of 2003, and related studies in the years immediately preceding its release, brought together a coordinated group of proposed transportation improvements in the West Loop under an overall concept called the "West Loop Transportation Center" (WLTC). The WLTC concept attracted wide publicity and support and was reaffirmed in the City's Central Area ACTION Plan of 2009 (CAAP). In addition to building upon the WLTC concept, the Union Station Master Plan Study addresses all related "Goals and Needs" identified in the CAAP:

- \* Improve transit in the Central Area
  - \* Serve growth in transit trips
  - \* Improve transit service coverage & options
- \* Increase regional transit capacity
- \* Improve the pedestrian environment
- \* Manage traffic circulation
- \* Encourage alternative modes (such as bicycles and water taxis)
- \* Improve national & international connections
  - \* Accommodate Midwest high-speed rail
  - \* Improve access to airports

In 2010 the Chicago region adopted its current comprehensive regional plan, *GO TO 2040*. This plan recognized that the West Loop Transportation Center would be necessary to meet significant regional transportation needs. WLTC was therefore identified as a regional priority and included on the list of Fiscally Constrained Projects which will move ahead towards implementation. This priority designation indicates that the WLTC concept has a higher status than other concepts which have not been adopted as a priority by the region. The following WLTC project description is excerpted from *GO TO 2040*:

#### **West Loop Transportation Center**

*The West Loop Transportation Center is a proposed transportation terminal located between the Eisenhower Expressway and Lake Street in Chicago. The terminal structure for the West Loop Transportation Center is envisioned to improve transfers between intercity rail, potential high-speed rail, commuter rail, rapid transit,*

*and bus services. The proposal also includes increased capacity for Chicago Union Station, which serves several commuter and intercity passenger rail services.*

*This project will provide a focal point and a gateway into the Chicago region and facilitate movements and connections throughout the region. Incorporating and integrating seamless transit connections with elements of urban design focused on this transit center will be important to facilitating the Chicago region as the Midwest hub for high-speed rail, as well as increasing transit usage and promoting economic development opportunities. Travelers from outside the region can safely arrive at this station and have a number of connection options at their discretion to access the city or the suburbs. For those residents within the region, this project will offer easier access from Metra commuter trains and various points within the city whether by bus or El line. (GO TO 2040, p. 279)*

The West Loop Transportation Center will help transform the West Loop/Union Station area into a gateway to Chicago and a well-functioning transportation hub. WLTC comprises a broad range of related improvements that may be implemented incrementally to achieve these goals.

This Master Plan Study addresses the WLTC goals and represents the next step in advancing WLTC implementation consistent with the *GO TO 2040* regional plan. The Study identifies ideas for adding tracks and platforms, as well as opportunities for improving passenger flows. Most passenger station activities today take place in the Concourse area of the station, which is now overcrowded during the busiest times of day. Short, medium, and long-term opportunities are identified ranging from re-purposing platforms originally designed for handling mail, to better connections to other rail and transit services, to the construction of new multilevel subways. In addition, the study examines strategies for transforming Union Station into a West Loop destination and thriving economic development engine. This Study, consistent with and building upon CDOT's previous planning efforts, will assist Amtrak, Metra, and other station stakeholders in preparing for these much needed future improvements.

### **Union Station Master Plan Study Goals**

- \* Provide sufficient capacity for significant increases in Metra and intercity passenger train ridership
  - \* Estimated 40% increase in trains by 2040
  - \* Possible significant further increases
- \* Make the terminal more inviting for passengers
- \* Provide more direct and convenient transfers to buses, CTA trains, taxis, shuttles, pick-up/drop-off
- \* Create a terminal that is vibrant, a civic asset, and a catalyst for growth in the West Loop and region





MAIN STATION  
MASTER PLAN

## 2 - History



*Interior of the original Chicago Union Station concourse building, facing west from the riverfront entrance*  
(University of Arizona Library/Fred Harvey Collection)



Chicago Union Station opened in 1925. It replaced the Union Depot that had been built on essentially the same site in 1882. It was necessary to replace that station because it lacked the capacity to handle the number of trains and passengers that had been growing rapidly during this period. The new station was built by the Chicago Union Station Company (CUSCo) which was established in 1913. CUSCo was owned by the Pennsylvania Railroad (50%), the Chicago, Burlington, and Quincy Railroad (25%), and the Chicago, Milwaukee, and St. Paul Railroad (25%). The Chicago and Alton Railroad, the only other user, was always a tenant.

### The Station Layout

Several features that were incorporated in the new station's design retain their great significance today. The concept for the layout of tracks, platforms, and passenger facilities for Union Station was developed by the Pennsylvania Railroad. The station structure itself was designed by Graham, Burnham & Company. A major feature was the construction of many viaducts carrying roadways over the tracks, replacing older viaducts or, in two cases, creating new grade separations between rail routes and local streets. While the old Union Depot was basically a through station, it was not used in that way as no trains operated through. Thus, the new Station was created as essentially two stub-end stations. Only two through tracks were retained alongside the River, and only one of these is on a platform. The other was intended primarily to transfer freight and mail cars between railroads. To maximize space available for tracks the Station's headhouse, all of the station's support facilities (including the ticket office, waiting room, restaurants, shops, taxi courts,



*Chicago Union Station, as it appeared upon completion in 1925. The Original Concourse Building, demolished in 1968, is in the foreground. (Chuckman Collection)*

and offices) were located west of Canal Street. Some of the Station's increase in capacity was achieved by locating some of its passenger platforms and tracks under a structure supporting Canal Street (the Union Depot had been entirely east of Canal). The headhouse and concourse were, in effect two separate buildings, functioning seamlessly as a single building below street level. From the inside there's no hint that part of the "building" is under Canal Street. For a time, 22 stories of office space were planned for construction above the headhouse but, in the end, this was reduced to eight stories. The final design of the station was produced by Graham, Anderson, Probst, and White, which succeeded the previous firm after Daniel Burnham's sons left the firm.

An 'L' station was located directly above the south tracks and connected to the concourse via a direct walkway, but was removed from service in 1958.

An 'L' station was located directly above the south tracks, midway between Jackson and Van Buren, with the concourse connected via a direct walkway protected from the weather. This was removed from service in 1958 when the Metropolitan 'L' branch was replaced by the Congress subway; since then the closest rapid transit station has been the subway station at Clinton/Congress.

When Union Station opened, the vast majority of trains were intercity passenger trains. Relatively few people lived in Chicago's suburbs and commuter train services were a very small proportion of the Station's activities. Virtually all trains carried U.S. Mail and express packages (express package service, similar to today's United Parcel Service or Federal Express, was handled by the Railway Express Agency, a nationwide company owned jointly by the railroads). Some trains were operated predominantly or, even,



*Separate platforms for handling baggage and mail were a unique feature of Union Station (Jack Delano, 1943 - Library of Congress)*

exclusively for this traffic. The Station was designed with features intended to allow this traffic to be handled efficiently. Separate "baggage platforms" were built alternating with the passenger platforms which allowed passengers to board or alight from one side of a train without conflicting with baggage mail and express handling activities, such as food service stocking, on the other side at the same time. The baggage platforms were designed free of column obstructions (which were, instead located on the passenger platforms) with a ramp down to the basement where baggage, express, and mail was sorted. This feature is thought to be unique to Chicago Union Station. The basement of the contemporary "mail handling building" (which was later integrated into the new main post office when it was subsequently constructed over the south tracks), was connected to the Union Station basement with a new tunnel designed for use by electrically drawn carts.

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Chicago Union Station Master Plan Study



ELEVATED  
TRAINS  
←

The Metropolitan 'L' traveled east-west between Jackson and Van Buren but was replaced in 1958 by the Congress subway. The photo above is from 1924, prior to completion of Union Station so canopies do not yet cover the tracks and platforms below. To the left, the photo shows the sign in the concourse that directed passengers to the walkway to the 'L' station. The aerial image below, showing Canal 'L' station adjacent to Union Station, is from 1958, prior to demolition of the 'L'.



Top: CTA

Middle: Jack Delano,  
1943 - Library of  
Congress

Bottom: Bruce  
Moffat Collection



*The station handled voluminous amounts of mail  
(Jack Delano, 1943 - Library of Congress)*

## Construction

Construction consisted of many projects, most of which were required to create the space required for the greatly increased amount of station track and platforms: new grade separation viaducts, new railroad freight houses, and utility relocations. Work started in 1915, but the process was painstakingly slow because of the need to maintain ongoing train operations at all times, several labor strikes, shortages of labor and material caused by World War I, the 26 month long period in which operation of the nation's railroads was taken over by the federal government, and the depression that followed the War. Work on the station buildings re-started in earnest in 1922. When the Station opened it was hailed as a great marvel. Railway Age magazine, the industry's primary trade journal, devoted an issue with a 22 page article (see Appendix A) describing its many features.

The first building to be built on air rights in Chicago was the Daily News Building (now the 2 N. Riverside Plaza building) built over the north end of the north platforms in 1929. The new Post Office (now the old Post Office), also built on air rights, was completed in 1932. This building integrated into the previous mail handling building, under which Union Station's mail platforms were located.

## Station Usage

Although the growth in automobile usage was starting to affect intercity passenger train ridership, particularly on local trains, usage of Union Station was fairly constant (declining from about 390 to 365 trains per weekday) until the start of the Depression. There were major ridership declines and, in turn,

The Union Station design reflected the fact that almost all trains used to carry U.S. Mail and express packages.

a significant number of trains were discontinued during the 1930's. A bright spot was the introduction of streamlined trains, starting with the Twin Cities Zephyr in 1935. This began the use of diesel locomotives, to replace steam.

Ridership on intercity trains increased tremendously during World War II, with over 100,000 passengers per day, on about 400 weekday trains. While the number of passengers today is higher (about 118,000 on weekdays) the number of trains is significantly lower (about 320) because of the greater number of passengers per train (many of today's commuter trains carry over 1500 passengers, using double-deck cars). With the focus now on commuter trains, today's operations are also much more concentrated in the peak periods.

After the end of the war intercity ridership resumed its decline despite the massive investment in streamlined trains with air conditioning and other former luxuries becoming common. The Burlington introduced dome cars in 1945, a feature quickly adopted by all of the western railroads, which had adequate clearances. The Burlington also developed bi-level commuter cars in 1950. These were designed, specifically, to reduce the number of cars required for its growing suburban service as CUSCo charges were based on the number of cars brought into the Station. Another efficiency in commuter train operation was the introduction of push-pull service, avoiding the need to turn locomotives. The conversion of all Union Station operations from steam to diesel locomotives was completed in the mid 1950's. The number of Milwaukee Road long distance trains increased temporarily with the 1955 switch of the Union Pacific's Western trains from the Chicago and Northwestern. However, on the Burlington and Milwaukee Road suburban trains, ridership increased markedly with the postwar development of the suburbs despite the construction of the expressway network. Development around Union Station also continued during this period and by the early 1960's the north side tracks disappeared from view with the construction of the 10 and 120 South Riverside buildings.

The 1960's were a hard time for intercity passenger trains with the near-completion of the Interstate Highway System, widespread use of jet aircraft and the wholesale cancellation of mail contracts (a major source of railroad revenue) by the Post Office in 1968. Intercity passenger trains were discontinued at a rapid pace during this decade. The Pennsylvania Railroad sold the air rights above Penn Station in New York City and it was demolished in 1964. Demolition of the Chicago Union Station Concourse Building followed in 1968 (the Penn Central Railroad, product of the 1968 merger of the Pennsylvania and New York Central Railroads, was still the majority owner of



*During World War II 100,000 passengers per day passed through Chicago's Union Station*  
(Jack Delano, 1943 - Library of Congress)

Union Station). By that time, neither the Penn Central, nor its partners in the ownership of CUSCo, had a long term interest in continuing passenger train service and they allowed the developers of the air rights building built on the site of the Union Station concourse to provide minimal facilities for the handling of passengers -- in what was obviously the basement of their building. It was quickly apparent that passenger facilities that remained were woefully inadequate.

Intercity passenger trains were discontinued at a rapid pace during the 1960's.

### **Amtrak and Metra**

In 1970 Congress passed the law that created Amtrak, the quasi-governmental agency that now operates all intercity passenger trains in the United States. The law's most immediate impact was a moratorium on the discontinuance of passenger trains. The U.S. Department of Transportation issued its map of the "Basic System" to be operated. Amtrak started service May 1, 1971, consolidating almost all of its service in Chicago at Union Station (the final Amtrak service relocation to Union Station was completed in 1972).

In 1976 the freight railroads of the northeastern United States were also consolidated into a government owned railroad called Conrail. The Milwaukee Road entered bankruptcy in 1977. In 1981 Congress passed key legislation resulting in major regulatory changes to Conrail and the entire freight rail industry. One result was that the ownership of CUSCo was turned over to Amtrak in 1984.

Meanwhile, a similar process occurred in the commuter rail field. In the Chicago area, the Regional Transportation Authority (RTA) was created in 1974. It took responsibility for funding operations of the commuter services previously provided by the private railroads. Over the next few years it purchased railroad assets used predominantly for commuter operations and in some cases directly hired the operating staff (this approach was utilized in the case of the Milwaukee Road's commuter lines at Union Station). In other cases, commuter railroad ownership remained with the private railroads but the operations were supported using purchase of service contracts (this applies to the former Burlington commuter service at Union Station, now operated by BNSF). In 1983 there was a major reorganization of the RTA which included the creation of Metra, a semi-autonomous "service board", with its own Board of Directors. This agency continues to have responsibility for Chicago's commuter rail network, including the six routes operated from Union Station (BNSF, Milwaukee District North, Milwaukee District West, SouthWest Service, North Central Service, and Heritage Corridor).

When Union Station opened, the majority of trains were intercity passenger trains traveling across the country. Today, most trains serve suburban commuters.

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Metra opened the Madison Street entrance to six north side tracks in 1987. Also in 1987, Amtrak began a major remodeling of Union Station focused on improving the quality and passenger handling capacity of the “basement concourse” that had been created nearly 20 years earlier. This work was completed in 1991. As part of this effort all Amtrak and Metra passenger-handling functions (ticketing, waiting, and other support activities) were moved out of the Great Hall with the intent of redeveloping that side of the station complex separately from the passenger facilities. Since then, three successive developers have attempted to accomplish such a redevelopment. Key to all of them has been the concept of constructing 15 or more additional stories above the Great Hall. Of course, this was as originally planned by the station’s architects and the building’s caissons could support this. All of these redevelopment plans for the Great Hall building proposed multi-use facilities, typically combining retail, hotel, office, and condominium elements, but none included transportation facilities. However, none of those redevelopment efforts have been successful, and Amtrak’s current plans call for re-integrating transportation functions into the Great Hall building in addition to mixed-use redevelopment.

**Primary Sources of History Section:**

DeRouin, Edward M., *Chicago Union Station, A Look at Its History and Operations Before Amtrak*, Pixels Publishing, 2003.

Kitt Chappell, Sally A., *Architecture and Planning of Graham, Anderson, Probst, and White, 1912-1936*, University of Chicago Press, 1992.

Review of the draft by Fred Ash is acknowledged with appreciation.





### 3 - Background



*South Concourse in morning rush hour*



Union Station now often operates at or close to capacity. Weekday rush hour ridership is higher now than at any time in the past and growth is expected to continue. Union Station will also be the hub for the planned network of improved and high speed intercity passenger rail routes in the Midwest. This is expected to further increase the rate of growth in train operations and passengers. A tabulation summarizing the estimated increases in ridership, and associated likely increases in train operations, is presented later in this chapter.

The issues that affect the current station facility can be grouped into the following categories:

- \* Street Access Issues
- \* Station Congestion Issues
- \* Track/Platform Issues

Many prior studies and analyses have documented and reflected the need for improvements to Union Station. These prior ideas have been recognized and taken into consideration as the Master Plan has been developed. The previously developed concepts have ranged from new underground station facilities to new office towers on top of a new intermodal transportation center.

An important component of the Master Plan study is the ability to leverage future station area improvements to support the economic development opportunities generated by a new intermodal transportation center. A supplemental report has been prepared that documents the past trends in real estate development in the West Loop area surrounding Union Station and discusses likely future directions and implications (see Appendix E).

### **Street Level Access Issues**

As part of the Union station Master Plan Study a comprehensive Existing Conditions Report was prepared (see Appendix B). As the volume of commuters going through the station has increased over recent decades, weekday peak period traffic is now busier than ever before. Meanwhile, the capacity of the streets surrounding the Station has not changed.

The purpose of the Existing Conditions report was to document the traffic conditions on the streets and sidewalks surrounding Chicago Union Station, based on an analysis of collected data and field observations. The focus of this study was on the immediate area surrounding Union Station. This area is bounded on the west by S. Clinton St., the east by the Chicago River, the north by W. Monroe St., and the south by W. Van Buren Street.

The goal of this analysis was to understand current volumes and operating patterns of all the modes that affect street-level traffic operations. As the number of Metra and Amtrak riders grows, there will be increased stress on the street-level operations surrounding Union Station. The general behaviors and preferences of Union Station users can help determine where to focus street-level improvements.

Union Station now often operates at or close to capacity. Weekday rush hour ridership is higher now than at any time in the past and growth is expected to continue.



*Canal Street in afternoon rush hour*

In addition to Amtrak and Metra trains, there are many other modes available to access the area around Union Station, including: walking (including walking to CTA rail), CTA bus, taxi, private vehicle, shuttle bus, and bicycle. Each of these modes affects the area in its own way. The effects of each mode on the station and on each other were examined.

Existing data sets for traffic and pedestrians were obtained from various sources. All the modes that contribute to the street-level activity were considered, focusing on weekday peak period and peak hour conditions. Because the street-level activity at Union Station is so complex, field observation was an important part of documenting the existing conditions.

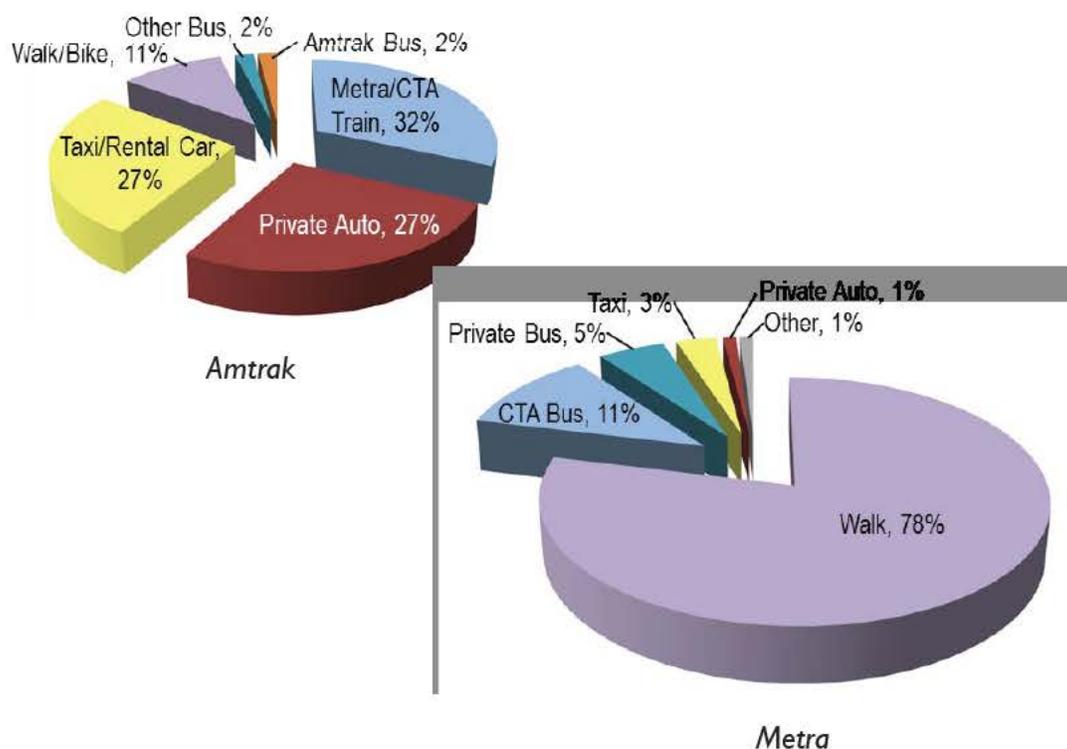
There are two primary causes for problems in the street-level activity at Union Station: capacity and conflict. Capacity involves the supply and demand of each individual mode in the system. Conflict involves the interaction between two or more modes in the system. For this study, the area around Union Station was separated into seven street intersections and eight street segments and each mode was rated for each location based on its capacity and demand as well as its conflicts with other modes. These ratings are relative and were developed specifically for this analysis.

The study of existing conditions resulted in several key findings that will help to focus the development of solutions. Some problems are limited to specific locations and some locations have multiple problems. All of these problems are the result of one or more modes exceeding the capacity available or two or more modes conflicting with each other.

A general problem at several locations in the area around Union Station is that there is not sufficient curb space to accommodate all of the modes that use a particular stretch of curb space. Prime curb space adjacent to principal access points for Union Station is limited, and often there is too much demand for the

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Union Station Passenger Access Modes (Amtrak: 2008 CUS Modal Access data; Metra: 2006 Survey)

curb space available. Also, the demand is unbalanced. Streets directly adjacent to the 222 S. Riverside Plaza office building are the most convenient for station users and therefore have the most demand for use. At the same time, streets adjacent to the Union Station headhouse, or located across the street to the west or north, are not as convenient and are under-utilized. There are opportunities for both improving the management of existing curb space and increasing the overall supply of curb space.

With so many different modes sharing the area, conflicts also regularly occur even where there is sufficient curb space. This is because the intentions of different modes often conflict with each other. Although curb space is allocated for each mode, the space available is often insufficient to accommodate the physical interactions between modes. The intentions of each mode should be considered when developing proposed solutions. There are also significant temporal variations in curb space demand patterns. The situation during weekday peak periods and busy off-peak and weekend times is quite different. Commuters, who dominate the peak periods, follow regular patterns, and the access modes they use operate in a more orderly manner. Traffic at other busy times is dominated by occasional and intercity travelers. During busy off-peak times, traffic problems tend to be limited to Canal Street, where traffic conditions are often very chaotic.

Proposed solutions will also need to consider and address the different levels of ridership during the weekday and on weekends, as indicated on the following chart:

Passengers	Amtrak	Metra	Total
Weekday	9,000	109,000	118,000
Saturday	9,000	10,500	19,500
Sunday	9,000	7,000	16,000

Even with increased curb space and improved curb space allocation among the different modes, problems will still occur if there is not proper signage to direct users and if there is no enforcement to ensure that users comply. Supplying information is particularly important for private vehicle drop-offs and pick-ups, as these users are not as familiar with the area. Enforcement is particularly important for taxis and intercity buses, as these modes have a direct financial stake in the activity around Union Station. Signage and enforcement should be important components of all proposed solutions.

Some short term ideas and medium term ideas for improvements to street-level access issues have been developed.

Prior to the demolition of the concourse building in 1968, the concourse had been a wide open space with a 90-foot high ceiling and abundant light.

## Congestion Issues Inside the Station

Over the years there have been major changes to the way Union Station functions from the point of view of the passenger. The most significant change was the demolition of the concourse building in 1968, near the end of the period of private ownership of the Station. Prior to this time the concourse had been a wide open space, with a 90-foot high ceiling and skylights providing abundant natural light. Navigating through the Station was simplified by direct sightlines to primary destinations (train gates, waiting rooms, exits, etc.). In case of uncertainty, an information counter staffed with well-trained agents was located in the center of the space. When the 222 S. Riverside Plaza office building was completed in 1970, the concourse had become a basement with bare concrete floors and unpainted concrete block walls. The former wide open spaces with high ceilings and natural light were replaced by a forest of columns, an obstacle course of restaurants and stores, and low ceilings with fluorescent light. The space had become very difficult for visitors (especially infrequent train riders) to navigate. By this time commuter rail ridership had begun to increase steadily, so the new station layout also suffered from rush hour congestion. By 1972 Amtrak had taken over nearly all remaining intercity train operations in the U.S. and had consolidated all Chicago service at Union Station, leading to an increase in intercity passengers – rather than the continued decline that had been anticipated when the old concourse was demolished.

After Amtrak gained control of Union Station, they began a major renovation that was completed in 1992. An effort was made to provide more direct routes from the gate areas to the street, in an attempt to facilitate commuter movements through the Station and separate commuters from intercity travelers. Several new escalators were installed to improve circulation. Station finishes were greatly upgraded. The restaurants were moved to a new food court on an expanded mezzanine. However, the low ceilings and forest of columns supporting the building above remained. In addition, much of the space in the

concourse that was freed up by creating the mezzanine food court was re-filled with the creation of a large Amtrak waiting room and moving the ticket offices and other customer service facilities from the historic headhouse into the concourse area.

With the continuing increase in both Metra and Amtrak ridership during the past two decades, conditions in the concourse side of Union Station have become very congested. Poor performance of station facilities is particularly notable in the following areas:

- \* Morning rush hour congestion at the foot of the bank of three escalators on the south side, especially when more than one south side commuter train is unloading simultaneously
- \* Congestion on the two escalators and single staircase between the mezzanine level and the Adams Street exit
- \* Inadequate capacity of Amtrak's waiting rooms lead to an overflow of customers standing for long periods in the concourse level hallways during Amtrak's busiest periods (typically mid-afternoon). Some relief to this situation is currently in the works with the planned construction of Amtrak's new Metropolitan Lounge off the Great Hall. Upon relocation, the old Metropolitan Lounge space will be used to expand the general waiting room.
- \* There is currently no formal waiting area for Metra passengers. Normally, this is not a problem because commuters closely coordinate their arrival at the station with their train's departure time. However, when there is a service delay -- particularly in the afternoon rush hour, when thousands of commuters descend upon the station every few minutes, the very limited circulation space quickly becomes extremely congested with people, making movement very difficult.

In addition to congestion, the complex layout of today's concourse building remains very confusing. Sight lines and natural light are very limited, there are multiple levels to navigate, and escalator banks only operate unidirectionally during peak periods. Overall, the environment is not particularly inviting and it is especially difficult for infrequent visitors to navigate through the tide of rush hour commuters.

### **Track/Platform Issues**

The existing Union Station track and platform layout is, in large measure, unchanged since the station opened in 1925. The station has the same number of boarding tracks, and the passenger and baggage platforms are the same width. Probably the most significant change was the opening, in about 1987, of a Madison Street entrance that provides a second point of access to platforms serving six of the ten north side tracks.

In contrast with the physical plant, train operations at Union Station have changed a great deal over the years. The biggest change has been the shift in the share of traffic between intercity and commuter trains during peak periods -- especially in the AM peak, when many overnight trains used to arrive. Most of these overnight trains used to include many cars of mail and express packages which had been serviced from the baggage platforms or at the mail platforms.

The existing track and platform layout is, in large measure, unchanged since the station opened in 1925.



*Adams Street exit in morning rush hour*

Besides the big increase in number of commuter trains, today's commuter trains are longer than in the past (up to 11 cars) and they consist entirely of high-capacity double deck cars; many of these trains now carry over 1500 passengers during peak periods. A number of platforms are too short to accommodate the longer commuter trains. Another significant issue is that the platforms, at 12 feet in width, are too narrow to quickly unload these trains without overcrowding and delay. This issue also limits flexibility in train operations because dispatchers must avoid simultaneously bringing two trains onto tracks that share a platform since this could create overcrowding. With the limited number of tracks and platforms available for commuter operations, and the short length of several platforms, these factors all add up to a significant operational constraint. Similar to the additional egress/access point at Madison Street for three of the north side platforms, a second egress/access point could be a partial solution on the south side, where all platforms only have the single access point, at the connection to the concourse.

Another result of the increase in commuter operations, which are heavily concentrated during the morning and afternoon rush hours, is that there is now an overall shortage of platforms during these periods. This is particularly true on the south side of the station which hosts most of Amtrak's operations as well as the busier part of Metra's operations. It takes a minimum of 20 minutes to turn around a commuter train

Today's commuter trains are larger than in the past and many now carry over 1,500 passengers during peak periods.

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*Passengers alighting from Metra BNSF train in morning rush hour, with unused baggage platform in foreground*

including time for, unloading, attaching station power, light cleaning, flipping seats, a brake test, loading, detaching station power, and some tolerance for late arrival. There are several additional activities that intercity trains are involved in that may require these trains to sit longer in the station, particularly if it is turning for another trip, rather than coming from/going to the service/storage yard (activities required between runs of intercity passenger trains include longer unloading and loading times than commuter trains, as well as food service stocking, filling water tanks, inspection, etc.).

As noted, at one time the handling of mail was an important facet of passenger train operations. Amtrak wound down this function about 2002. Since that time the large mail platform (over 100 feet wide and 1300 feet long), located between the station south tracks and the Chicago River, has sat unused. While the only at-grade access to these platforms requires crossing active tracks, there is a below grade walkway (currently off-limits to passengers) that connects these platforms to the station's basement.

### **Prior Ideas**

There have been several alternative concepts proposed for Union Station over the years. They go back to the time before the construction of the Union Station facilities that opened in 1925.

### **Changes in the Original Design**

When construction of the headhouse building was started in 1919 the original design, from about 1913, was changed to add a 22 story office tower rising above the Great Hall. Caissons had already been installed without provision for this weight and extensive modifications to the foundation were required. Once the design was formalized, 192 additional caissons were installed to support the office tower. This concept was adapted from the Michigan Central Station in Detroit, built in 1912-13 with 18 floors intended for office



*Proposal for Union Station with office tower (c. 1916)*

space or a hotel. In the end, the railroads noted that the Michigan Central had been unsuccessful in its attempts to find a user for the tower above its Detroit station (it never did) and the Chicago Union Station headhouse building was significantly scaled back with the office portion reduced to the eight stories that the railroads committed to use themselves. Because the building was designed with this provision, future construction of an office tower above the Great Hall remains a possibility and would not necessarily be in conflict with Union Station's historic character. The three rounds of redevelopment proposals that were active in the period between about 1990 and 2008 all included plans for such a tower (or, in one case, two separate towers).

#### **West Loop Transportation Center (2001)**

A four level multi-purpose subway under Clinton Street, the west side of Union Station, was part of the original WLTC concept. Levels would include (from street level down):

*Concourse Level* – an area from about Van Buren to north of Madison, connected to the basement level of Union Station on the south and Ogilvie Transportation Center on the north. This level could, potentially, accommodate ticketing, retail/food service, waiting space, and/or connections to other buildings along Clinton, as well as access to/from the sidewalks above.

*Bus/Streetcar Level* – This facility was proposed to serve transit links to/from the River North/Navy Pier/North Michigan Avenue area as well as to/from the Central Loop, with stops at Lake Street, Ogilvie, and Union Station, and a terminal on the block south of Jackson between Clinton and Canal. The relative merits of building such future links underground versus at street level remains a subject of analysis; current transit improvements in these corridors are focused on the street level.

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*Four-level subway, part of West Loop Transportation Center plan of 2001*

*Rapid Transit Level* – This level was intended to accommodate improved rapid transit system access to the West Loop area, which continues to see robust growth in office-oriented development. This facility was conceived as supporting either a CTA Blue Line link (which would create a fourth side of an underground downtown Loop, and separate the Blue Line’s O’Hare branch from the Forest Park Branch) or a route to accommodate a CTA Red Line “bypass” (which would diverge from the existing Red Line south of North/Clybourn station and converge back to the existing Red Line north of Cermak/Chinatown station. Two stops were proposed: at Ogilvie and at Union Station.

*Railroad Level* – This level would effectively add through track and platform capacity to Union Station for passenger and/or commuter trains. The new tracks would diverge from the Union Station north lead tracks at a point east of Racine (now part of Metra’s Milwaukee District) and re-connect at about Taylor Street on the south. Through tracks have the potential to greatly increase capacity by eliminating time that is lost in changing the direction of a train’s operation (for crew change, seat reversal, inspection, brake test, etc.). At the time of this proposal, Amtrak was still in the mail and express business, and a new underground alignment appeared to be the only way to significantly increase Union Station’s capacity.

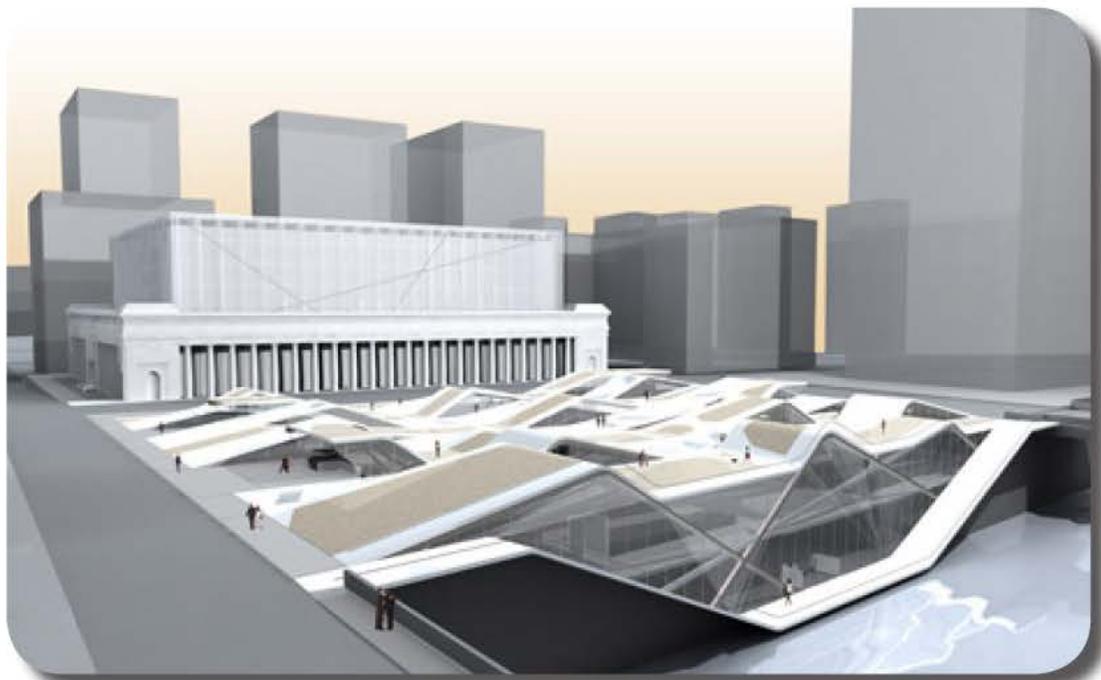
Consistent with the characterization of the West Loop Transportation Center in the current comprehensive regional plan, *GO TO 2040*, the Union Station Master Plan Study has considered a broader range of alternatives for accomplishing the goals of the original 2001 West Loop Transportation Center concept (see Introduction). Specifically, a Clinton subway is now identified as one of several possible implementation approaches to achieving these goals.

### **Old Post Office**

There has been some consideration of using a portion of the old Post Office for a new intercity railroad station. The original main lobby is an attractive space and the building spans most of Union Station's south tracks. However, there are a number of complications with re-use of this space as a railroad station. A major disadvantage is that it would be awkward to provide a convenient connection to Union Station; the two facilities would have to function essentially as two separate stations, a major inconvenience for passengers. In recent times the building has been sold to a private owner based in the U.K. It is understood that he is pursuing a variety of possible paths for possible redevelopment of the building. None that have been revealed to date show any connection to the tracks below. Amtrak has indicated that it is not interested in pursuing such a connection.

### **Burnham Prize Union Station 2020 Competition, Chicago Architectural Club (2008)**

Illustrated below is the winner of the first prize, a design created by Michael Cady, Elba Gil, David Lillie, and Andres Montana, employees of the Chicago office of Thompson Ventulett Stainback & Associates. UNION STATION 2020 asked for innovative solutions for the transformation of Union Station into a center of high speed rail traffic and related programs. It was not simply a question of designing an efficient and functional transit hub. Instead, the questions to address in the design included: how can this intermodal node become more than a mere knot of infrastructure? What role can this project play in the reconfiguration of Chicago's West Loop and of the city and region? How can an existing landmark building be transformed to accommodate and generate a new combination of activities while welcoming an unprecedented level of rail traffic?



*Winner of Chicago's Union Station 2020 Design Competition (2009)*

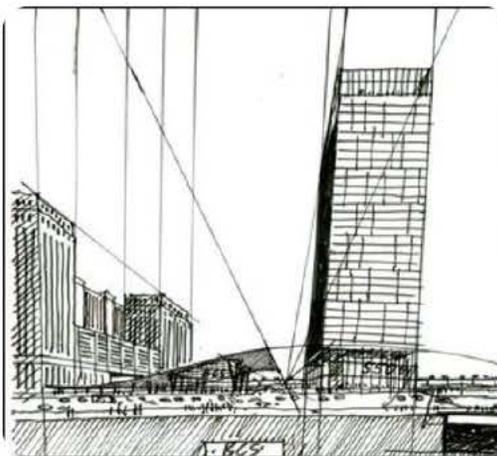
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While the design is attractive, the implied track configuration would likely pose significant operational challenges relative to the present layout. The competition's assumption was that commuter rail service could be shifted somewhere else, which would likely prove much more challenging than removing the 222 S. Riverside building without an on-site replacement.

#### **Proposal for a Separate High Speed Rail Station (2010)**

This proposal by noted architect Helmut Jahn was prepared for Reuben Hedlund, a civic-minded zoning lawyer who headed the Chicago Plan Commission from 1991 to 1997. Although, it was a very preliminary concept, it featured use of tracks in the area now occupied by the unused mail platform, an idea featured in this study. In his review the Chicago Tribune's Blair Kamin noted that the site's location, cut off from the Loop by its location south of the Expressway at Congress, was a major shortcoming. Connections to other trains at Union Station might also be difficult under this proposal.



*Helmut Jahn proposal for separate high speed rail station east of Old Post Office (2010)*

#### **Proposal for Station Replacing 222 S. Riverside (2011)**

This proposal was developed by Chicago architecture firm Solomon Cordwell Buenz in cooperation with the Midwest High Speed Rail Association. It features a monumental glass structure on the site of the former Union Station Concourse Building and current 222 S. Riverside Plaza office building. It features 8 through tracks located where the concourse is now, with passenger circulation and service functions moved up to street level. The effect of so many through tracks on overall station capacity is unclear, and possibly negative. Such a radical change in train operations would also have major operating and capital cost implications for the train yards serving Union Station which were not addressed in the proposal. Similar to the Burnham Prize Competition winner, this proposal also implies a loss of income from the air rights development that currently occupies this space.

#### **High Speed Rail Hub**

The first modern high speed rail system was the initial Japanese "Shinkansen" (literally, New Trunk Line) route between Tokyo and Osaka, in 1964. In 1981 European high speed rail service started with the opening of the first TGV (Train à Grand Vitesse) route between Paris and Lyon. There are now 15 countries that regularly operate trains at speeds in excess of 155 mph (250 kph), although none are in the Americas. The newest systems are being built for operation at 220 mph.

The U.S. DOT started designating high speed rail corridors in 1992, with what has now become known as the "Chicago Hub Network" of routes in the first group. The Midwest Regional Rail Initiative (MWRRI), an interstate compact among State Departments of Transportation, was formed soon afterward and has been planning the development of a network of mixed freight and passenger routes (with passenger trains expected to operate at 110 mph) since that time. Federal capital dollars for high speed rail first became available in 2008, with a \$100M program and the passage of the Passenger Rail Investment and Improvement Act. A much larger federal high speed and intercity passenger rail investment program (\$8B)



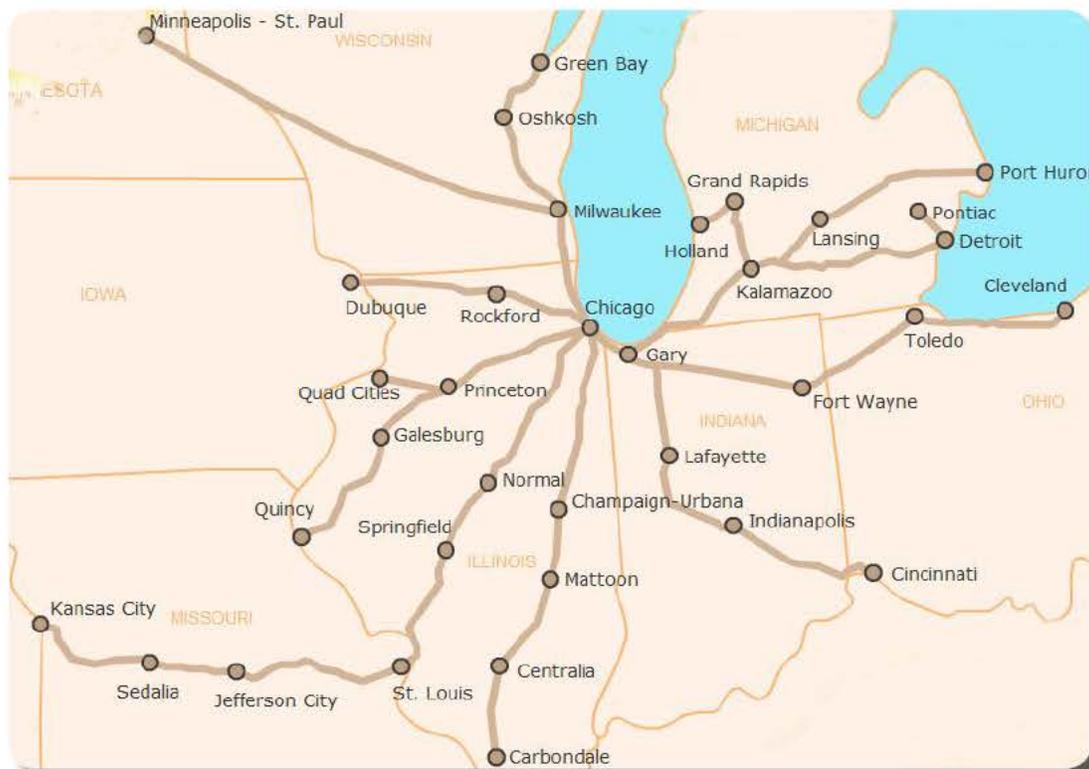
*Solomon Cordwell Buenz/MHSRA proposal (2011)*

was included in the 2009 American Recovery and Reinvestment Act of 2009 (ARRA), and additional funds were included in the FY 2010 federal appropriations bill. The Midwest states (most notably Illinois and Michigan) have been very successful in competing for these grants and funding is now in place to bring most of the track in the Chicago-St. Louis and the Chicago-Detroit corridors up to 110 mph operation using new trains within the next few years. Even without these upgrades, ridership on Amtrak's network of existing Midwest corridors has grown rapidly in recent years. This growth is particularly apparent in Illinois where the state has funded a doubling of frequencies on three routes (Chicago to Springfield/St. Louis, Chicago to Champaign/Carbondale, and Chicago to Galesburg/Quincy). The new 110 mph services are expected to bring St. Louis and Detroit within about 4½ hours of Chicago, a travel time faster than driving, with increased service reliability. In addition to the upgraded track on these two routes, new trains are being purchased for the routes to Milwaukee, Champaign/Carbondale, and Galesburg/Quincy. New

**1964** - First modern high speed rail system began in Japan

**1981** - European high speed rail service began in France

**2012** - 15 countries regularly operate high speed trains over 155 mph



*Midwest Regional Rail Initiative - Connecting the Midwest Map*

conventional speed (79 mph) service, with new trains, has also been funded for new passenger rail routes to the Quad Cities and to Rockford/Galena/Dubuque. Rail service will be very competitive with driving on all of these routes.

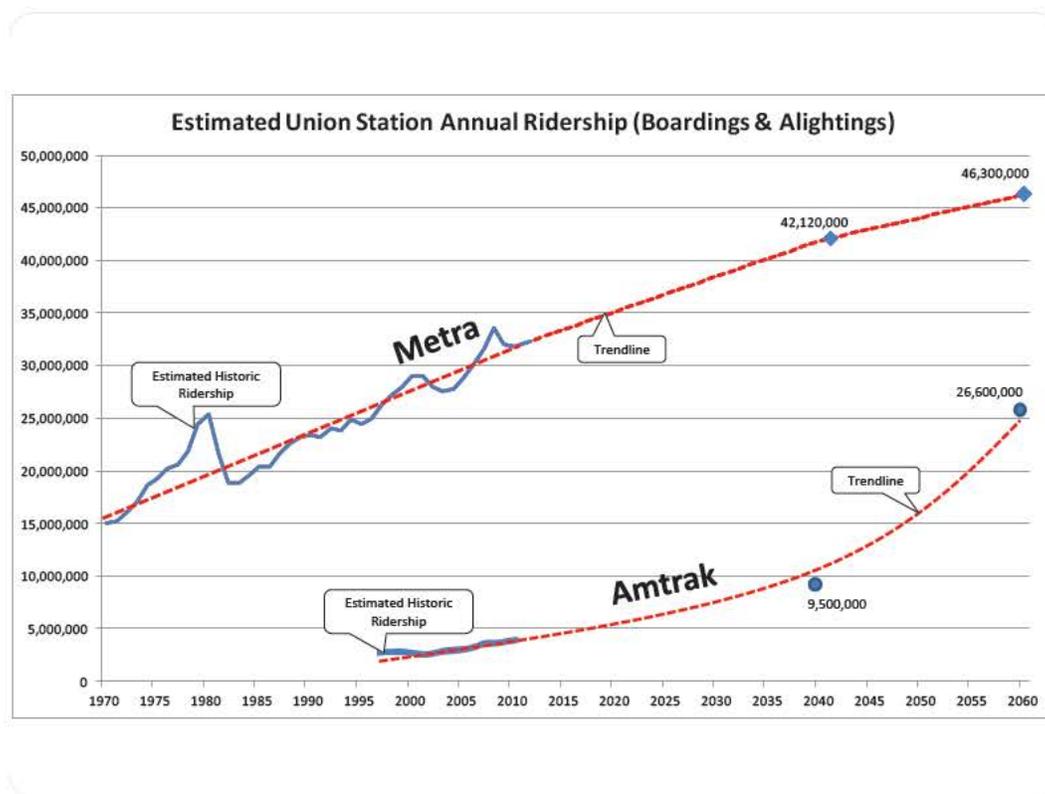
The State of Illinois has also started a study of a possible future dedicated passenger-only rail system designed for 220 mph operation. Such service would bring cities like Detroit, St. Louis and Indianapolis within two hours of Chicago (the Twin Cities would be less than 3 hours), making rail very competitive with air service in these corridors.

### **Ridership**

Projections for ridership on trains arriving and leaving Union Station have been developed for 2020 and 2040, shown in the table and graph that follow. Different growth rates have been assumed for Metra, Midwest regional trains, and long distance overnight trains. The 2040 projection assumes that a 110 mph service is in place on the major Midwest Regional routes, while the 2060 estimate assumes that the major intercity routes have been upgraded to 220 mph operation.

	Annual			Average Weekday			Peak Hour		
	Current	Year 2040	Year 2060	Current	Year 2040	Year 2060	Current	Year 2040	Year 2060
Metra	30,400,000	41,900,000	46,300,000	109,000	150,000	165,500	27,200	34,400	36,400
Intercity	3,000,000	9,500,000	26,600,000	9,700	30,500	85,800	1,000	3,600	10,300
Total	33,400,000	51,400,000	72,900,000	118,700	180,500	250,800	28,200	37,500	45,000

In the table and graph, numbers are rounded and Metra ridership is based on weekday growth at 0.5% annually, with the assumption of a continuation of the long-term growth trend in Metra ridership. Boarding and alighting riders are counted separately; thus transfers (or thru riders) are counted twice (per airport usage practice). The sharp increase in intercity ridership reflects the significantly faster and more frequent Midwest corridor service that is proposed. The HSR portion of the 2040 intercity estimate is based on the proposed MWRRI network buildout; the 2060 estimate assumes that routes from Chicago to St. Louis, Detroit, Cleveland, Cincinnati, & Twin Cities are upgraded to 220 MPH service with HSR ridership projected to be 193% higher than the MWRRI 110 MPH estimates. These factors have been based on examples in Europe and the lower end of estimates for Midwest HSR in recent Siemens and SNCF studies. It may be noted that TGV trains carry 128 million passengers per year on a network similar in size and scope to that proposed for the Midwest, but with tracks nearly fully dedicated to passenger service.



The projected ridership increase has been translated into an estimate of the increased number of trains that would have to be accommodated in the morning and afternoon peak hour to estimate how much peak train handling capacity may be needed. These estimates are shown in the following table.

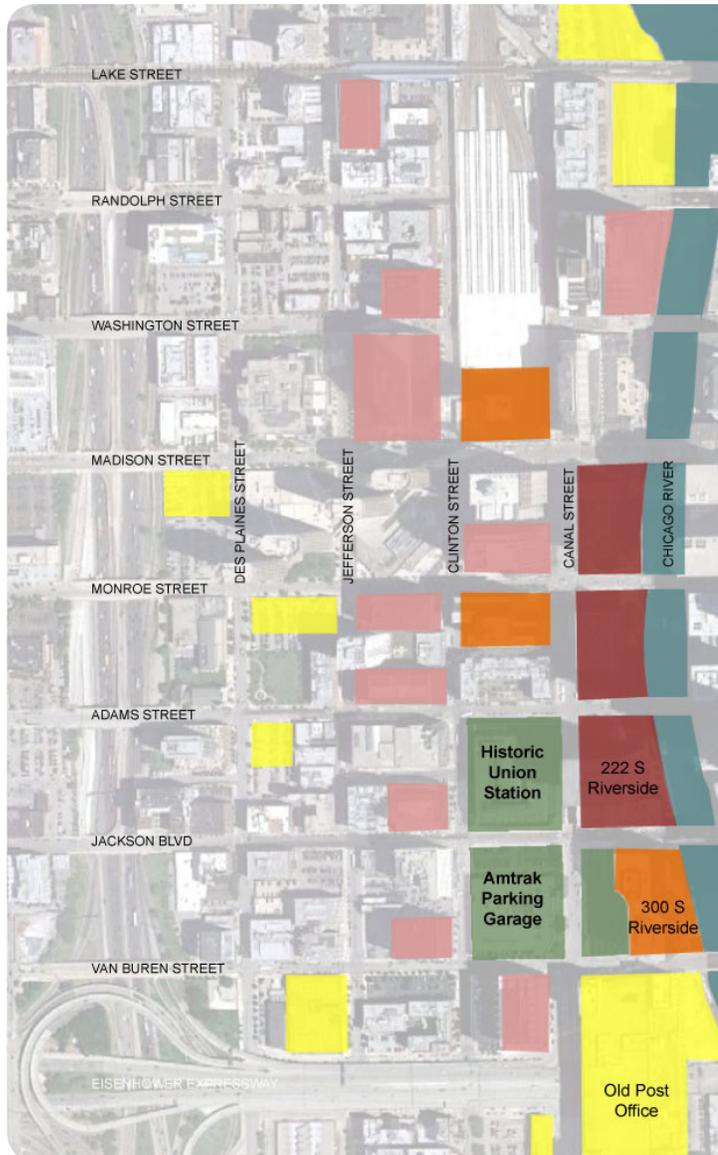
Existing (2011) Arrivals and Departures			
	Metra	Intercity	Total
Peak Morning	38	4	42
Peak Evening	36	5	41
2040 with MWRRI Build Out Arrivals and Departures			
	Metra	Intercity	Total
Peak Morning	53	7	60
Peak Evening	50	6	56
2060 with 220 mph HSR Arrivals and Departures			
	Metra	Intercity	Total
Peak Morning	58	14	72
Peak Evening	55	17	72

The overall increase is projected to be about 16 additional peak hour trains (40% more) in 2040 and 30 peak hour trains (over 70% more) in 2060. While such long range projections are subject to imprecision, they do provide an order of magnitude approximation of likely future capacity needs.

Projections estimate a need for about 16 additional peak hour trains (40% increase) in 2040 and 30 additional peak hour trains (70% increase) in 2060 at Union Station.

### **West Loop Development Context**

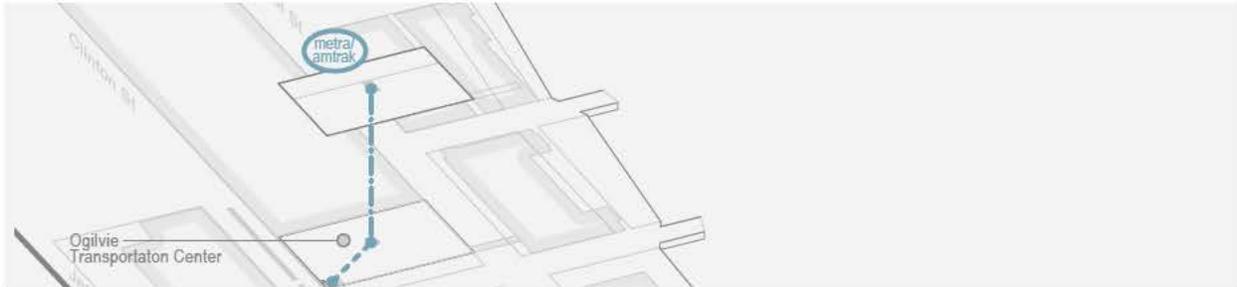
The following map provides insight into the development trend in the area surrounding Union Station. It shows that Union Station is in the center of an area with strong potential for high density development. The site owned by Amtrak west of 300 South Riverside and the Amtrak-owned garage west of Canal are at very valuable locations and have the potential to bring significant income, either on a sale or lease basis. This income could help offset the cost of realizing of one of the concepts for a new/improved railroad station discussed in this report. For more information, see the Goodman Williams Group report in Appendix E.



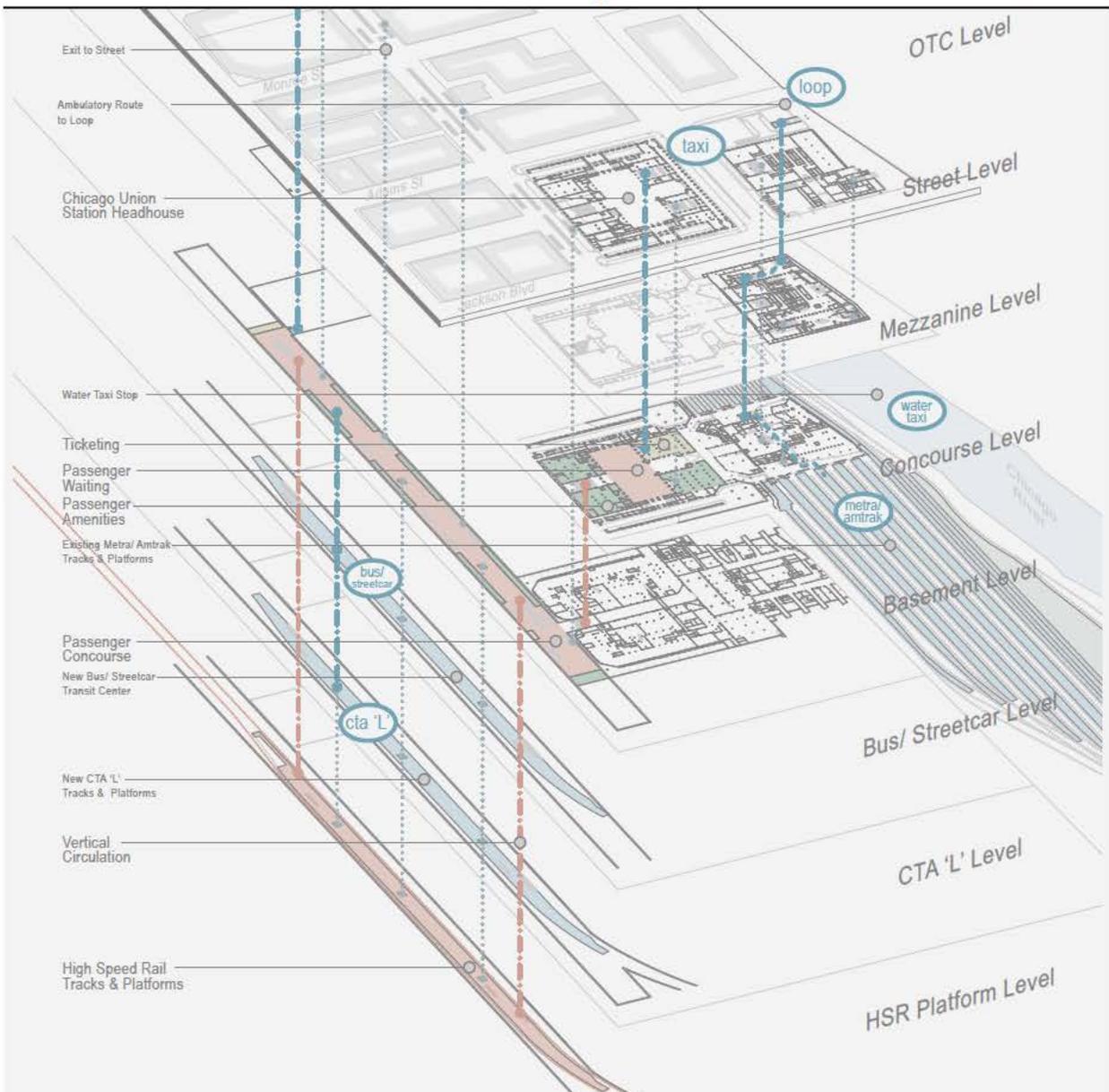
Union Station  
 Development  
 Context

**Office Buildings**

- completed 1960s-70s
- completed 1980s
- completed 1990s-2000s
- proposed developments
- Amtrak-owned parcels



## 4 - Ideas for Improvements





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A number of ideas for future improvements to Chicago's Union Station have been incorporated in this study. Some ideas were originally developed in other studies and have been adopted, sometimes with modifications. Others were initiated in the process of the current study effort.

The Union Station Master Plan Study worked from the bottom up. The initial focus was on identifying track/platform layouts that could provide increased capacity for handling trains. Prior to the first meeting of the stakeholder's Technical Advisory Committee the consultant team developed a number of alternatives for consideration. These were revised, eliminated, or added to over the course of the study. The ones deemed most desirable were advanced to more detailed development and are described in this section. Conceptual design drawings for the preferred ideas appear in Appendix C and D. The brief descriptions and drawings of alternatives that were not advanced appear in Appendix F. Alternatives for stations were only developed in association with the track/platform alternatives that were advanced.

The ideas described in this section have been sorted by their rough time frames for implementation:

- \* Short Term
- \* Medium Term
- \* Long Term / Visionary

### **Short Term Ideas**

These projects currently have funding committed for implementation during the next few years.

- \* *Amtrak Projects:* Amtrak is in the process of undertaking some improvements that will improve passenger conditions and amenities within the Station and reduce crowding. The first of these projects, announced in 2010 have already been completed.
- \* *CDOT Projects:* Two upcoming CDOT projects will improve local street traffic flow and curbside access to Union Station:
  - \* Central Area East-West Bus Rapid Transit project
  - \* Union Station Transportation Center

### **Amtrak Projects**

The following improvements were announced by Amtrak in October 2010:

- \* Installation of air conditioning in the historic headhouse building was completed in 2011. While Union Station was one of the first air conditioned buildings in Chicago when it opened, the primitive original system failed sometime in the 1960's. The new system will support re-development of the entire headhouse building. The first facilities to occupy redeveloped space in the headhouse building were Amtrak's new Midwest Control Center and the return of Amtrak's Midwest offices from nearby rented office space. Both facilities opened in 2011.
- \* At street level, Amtrak plans to replace the concrete security barriers at major station entrances, which currently create an unsightly obstruction for people entering and leaving the station. The barriers will be replaced with more functional and aesthetically pleasing bollards. In addition, an expanded and more visible canopy is planned for the Main Entrance on the east side of Canal Street. These improvements are anticipated to be completed during 2012-13.
- \* Amtrak plans to nearly double the number of seats in its waiting rooms. This will greatly relieve the overflow conditions resulting from the inadequate capacity of Amtrak's waiting room off of the station concourse, as described in the Background section. The first step in this process will

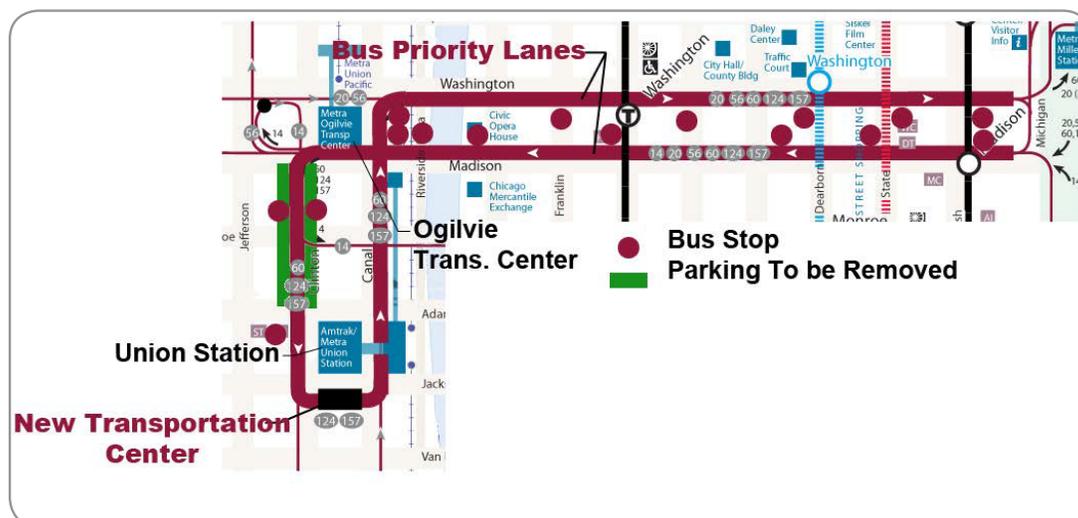
be to construct a new Metropolitan Lounge in the historic headhouse building. The Metropolitan Lounge is a facility for sleeping car passengers to wait before boarding their train. This is very important since Chicago is served by more overnight trains than any other Amtrak station. Many of these passengers also change trains in Chicago. The new facility will have two levels, connected by a circular staircase and elevators. After this is completed the existing main waiting area will be renovated, incorporating the space occupied by the current Metropolitan Lounge, greatly expanding its seating capacity.

- \* Construction of a new public rest room in the concourse area is also planned. The existing ones in the Amtrak waiting room and next to the Metra ticket office are overcrowded and there is significant inconvenience when they are closed for cleaning. The rest room and waiting room improvements are currently being budgeted and scheduled.

### Central Area East-West Bus Rapid Transit (BRT) project

In July, 2010 the Federal Transit Administration announced the award of a grant to the City of Chicago for implementation of “bus rapid transit” improvements in a corridor connecting Union Station and the Central Loop. The key improvement is the designation of dedicated bus lanes on Washington and Madison Streets across the Loop and on Canal and Clinton Streets south to Union Station. As discussed in the Street Level Access Issues section, the blocks of Canal Street near Union Station are very congested. While establishing a dedicated bus lane in this block is very important, it is also very difficult due to the many other competing uses for the limited street space.

Providing sufficient space for peak period CTA bus activity is critical to the effective performance of Union Station. Among motorized modes, CTA buses account for the highest share of transfer connections by Metra customers. A proposed solution to the issue of insufficient street and curb space adjacent to Union Station is to expand off-street capacity to better accommodate peak period CTA bus activity. This may be achieved with the construction of an off-street bus terminal, the “Union Station Transportation Center” described further in the following section.



East-West BRT Corridor

A bus rapid transit (BRT) route will allow passengers to quickly move between Union Station and the Loop.

This Union Station Master Plan Study has also suggested a concept, subject to and contingent upon further traffic analysis, for relocating CTA buses that now terminate in the contraflow bus lane located on the west side of Canal in the block between Adams and Jackson. If feasible, this relocation would allow unidirectional traffic on this block, and the installation of a mid-street island to provide additional curb space for taxi and passenger car pick-up and drop-off at Union Station using the west side of the island. A mid-street island would also make it possible to dedicate the traffic and curb lanes east of the island exclusively for bus activity. Portions of the curb space in this block would be assigned to CTA, Amtrak's Thruway Bus service, and private shuttle buses.

The concept of adding an island to provide additional curb space is taken from standard practice at airports (such as Chicago's O'Hare Airport). It is anticipated that the cost of construction of this island will not be major and that funding from the East-West BRT grant will be sufficient. A railing on the east side of the island, to limit people to crossing to the sidewalk at designated crosswalks, is also proposed for safety. If funding permits, it would also be desirable to provide a weather protection canopy on the island. The island could be enhanced further in the future by adding vertical circulation to take people directly to/from Union Station's concourse level, which is located directly below Canal Street in this area. It is proposed that such vertical access improvements be coordinated with the planned Canal Street Viaduct Reconstruction project, described in the medium term projects section of this report.

#### **Union Station Transportation Center**

The Union Station Transportation Center project is closely-related to the East-West BRT project and is also fully funded from a recent Federal grant to CDOT. The Transportation Center, to be designed by CDOT in coordination with CTA, will be an off-street bus terminal located on the site of the existing surface parking lot that is south of Jackson, between Canal and Clinton (immediately north of the Amtrak-owned parking garage).

An off-street bus terminal located on an existing parking lot will help relieve traffic congestion around Union Station.

It is anticipated that the Transportation Center would relieve some of the nearby street congestion by expanding space for additional transit connections surrounding Union Station for buses that currently must lay over at the end of their routes on the streets near Union Station. Passenger access to buses using the Transportation Center would be provided at street level as well as via a direct stairway/elevator connection to the existing below grade walkway between the station's concourse level and the Amtrak parking garage.



While current plans call for this site to be converted relatively quickly to function as an off-street bus terminal, the potential also exists to construct a major new office/commercial building on air rights over the transit center sometime in the future. Such a future development could also be integrated with re-development of the site now occupied by the Amtrak parking garage, immediately to the south.

### **Medium Term Ideas** (see Appendix C for more detailed plans)

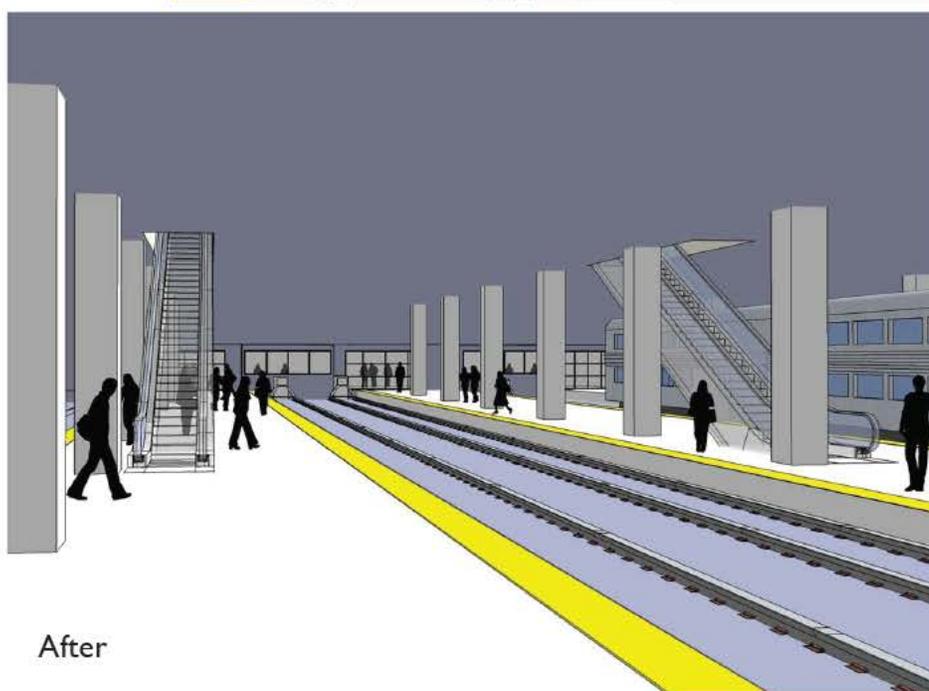
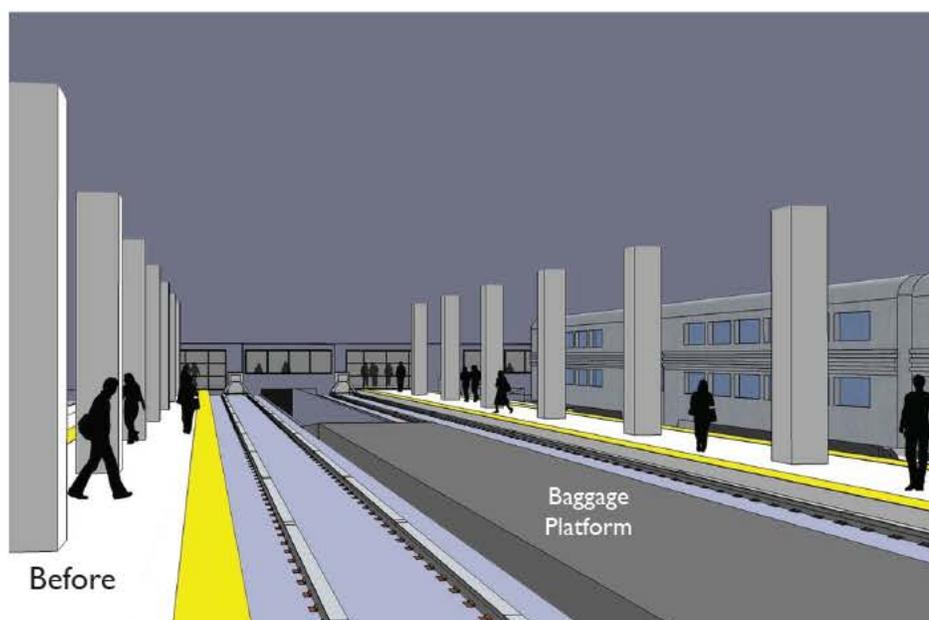
- \* Widen selected Metra platforms (using the area now occupied by unused baggage platforms) and add direct access to/from street level
- \* Create new station tracks and passenger platforms by converting unused former mail platform space
- \* Modify existing passenger station facilities to improve passenger flow and simplify wayfinding
- \* Coordinate further street access improvements with CDOT's planned Canal Street Viaduct reconstruction project

### **Widen Selected Metra Platforms**

A unique characteristic of Union Station is that it features special platforms that were designed specifically for the handling of baggage, mail, and packages. These baggage platforms alternate with the passenger platforms on either side of the terminal tracks. Each of these "baggage platforms" leads to a ramp into the Station's basement. At the time Union Station was built most trains at the station were for longer-distance travel and handled checked baggage, mail, and express packages. As such, it was very useful to have platforms where these items could be handled without conflicting with passengers boarding or alighting from trains. Today, however, most trains at Union Station are Metra commuter trains. Some tracks are now almost exclusively used by Metra and there is no need for baggage platforms on those tracks. Meanwhile, Union Station's existing 12-foot wide passenger platforms are very narrow given the volumes of commuters they must accommodate. Some of Metra's peak period commuter trains operate with up to 11 cars, carrying an average of about 150 passengers per car. In addition, Union Station's south side platforms only have exits/entrances at one end. This can result in platform overcrowding during peak periods and extended times for commuter trains to load and unload.

Union Station's existing 12-foot wide passenger platforms are very narrow. Changes could allow the platforms to be widened to 22 feet to alleviate overcrowding.

It is proposed to remove two of the baggage platforms (on the south side, between tracks 6 and 8 and between tracks 10 and 12). These tracks are currently used exclusively by Metra commuter trains. Tracks 8 and 12 would then be re-located to the east, into the space now occupied by baggage platforms. This would allow the passenger platforms to be widened to about 22 feet, which would be wide enough to permit the construction of stairs, escalators or elevators to provide direct access between the platforms and street level (i.e., the south side of Jackson Blvd). Together, the platform widening and addition of direct



As shown in the *BEFORE* (top) and *AFTER* (bottom) images, eliminating unused baggage platforms would allow for passenger platforms to be widened and vertical circulation to be added.

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vertical access would relieve the overcrowding by both adding space and providing the opportunity for passengers to exit without going through the Station concourse. Three north side platforms at Union Station already have a secondary access/exit point at Madison Street, relieving what would otherwise be similar overcrowding issues for most north side commuters.

Discussions and analysis as part of this study have also suggested that it may be possible to construct direct vertical access to street level from the track 2 and 4 platform. Although this would require shortening this platform slightly, it is currently longer than needed for Metra's longest trains.

Such improved platforms could also increase Metra's operating flexibility. Associated changes in track geometry could also make the track 6-8 and 10-12 platforms one to two cars longer, and the wider platforms would make it possible for two trains to unload simultaneously or in rapid succession on both sides of the same platform, an operating practice that is used only sparingly today due to the overcrowding that results.

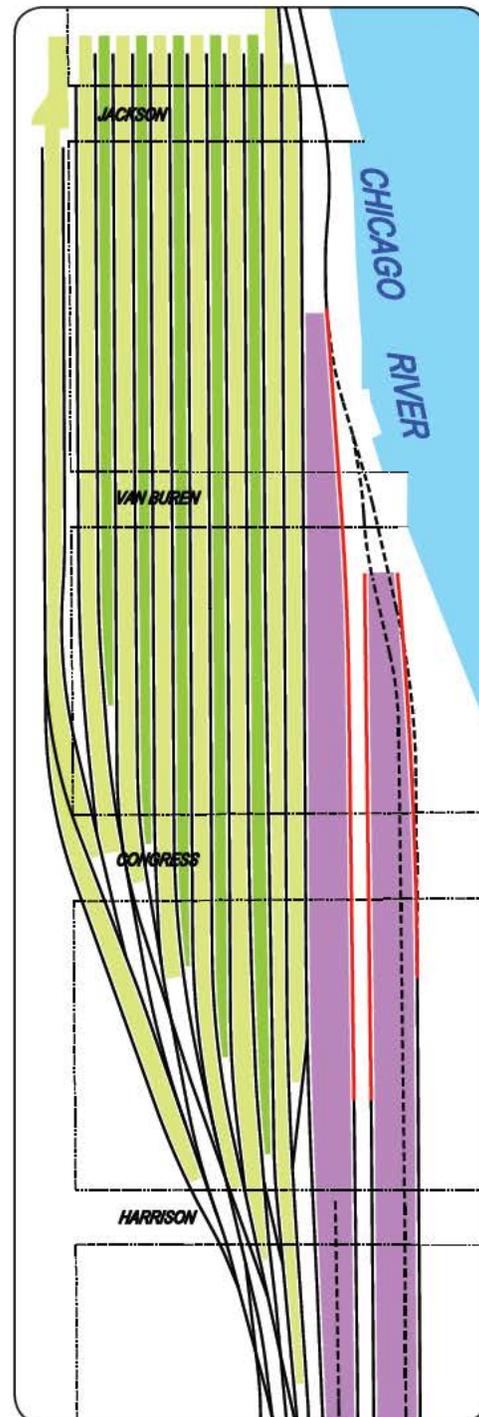
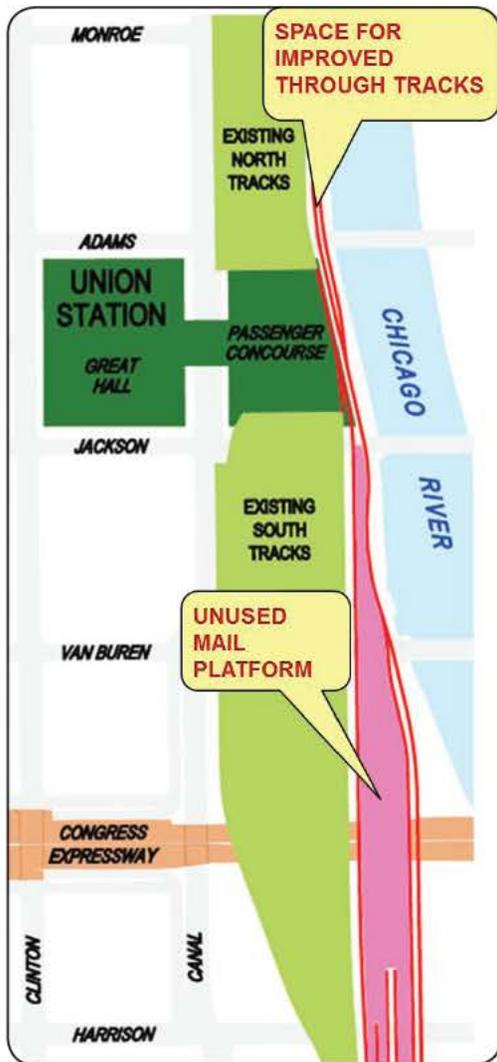
#### **Convert Mail Platform**

Another vestige of an earlier time is the large "mail platform" located between the station's south tracks and the Chicago River. This platform space was extremely busy during the years when large amounts of mail were transported as part of the railroads' passenger train business, but Amtrak wound down this function about ten years ago. Since that time the large platform (over 100 feet wide and 1300 feet long, and raised four feet to match the floor height of the mail cars), has sat unused.

New station tracks and passenger platforms could be created by converting unused former mail platform space.

It is proposed to convert this space to passenger platforms, which could add critical capacity to accommodate growth in intercity passenger train operations while also potentially freeing up some existing platform capacity for growth in commuter train use during peak periods. Parts of the old mail platform lie under various buildings: the old Post Office, the new Post Office, and 300 S. Riverside Plaza. It would be physically possible to extend two tracks that bisect the south end of the platform through to its north end, which would divide the existing extra-wide platform into two platforms of ample width to serve passengers, each served by tracks on both sides. This platform is also interrupted by numerous columns supporting the structures above, but relatively few would require relocation to make this proposed track and platform reconfiguration possible (these columns are located at the south end of the proposed east platform and support a portion of the 5-story new Post Office building).

Although it's located on the south side of Union Station, the mail platform – unlike nearly all existing passenger platforms – is served by tracks that run through to the north side of the station. Thus, the mail platforms, repurposed for passenger use, could become through-service platforms. Because of existing physical constraints, it would require substantially more work to run both tracks serving the eastern-most of two new platforms through to the north side. Therefore, it is proposed to initially construct the eastern platform tracks as stub tracks, accessible only from the south (which is the more congested portion of the station). At such time as a need for more through tracks is identified in the future, it would be physically possible to extend them to the north (although this would require additional column relocations



*Converting the unused mail platform provides the opportunity to add passenger platform capacity and create new through tracks*

and relocation of a segment of the river wall in this area). This additional work is proposed to be considered part of a Long term alternative.

Under the mail platform there is an existing underutilized basement area with high ceilings, as well as a below-grade passageway connecting this area to the basement under the existing passenger waiting areas. This space under the re-purposed mail platforms could be redeveloped into a departure lounge and food service areas for the new passenger platforms – a particularly useful amenity given that they will be over a block south of the existing Union Station concourse facilities. Vertical circulation (escalators/stairs/elevators) and gate control would be provided between the new lower-level departure lounge and the re-purposed mail platforms.



*Existing below-grade passageway could be upgraded for passengers using converted mail platforms*

The existing below-grade passageway could be renovated as a formal walkway connection to the existing station's concourse and waiting areas, allowing rail customers to avoid needing to cross active tracks to reach the new departure lounge and platforms. The future plans should also consider how to possibly introduce natural light into the long below-grade walkway and the proposed new lower level departure lounge.

Emergency exits from the new platforms, required to meet current codes, could be placed closer to their south ends, which would allow them to open onto the area of the plaza on the north side of the new Post Office (on the south side of Harrison Street).

Additional alternatives for accessing these platforms may be possible in the 300 South and/or 400 South (old Post Office) blocks. See the discussion of the New Station in the 300 S. Riverside Plaza block in the Long Term/Visionary Ideas section for further details. Amtrak has indicated that it is not interested in pursuing a connection to the old Post Office due to numerous complexities involved.

### **Improvements to the Existing Station**

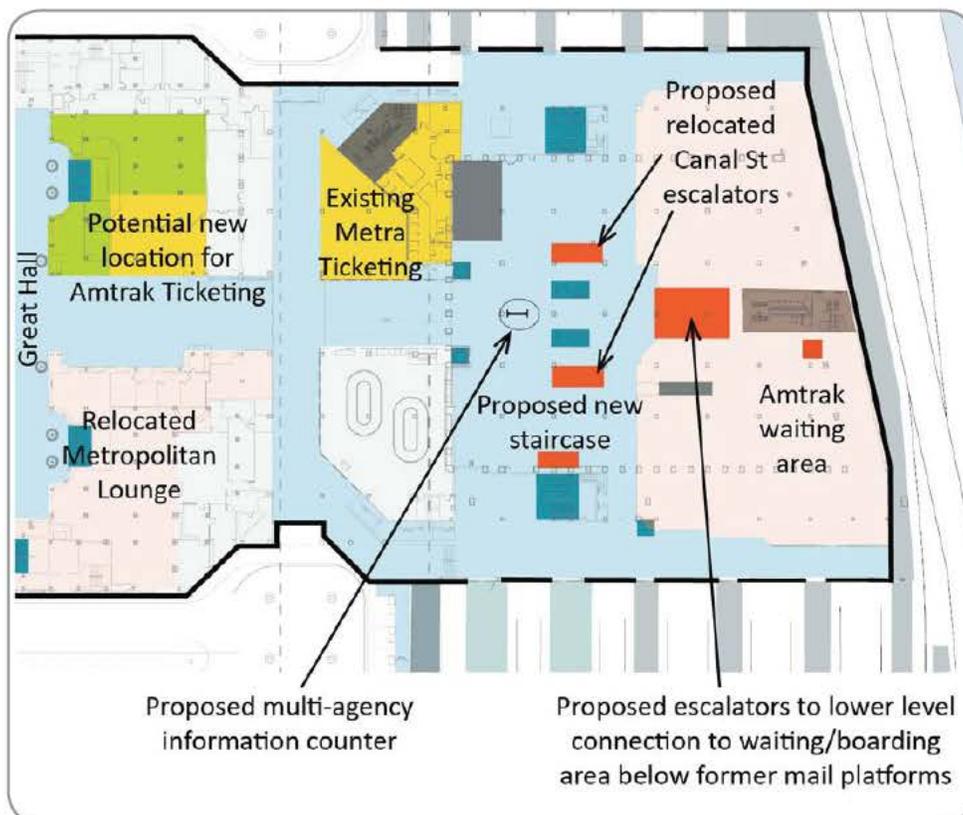
The Background Section featured a discussion of the factors contributing to severe peak period congestion and the difficulties in navigating within Union Station, especially in the passenger concourse areas east of Canal Street. As a first step towards addressing these issues, Amtrak has started to move some passenger waiting area functions out of the concourse level and back into the historic headhouse (see discussion in Short Term Ideas). This study has developed some further ideas to more boldly reconfigure space within the existing concourse area to increase capacity and overall station utility for peak period crowds (see conceptual space plan layout in Appendix C). The goals would be to open up the concourse to:

- \* Improve circulation and relieve congestion, particularly during peak periods and in the event of a major train delay
- \* Improve sight lines, so that people can more easily see where they want to go
- \* Expand capacity to allow for bi-directional access at major points of vertical circulation (currently major escalator banks need to operate uni-directionally in order to accommodate peak demand, and the "contraflow" escalator is difficult to find).

Key existing facilities on the concourse-level that may be candidates for relocation include:

- \* Amtrak Ticket Office – This could be returned to the historic headhouse building on the north side of the corridor connection to the concourse area under Canal Street. This space is now used by a restaurant, and is located across the corridor from where Amtrak’s ticket windows had been prior to the start of the 1987-1991 station renovations – the area that is now to be repurposed for the new Metropolitan Lounge. Relocation of the ticket office may be facilitated by the fact that the number of ticket windows in service has gradually declined with the advent of automated “Quik Trak” ticket machines. This reduction is expected to continue with Amtrak’s systemwide rollout of E-ticketing, planned for 2012.
- \* Passenger Service Area, Rental Car Counter, and Newsstand – These can be relocated to places out of the concourse level’s main circulation area.

Using some of the space occupied by the current ticket counter it is proposed that the central (Canal Street) escalators be relocated north and south of the adjacent staircases, thereby opening up clear east-west sight lines between the soon-to-be expanded Amtrak waiting area on the east and the walkway to the Great Hall on the west. The information counter could be moved to the now more visible center of this space (perhaps about where the fountain is now), and much more room would be available for passenger movement.



*Conceptual plan for concourse area reconfiguration*

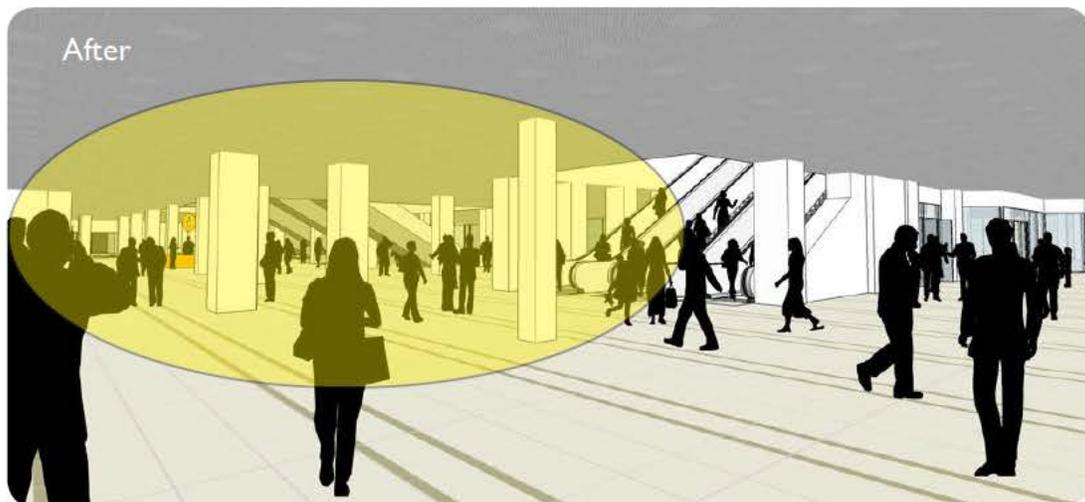
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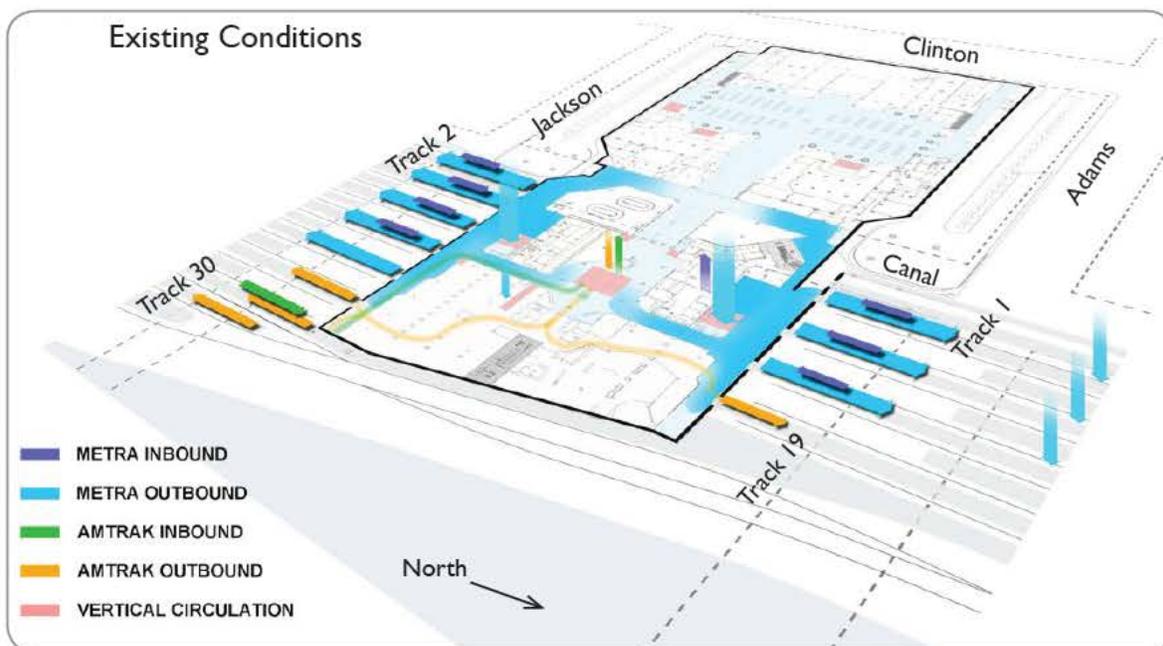
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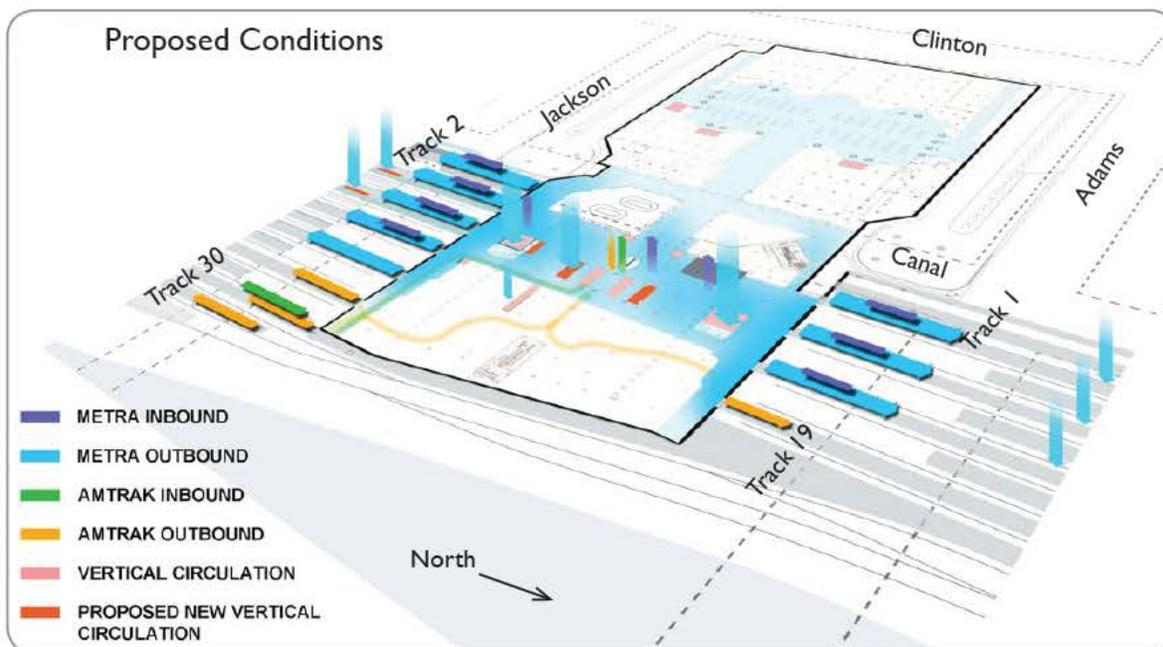
*Above:* View looking north from southwest corner of concourse **BEFORE** proposed modifications including relocation of Amtrak ticket office.

*Below:* The effect of modifications is shown in the yellow area in the **AFTER** image. Relocation of the Amtrak ticket office could open up sight lines and allow more room for passenger movement.





*Conceptual illustration of Union Station concourse passenger flows in PM rush, when there are delayed Metra departures and late arrival of an Amtrak train*



One positive feature of the existing concourse configuration is the way it subtly, but effectively, separates the main flow of commuters moving between trains on the west (lower numbered) tracks and the doorways next to the Adams and Jackson bridges from Amtrak's customers, most of whom arrive and depart through the Canal Street entrance or the Great Hall and use trains on the east (higher numbered) tracks. The problem is that the number of commuters has increased by more than 50% since this existing configuration was introduced during the 1987-1991 renovations. The current vertical circulation is also dependent on operating all of the station's escalators in the peak direction, except for one difficult to find contraflow escalator. Three of the station's four escalator banks have stairs that can be used by people traveling in the opposite direction from the commuter peaks, but there are no stairs between the concourse and mezzanine levels on the south side, which is the busiest escalator bank. By relocating some of the existing concourse-level facilities as described above there should be room to install additional vertical circulation between the mezzanine and concourse levels, facilitating station navigation, especially for travelers who are less familiar with the station.

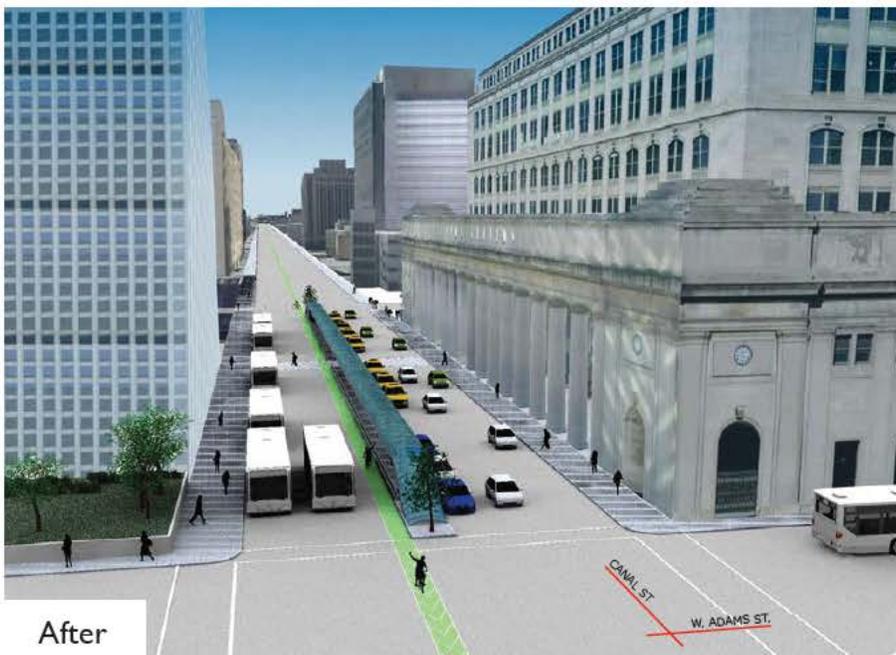
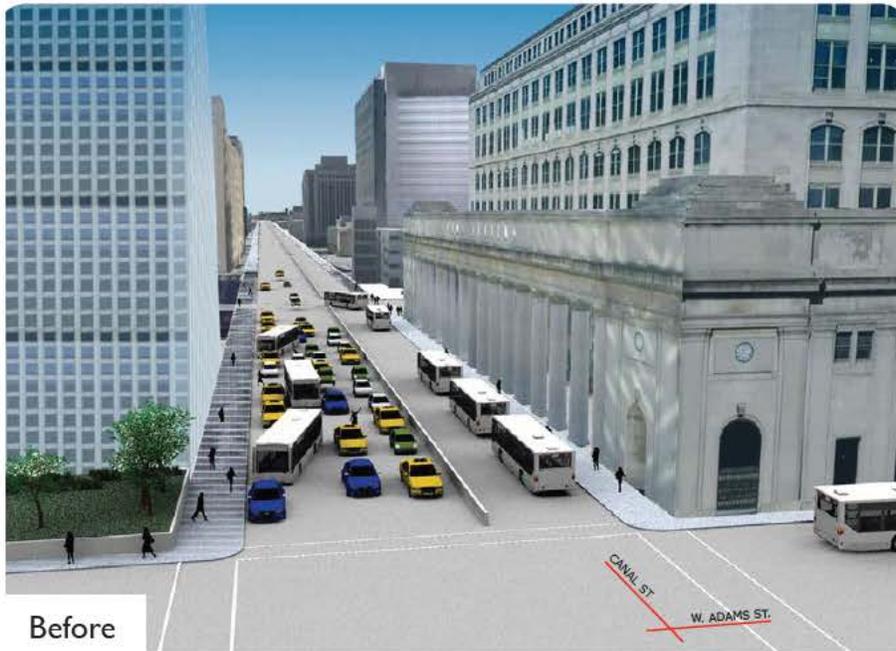
It should also be noted that the platform widening project described earlier will provide additional congestion relief in the station by creating direct exits to the street level from three busy south side platforms used overwhelmingly by Metra trains.

#### **Canal Street Viaduct Reconstruction**

Key segments of Canal Street are on a viaduct structure over Union Station's tracks. Constructing station tracks under the viaduct was an original design feature to increase the capacity of Union Station. The viaduct structure runs from Madison Street on the north to Taylor Street on the south. North of Harrison Street the structure generally runs only under the east half of the street, the section south of Harrison extends the full width of the street. In the block between Adams and Jackson the viaduct also spans the full width of Canal Street and forms the ceiling over an integral part of Union Station's passenger concourse. The viaduct was constructed in conjunction with the station, so it is nearing 90 years old, at the end of its design life. It needs and has received extensive maintenance attention and is prone to leaking during wet weather; it no longer fully protects facilities and passengers on station platforms from such weather conditions.

The aging Canal Street viaduct will need complete replacement soon, providing an opportunity to incorporate vertical access and curblines changes to improve Union Station.

The Master Plan Study team has investigated whether some modifications could and should be made to the future replacement viaduct design to help in achieving the study goals, rather than simply replacing the structure exactly as it was originally built. As such, the main focus of this analysis has been on the portion of the viaduct structure north of Van Buren Street. In the Street Access portion of the Background section it was noted that a major problem is a lack of curb space proximate to major station entrances for vehicles of all types to drop off and pick up passengers. The concept of creating an island in Canal Street was suggested among the Short Term Ideas section to be implemented as part of CDOT's ongoing East



Reconstruction of Canal Street will provide an opportunity for improved street access as shown in the BEFORE (top) and conceptual AFTER (bottom) images above

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West BRT project. This would be similar to pick up lanes at an airport terminal, with channelized traffic and parallel curbs.

An enhancement to this Short Term idea would be to add vertical circulation between street level along Canal Street and the track/concourse level below (especially in the block between Adams and Jackson, as well as immediately north and south). In this study two conceptual alternatives have been developed, one based on street operations remaining as they are (i.e., Canal continues to be a northbound street and Clinton southbound) while the other is based on reversing this traffic pattern (i.e., Canal southbound and Clinton northbound). Opportunities for additional islands with vertical circulation, in the blocks of Canal immediately north of Adams and south of Jackson, are also included in these alternatives.

Because the viaduct structure will need complete replacement, the incremental expense of incorporating vertical access and potential changes to curblines at the same time should be relatively small as a proportion of that project's overall costs.

Details of the design of the new Canal viaduct could and should also facilitate other possible projects identified in the Master Plan Study. For example, it appears that two existing Canal viaduct columns conflict with the location where a track would need to be shifted in conjunction with the Metra platform widening opportunity, another medium term idea. Careful placement of columns could also facilitate potential future construction of Canal or Clinton subways, two of the long term/visionary proposals.

### **Long Term / Visionary Ideas (see Appendix D for more detailed plans)**

The study has developed concepts for increasing passenger handling capacity and improving the traveler experience by significantly expanding or completely replacing the existing intercity and/or commuter station facilities. These plans are described as:

- \* A new facility in the 300 S. Riverside block, to be constructed on air rights over Union Station tracks (which are owned by Amtrak) and integrated with the existing office building on this block
- \* Redevelopment of the 200 S. Riverside block with new intercity and commuter station facilities
- \* Construct a new fourth lead track on the north side of the station

The study has also developed two concepts for adding additional track and platform capacity in underground alignments that bypass and augment Union Station's existing track and platform infrastructure. These plans are described as:

- \* Clinton Subway (per the original West Loop Transportation Center concept)
- \* Canal Subway

### **New Intercity Station in 300 S. Riverside Block**

This concept would create a new intercity passenger train station in the 300 S. Riverside block (see space plan layout). It would not involve the demolition of any buildings, but rather would be constructed on the Amtrak-owned air rights on the west side of the block. This concept would also repurpose the lobby space of the existing 300 S. Riverside Plaza Building (which runs through from Jackson to Van Buren) into additional train station space, with a new office lobby constructed one floor up. This building is located above the mail platform that is proposed for conversion to two wide intercity passenger train platforms as a medium term idea.

Primary access to all of the south side platforms would be from above, requiring the widening of the existing platforms to provide room for stairs/escalators/elevators. A similar platform widening concept



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was also proposed as a medium term idea to serve Metra trains and riders, meaning a total of four more platforms would need to be widened as part of this project. Service access to these four platforms could be provided by constructing ramps to the existing but little-used “cross connect tunnel” which runs east-west under the south side platforms just south of Congress. This concept would provide opportunities for attractive and functional circulation space, waiting areas, and restaurant spaces along the riverfront at street level as well as one level up.

This new intercity passenger train station would be connected to the existing Union Station concourse below street level via a new wide walkway under Jackson Boulevard. The existing concourse would then be dedicated entirely to Metra passengers and could be reconfigured to optimize its utility for commuter train passenger and operations needs.



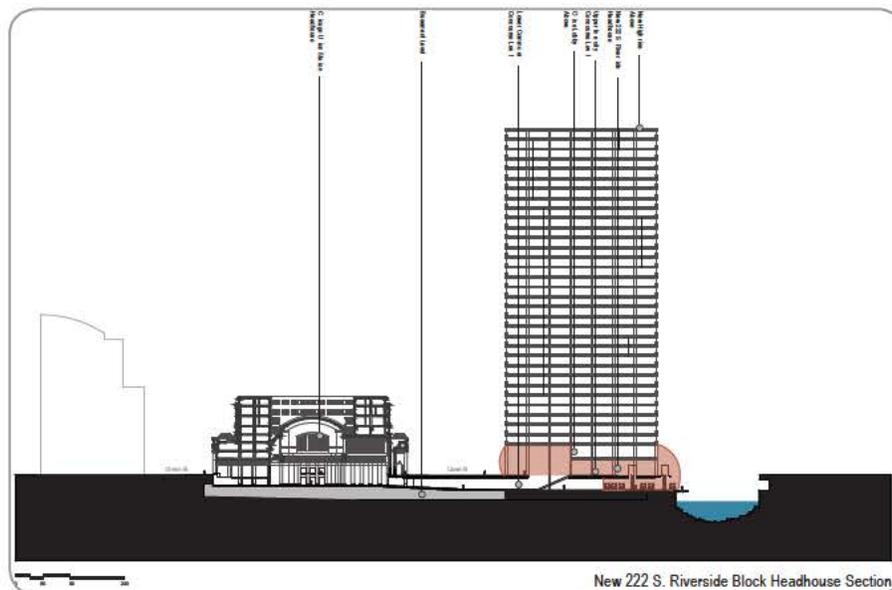
*New building and station concept at 300 block of S. Canal / Riverside Plaza*

Amtrak owns the parking garage west of Canal Street, also in the 300 South block. Redevelopment of this prime parcel could also be integrated with the station facility, possibly including an above ground walkway across the street, a street-level bus transfer terminal, some Amtrak customer parking, and loading docks servicing both the new station site development as well as the parking garage site redevelopment. Such future redevelopment of the Amtrak parking garage site might also integrate air rights development over the adjacent transportation center currently being planned by the City of Chicago DOT, along with the potential for an expanded bus terminal.

#### **New Intercity and Commuter Station in 200 S. Riverside Block**

The demolition of Union Station’s original Concourse Building in 1968, and its replacement by an office building that confined Chicago’s most important railroad station to a column-filled basement, has been widely lamented. The Prior Ideas section of this report includes two visionary concepts for new stations proposed for the site of the old concourse building. Both would have replaced the existing 35 story 222 S. Riverside Plaza Building with an architecturally dramatic and visually iconic station structure. Both were based conceptually on linking most of the north and south side station tracks across the existing track-level concourse, thus shifting all of the passenger movements that now take place on the concourse, mezzanine, and street levels, to the street level. These ideas also called for not replacing the office space and would therefore have given up the associated economic impact from that existing asset.

This Study has assessed these prior proposals but has not found a feasible way to develop a track and platform layout plan that is operationally functional with so many and such long through tracks and platforms. Instead, this study proposes a somewhat different long term/visionary approach (see space plan layout in Appendix D) to removing the existing building and starting over on this site. This study’s concept calls for largely retaining the current general track and platform configuration at Union Station, with most tracks remaining as stub-end tracks. However, it would provide the ability to have up to five through tracks, a significant increase from the one through track on a platform now available (there is another through track that does not have access to a platform), or the two through tracks that would be available in the mail platform conversion concept described under medium-term ideas. It should be noted that Metra has



*A new station in the 200 S. Riverside block could retain the current general track and platform configuration while also providing additional through tracks.*

indicated that commuter demand for through tracks is very limited. Stub tracks serve its needs best and two through tracks would be sufficient for future commuter needs.

In this concept, intercity operations would be moved to street level, leaving commuter services full use of the track level concourse area. The existing intercity passenger train ticketing and other support activities would be removed from track level, and the waiting room would be reconfigured to allow the track level commuter concourse to be largely open circulation space, as it was in the original concourse building. Some of the street level space could be left open, allowing daylight to reach the commuter concourse. Two small mezzanines would allow most commuters to walk to the Adams and Jackson bridges without disrupting the intercity passenger area. The new intercity train tracks converted from the mail platforms would be accessed from the new street-level intercity station via escalators as well as the re-purposed below grade walkway, as discussed in the medium term ideas section.

The new station facilities would be designed in a manner that would also allow a new office building to be constructed on air rights above the station, only this time with the needs of railroad users in mind (for example, with far fewer columns than the present building). The office building lobby would be one level above street level. Station food service, with a view of the Chicago River, might also share this level.



*New building and station concept at 200 block of S. Canal / Riverside Plaza*

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### **Construct a New Fourth North Lead Track**

One aspect of increasing the train handling capacity of Union station involves the ability to accommodate through train movements for regional intercity passenger trains. As discussed in the Railroad Level portion of the West Loop Transportation Center description, through tracks can have a higher train handling capacity than stub-end tracks, as through trains do not need to be turned around and a through platform's approach and departure tracks may be operated uni-directionally. However, through train movements could mean an increase in the number of trains using the north side approach tracks of Union Station. Additionally, commuter demand for through tracks is very limited, and the increased use of through tracks may require additional passenger waiting area in the station. Historically, the north side of the station has been much less busy than the south side and, as a result it has fewer lead tracks (there are currently 3 lead tracks on the north vs. more than 5 on the south). These three tracks are currently used to handle all of the Metra Milwaukee District and North Central Service trains (including movements to/from the Western Avenue train maintenance/storage facility for these trains as well as Heritage Corridor trains) and Amtrak's service to/from Milwaukee (seven daily Hiawatha service round trips and the daily Empire Builder train to/from Seattle/Portland). Future through trains could go to any of these destinations, or possibly to a future intercity passenger train station/terminal at or near O'Hare International Airport. A passenger train station at O'Hare would serve passengers connecting to air service for longer distance (including international) trips, as well as serving the 2+ million residents and the many businesses based in Chicago's Northwest suburbs.

Potential long term changes to Union Station could significantly improve capacity, enhance the passenger experience, and enrich the vitality of the Chicago region.

This study analyzed the potential for adding future track capacity to the northern approach to Union Station. There were originally four north lead tracks when Union Station was built. This number of tracks was needed for the Pennsylvania Railroad and Milwaukee Road to serve the many freight customers then located alongside the route (a flour mill on Carroll Avenue, east of Ogden, is the last one remaining and the fourth track now ends at Morgan St. – 1000W). Space for restoration of a fourth track is available west of Clinton Street. However, former railroad right-of-way has been sold off in the segment between Clinton and Lake Street and the existing right-of-way width through this curve is very restrictive. Nevertheless, it should still be geometrically possible to re-establish four approach tracks through this curve on an alignment that has been developed as part of this study. This new approach track alignment would require some right-of-way acquisition, and it would also conflict with a pier of the bridge that carries the Ogilvie Transportation Center north lead tracks. This bridge is over 100 years old and at such time as it may be replaced, the new span should be designed to accommodate a future four-track section below.

### **Subway Alternatives**

Two alternatives have been developed based on constructing subterranean alignments, one with platforms under Clinton Street, the other with platforms under Canal Street. These would involve tunnels that completely bypass Union Station's existing tracks/platforms, connecting with Union Station's existing lead tracks on the south at Taylor Street and to the north and west at Racine and, thus, could be built

completely independently of the other ideas described earlier in this section. Either of these alternatives would be substantially more expensive to build than the previously-described Ideas. Thus, it is anticipated that the surface level projects would be constructed first. The subway alternatives would become most important in the long term, after the limits of the capacity added by the surface track/platform projects is no longer adequate. The subway alternatives have two primary features that distinguish them from the surface alternatives:

- \* Because the new tracks and platforms would be located west of the concourse (or west of the Great Hall, through which a direct pedestrian connection is assumed, in the case of the Clinton subway) it would be able to more fully take advantage of the historic headhouse building's great spaces for transportation-related functions.
- \* The north end of the tunnel's railroad platforms would extend as far north as Ogilvie Station, making it convenient to develop direct connections to both Union Station at the south end of the new underground platforms as well as Ogilvie Station, Chicago's second-busiest commuter terminal, at the north.

Most of the right-of-way identified as being required for the subway concepts is already in public ownership (i.e. City, IDOT, Amtrak, or Metra).

#### *Clinton Subway*

The concept for a multilevel subway under Clinton Street was first introduced by CDOT as part of the original West Loop Transportation Center proposal in 2001. The vision for this project is described in the Prior Ideas section. In 2001 Amtrak was still in the mail and express business, so the mail platform area was thought to be unavailable for future conversion for passenger use. It appeared that the only way to add significant track and platform capacity to Union Station would be by constructing a subway routing for tracks and platforms that would bypass the existing station tracks. It was further envisioned that the new subway tunnel under Clinton Street could be built with multiple levels, and thereby also be able to accommodate other transit services, such as a new CTA rail rapid transit route (although such connections were assumed to be ultimately developed as part of separate projects.)

In the course of the current Study, the Clinton Street subway idea has been further refined. These modifications include:

- \* Removing the bus subway level, since current CDOT and CTA plans call for keeping bus operations on the surface to the greatest extent possible
- \* Adding a second railroad level, to increase capacity (providing a total of four platform edges served by four through tracks)
- \* Moving the rapid transit level to the bottom of the multi-level subway, eliminating a geometric conflict between the railroad and the existing CTA Blue Line tunnel under the River at Congress.

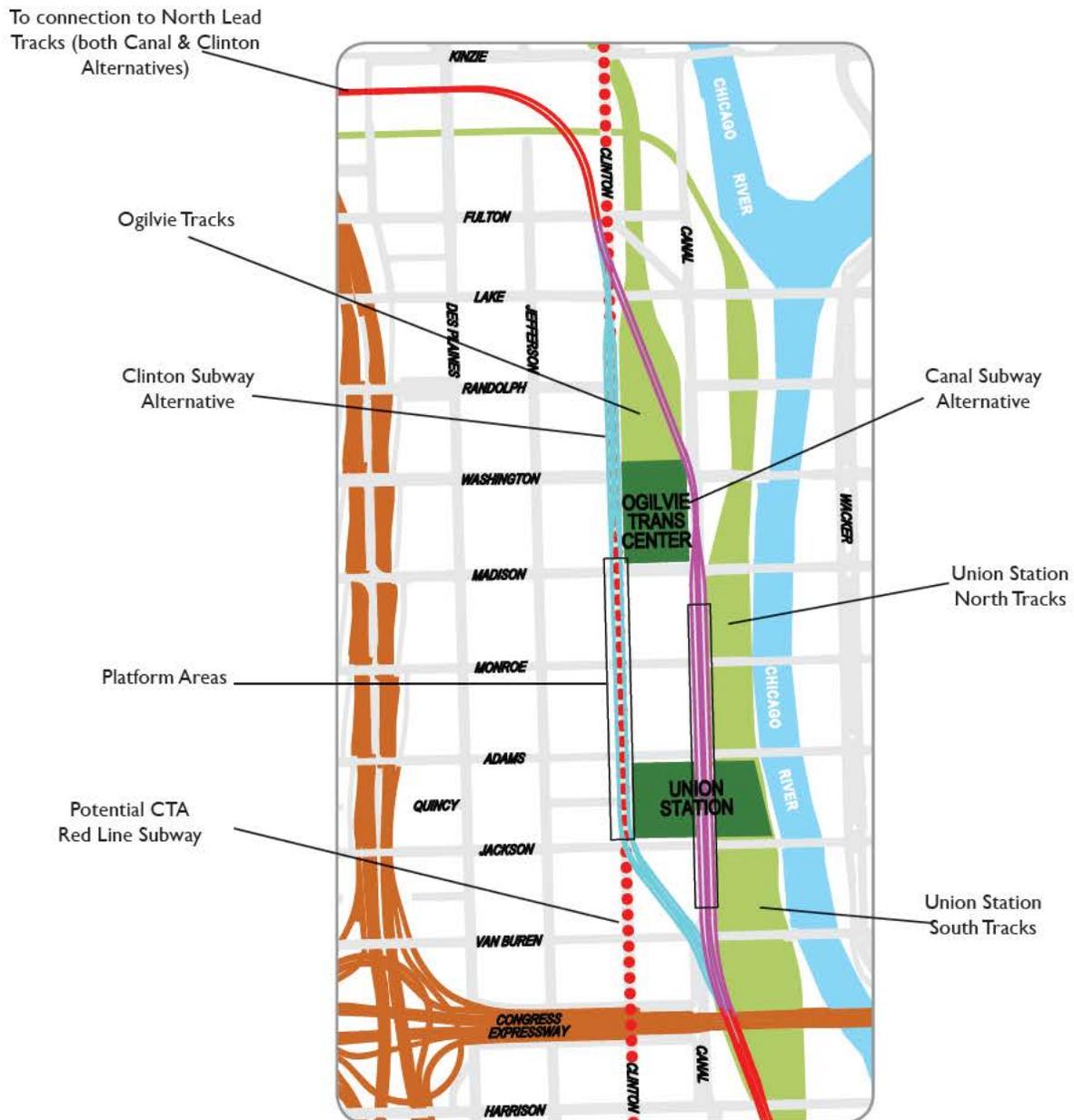
Trains on the upper level would encounter ruling grades of 2.5%; trains on the lower railroad level would face grades of close to 4% (see profile). About 1.3 miles of the route would be in tunnel. Because of the grades and the tunnel operation, electrified operation is likely to be essential to the future viability of this plan. The near 4% grades in particular would probably require use of electric multiple unit equipment as is used in many international high speed rail trains.

#### *Canal Subway*

Another alternative developed as part of this study is a concept for a subway tunnel carrying through tracks bypassing Union Station, with passenger platforms under Canal Street. It would be similar in function

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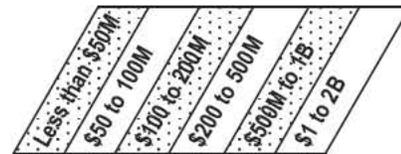
and operations to the Clinton Subway; the alignment would actually be the same north of Fulton Street, crossing over between Canal and Clinton Streets under the Ogilvie Transportation Center platforms. An advantage of using Canal Street for such a subway connection is that the street width is 100 feet, rather than 80 feet in the case of Canal. This is wide enough that it would be possible to construct four tracks and two island platforms on a single level, providing the same railroad capacity as the Clinton subway with a simpler design and less restrictive grades for all tracks (the ruling grade would be 2.5%; see profile). It is assumed that a CTA rapid transit route could still be built under Clinton Street, as proposed in the Clinton subway idea, but the projects would in this case be completely independent of each other.

### Cost

The following table summarizes the costs associated with the improvements discussed.

#### Summary List of Improvement Ideas with Estimated Construction Cost Range

(in 2011 dollars)



#### Medium Term Ideas

	Less than \$50M	\$50 to 100M	\$100 to 200M	\$200 to 500M	\$500M to 1B	\$1 to 2B
Reconfigure Existing Concourse to improve capacity and flow	X					
Widen Platforms 6/8 & 10/12 and add direct vertical access to street level		X				
Begin repurposing old mail platform for passenger use <i>Phase 1: Create connecting pedway, new waiting area, and two through tracks</i>			X			
<b>Estimated Total Cost of Medium Term Ideas</b>			X			

#### Long Term/Visionary Ideas

##### Create a New Station Building Facility

<b>New Intercity Station in 300 Block*</b> <i>Includes widening and adding direct vertical access to the platforms between tracks 14 and 28, and creating a modern high capacity station at street level above the existing south approach tracks with commercial joint development above (requires repurposing the street level of the existing commercial building on this block).</i>				X		
Complete repurposing old mail platform for passenger use <i>Phase 2: Create two additional through tracks (four in total)</i>		X				
Add a fourth lead track on the north side of the station	X					
<b>Estimated Total Cost of New Station Building Facility - 300 Block</b>				X		

or

<b>New Intercity and Commuter Station in 200 Block*</b> <i>Includes removal and replacement of existing structures on this block and creation of a modern high capacity station with commercial joint development above.</i>					X	
Complete repurposing old mail platform for passenger use <i>Phase 2: Create two additional through tracks (four in total)</i>		X				
Add a fourth lead track on the north side of the station	X					
<b>Estimated Total Cost of New Station Building Facility - 200 Block</b>					X	

##### Add Track and Platform Capacity in a New Underground Alignment

Clinton Subway						X
or						
Canal Subway						X

\* Assumes that widening of Platforms 6/8 & 10/12 and Phase 1 of the Mail Platform conversion are already complete



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## 5 - Public Involvement



**V.S. BYRD**  
**EXHIBIT 1**  
**74/96**

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A public meeting was held as part of the Union Station Master Plan study on Thursday, December 15, 2011 at Union Station's Union Gallery Room between 4:00-7:00 PM. The meeting utilized an open house format so that attendees could browse through numerous exhibits and discuss issues individually with staff from stakeholder agencies and the consultant team. A narrated presentation was made at 4:30 PM and 6:00 PM. Approximately 200 people attended throughout the event and 67 of those attendees completed questionnaires on site. The comments of 30 people were also submitted by the Midwest High Speed Rail Association at the meeting. Finally, 30 comments were submitted online at the project website UnionStationMP.org as of January 26, 2012. Feedback on the project from these 103 individuals is summarized below.

### Goals and Issues

The public meeting and the website highlighted the project goals and key issues for the public, listed below.

#### Goals

- \* Provide sufficient capacity for significant increases in Metra and intercity ridership
  - \* Estimated 40% increase in trains by 2040
  - \* Possible significant further increases
- \* Make the terminal more inviting for passengers
- \* Provide more direct and convenient transfers to buses, CTA trains, taxis, shuttles, pick-up/drop-off
- \* Create a terminal that is vibrant, a civic asset, and a catalyst for growth in the West Loop and region

Issues and ideas for improvements were divided into those related to:

- \* Street access
- \* Station congestion
- \* Tracks/Platforms

In addition to these goals and issues, meeting attendees and website respondents were encouraged to comment on any Union Station topic that they felt was important.

### Public Meeting Attendees

Of the 67 people who provided information on questionnaires at the public meeting, 46 (69%) indicated that their primary interest in the study was because they were a "Metra rider". The second most common response, "Amtrak rider", was made by 24 people, or 36% (note that individuals could choose more than one interest). "Employer/employee working near Union Station" was another common response, made by 19 people (28%).

When asked how they usually access Union Station, the majority of respondents said that they walked. The second and third most common responses were "CTA Bus" followed by "CTA Train", as shown in the figure below.



*Union Station Master Plan public meeting*



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Other popular words (beyond “Chicago”, “Amtrak”, and “Metra”) mentioned in comments included “access” and “HSR (High Speed Rail)”. “Access” highlights another key issue of the project. This could include “access” between the street and the station, station and platforms, or station and other modes of transportation. “High speed rail” is not directly listed in a project goal or issue, but it was on the minds of the public as shown in their comments.

For a transportation mode comparison, the word “trains” was mentioned six times more than “car” and eight times more than “bus”. This could imply that transfers to cars and buses were not as important to the public as issues relating directly to trains at Union Station.

More detailed evaluation of comments is included in subsequent sections.

A questionnaire asked for public input regarding Union Station, including questions about entering and exiting the station, navigating the station interior and exterior, transferring to other transportation modes, directional signs, and amenities.

## Questionnaire

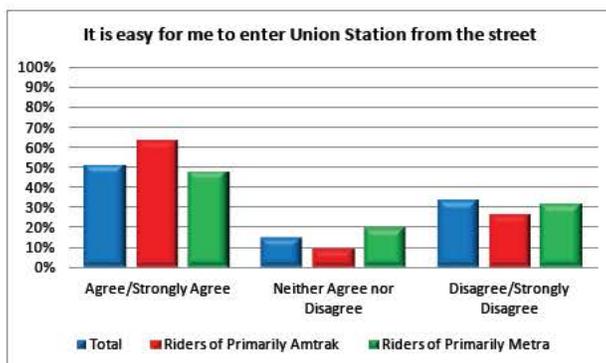
At the public meeting, the questionnaire asked respondents if they agreed or disagreed with several statements about existing conditions at Union Station. The statements were phrased in a positive manner (e.g. “it is easy for me”) so if respondents agreed, then they were affirming that the existing Union Station is adequate. Responses below are divided into sections based on positive opinion, negative opinion, split opinion, and statements in which a majority of respondents did not have an opinion.

Responses were further evaluated for differences between riders who primarily ride Metra and riders who primarily ride Amtrak. Only responses that revealed interesting differences among types of riders are shown with a breakdown of responses in graphical form. For responses in which preferences did not vary between types of riders, only the responses for all respondents as a single group are displayed.

The questionnaire is included at the end of this section.

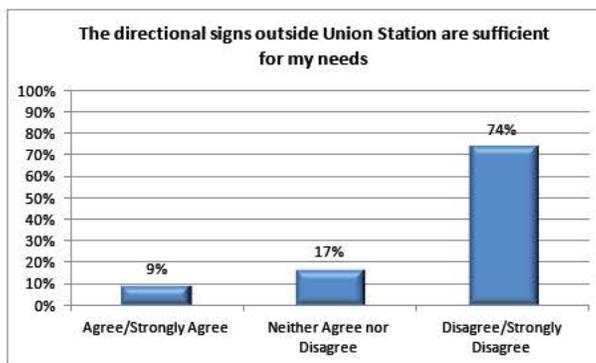
### Positive Opinion

The question that received the most positive feedback, and the only statement in which over 50% of all respondents agreed or strongly agreed, concerned entrances as shown in the graph below. While 51% of all respondents answered that it is easy to enter the station, those who primarily ride Amtrak had a more favorable view of entering than those who primarily ride Metra.



**Negative Opinion**

The statement that received the most negative feedback concerned directional signs outside of the station, as shown in the graph below. Three-quarters of respondents felt that directional signs outside of the station were lacking. Riders of Amtrak and Metra had similar negative opinions about this issue.

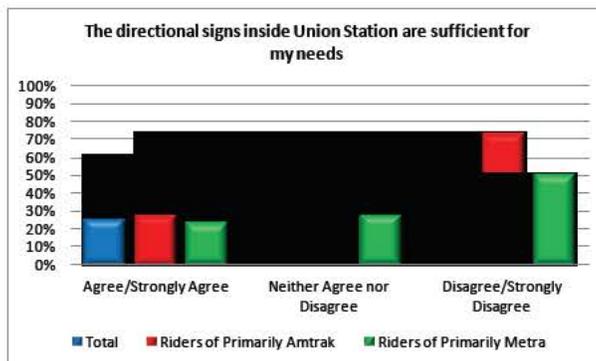


Perhaps the seemingly contradictory responses to the two questions above can potentially be reconciled by stating that if a person already knows where they are going, entering Union Station from the street is easy. If a person does not know and is looking for guidance from signs, then finding a way into the station is difficult.

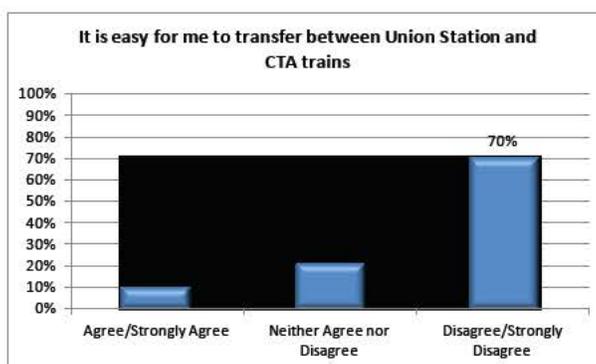
Similarly, the graph below shows that respondents also think that signs inside the station are not sufficient. Respondents who primarily ride Amtrak had the most negative opinion of signs inside the station.

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Another strong negative response was given regarding transferring to CTA trains, in which 70% of people thought it was difficult to do from Union Station (shown in the graph below). Given that a 5 minute to 8 minute walk across several city blocks is required to transfer, and the public believes that directional signs are insufficient, it is not surprising that people said that it is not easy to transfer to CTA trains. Improving transfers between modes is a goal of the project that the public clearly thinks is an important concern.



A smaller majority of questionnaire respondents, between 50%-59%, disagreed or strongly disagreed with the statements below:

- \* Traveler information services in Union Station are sufficient for my needs
  - \* 59% disagreed/strongly disagreed
  - \* Amtrak riders had a more unfavorable opinion than Metra riders
- \* It is easy for me to move around within Union Station
  - \* 58% disagreed/strongly disagreed
  - \* Metra riders had a more unfavorable opinion than Amtrak riders
- \* The dining options in Union Station are sufficient for my needs

- \* 58% disagreed/strongly disagreed
- \* Amtrak riders had a much more unfavorable opinion than Metra riders
- \* The retail services in Union Station are sufficient for my needs
  - \* 57% disagreed/strongly disagreed
- \* The waiting room within Union Station is sufficient for my needs
  - \* 57% disagreed/strongly disagreed
  - \* Amtrak riders had a more unfavorable opinion than Metra riders
- \* Traffic congestion on streets near Union Station is not a problem for me
  - \* 55% disagreed/strongly disagreed

All of the above statements relate to the project goal to make Union Station “more inviting to passengers”. Simply put, across a variety of customer experiences, the public believes that Union Station is currently inadequate.

Across a variety of customer experiences,  
the public believes that Union Station is  
currently inadequate.

### Split Opinion

On some topics, respondents did not provide a clear consensus regarding their collective opinion. In these cases, responses were split without a clear majority between “agree”/“strongly agree”, “neither agree nor disagree”, and “disagree”/“strongly disagree”. These questionnaire statements include:

- \* It is easy for me to exit Union Station to the street
- \* It is easy for me to get to the train platforms before boarding the train
- \* It is easy for me to transfer between Union Station and taxis

One statement, “*It is easy for me to leave the train platforms after getting off the train*”, also yielded a split result for the respondents as a whole. However, almost 70% of Metra riders disagreed or strongly disagreed with that statement, almost twice the percentage of Amtrak riders. This could potentially be explained by the overcrowding that occurs more frequently when Metra trains arrive than when Amtrak trains do.

### Majority Neutral

More people chose “neither agree nor disagree” than other options for the following statements in the questionnaire, potentially implying that many respondents had no knowledge about the experience.

- \* It is easy for me to transfer between Union Station and CTA buses
- \* It is easy for me to transfer between Union Station and non-CTA buses

In order to discover more information about public opinion on these topics, a survey specifically directed at bus riders who transfer at Union Station may be needed.

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## Written Comments

The questionnaire asked respondents to state the one thing they would change about Union Station. The common themes across several written comments related to the following:

- \* Increase the capacity of train platforms because they feel overcrowded
  - \* Sample comment: "Increase platform foot traffic volume"
- \* Provide direct access and improve transfers between Union Station and CTA trains and buses
  - \* Sample comment: "Seamless connection to trains and buses"
- \* Improve wayfinding and directional signs to reduce confusion
  - \* Sample comment: "Vastly improved signage - every day I assist confused/lost passengers to the Amtrak or Metra gates"
- \* Enhance the overall customer experience: better dining options, improved waiting areas, a more welcoming atmosphere, and elimination of the feeling that people are walking through a "basement"
  - \* Sample comment: "More passenger friendly - better waiting areas & wayfinding"
- \* Better use of the Great Hall, which many respondents thought was an architectural gem that is currently underutilized
  - \* Sample comment: "It's very frustrating to go from the wonderful volume of the Great Hall down into the maze of the concourse"

When the questionnaire asked what dining or retail options people wanted in Union Station, the most respondents (12) wrote that they wanted an establishment in the style of a nice full-service sit-down restaurant. This was followed by requests for a pharmacy or grocery.

Public comments commonly focused on the desire for a modern, grand, and efficient Union Station that is a suitable welcome for commuters and visitors to downtown Chicago.

Comments also included those in favor of through-routing commuter rail service and improved bicycle amenities at Union Station. Among website comments, one of the most prevalent opinions related to the desire for high-speed rail at Union Station. High-speed rail was particularly of interest in comments made by people who live outside of the Chicago region.

Only two people mentioned diesel exhaust as an issue of concern. This is surprising due to the relatively recent media attention that has focused on this issue.

Across all comments, people commonly focused on the desire for a modern, grand, and efficient facility that is a suitable welcome for commuters and visitors to downtown Chicago. For a variety of reasons described above, the public feels that Union Station needs various improvements to achieve these objectives.

### **Midwest High Speed Rail Association Letters**

In addition, for several years the Midwest High Speed Rail Association has maintained a website [downtownairport.com](http://downtownairport.com) dedicated to promoting improvements to Chicago Union Station. It has always provided the opportunity to send a supporting email to Chicago's mayor. A copy of the email template that has been posted since December is shown in the appendix to this report. It calls on Mayor Emanuel "to think big as the master plan is developed, combining short-term fixes while seeking the funding to dramatically expand the station". Since December, 753 people have submitted the letter. Of these supporters, 269 live in Chicago, 188 are from Illinois residents from outside Chicago, and 159 are from other Midwest states. The rest are mostly travelers from other cities passing through Chicago whose impression of the City is formed by their experience at Union Station. The Association has recently submitted about 150 of these letters that have been personalized by the supporters, adding their own experiences and specific concerns beyond those mentioned in the template. The ones found to be mentioned most often included the overcrowded, hot Amtrak waiting room (21), Chicago's need for a world class station (11), the confusing layout of the station (5), the need for better 'L' connections (5), the importance of preserving the Great Hall (3), making the Great Hall more active (3), and the crowded platforms (3).

#### Common themes across several public comments:

- \* Increase the capacity of train platforms because they feel overcrowded
- \* Provide direct access and improve transfers between Union Station and CTA trains and buses
- \* Improve wayfinding and directional signs to reduce confusion
- \* Enhance the overall customer experience: better dining options, improved waiting areas, a more welcoming atmosphere, and elimination of the feeling that people are walking through a "basement"
- \* Better use of the Great Hall, which many respondents thought was an architectural gem that is currently underutilized

**Survey of Public Meeting Participants - Chicago Union Station Master Plan Study – December 15, 2011**

Public input is an important component of this study. Thank you for sharing your input below. This information will be used to further assess opportunities in preparation for performing more detailed analysis in the future.

**I am interested in this study because:**

	Primary Interest	Secondary Interest
I am a Metra rider during peak periods (rush hours)	_____	_____
I am a Metra rider during off peak periods (mid-days, evenings, weekends)	_____	_____
I am an Amtrak rider	_____	_____
I am an employer/employee working near Union Station	_____	_____
I am a building owner/representative for a building that is near Union Station	_____	_____
I am a representative of a public sector agency	_____	_____
I am a representative of a transit advocacy group	_____	_____
I live nearby	_____	_____
Other (please specify): _____	_____	_____

In the downtown, I mostly access Union Station by (check one):  Foot  CTA bus  non-CTA bus  CTA train  Taxi  Other \_\_\_\_\_

**Please circle the number below that best represents how strongly you agree or disagree with each of the following statements:**

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
--	----------------	-------	----------------------------	----------	-------------------

It is easy for me to enter Union Station from the street.	1	2	3	4	5
It is easy for me to exit Union Station to the street.	1	2	3	4	5
It is easy for me to move around within Union Station.	1	2	3	4	5
It is easy for me to get to the train platforms before boarding the train.	1	2	3	4	5
It is easy for me to leave the train platforms after getting off the train.	1	2	3	4	5
Traffic congestion on streets near Union Station is not a problem for me.	1	2	3	4	5
It is easy for me to transfer between Union Station and CTA buses.	1	2	3	4	5
It is easy for me to transfer between Union Station and non-CTA buses.	1	2	3	4	5
It is easy for me to transfer between Union Station and CTA trains.	1	2	3	4	5
It is easy for me to transfer between Union Station and taxis.	1	2	3	4	5
The directional signs <b>inside</b> Union Station are sufficient for my needs.	1	2	3	4	5
The directional signs <b>outside</b> Union Station are sufficient for my needs.	1	2	3	4	5
The waiting room within Union Station is sufficient for my needs.	1	2	3	4	5
Traveler information services in Union Station are sufficient for my needs.	1	2	3	4	5
The dining options in Union Station are sufficient for my needs.*	1	2	3	4	5
The retail services in Union Station are sufficient for my needs.**	1	2	3	4	5

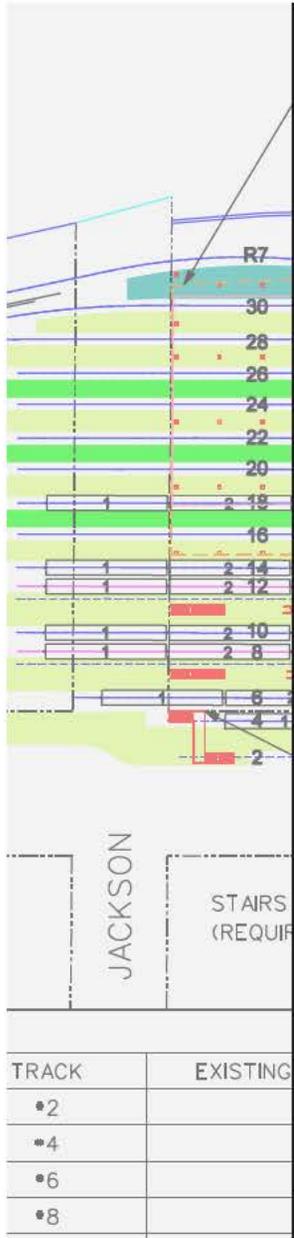
\*I would most like to see this dining option added to Union Station (type of food or name of restaurant): \_\_\_\_\_

\*\* I would most like to see this retail service added to Union Station (e.g. grocery, pharmacy, clothing, etc.): \_\_\_\_\_

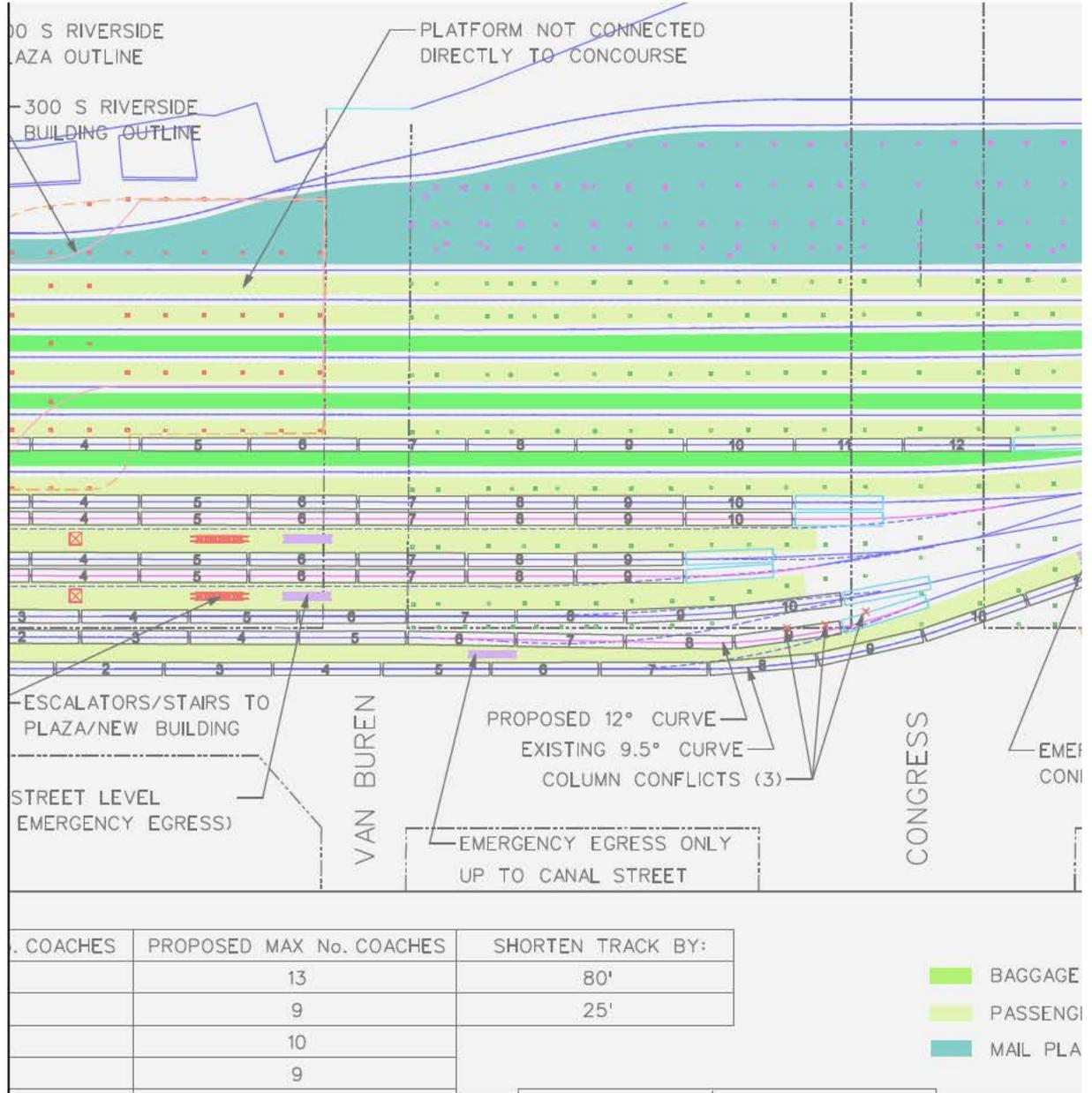
If I could change one thing about Union Station, it would be: \_\_\_\_\_

(Please write any additional comments or clarifications on the reverse side of this sheet.)





## 6 - Next Steps





This master planning study has advanced and developed numerous ideas that are intended to address major functional and operational issues affecting Chicago Union Station in the short, medium, and long term. The next steps for these ideas vary, but all involve proceeding with further planning, design, and/or construction to achieve the benefits identified in the preceding chapters. The overarching objective is to move each of these projects from ideas into construction and operation.

The Short Term ideas described in this report are already well advanced in planning and design, and in the case of CDOT's off street bus terminal and improved bus lane projects grant funds have been obtained for their construction. Several near term Amtrak customer facility improvement projects have also had their design work largely completed, but construction is not yet funded. Obtaining funding to complete these initiatives, as well as addressing Amtrak's outstanding "state of good repair" needs throughout Union Station should be a priority next step.

“Medium Term” ideas in this study are focused on resolving serious operational shortcomings that have a direct impact on the ability of Union Station to serve a growing number of passengers.

The Medium Term projects that have been identified are all focused on resolving serious operational shortcomings (including train operations, congestion in the concourse, and street level access needs) that have a direct impact on the ability of Union Station to serve a growing number of passengers. These projects will require further planning analysis and design work before they are ready to be funded for construction. The following next steps are proposed for these ideas:

- \* Test each of the proposed ideas using simulation models to evaluate their ability to increase passenger and/or train capacity consistent with the projected increases in travel demand. This will be the focus of the next stage of the CDOT-led Union Station Master Plan Study.
- \* Once these ideas are refined further using the simulation models, the stakeholder agencies will need to identify which organization(s) will serve as the lead sponsor for each of the individual projects. These organizations in turn will:
  - \* Perform additional feasibility studies, as needed – especially to better understand any structural implications of the proposed improvements on the buildings above
  - \* Lead the preliminary engineering and final design efforts for individual projects, including obtaining any required environmental clearances
  - \* Secure funding for both design and construction, and oversee construction
  - \* Continue public outreach for individual projects.

The next stage of the Union Station Master Plan Study, involving simulation of train and station operations, will more precisely quantify the capacity increase that may be expected from each of the Medium Term ideas. Once the scale of these potential capacity improvements is known, the Union Station stakeholders will be able to compare the projected future growth in travel demand through the station with the

cumulative potential capacity increase from these projects and effectively determine how many years worth of growth the Medium Term improvements will provide. In essence, the upcoming modeling analysis will define just how long the “medium term” is likely to be, and how soon the stakeholders will need to begin more serious consideration of the “long term/visionary” ideas for increasing capacity and improving the station’s functionality.

The Medium Term ideas have thus far been conceived such that each of them would complement and not preclude or make more difficult the implementation of any of the more complex and expensive Long Term/Visionary ideas. However, the Long Term/Visionary ideas include two mutually exclusive alternatives for adding track and platform capacity via new underground alignments, as well as two other mutually exclusive alternatives for creating new station building facilities in either the 200 or 300 block of South Canal Street. Further analysis and public/stakeholder consultation will be needed to assess and determine the relative merits of each of these long term/visionary proposals and to decide which alternatives should advance towards implementation.



*Trains departing Union Station*

“Medium Term” ideas can improve Union Station without precluding future implementation of “Long Term / Visionary” ideas.

In addition to increasing capacity at Union Station, a primary function of the alternatives among the Long Term/Visionary proposals is placemaking. Either of the new/expanded station alternatives are intended to increase Union Station’s visibility and provide a stronger sense of arrival than the current basement-level station which is difficult to navigate. In either of these new station alternatives, space would be available to create passenger facilities and customer amenities with appropriately grand views of the Chicago River and the surrounding downtown Chicago environment. Furthermore, the redevelopment of the station can serve as a catalyst for much needed adjacent development as well. In addition, the project will require the use of some innovative financing tools which are not well utilized in Chicago. The Union Station Master Plan Study team has worked closely with a Civic Advisory Committee established by the Metropolitan Planning Council to advance the placemaking goal and an innovative financing strategy.

The Civic Advisory Committee believes the station’s redesign should favor the creation of vibrant public spaces that have the potential to transform an imposing historic structure into one that invites interaction with its users and the surrounding city. In other words, the station should evolve into both an efficient intercity and regional railroad hub, with easy connections to other transit modes, and a truly great place that attracts transit users and non transit users alike. Union Station should be transformed into an iconic destination that takes advantage of its riverfront location with places for people to gather, as well as

internal spaces that draw people for dining and shopping as well as boarding trains. As major employers deliberately relocate to the area to be part of a dynamic urban fabric and be proximate to transportation, the station can act as an economic engine that has a positive impact not only on nearby blocks in the West Loop area, but on the City and the Chicago area as a whole.

New or expanded station facilities would be a large scale project, likely costing in the hundreds of millions of dollars that will increase the value of surrounding property. It therefore behooves the Union Station stakeholders and the civic community to seriously explore innovative approaches to project financing that will most effectively leverage the value that these improvements will add to nearby real estate. The analysis of Real Estate Issues and Opportunities (presented in Appendix E) and the report on Chicago Union Station Concepts in Context (presented in Appendix H) conducted as part of this Study, provide information regarding other major rail station projects around the U.S., and the world, including some discussion as to the methods used to finance these projects. Prospective new Chicago Union Station facilities could, for instance, be designed in a manner to allow an office tower to be constructed on air rights above the station and/or on adjacent Amtrak- and City-owned parcels, creating an iconic mixed-use development that is sensitive both to the needs of rail passengers as well as commercial real estate development opportunities.

The Metropolitan Planning Council, and its Union Station Civic Advisory Committee, is proactively assessing such Union Station-related development opportunities, with particular focus on methods of financing.



*In addition to being a transportation hub, Washington D.C.'s Union Station features multi-level retail and dining opportunities (Marcin Wichary)*

Tools such as value capture financing have been used successfully throughout the country to finance new or existing transportation infrastructure. It is good policy precisely because it connects the benefit (and benefactors) of the investment with its cost. Financing options under exploration include various forms of Public Private Partnerships (PPP), Tax Increment Financing (TIF), Special Assessment (SSA and SA), air rights, and federal infrastructure loan programs such as those available through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. Union Station's redevelopment could be part of a larger transportation district that would leverage opportunities on multiple transit-related sites to provide financial support for transportation improvements and other enhancements. At this stage of study, it appears that developing the air rights above the transportation improvements on the 300 south block and the Amtrak parking garage block should be a high priority. These two blocks represent attractive sites for future high-density office development. If structured appropriately, a portion of the proceeds from future private-sector development on these sites could help fund transportation improvements and advance the City's economic development objectives as described in the Central Area ACTION Plan.

“Long Term / Visionary” ideas will create an iconic railroad station that integrates placemaking principles and drives economic development.

May 2012

Chicago Union Station Master Plan Study

---

## **Credits**

### **City of Chicago, The Honorable Rahm Emanuel, Mayor**

#### **Chicago Department of Transportation**

Gabe Klein, *Commissioner*

Jeffrey Sriver, *Project Manager*

Luann Hamilton, *Deputy Commissioner*

Richard Hazlett, *Past Project Manager (retired)*

#### **Technical Advisory Committee**

Jeffrey Sriver, *Chicago Dept of Transportation, Chair*

Walter Lander, *Amtrak*

Richard Hazlett, *Chicago Dept of Transportation,  
Past Chair*

Ray Lang, *Amtrak*

Akheel Ahmed, *Chicago Transit Authority*

Rosie Leal, *Amtrak/Jones Lang LaSalle*

Sid Birckett, *Amtrak*

Joe Lorenzini, *Metra*

Claire Bozic, *Chicago Metropolitan Agency for Planning*

Marc Magliari, *Amtrak*

Lynnette Ciavarella, *Metra*

Wendy Messenger, *Federal Railroad Administration*

Richard Cogswell, *Federal Railroad Administration*

Mark Minor, *Regional Transportation Authority*

Jon Czerwinski, *Chicago Transit Authority*

Yadollah Montazery, *Chicago Dept of Transportation*

Wynne Davis, *Federal Railroad Administration*

Charlie Monte Verde, *Amtrak*

Peter Fahrenwald, *Regional Transportation Authority*

Marisa Novara, *Metropolitan Planning Council*

Mike Franke, *Amtrak*

Don Orseno, *Metra*

Allen Fugate, *Coach USA*

Todd Popish, *Illinois Department of Transportation*

Josel Gonzales, *Metra*

Andy Roth, *Metra*

Miriam Gutierrez, *Illinois Department of Transportation*

Malihe Samadi, *Chicago Dept of Transportation*

Benet Haller, *Chicago Dept of Housing and Economic  
Development*

Moe Savoy, *Amtrak*

George Hardwidge, *Metra*

Jim Schwartz, *Coach USA*

Joe Iacobucci, *Chicago Transit Authority*

Joe Shacter, *Illinois Department of Transportation*

Derrick James, *Amtrak*

Peter Skosey, *Metropolitan Planning Council*

Jan Jantzen, *Free Enterprise System*

Joanna Trotter, *Metropolitan Planning Council*

Harold Kirman, *Amtrak*

Frank Tverdek, *Amtrak/Jones Lang LaSalle*

Daniel Klaiber, *Chicago Dept of Housing and Economic  
Development*

Robert Vance, *Chicago Transit Authority*

Dave Klouda, *Amtrak*

Stephen VanGalder, *Coach USA*

David Kralik, *Metra*

Doug Varn, *Amtrak*

Pete Zwolfer, *Metra*

---

### **Civic Advisory Committee**

Cassandra Francis, *Kariatid LLC, Co-Chair*

Benet Haller, *Chicago Department of Housing and Economic Development, Co-Chair*

Peter Skosey, *Metropolitan Planning Council, Staff*

Marisa Novara, *Metropolitan Planning Council, Staff*

Alderman Bob Fioretti, *2nd Ward*

Alderman Walter Burnett, *27th Ward*

Alderman Brendan Reilly, *42nd Ward*

Lee Bey, *Chicago Central Area Committee*

Mark Bookman, *Ernst & Young, LLC*

Kevin Brubaker, *Environmental Law & Policy Center*

Lynnette Ciavarella, *Metra*

Michael Cornicelli, *Building Owners & Management Association of Chicago*

Bob Dean, *Chicago Metropolitan Agency for Planning*

Jon DeVries, *Roosevelt University*

Madeline Doering, *Office of Alderman Brendan Reilly*

Ann Drake, *DSC Logistics, Inc.*

Jim Farrell, *Infrastructure First*

Bernard Ford, *McDonough Associates, Inc.*

Linda Goodman, *Goodman Williams Group*

Rick Harnish, *Midwest High Speed Rail Association*

Jennifer Henry, *Natural Resources Defense Council*

Joe Iacobucci, *Chicago Transit Authority*

Dan Klaiber, *Chicago Department of Housing and Economic Development*

Ray Lang, *Amtrak*

Michael Mini, *Chicagoland Chamber of Commerce*

Paul Nowicki, *BNSF Railway Company*

Stephen R. Patterson, *Drinker Biddle & Reath, LLP*

Mike Payette, *Union Pacific Corporation*

David Phillips, *TranSystems Corporation*

Michael Prussian, *General Parking Corporation*

Jorge Ramirez, *HACIA*

Gerald Roper, *Chicagoland Chamber of Commerce*

Joe Schacter, *Illinois Department of Transportation*

Jeffrey Sriver, *Chicago Department of Transportation*

Marty Stern, *U.S. Equities Realty, LLC*

Tim Stevens, *Office of Alderman Bob Fioretti*

Ty Tabing, *Chicago Loop Alliance*

Michael Tobin, *U.S. Equities Realty, LLC*

Brian Urbaszewski, *Respiratory Health Association of Metropolitan Chicago*

George Weber, *Illinois Department of Transportation*

Tom Wolf, *Illinois Chamber of Commerce*

Kathleen Woodruff, *T4 America*

Ferhat Zerín, *Gingko Planning*

### **Planning and Design Team**

TranSystems Corporation

EJM Engineering, Inc.

Ross Barney Architects

Hatch Mott MacDonald

Big Picture Marketing, Inc.

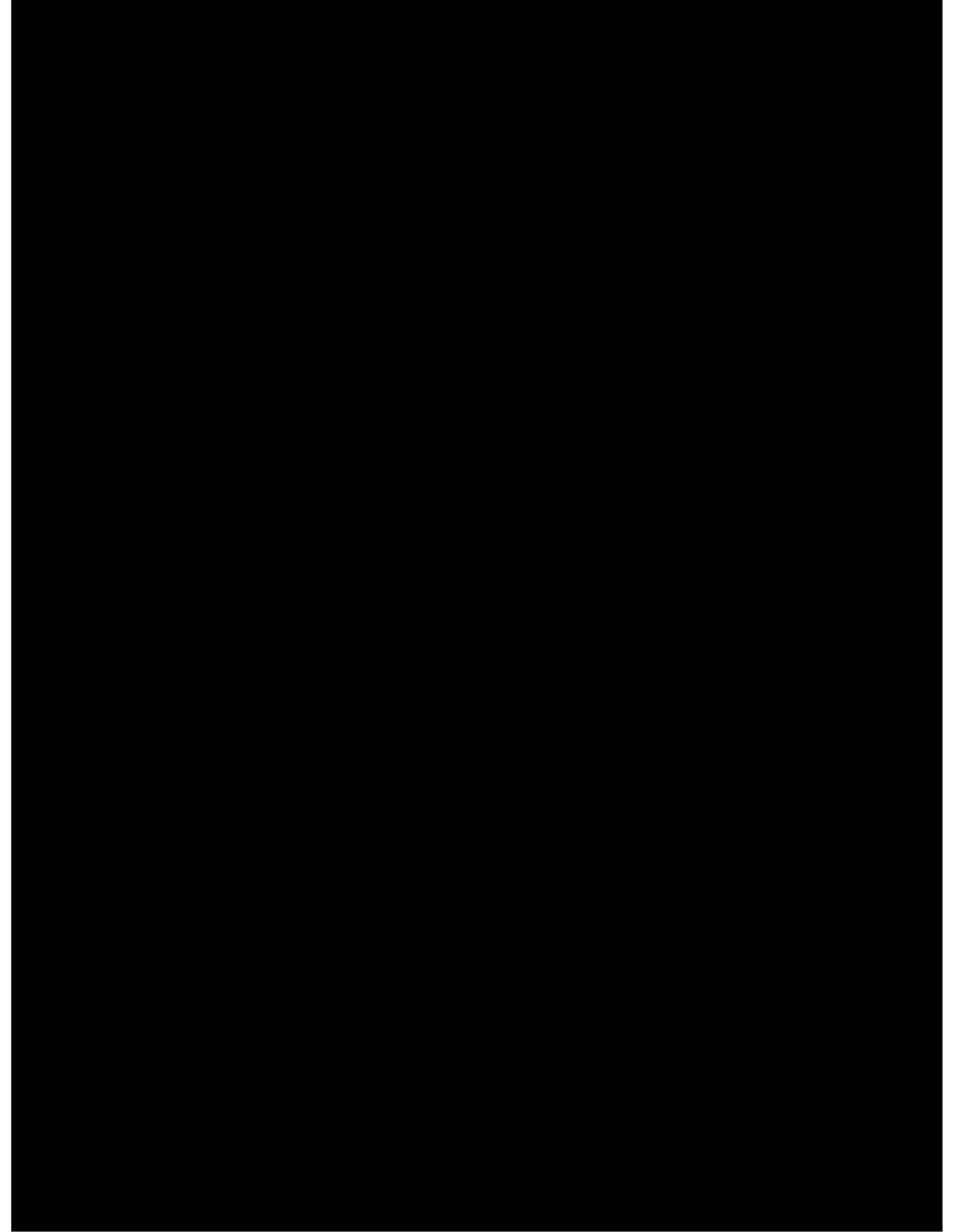


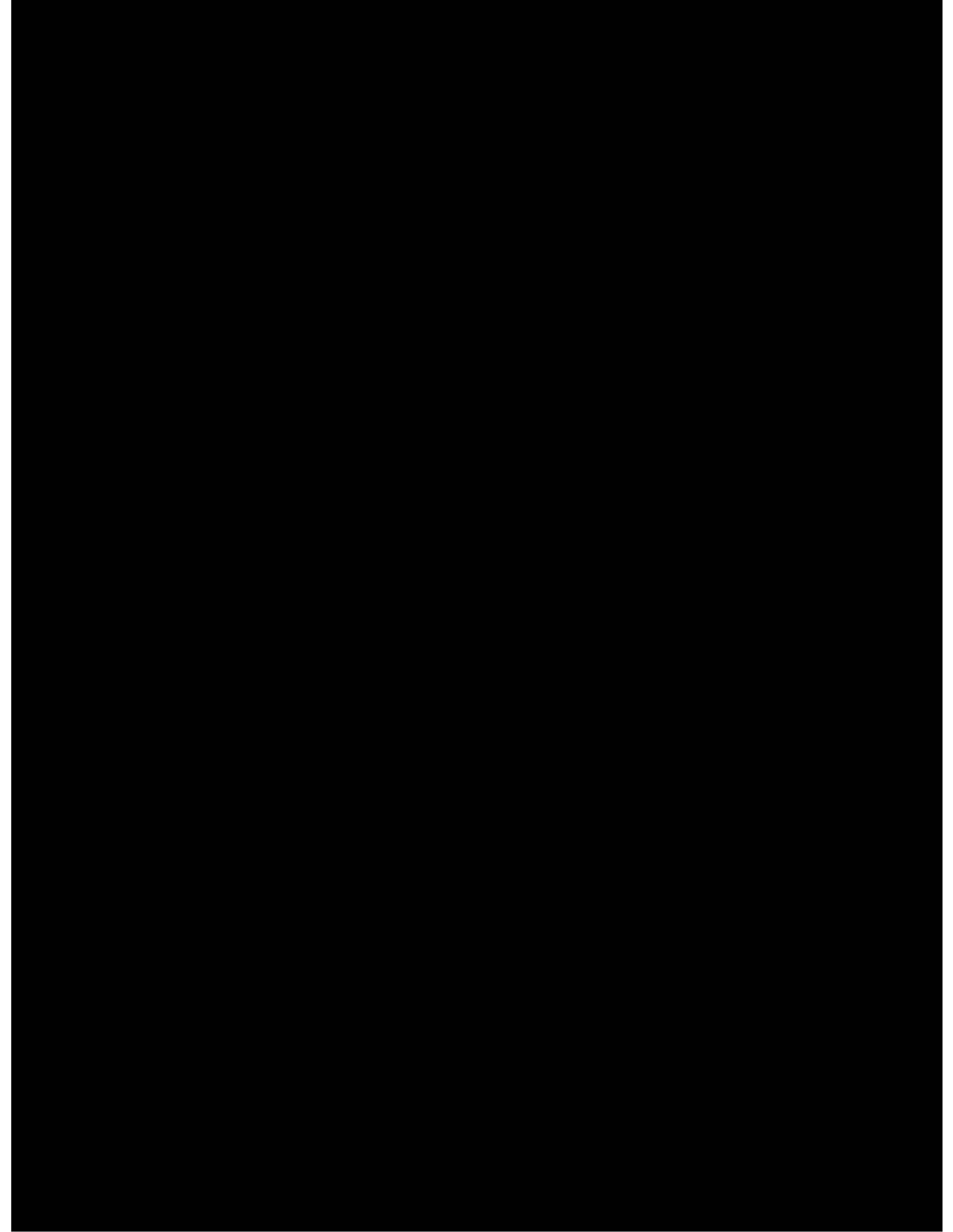


**V.S. BYRD**  
**EXHIBIT 1**  
**95/96**

















**ACCESS AGREEMENT  
BETWEEN  
NATIONAL RAILROAD PASSENGER CORPORATION  
AND  
THE NORTHEAST ILLINOIS REGIONAL COMMUTER RAILROAD  
(DOING BUSINESS AS METRA)  
Effective as of May 1, 2019**

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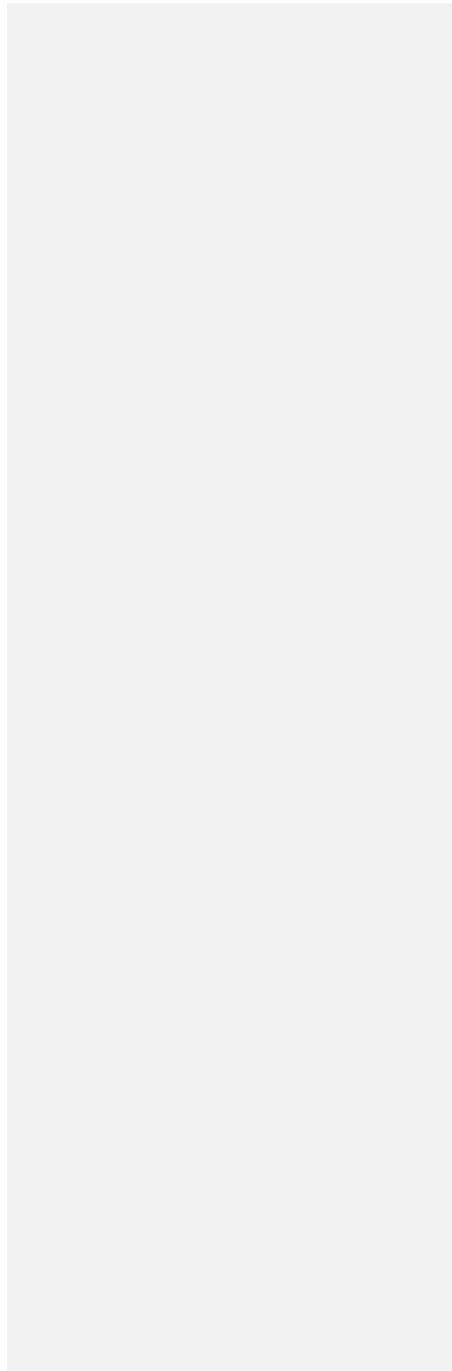
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**ACCESS AGREEMENT  
BETWEEN  
NATIONAL RAILROAD PASSENGER CORPORATION  
AND  
THE NORTHEAST ILLINOIS REGIONAL COMMUTER RAILROAD (DOING  
BUSINESS AS METRA)**

**Effective as of May 1, 2019**

**THIS AGREEMENT** (“Agreement”) is made and entered into this first day of May, 2019, by and between the National Railroad Passenger Corporation (hereinafter “Amtrak”), a corporation organized under federal law and the laws of the District of Columbia and having its principal place of business at 1 Massachusetts Avenue, NW, Washington, DC 20001, and the Northeast Illinois Regional Commuter Railroad (doing business as Metra), an Illinois unit of government having offices at 547 W. Jackson Boulevard, Chicago, IL 60661 (hereinafter “Metra”).

**WHEREAS**, Metra, under the Regional Transportation Authority Act (70 ILCS 3615), is duly authorized to enter into agreements to obtain transportation services; and

**WHEREAS**, Metra and Amtrak, by and through its predecessor, the Chicago Union Station Company, are parties to a certain Agreement dated May 1, 1984 (the “1984 Agreement”), which allows Metra to have access to and use of Amtrak’s Chicago Union Station (“CUS”) for the operation of Metra Commuter Rail Service; and

**WHEREAS**, Metra (as the Commuter Rail Division of the Regional Transportation Authority), and Amtrak, by and through its predecessor, the Chicago Union Station Company, are parties to a certain Fixed Facility Agreement dated October 1, 1985 as amended (the “1985 Fixed Facility Agreement”), for the purpose of improving CUS by performing track

modernization and renewal, improvement of signaling, installation of standby facilities and various other improvements; and

**WHEREAS**, Metra has requested Amtrak to continue to provide, and Amtrak is willing to continue providing, access to and use of CUS for compensation, and to provide dispatching services, ground power, police and security services and such other services as may be agreed upon by the Parties, that are associated with Metra's access to and use of CUS for the operation of Metra Commuter Rail Service under the terms set forth herein; and

**WHEREAS**, 49 USC §24319(g) prohibits Amtrak from cross-subsidizing the operations of commuter rail passenger or freight rail transportation; and

**WHEREAS**, the Parties acknowledge the importance of providing a safe, efficient, reliable service for the benefit of Metra Commuter Rail Service passengers in accordance with the terms of this Agreement; and

**NOW THEREFORE**, in consideration of the mutual promises and undertakings and of the compensation set forth herein, the Parties hereto agree as follows:

1. **Definitions**

- 1.1. "AAR" shall mean the Association of American Railroads.
- 1.2. "ADA Costs" shall have the meaning set forth in Section 22.
- 1.3. "Amtrak" shall have the meaning set forth in the first paragraph above of this Agreement.
- 1.4. "Base CUS Usage Fee" shall be the amount computed pursuant to Section 12.1 of this Agreement.
- 1.5. "Contract Services" shall mean Amtrak ground power, training, Dispatching Feed, and such other additional services as may be agreed upon by the Parties under this

Agreement, other than those elements that comprise the Base CUS Usage Fee, Test Trains, Special Trains, Extra Moves, or the Recapitalization Program.

1.6. “Contract Year” shall mean the period beginning on October 1 of a calendar year and continuing through and including September 30 of the following calendar year, other than for the initial Contract Year which represents a period beginning May 1, 2019 and ending September 30, 2020.

1.7. “CUS” shall mean the real property and improvements known as Chicago Union Station having an address at 210 S. Canal Street, Chicago, IL, including the track, switches, interlockings, signals, platforms, systems, station concourse and headhouse, and all other infrastructure used by Metra Commuter Rail Service, as further described and depicted in Exhibit A.

1.8. “CUS Station Facility Capital Investment Plan” shall have the meaning set forth in Section 7.3.

1.9. “Dispatching Feed” shall have the meaning set forth in Section 6.3.

1.10. “Equipment” shall mean the rolling stock used in the operation of Metra Commuter Rail Service, including locomotives and passenger cars.

1.11. “Extra Move” shall mean any Metra train move that is operated outside of the normal operating schedule that supports Metra Commuter Rail Service for the purpose of (i) Equipment replacement due to a mechanical defect, including yard moves, or (ii) qualifying Metra’s third-party contractors.

1.12. “FELA” shall mean the Federal Employers Liability Act, 45 U.S.C. §51, et seq.

1.13. “FRA” shall mean the Federal Railroad Administration.

1.14. “FTA” shall mean the Federal Transit Administration.

1.15. “Joint Benefit Project” shall mean a project at CUS that, when completed, will provide substantive benefit to Metra and to Amtrak. The determination of whether a project is a Joint Benefit Project or a Sole Benefit Project does not depend upon the source of funds for the Project but the Parties upon whom the benefits are conferred upon completion of the Project.

1.16. “Metra” shall mean the Northeast Illinois Regional Commuter Railroad (doing business as Metra).

1.17. “Metra Commuter Rail Service” shall mean the commuter rail service operated under the auspices of the Northeast Illinois Regional Commuter Railroad (doing business as Metra) as of the date of this Agreement, in and out of CUS.

1.18. “Party” shall refer to either Amtrak or Metra.

1.19. “Parties” shall refer to Amtrak and Metra.

1.20. “Recapitalization Program” shall have the meaning set forth in Section 7.

1.21. “Reconciliation Statement” shall have the meaning set forth in Section 14.2.

1.22. “Sole Benefit Project” shall mean a project at CUS that, when completed, will provide substantive benefit to Metra but will provide little or no benefit to Amtrak. The determination of whether a project is a Joint Benefit Project or Sole Benefit Project does not depend upon the source of the funds for the Project but the parties upon whom the benefits are conferred upon completion of the Project. Examples of Sole Benefit Projects include, but are not limited to, construction or improvements to CUS that are used solely in the provision of Metra Commuter Rail Service.

1.23. “Special Train” shall mean any Metra train that is operated outside of the normal operating schedule, is not associated with a scheduled train number, and is not a Test

Train or an Extra Move. A “Special Train” is typically associated with an event (e.g., the Ravinia special train).

1.24. “Test Train” shall mean any Metra train that is operated outside of the normal operating schedule for the purpose of evaluating equipment clearances and performance.

1.25. “Unit(s)” shall mean a locomotive(s) and/or passenger car(s) used in the provision of Metra Commuter Rail Service.

2. **Access to Chicago Union Station.**

2.1 Amtrak hereby grants to Metra, its contractors and agents the right to enter upon and have access to and use CUS insofar as may be necessary to enable Metra, its contractors and agents to perform its or their duties with respect to the operation of Metra Commuter Rail Service to the extent specified in this Agreement.

2.1.1 **Metra Supervisory Personnel.** Metra shall provide Amtrak with a list of its employees, contractors and agents assigned to oversee the operation of Metra Commuter Rail Service. Such oversight shall require routine and frequent entry upon CUS. Such employees, contractors and agents shall be required to attend safety classes conducted by Amtrak if Amtrak so requires, and such oversight activities shall be considered part of Metra Commuter Rail Service for the purposes of the allocation of liability provisions of Section 10.

2.1.2 **Metra Operations Personnel.** Subject to the provisions of Section 21, Metra operations personnel shall also have the right to enter upon CUS for the purpose of performing ticket selling, turnaround servicing, train monitoring and/or customer services functions.

2.1.3. **Other Metra Personnel.** Metra may find it necessary or desirable to have other of its personnel enter upon CUS insofar as may be necessary to conduct inspections, studies, surveys and investigations related to Metra Commuter Rail Service and/or this Agreement. Such entry shall be subject to reasonable notice to Amtrak and subject to the other conditions as set forth in Amtrak's then current "Permit to Enter Upon Property" Agreement.

2.1.4. **Metra Operations and Other Contractors.** Amtrak acknowledges that Metra has agreements or may, during the term of this Agreement, enter into new agreements with third parties (BNSF and/or other third parties) for operation of Metra Commuter Rail Service. Amtrak agrees that the employees and officials of any such third-party contractor for the operation of Metra Commuter Rail Service shall be permitted to conduct those operations, subject to receipt by Amtrak of confirmation from Metra that such third-party contractor employees are qualified to operate on CUS territory that will be used in the operation of Metra Commuter Rail Service. Any such third-party operations and employees shall be considered Metra Commuter Rail Service for the purpose of the allocation of liability provisions of Section 10.

2.1.4.1. **Training Services.** Metra shall provide Amtrak with a list of the employees, contractors and agents assigned to engage in the operation of Metra Commuter Rail Service. Such employees, contractors and agents shall be required to attend safety classes conducted by Amtrak if Amtrak so requires, at Metra's sole expense. Compensation for such training services shall be in accordance with Section 12.4, as applicable. Amtrak

has the right but not the responsibility to approve of Metra's training programs for its third-party contractors engaged in operations at CUS. Upon request by Amtrak, Metra shall provide copies of such training programs. The granting of such approval by Amtrak shall not relieve Metra of any responsibilities or liabilities associated with its training programs. For Metra, BNSF or any other third-party contractors, upon reasonable advance notice from Metra, Amtrak will provide pilots and training as necessary for operation on Amtrak territory, and will assist Metra and the third-party contractor as necessary, including by allowing reasonable access to CUS to permit timely completion of training, at Metra's sole expense. Compensation for such pilots and training shall be in accordance with Section 12.4.

2.1.4.2. Metra understands and agrees that Amtrak may, for cause, require that any Metra or third-party contractor employees providing Metra Commuter Rail Service to be prohibited or removed from performance of such services at CUS.

2.1.4.3. Metra, its contractors and agents shall not engage in maintenance of equipment activities, including but not limited to coach cleaning, inspections and running repairs at CUS. Metra's engineering design consultants and construction contractors shall not access CUS without a separate, specific agreement with Amtrak to engage in such design or construction activity at CUS.

2.1.5. **Metra Equipment.** Metra has the responsibility for providing the necessary Equipment for Metra Commuter Rail Service. All Equipment operated in Metra Commuter Rail Service must meet applicable legal and regulatory requirements. Amtrak shall have the unilateral right to require removal from service any Unit of Equipment which does not meet applicable Amtrak written standards for safety and operation or applicable legal or regulatory requirements, as modified from time to time. In order to ensure safe, reliable operations, Amtrak shall have the right of review and comment, at least ninety (90) days prior to the commencement of Metra's procurement process, on the specifications for any new or overhauled equipment that Metra proposes to operate at CUS. In reviewing such proposed specifications, Amtrak shall advise Metra of any issues which Amtrak identifies that may adversely affect the ability of the equipment to be operated at CUS pursuant to this Agreement. In the event a federal, state or local law or regulation is enacted or promulgated after the effective date of this Agreement, that requires modifications or upgrades to the Equipment operated in Metra Commuter Rail Service, Metra shall be solely responsible for complying with such legal or regulatory requirements.

2.1.5.1. The Parties agree that Metra will not store any Unit of Equipment at CUS. Metra trains may dwell at platforms for boarding, detraining and other turnaround servicing as described in Section 2.1.2 above, for the following periods:

Weekday (Peak Hours) – No more than 8-10 minutes;  
Weekday (Off-Peak) – No more than 1 hour;  
Weekends/Holidays – No more than 5-6 hours.

2.2. Nothing in this Agreement shall preclude Amtrak from permitting third parties to use any portion of CUS, provided such use does not materially interfere with the contractual rights granted to Metra hereunder.

3. **Schedule of Metra Operations.**

The schedules for the operation of Metra Commuter Rail Service in and out of CUS, effective May 1, 2019, are attached hereto as **Exhibit B**. Amtrak shall advise Metra at the earliest possible date of anticipated changes in the schedules of Amtrak intercity passenger trains operated in and out of CUS if those changes will also affect Metra Commuter Rail Service schedules. Amtrak agrees that it shall not unnecessarily change the schedule of its operations in a way that requires a change in the schedule of a Metra commuter train without first considering reasonable alternatives to such a change. To the extent reasonably necessary to avoid conflicts with Amtrak's existing or future scheduled intercity rail passenger service, the schedules for Metra Commuter Rail Service shall be revised promptly after receipt of sixty (60) days written notice from Amtrak of a change that is to be made in accordance with the provisions of this Section 3.

4. **Planning and Service Level Changes.**

4.1. Should Metra wish to increase service levels or modify its current service schedules, Metra will provide Amtrak with a written request that includes sufficient level of detail on the proposed additional or modified service. The written request must be addressed to Amtrak's AVP Transportation North-Central. Within 90 days of receipt of the written request from Metra, Amtrak will provide a written response as to whether or not the request is granted. The Parties agree that any permanent schedule change will require an amendment to this Agreement.

4.2. The Parties agree that CUS is severely constrained at current service levels and that they will jointly evaluate the available facilities, the impact of existing services on efficient and reliable operations of both Parties and the potential need for improved facilities to accommodate increased or modified service that may be requested by Metra. Amtrak acknowledges that Metra may, from time to time, engage in planning efforts to expand service in and out of CUS. The Parties shall jointly engage in such planning efforts. Any such changes in Metra Commuter Rail Service will require the prior written approval of Amtrak.

5. **Dispatching.**

5.1. Amtrak shall dispatch Metra Commuter Rail Service trains operating in and out of CUS. Amtrak dispatchers shall take all reasonable steps to permit Metra Commuter Rail Service, Amtrak intercity service, and freight rail service to operate on time, safely and reliably.

5.2. On a monthly basis, the Parties will meet to review on time performance, dispatching performance and service disruptions. These meetings will include the Amtrak Superintendent of Operations and the Metra Superintendent of Operations.

6. **Other Services Associated with Access to CUS.**

6.1. **Ground Power.** Metra shall have the right to use the 480-volt standby electric power in CUS to minimize the amount of locomotive exhaust at CUS and to facilitate a fuel cost savings for Metra. In order to accurately capture and reimburse Amtrak for ground power costs, Metra will reimburse Amtrak for all costs to install ground power meters at all station tracks used by Metra. Metra shall reimburse Amtrak the actual cost

of electricity utilized by Metra based on metered readings for 480-volt ground power at CUS and any associated costs in accordance with Section 12.5 below.

6.2. **Police and Security.**

6.2.1. Amtrak police shall patrol CUS and any other areas that are jointly used by Amtrak intercity passenger rail service and Metra Commuter Rail Service.

Metra's police force may patrol and monitor areas used by Metra passengers and Metra Commuter Rail Service trains at Metra's discretion. The Parties agree that their respective police and security forces shall work cooperatively. This shall include direct assistance by Metra Police Officers for crowd control during service disruptions and major crowd surge events.

6.2.2. On a quarterly basis, the Parties will meet to coordinate efforts of Metra and Amtrak police and security forces.

6.3. **Dispatching Feed.** Amtrak shall provide to Metra real-time access to view the movement of Metra Commuter Rail Service operations in and out of CUS from the "glass house" locations established at the track level adjacent to tracks 4 and 19. Train data from the Amtrak CUS Dispatch Operations Center is fed directly to monitors accessed by Metra authorized personnel ("Dispatching Feed"). Metra recognizes that Dispatching Feed system outages may occur due to planned or unplanned work at CUS. Where feasible, Amtrak will endeavor to communicate to Metra in advance of any potential activities that may impact the Dispatching Feed. Metra agrees to reimburse Amtrak for all costs associated with the Dispatching Feed, including but not limited to, cost of Amtrak-provided equipment exclusively used by Metra, repair, replacement, licenses, software upgrades, cabling, installation, etc., in accordance with Section 12.6 below.

7. **CUS Recapitalization Program.**

7.1. Metra recognizes that Amtrak will incur capital costs related to recapitalization and system enhancements to maintain or increase reliability of passenger service operations at CUS. These costs are primarily intended to cover the replacement value of Amtrak's fixed assets. These assets are expensive and time consuming to rehabilitate and replace, and Metra recognizes that investment in CUS fluctuates significantly over long periods of time. Metra is committed to funding a share of such costs, which are included in the Recapitalization Program Contribution set forth in Section 12.3.2. Within 90 days of execution of this Agreement, the Parties will jointly develop and implement a CUS recapitalization program covering tracks, switches, interlockings, signals, platforms, systems, station concourse and all other infrastructure used by Metra Commuter Rail Service, other than the Headhouse ("Recapitalization Program"). The Recapitalization Program will consist of two levels of capital investment, jointly funded by each Party. First, a primary level of committed capital investment ("Tier 1 Investment"), which Metra will fund at a level consistent with the FY 2016 through FY 2018 average amounts paid to Amtrak under the 1985 Fixed Facility Agreement, or \$1,700,000 per year. Amtrak will fund an additional \$800,000 per year for a total Tier 1 Investment level of \$2,500,000 per year for each of the first five years of this Agreement, with a timeline for developing an investment plan for subsequent years. The secondary level of investment ("Tier 2 Investment") under the Recapitalization Program consists of an additional \$10 million annually for each of the first five years of this Agreement, with timeline for developing an investment plan for subsequent years. The Tier 2 Investment will be allocated between Amtrak and Metra based upon applicable railroad operating statistics

associated with the investment (i.e. trains operated, gross ton miles, passenger counts) and may be phased in during the first five years of this Agreement with increasing percentages, to be agreed upon by the Parties. Metra will pay Amtrak a monthly amount representing 1/12<sup>th</sup> of the estimated annual Recapitalization Program costs; statements of actual costs will be provided on a monthly basis, with reconciliation performed annually in accordance with Section 12.3.2. Any overfunding or underfunding of actual capital expenditure level will be adjusted via an annual credit or additional capital invoice. Annual credits will be applied to the next fiscal year's obligation.

7.2. **Maintenance and Recapitalization of Sole Benefit Projects and Joint Benefit Projects.** Unless otherwise agreed, for any Sole Benefit Project or Joint Benefit Project, Amtrak shall be responsible for maintenance and recapitalization of such improvements. Metra shall reimburse Amtrak for Amtrak's costs incurred in performing such maintenance and recapitalization in accordance with Section 12.3.4.

7.3. **Joint Benefit Infrastructure and Capacity Improvements.** The Parties will establish a working group to expedite joint planning efforts for capital improvement projects relating to CUS station facility, other than the Headhouse, including the Great Hall, as identified in the CUS Master Plan and other formal planning documents ("CUS Station Facility Capital Investment Plan"). The Parties will continue with and conclude the prioritization effort for such projects, to include identifying a funding source(s), within the first year from the effective date of the Agreement.

8. **Emergency Disruptions at CUS.**

8.1. **Notification.** In the event of a disruption of Metra Commuter Rail Service or a condition that may result in a disruption of Metra Commuter Rail Service, or if it is

necessary to annul a Metra Commuter Rail Service train or cancel Metra Commuter Rail Service, Amtrak shall immediately contact Metra's Terminal Manager or designee to notify Metra of the potential or actual disruptions. For the purpose of ensuring a systematic approach to such disruptions, within [60 days of execution of this Agreement, Amtrak shall prepare for Metra's review and approval (which approval shall not unreasonably be withheld) an emergency communications protocol, which shall guide the actions and determine the required communications upon the occurrence of such a disruption.

9. **Special Trains and Test Trains.**

Metra may submit requests for operation of Special Trains and Test Trains using Metra-owned or leased equipment on a special basis, which requests shall not unreasonably be withheld. Unless otherwise agreed, such request shall be made in writing ninety (90) days prior to the date a Special Train is to operate and thirty (30) days prior to the date a Test Train is to operate. Amtrak shall make every reasonable effort to permit operation of such Special Trains and Test Trains, provided that the operation thereof shall not unreasonably interfere with existing operations of intercity passenger service. Metra will pay Amtrak the costs incident to such operation in accordance with Section 12.2 of this Agreement.

10. **Risk of Liability and Damage.**

10.1. Metra agrees to indemnify, defend and hold harmless Amtrak, its officers, agents, employees, subsidiaries, and third parties to the extent Amtrak is obligated to defend, indemnify or save harmless such third parties, irrespective of any fault of Amtrak or such persons, for all damage or for liability for personal injury or death or property damage

which would not have been incurred but for the existence of Metra Commuter Rail Service and/or the performance of associated Contract Services.

10.1.1. Notwithstanding the above, Metra shall have no responsibility to defend or indemnify Amtrak for injury or death to Amtrak employees performing services on behalf of Metra, for which Metra is compensating Amtrak, as outlined in Section 12.1. The risk of injury or death to and of claims by such employees is expressly assumed by Amtrak and Amtrak agrees to defend and indemnify Metra against claims with respect to injury or death of such employees. Compensation for such risk is included as an additive for FELA claims attributable to all such persons employed by Amtrak in the compensation payable by Metra in connection with the provision of such services.

10.1.2. For purposes of this Section, the Parties specifically agree that any injury or death to a person or damage to the property of a person at CUS in connection with Metra Commuter Rail Service for the purpose of purchasing a ticket, obtaining information, or meeting or assisting a Metra Commuter Rail Service passenger would not have been incurred but for the existence of Metra Commuter Rail Service. The indemnity of Amtrak pursuant to this Section is intended solely to ensure that Amtrak is made whole with respect to its operations for the benefit of Metra, and such indemnity shall not inure to the benefit of third parties, except to the extent that Amtrak separately owes an indemnity to such a third party.

10.2. Except for cases involving injury or death to Amtrak employees performing services on behalf of Metra as outlined in Section 10.1.1, Amtrak will promptly tender to

Metra the defense of all cases which would not exist but for the existence of Metra Commuter Rail Service, and Metra shall be responsible for defense of, settlement, and the payment of any judgments arising from such claims. Metra shall keep Amtrak informed concerning the handling of such cases. In the event Metra fails to diligently defend such cases and claims, Amtrak may provide its own defense at Metra's expense. Amtrak shall fully cooperate with Metra in the defense of such cases and claims.

10.3 The indemnity obligations set forth in this Section 10 shall survive the expiration or termination of this Agreement.

11. **Insurance.**

11.1. **Liability Insurance.** Metra shall procure and maintain for the duration of this Agreement, liability insurance, with combined single limits for bodily injury and property damage of at least \$325,000,000 per occurrence and in the annual aggregate, with Amtrak designated as an additional insured. Such insurance shall cover Metra's liability for injury or death of persons and damage to property, including coverage for punitive or exemplary damages, arising out of Metra Commuter Rail Service and shall waive all rights of subrogation against Amtrak. Such insurance shall also cover Metra's liability for injury or death to Metra employees in compliance with FELA. Such insurance shall not cover Amtrak's employer's liability for injury to Amtrak's employees for which Amtrak is responsible as provided in Section 10.1.1. Metra shall have the right to self-insure for any part of the insurance procurement. Amtrak shall have the right of approval that the insurance placements and self-insurance arrangements adequately protect Amtrak against liability for bodily injury, death and property damage, which approval shall not be

unreasonably withheld. A certified copy of this insurance policy or policies shall be provided to Amtrak upon request.

11.2. **Property Insurance.** Metra shall procure and maintain for the duration of this Agreement, property insurance covering the Equipment against all risks of physical damage usually covered in a railroad property insurance policy. Metra's property insurance shall carry limits sufficient to cover the replacement value of the Equipment used in Metra Commuter Rail Service. Metra and its property insurer shall waive all rights of subrogation against Amtrak. A certified copy of this insurance policy or policies shall be provided to Amtrak upon request.

12. **Compensation.**

Metra shall compensate Amtrak for the Base CUS Usage Fee, Recapitalization Program costs and Contract Services as provided for herein, including provisions for changes in payments based on changes in Metra Commuter Rail Service agreed to by the Parties.

12.1. **Base CUS Usage Fee.** Metra shall pay Amtrak an annual Base Usage Fee of \$13,813,233 for operation of Metra Commuter Rail Service at CUS, which is comprised of the following items:

Description	Annual	Monthly
Maintenance of Way	2,859,422	238,285
Station Operation and Maintenance	5,021,302	418,442
Dispatching	1,839,530	153,294
Police	4,092,980	341,082
<b>Total Base CUS Usage Fee</b>	<b>13,813,233</b>	<b>1,151,103</b>

12.1.1. In consideration of payment of this amount, Metra may operate 111,497 trains (scheduled revenue and deadheads) in and out of CUS annually. For the initial Contract Year, it is understood that the monthly amount of \$1,151,103 will apply to each month in the initial Contract Year (May 1, 2019-September 30,

2020). In the event that the number of trains operated in Metra Commuter Rail Service changes from that level due to approved changes to schedules for the Metra Commuter Rail Service subject to Section 4, the amount paid by Metra for the portion of the Contract Year that this Agreement was in effect shall be adjusted by \$123.89 per train more or less than 111,497 trains in and out of CUS.

12.2. **Compensation for Special Trains, Test Trains And Extra Moves.** Metra shall pay Amtrak a rate per train operated for CUS access for Special Trains, Test Trains and Extra Moves. The rate for Special Trains, Test Trains and Extra Moves shall be derived by dividing the then-current Base CUS Usage Fee established in Section 12.1 by the base allowable trains of 111,497 per Contract Year. The initial rate per train is \$123.89.

12.3. **Compensation for Recapitalization Program.** Metra recognizes that Amtrak will incur Recapitalization Program costs to maintain or increase reliability of passenger service operations at CUS that jointly benefit both Parties. Metra is committed to funding a share of such Recapitalization Program costs that is proportionate to Metra's use of CUS, consistent with the allocations applied to calculate the Base CUS Usage Fee in Section 12.1. Amtrak will fund its proportionate share of the Recapitalization Program costs.

12.3.1. **Annual Recapitalization Program Process.** The following process will apply to annual Recapitalization Program capital contributions by Metra. For Tier 1 Investment projects, Amtrak will determine the projects to be funded in each Contract Year and Amtrak agrees to spend such capital contributions in accordance with their intended uses. For Tier 2 Investment projects, the Parties will jointly develop an annual Tier 2 Investment Plan and determine how such

funds will be used each year, as follows: By July 1 of each year, Amtrak will provide Metra with a proposed Recapitalization Program Tier 2 Investment Plan for CUS for Amtrak’s upcoming fiscal year (October 1 – September 30). By August 1 of the same year, the Parties shall meet to discuss Amtrak’s proposed annual Recapitalization Program Tier 2 Investment Plan. Metra and Amtrak will agree upon a final list of Tier 2 Investment projects for the upcoming fiscal year by August 30 of each year. For Tier 1 projects, Metra shall have the opportunity to ask questions and to verify that its contribution is being spent in accordance with its intended use. For Tier 1 contributions, Metra will not have the ability to unilaterally reject projects or add new projects. Amtrak and Metra will fund their respective share of the Recapitalization Program costs in accordance with **Table 12.3.2** below.

12.3.2. **Recapitalization Program Contribution.**

Metra shall contribute to the Recapitalization Program costs as follows:

Contract Year	Metra Tier 1	Amtrak Tier 1	Total Tier 1
May 1, 2019 - September 30, 2020	\$ 1,700,000	\$ 800,000	\$ 2,500,000
October 1, 2020 - September 30, 2021	\$ 1,700,000	\$ 800,000	\$ 2,500,000
October 1, 2021 – September 30, 2022	\$ 1,700,000	\$ 800,000	\$ 2,500,000
October 1, 2022 – September 30, 2023	\$ 1,700,000	\$ 800,000	\$ 2,500,000
October 1, 2023 – September 30, 2024	\$ 1,700,000	\$ 800,000	\$ 2,500,000
Contract Year	Metra Tier 2	Amtrak Tier 2	Total Tier 2
May 1, 2019 - September 30, 2020	TBD	TBD	\$ 10,000,000
October 1, 2020 - September 30, 2021	TBD	TBD	\$ 10,000,000
October 1, 2021 – September 30, 2022	TBD	TBD	\$ 10,000,000
October 1, 2022 – September 30, 2023	TBD	TBD	\$ 10,000,000
October 1, 2023 – September 30, 2024	TBD	TBD	\$ 10,000,000

Beginning with Contract Year 2025, the annual Recapitalization Program payments will be indexed in accordance with Section 12.10 for the remaining five years of the Agreement. Metra will pay Amtrak a monthly amount representing 1/12<sup>th</sup> of the annual Recapitalization Program budget; statements of actual costs will be provided on a monthly basis, with reconciliation performed annually. It is understood that work on Joint Benefit Projects commenced or approved in one Contract Year may actually be performed in another year, and Metra's share of costs may therefore need to be paid in a year subsequent to the year for which it has agreed to make a contribution, including beyond the term of this Agreement. Funds that Metra agrees to provide in a period pursuant to this subsection shall remain available for projects authorized or commenced within the term of this Agreement.

12.3.3. **Compensation for Metra Sole Benefit Capital Projects.** Metra shall pay Amtrak for its actual costs to support Metra Sole Benefit Capital Projects, as well as maintenance and recapitalization of such Metra Sole Benefit Capital Projects, plus applicable overhead rates as set forth in Exhibit C as amended from time to time.

12.4. **Training Costs.** Metra shall pay Amtrak for the actual cost of training or other related services provided to Metra or its third-party contract employees pursuant to Section 2.1.1, 2.1.2, 2.1.3 and Section 2.1.4.1, plus Amtrak's applicable overhead rates as set forth in **Exhibit C** as amended from time to time.

12.5. **Ground Power.** In accordance with Section 6.1, Metra will pay Amtrak the actual cost of electricity based on metered readings for 480-volt ground power at CUS.

Metra will also pay Amtrak for any costs associated with the maintenance and meter reading for such ground power plus Amtrak's applicable overhead rates as set forth in **Exhibit C**, as amended from time to time. The Parties acknowledge that until the applicable meters are installed, Metra shall reimburse Amtrak a flat fee of \$10,000 per month for this service. The amount referred to in this Section 12.5 will be subject to annual indexing as set forth in Section 12.10.1 below

12.6. **Dispatching Feed.** Metra shall pay Amtrak \$500 per month for access to the Dispatching Feed referred to in Section 6.3 above. The amount referred to in this Section 12.6 will be subject to annual indexing as set forth in Section 12.10.1 below.

12.7. **Additional Services.** Should Metra request additional services from Amtrak to be performed at CUS that are not otherwise specifically identified in this Agreement, and should Amtrak agree to perform such additional services for Metra, Metra shall pay Amtrak for the actual cost of such additional services provided to Metra, plus Amtrak's applicable overhead rates as set forth in **Exhibit C**, as amended from time to time.

12.8. **Payment Terms.** Payments of invoices pursuant to this Agreement are due within thirty (30) days of receipt of invoice by Metra. Payments not made by Metra by the due date shall be subject to an interest charge of one and one-half percent (1.5%) per month. Payments shall be made in full without deduction, setoff or counterclaim.

12.9. **Prorated Contract Years.** In the event the Agreement terminates with one or more months remaining in the Contract Year, the annual costs specified in this Section 12 shall be prorated based on the number of months in the Contract Year the Agreement was effective. Access to CUS and/or performance of Contract Services provided on at least

one day in a month will be construed to require compensation for that month in accordance with this provision.

**12.10. Cost and Price Changes.**

12.10.1. The dollar amounts in Sections 12.1, 12.2, 12.3.2, 12.5 and 12.6 shall be adjusted October 1 of each year based on the percentage change in the AAR Quarterly Index of Chargeout Prices and Wage Rates (Table C), East, “material prices, wage rates and supplements combined (excluding fuel)” index in effect for the second quarter of that calendar year compared to the same index in effect for the second quarter of 2019. The 2019 second quarter index value is [REDACTED].

Commented [A1]: This value will be available after 7/1/2019.

The first adjustment will be made effective October 1, 2020. 12.10.2. The annual indexing described in Section 12.10.1 above shall be applied to the Base CUS Usage Fee amount in Section 12.1 for the initial 5 contract periods (i.e., May 1, 2019 through September 30, 2020; October 1, 2020 through September 30, 2021; October 1, 2021 through September 30, 2022; October 1, 2022 through September 30, 2023; October 1, 2023 through September 30, 2024). Prior to the commencement of the 6<sup>th</sup> Contract Year (i.e., October 1, 2024), Amtrak shall recalculate the Base CUS Usage Fee in order to reflect current price levels and any applicable operational changes. However, the Parties agree that the methodology that will be used to perform such recalculation will be consistent with Exhibit D. Thereafter, the recalculated Base CUS Usage Fee beginning in the 6<sup>th</sup> Contract Year shall be subject to annual indexing pursuant to Section 12.10. Should the term of this Agreement be extended by the Parties, the Base

CUS Usage Fee shall be recalculated in accordance with the process described above.

13. **Termination of the 1984 Agreement and the 1985 Fixed Facility Agreement.**

Metra and Amtrak agree that the 1984 Agreement described in the Recitals is terminated and superseded in its entirety and replaced by this Agreement, effective May 1, 2019. In addition, Metra and Amtrak agree that the 1985 Fixed Facility Agreement described in the Recitals is terminated and superseded in its entirety and replaced by this Agreement, effective May 1, 2019.

14. **Annual Budget and Advance Monthly Payments.**

No later than May 1 of each Contract Year, Metra shall provide Amtrak with its proposed operating plan and any anticipated Contract Services to be provided by Amtrak during the next Contract Year. Amtrak will provide Metra with a proposed annual budget for the next Contract Year that will include all amounts due to Amtrak including the applicable annual Recapitalization Program costs pursuant to Section 12.3.2. No later than August 1 of each year, the Parties shall agree upon an annual budget for the next Contract Year representing all compensation that will be due to Amtrak under Section 12.

14.1. **Monthly Payments.** Metra shall pay Amtrak on the fifteenth day of each service month an estimated amount which is one twelfth of the annual budget. Amtrak shall submit at least thirty (30) days prior to the due date for each estimated payment a statement of charges showing the amount to be paid pursuant to the previous sentence. All payments pursuant to this Section shall be made by electronic wire transfer in accordance with instructions to be provided separately by Amtrak to Metra.

14.2. **Monthly Reconciliation.** Within forty-five (45) days after the close of each calendar month, Amtrak shall provide a statement of actual charges for the Contract

Services, and any additional supporting documentation showing the actual costs payable pursuant to this Agreement (the “Reconciliation Statement”). If the Reconciliation Statement shows that Metra owes money to Amtrak, the next regular monthly payment to Amtrak shall be increased to account for the additional money owed according to the Reconciliation Statement. If the Reconciliation Statement shows that Amtrak owes money to Metra, the next regular monthly payment to Amtrak shall be decreased to account for the money owed according to the Reconciliation Statement.

15. **Payment Disputes.**

In the event that either Party shall disagree with an invoice with respect to the determination of actual costs which has been submitted in accordance with Section 12, or capital costs for recapitalization and system enhancements to CUS, the Party in disagreement shall promptly notify and provide to the other Party a written statement setting forth the nature and basis for the disagreement and also enumerating those aspects and amounts, if any, of such statements or determinations which are not in dispute. The Parties will confer promptly for the purpose of resolving any disputed amounts. Should no resolution be achieved, the Parties will submit the matter for resolution in accordance with Section 18 of this Agreement. Any disputed amount which is required to be paid or repaid by either Party as a result of such dispute resolution process shall be subject to an interest charge of one and one-half percent (1.5%) per month, which shall apply to late payments under this Agreement from both Metra and Amtrak.

16. **Records and Reports.**

16.1. **Amtrak Records.** Upon request of Metra, Amtrak will maintain and make available, to the extent practicable, such additional financial, accounting, and operational records as may be required to enable Metra to monitor and/or to comply with the

reporting requirements of any governmental entity having regulatory or financial responsibility with respect to Metra Commuter Rail Service. Upon written request, these records shall be provided to Metra in order to respond to a request from a funding or auditing agency (i.e. FRA, FTA), to the extent permissible under legal or labor requirements.

16.2. **Accident Reports and Audits by Other Agencies.** Upon written request, each Party shall provide copies to the other Party of all non-privileged accident reports and other incident reports involving damage or injury to persons or property, including Equipment, involving operation of Metra Commuter Rail Service in CUS. Upon request by Amtrak, Metra shall provide Amtrak with copies of any audits, reports or filings, unless privileged, made to the Federal Railroad Administration or any other federal regulatory agency with oversight authority over operations in CUS made by Metra or its contractor related to Metra Commuter Rail Service in CUS.

16.3. **Reports Submitted by Metra.** Upon thirty (30) days' advance written request, the following reports shall be submitted to Amtrak.

- Preliminary Report, Interim Report, and Final Incident/Accident Report for incidents in CUS
- Quarterly Results of Drug and Alcohol Tests
- System Safety Program Plan and updates
- Emergency Preparedness Plan
- Emergency Response Plan
- Contingency Plan
- Drug-free workplace policy

- Full investigative report, unless privileged, as a result of any applicable incidents in CUS

17. **Term and Termination.**

17.1. The term of this Agreement shall be May 1, 2019 through September 30, 2029.

This Agreement may be extended for an additional ten (10) year period upon mutual agreement of the Parties.

17.2. Either Party may terminate this Agreement for its convenience, upon 180 days' notice to the other Party.

17.3. Upon notice of termination by either Party as provided in Section 17.2, Metra will:

- Take immediate action to discontinue its operations within CUS in an orderly fashion to minimize the recurring costs chargeable to Metra; and
- Metra shall pay to Amtrak all fees compensable under Section 12 for Metra Commuter Rail Service and Contract Services performed prior to the effective date of termination. If Metra provides notice of termination, Metra will also pay Amtrak's reasonable costs of termination and removal of Metra's personal property.

17.4. **Termination for Default.** In the event that Metra fails to make two consecutive monthly payments, not otherwise disputed, by the due dates required under this Agreement, or otherwise fails to meet its material obligations under this Agreement, including those violations or failures described in Sections 2 or 20, Amtrak may elect to terminate this Agreement for default. If Amtrak elects to terminate this Agreement for default, it shall notify Metra of its election and the basis for that action. The termination shall be effective ninety (90) days after the date of notice, except that a termination for

default shall not become effective if Metra (1) cures the default within fourteen (14) days of the date of notice for failure to make payments in accordance with Section 12; (2) commences to address the cause within thirty (30) days of the date of notice and diligently complete thereafter for all other failures; or (3) initiates the dispute resolution process in accordance with Section 18.

17.4.1. **Termination Costs.** In the event this Agreement is terminated for default, Metra shall pay to Amtrak all fees compensable under Section 12 for Metra Commuter Rail Service and Contract Services performed prior to the effective date of termination, plus Amtrak's reasonable costs of termination and removal of Metra's personal property.

17.4.2. **Cessation of Work.** Upon the effective date of a termination for default, Amtrak shall (1) promptly discontinue all Contract Services specified in the notice of intent to terminate (unless that notice directs otherwise),

17.5. Upon termination of the Agreement, all rights and obligations of the Parties hereunder will terminate except for rights and obligations, whether liquidated, determined, contingent or otherwise, which had arisen prior to or as a result of such termination. To the extent that certain costs are incurred by Amtrak prior to or as a result of the termination pursuant to this Section 17, Metra shall be obligated to pay Amtrak costs of termination incurred thereafter which are directly attributable to the orderly cessation of Metra Commuter Rail Service and removal of Metra's personal property.

18. **Dispute Resolution.**

18.1. In the event of a dispute by the Parties over any issue arising under or related to this Agreement, the Parties shall first make every reasonable effort to resolve the dispute

by initiating discussions between individuals designated by each Party as appropriate. If discussions between the individuals designated by each Party do not lead to resolution of the dispute within (90) ninety days of the date the matter is first presented as a dispute, either Party may proceed with binding arbitration in the following manner:

18.1.1. The Party wishing to initiate arbitration shall notify the other in writing of its desire to submit the matter to arbitration no later than six (6) months after the date that it learns of the circumstances that give rise to the dispute. Such notice shall contain a statement of the issues and shall designate one arbitrator.

18.1.2. Within fifteen (15) business days of such notice, the other Party shall respond in writing by designating a second arbitrator.

18.1.3. Within thirty (30) business days of designation of the second arbitrator, the two arbitrators designated as aforesaid shall appoint a third arbitrator to serve as chairman. If the two arbitrators so designated fail to appoint a third arbitrator within the time provided herein, or if a Party fails to appoint an arbitrator within the time provided for herein, either Party may request the Chief Judge of the United States District Court for the Northern District of Illinois to appoint an additional arbitrator.

18.1.4. The arbitrators shall promptly hear and decide the issues submitted to them in accordance with the rules for commercial arbitration of the American Arbitration Association, giving to both Parties reasonable notice of the time and place of hearing.

18.1.5. The arbitrators, or a majority of them, shall promptly render their decision and award in writing to the Parties.

18.1.6. Any arbitration award rendered hereunder shall be final and binding upon the Parties. Judgment upon any such arbitration award may be entered in the United States District Court for the Northern District of Illinois.

18.1.7. Each Party shall bear its own costs and expenses of arbitration, including the cost of any expenses of the arbitrator designated by it. The fees of the chairman and any other remaining expenses of the arbitrators shall be borne equally by the Parties.

18.1.8. The Parties agree that every reasonable effort shall be made to obtain the prompt resolution of disputes which are submitted to arbitration pursuant to this Agreement. The Parties further specifically agree that neither Party shall be entitled to delay the arbitration process significantly by insisting on the application of extensive procedural steps or other actions which cannot clearly be expected to improve the ability of the arbitrators to render a reasonable and fair decision and agree further that reasonable discovery requests shall not be barred by the foregoing.

18.2. In the event of a dispute arising under or related to an invoice or request seeking payment of any kind under this Agreement the Party disputing that amount shall timely pay any undisputed amount of the invoice or requested fee, charge or cost.

18.2.1. In the event of such a dispute, only the disputed portion of the invoice and/or request for payment shall be subject to the dispute resolution process under this Section 18.2.

18.2.2. The Party disputing an amount set forth in an invoice shall not be required to pay the disputed amount pending resolution of the process described

in this Section 18.2. Payment of or receipt of the undisputed amount may not be construed to be any admission by either Party regarding any matter arising from the disputed amount. Further, payment of or receipt of the undisputed amount does not preclude recovery of any or all of the amount paid if it is subsequently determined that a dispute exists as to the paid portion.

18.3. Pending resolution of a dispute as set forth under this Section 18, the Parties shall proceed diligently with the performance of this Agreement in accordance with its terms.

19. **Force Majeure.**

Amtrak will be excused from performance of any of its obligations hereunder, where such non-performance is occasioned by any event beyond its control which shall include, without limitation, any order, rule, or regulation of any federal, state, or local government body, agent or instrumentality, work stoppage, accident, natural disaster, or severe weather.

20. **Compliance with Laws.**

Metra shall comply with all federal, state and local laws, rules and regulations, ordinances, directives, and notices in the operation of Metra Commuter Rail Service. Metra shall obtain and maintain all required permits, licenses, registrations, and shall comply with all then-current applicable health, safety, and environmental statutes, rules or regulations. Failure to do so may be deemed a default by Metra and cause for termination of this Agreement under Section 17.4.

21. **Non-violation of Labor Agreements.**

Nothing contained in this Agreement will require Amtrak to perform any service or take any action which would violate any term or condition of any then current labor agreement between Amtrak and any organization representing any of Amtrak's employees or applicable to Amtrak by reason of operation of law. Amtrak will not be in default of this Agreement or any covenant

or obligation contained herein by reason of any act or failure to act which is required by the terms of such agreements.

22. **ADA Compliance.**

Metra and Amtrak will reach agreement on Metra's proportionate share of the capital costs incurred by Amtrak to ensure accessibility of CUS as required by the Americans with Disabilities Act and implementing DOT regulations ("ADA Costs").

23. **Audit.**

23.1. Metra will have the right, at Metra's expense, to inspect, examine, and audit all financial books, records, and accounts of Amtrak which support the actual variable costs billed under this Agreement. Fixed payment amounts are not subject to audit, with the exception of the application of the AAR Index as set forth in Section 12.10 to such fixed payment amounts. Amtrak will retain all such books, records, and accounts for a period of three (3) years following the end of each Contract Year of this Agreement. This right to inspect, examine, and audit shall extend to auditors of FTA and any other government agencies requiring access to Amtrak records relating to the services provided by Amtrak in support of Metra's access to CUS under this Agreement, when requested by the Administration. Once an audit has been completed by Metra, a letter shall be sent to Amtrak setting forth the results of the audit. Items to which Metra does not take exception will be considered closed for the period unless Amtrak indicates in writing within ninety (90) days of the receipt of Metra's letter that certain cost items may be subject to future retroactive settlement(s) or adjustment(s). In this case, any items identified by Amtrak related to unionized labor agreements to be ratified shall be held open until the actual settlement(s) or adjustment(s) occurs, and such Amtrak claims for

retroactive unionized labor agreement settlements or adjustments shall survive termination of this Agreement.

23.2. The Parties shall work diligently to resolve and closeout audits in a timely manner. In the event the Parties are unable to resolve an open audit within 120 days of receipt of an audit report, the Parties will rely on the provisions of Section 18.

24. **Notices.**

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with one Party by the other Party will be in writing and, other than e-mails, will be delivered by hand or be deposited in the mails of the United States, postage prepaid in an envelope addressed as follows:

If to Amtrak:

Assistant Vice President – Infrastructure Access and Investment  
National Railroad Passenger Corporation  
30th Street Station, 30th and Market Streets  
Philadelphia PA 19104

With Copies to:

AVP Transportation North-Central  
National Railroad Passenger Corporation  
500 West Jackson Boulevard  
Chicago, IL 60661

General Counsel  
National Railroad Passenger Corporation  
1 Massachusetts Avenue, NW  
Washington, DC 20001

If to Metra:

General Counsel  
Metra

547 W. Jackson Blvd.  
Chicago, IL 60661

Either Party may change the address for receipt of notice by notifying the other Party in writing of such change.

25. **Assignment.**

This Agreement may not be assigned by Amtrak or Metra without the express written consent of the other Party.

26. **Governing Law.**

This Agreement shall be governed by applicable federal law, including Amtrak's enabling statute, 49 USC 28103(b), and the laws of the District of Columbia, and all legal proceedings other than those governed by Section 18, shall be adjudicated in the U.S. District Court for the District of Columbia.

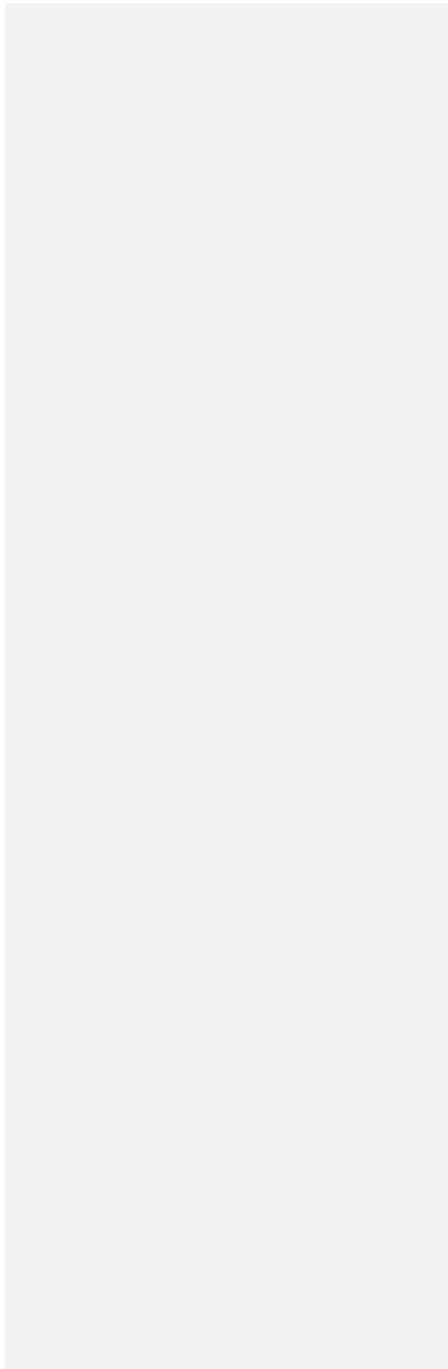
27. **Severability.**

If any term, covenant, condition, or provision (or part thereof) of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part and the remaining parts shall be enforced as if such invalid, illegal or unenforceable part was not contained herein.

28. **Entire Agreement.**

No oral statement or prior written matter will have any force or effect with respect to Metra's use of CUS for operation of Metra Commuter Rail Service or the Contract Services provided hereunder. The Parties hereby acknowledge that they are not relying on any representations or agreements other than those contained in this Agreement. This Agreement will not be modified except in writing subscribed to by both Parties.

[Signatures appear on the following page.]



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

NATIONAL RAILROAD PASSENGER CORPORATION

By: \_\_\_\_\_  
Name:  
Title:  
Date: \_\_\_\_\_

THE NORTHEAST ILLINOIS REGIONAL COMMUTER RAILROAD (DOING BUSINESS AS METRA)

By: \_\_\_\_\_  
Name:  
Title:  
Date: \_\_\_\_\_

**List of Exhibits**

- Exhibit A:** Description of CUS
- Exhibit B:** Metra Commuter Rail Service Schedules
- Exhibit C:** Amtrak Overhead Rates
- Exhibit D:** Base CUS Access Fee Calculation

**Exhibit A: Description of CUS**

All Amtrak interest in real and personal property used in the operation of a railroad east from the west line of Canal Street, and west and north of the south branch of the Chicago River, inclusive of bridges crossing the Chicago River, to Roosevelt Road with the exception of parts of Amtrak's 14<sup>th</sup> Street Yard north of Roosevelt Road. Also includes the Station Headhouse west of Canal Street, bounded by Clinton Street, Jackson Boulevard, Canal Street, and Adams Street.

*[Current Site Map under development]*

**Exhibit B: Metra Commuter Rail Service Schedules**

*[Please insert current Metra schedules applicable to CUS]*

<https://metrarail.com/maps-schedules/train-lines/MD-N>

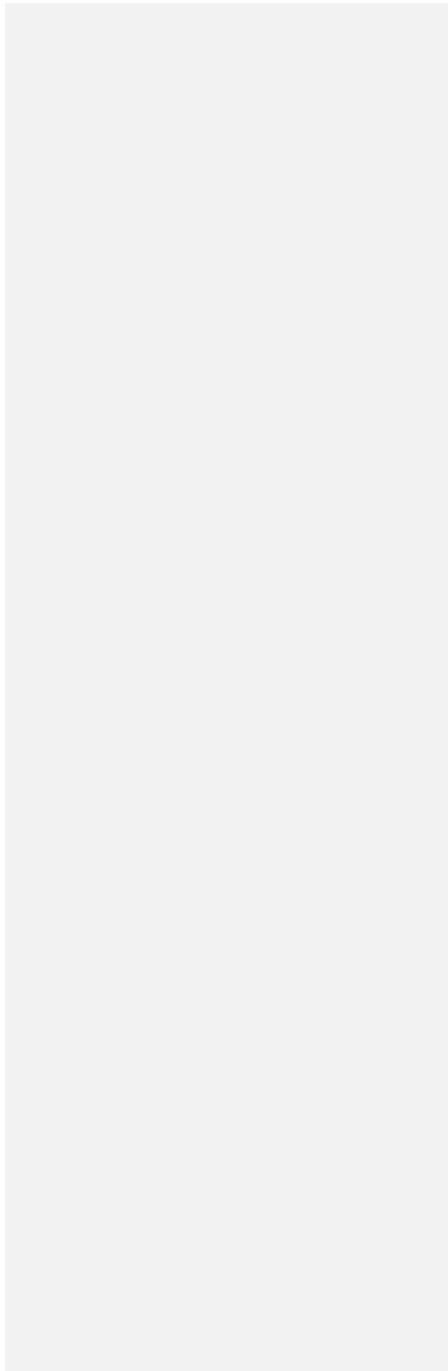
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<https://metrarail.com/maps-schedules/train-lines/NCS>

<https://metrarail.com/maps-schedules/train-lines/HC>

<https://metrarail.com/maps-schedules/train-lines/BNSF>

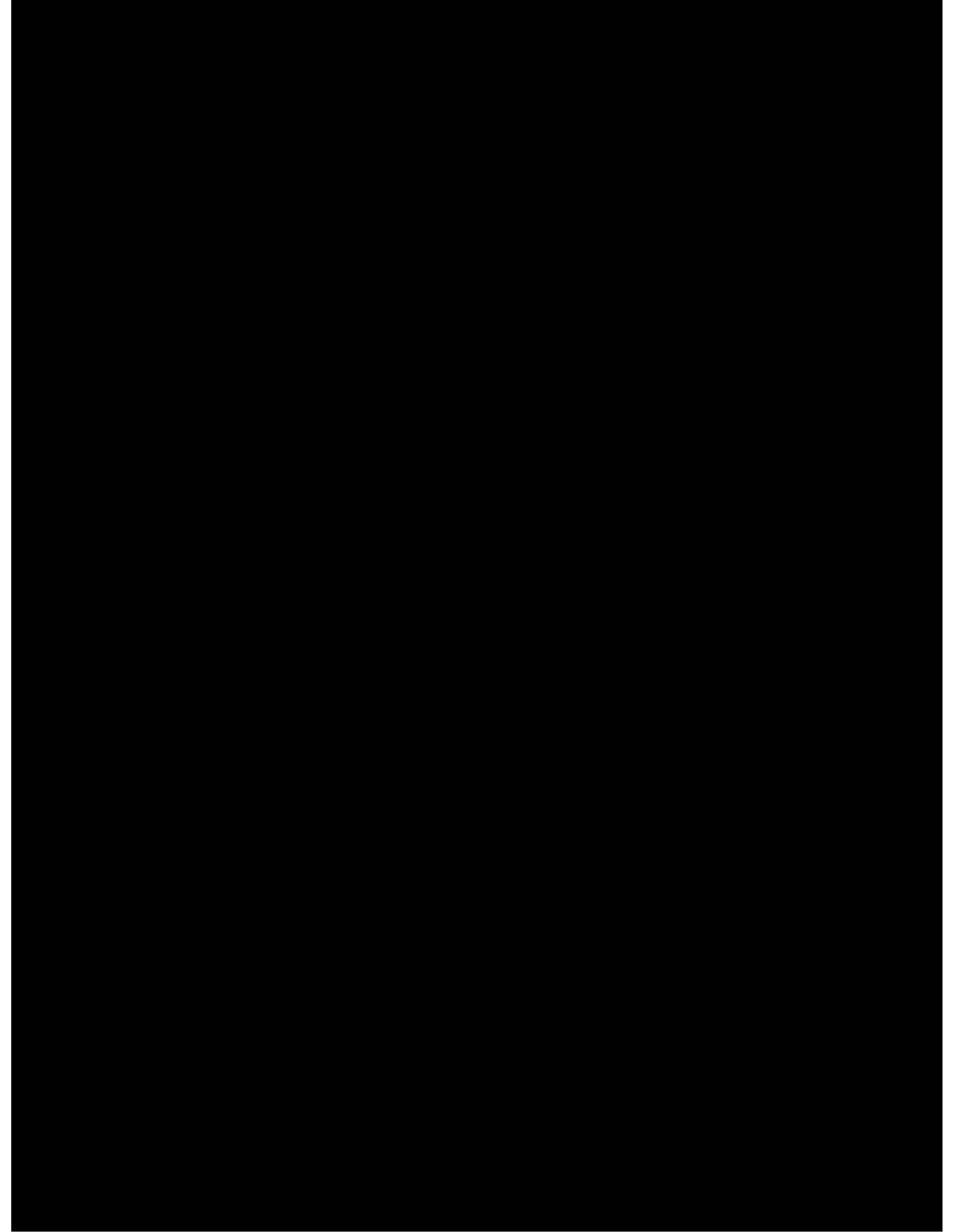
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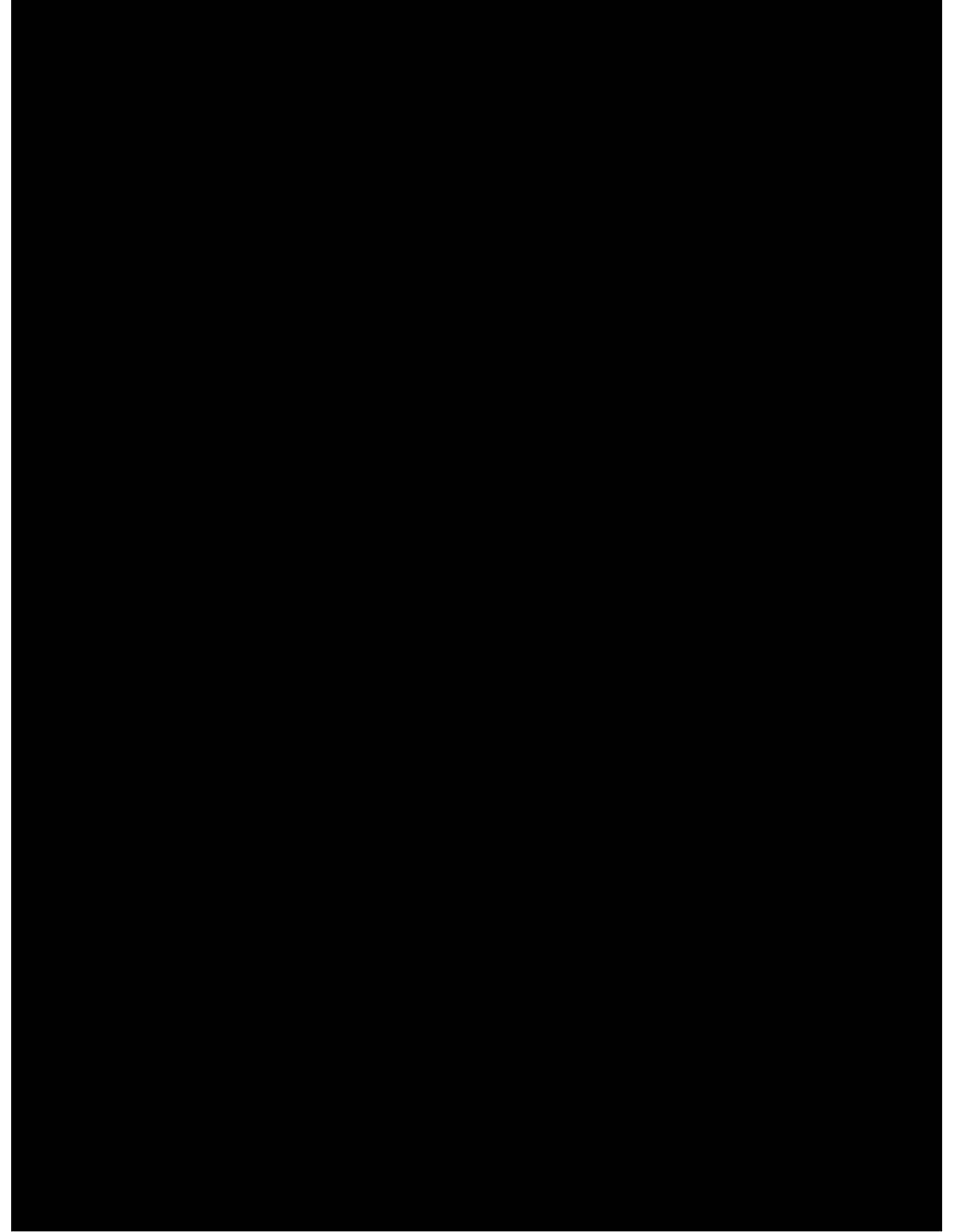


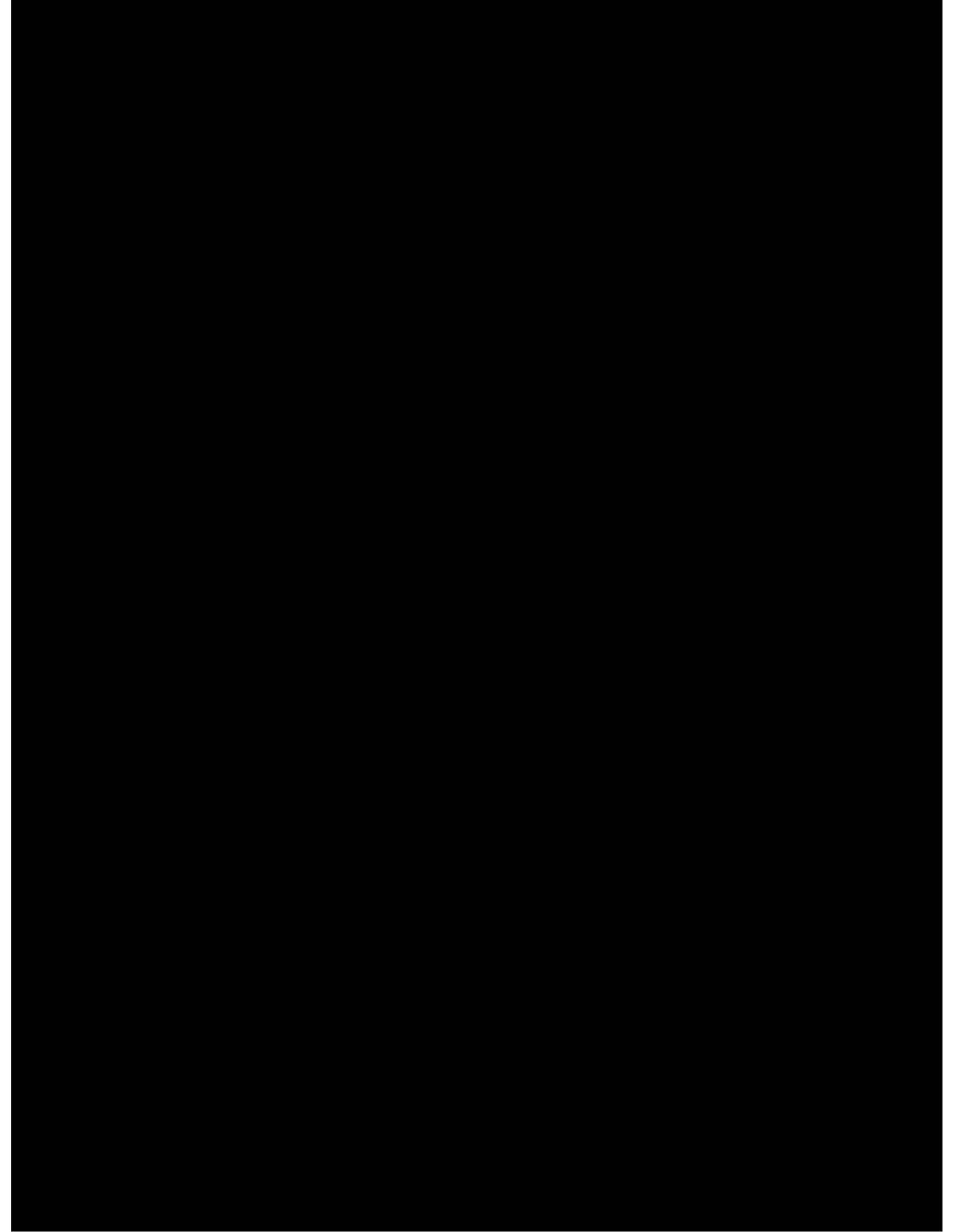


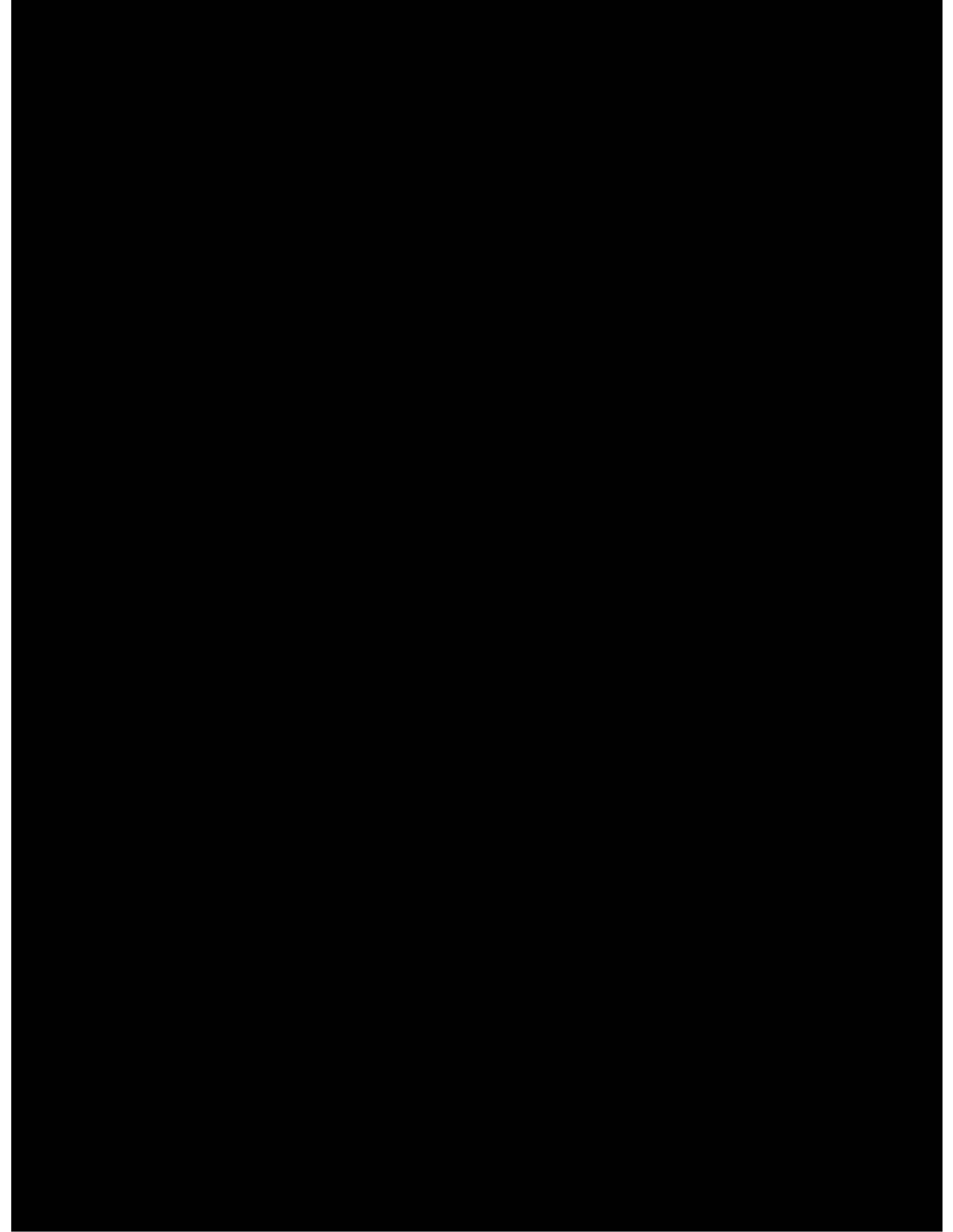


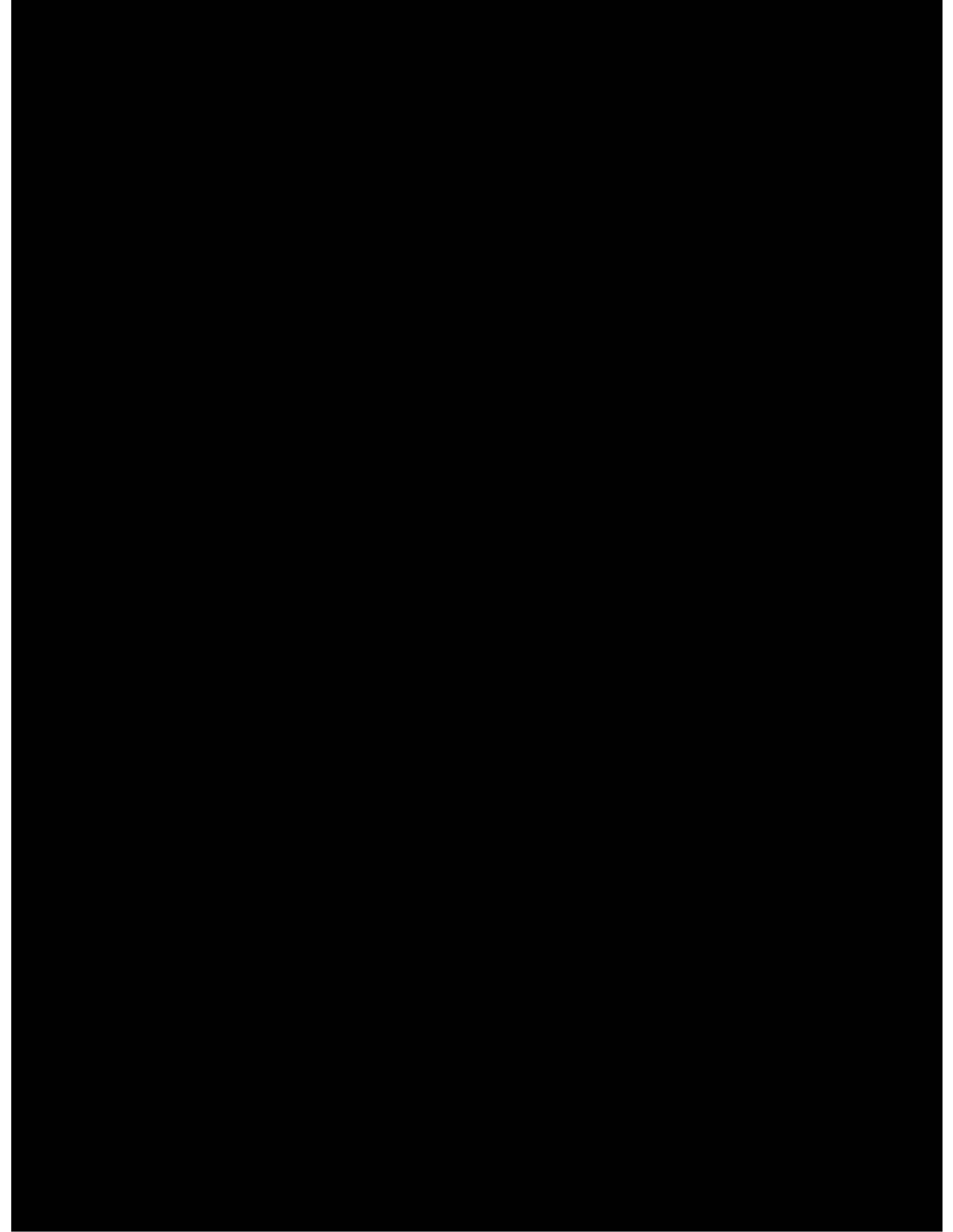


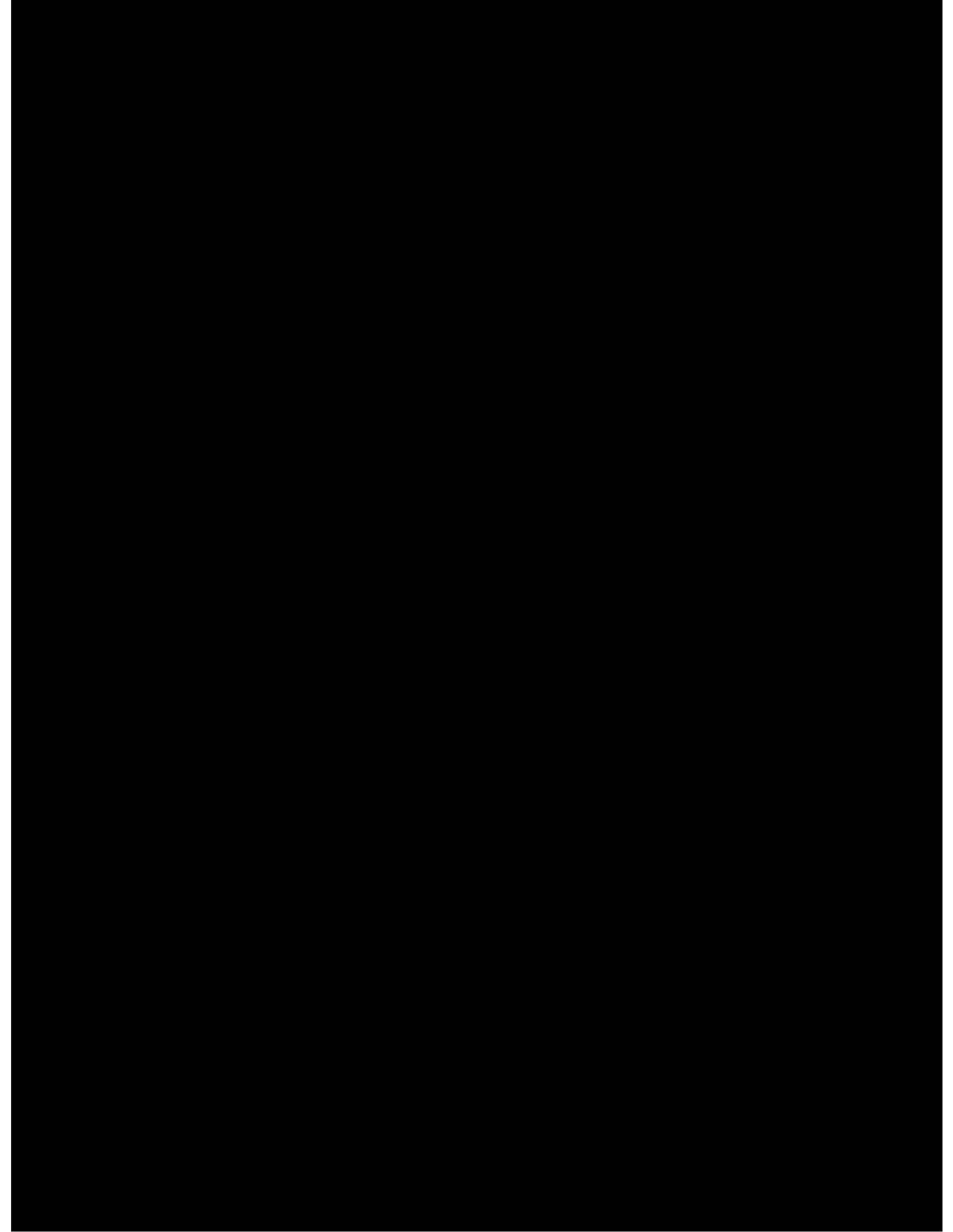


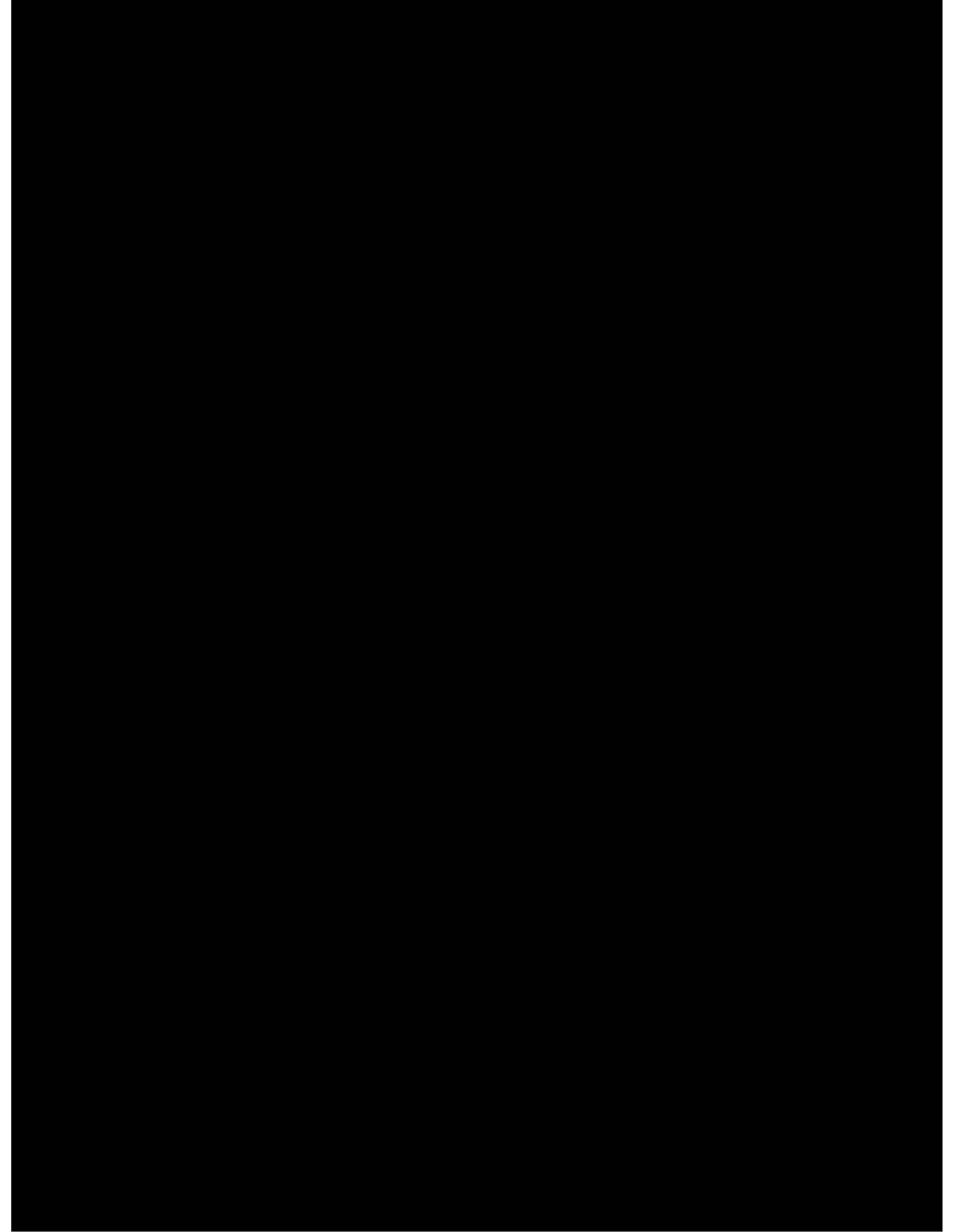


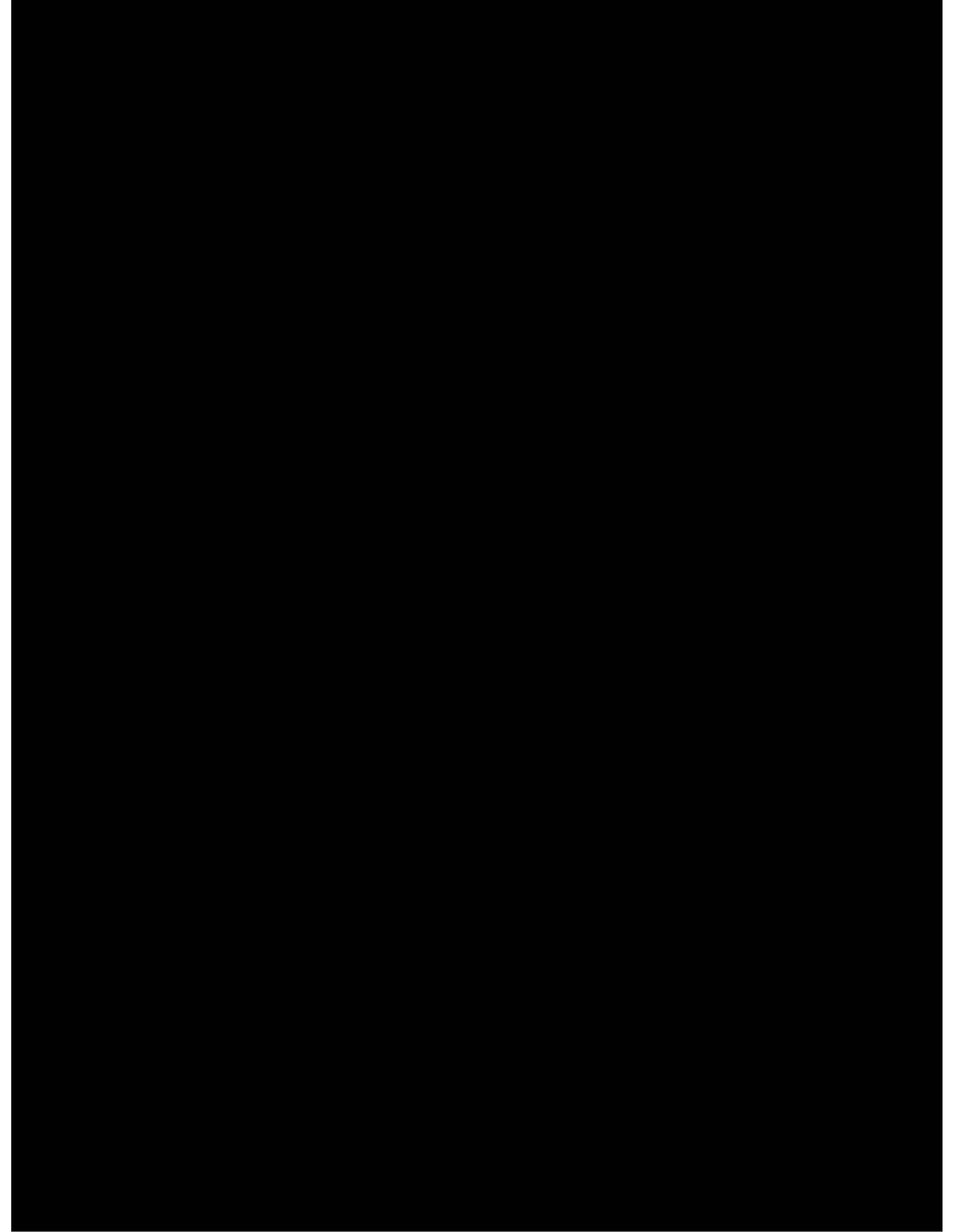


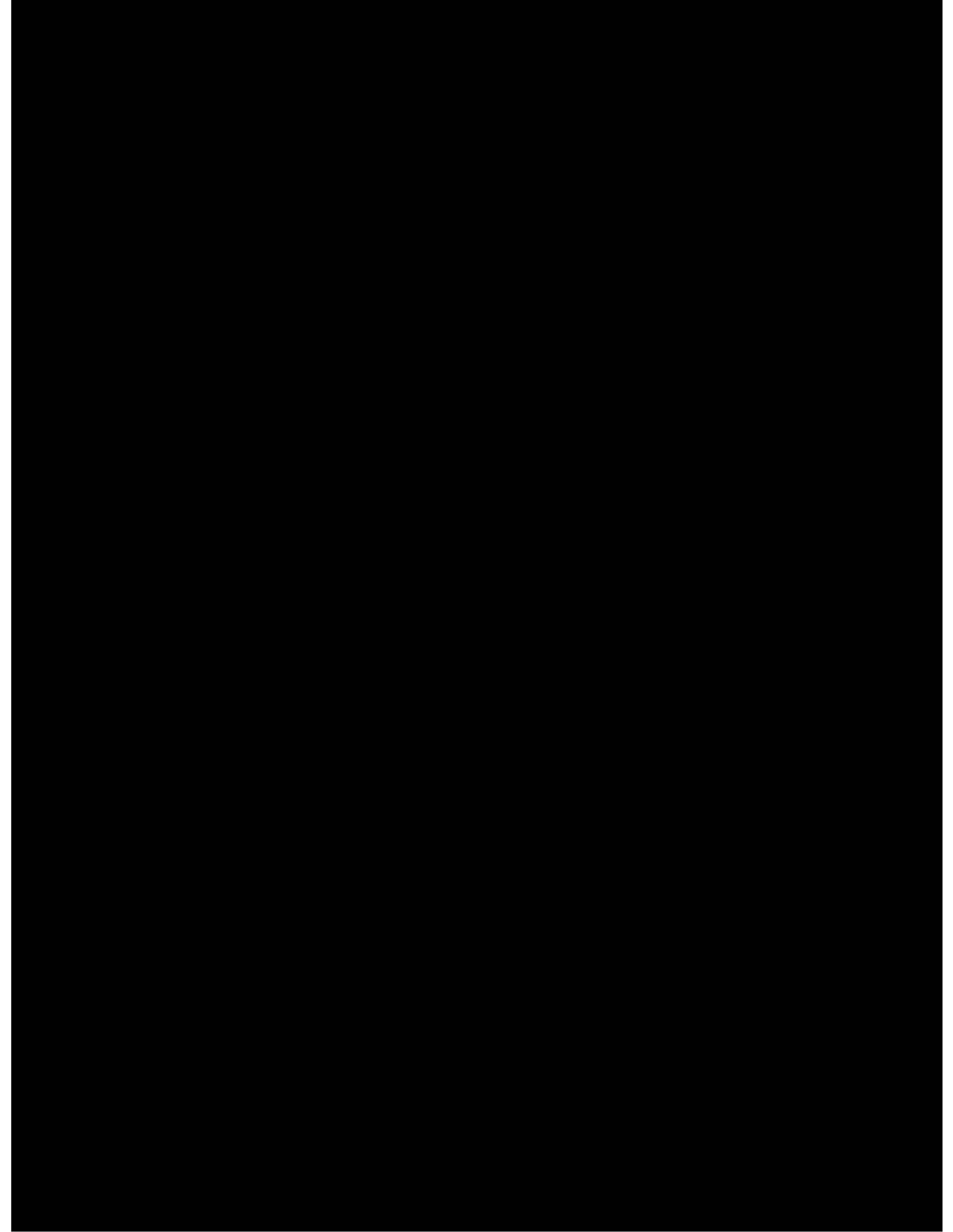


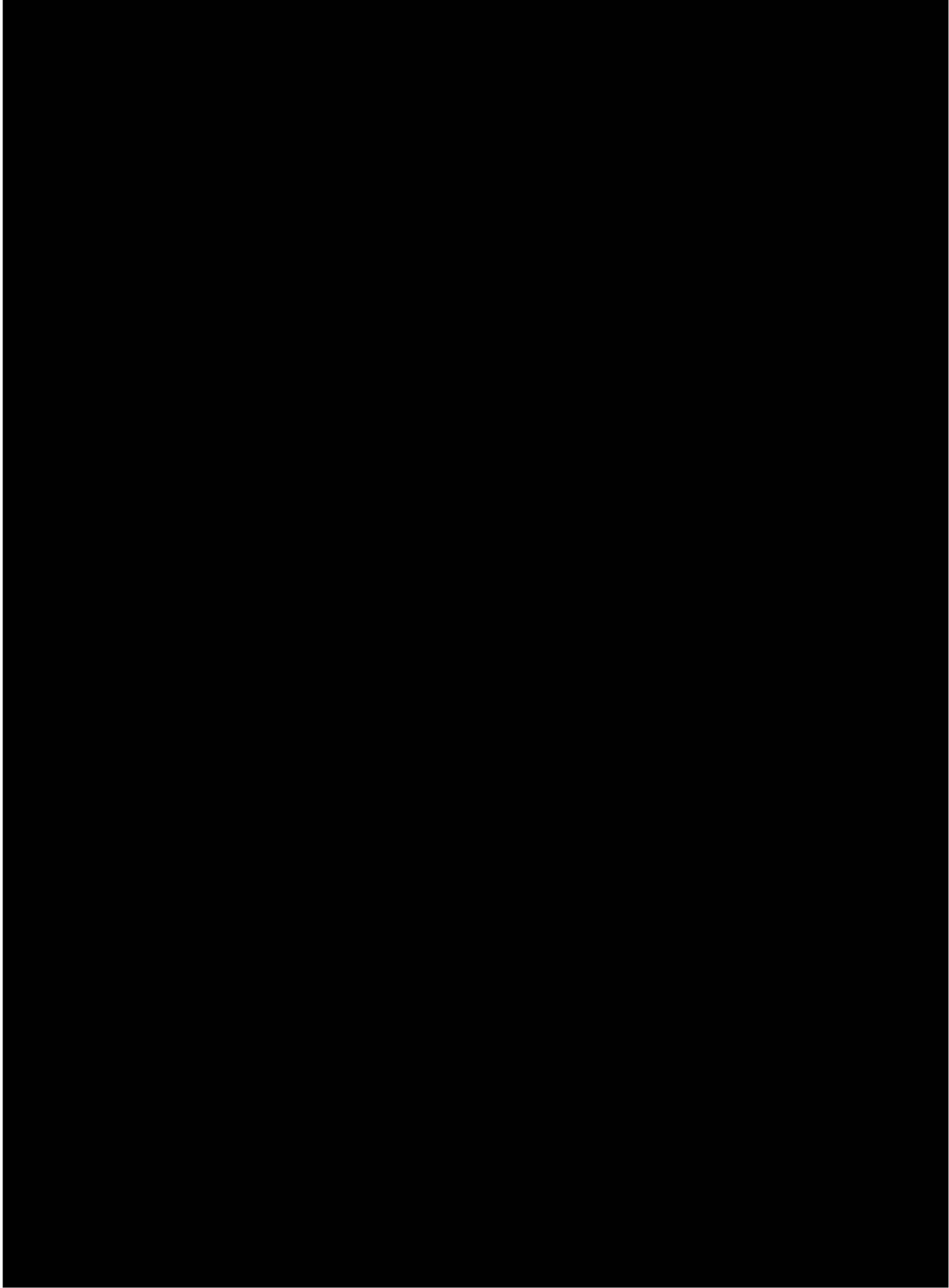


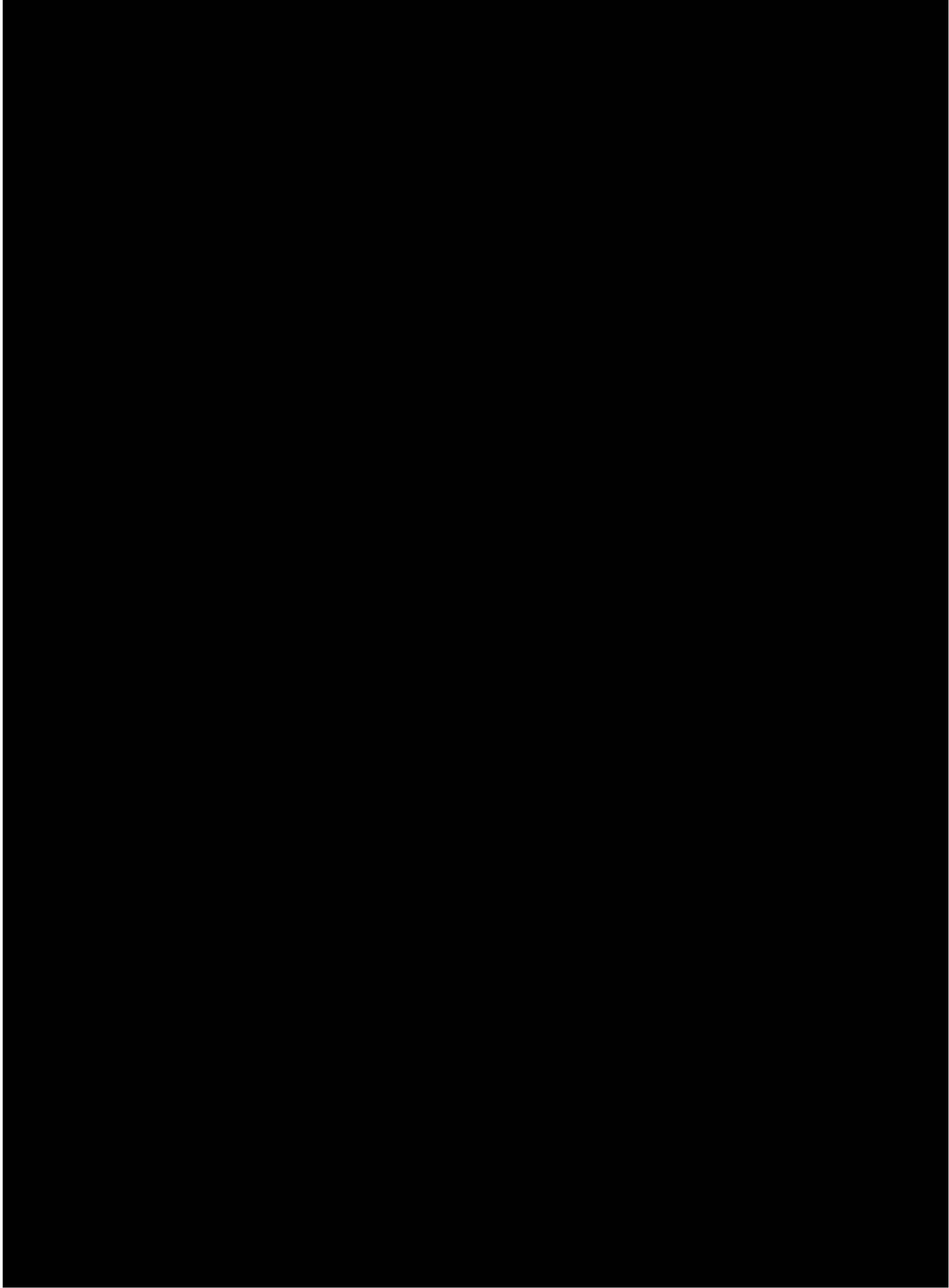


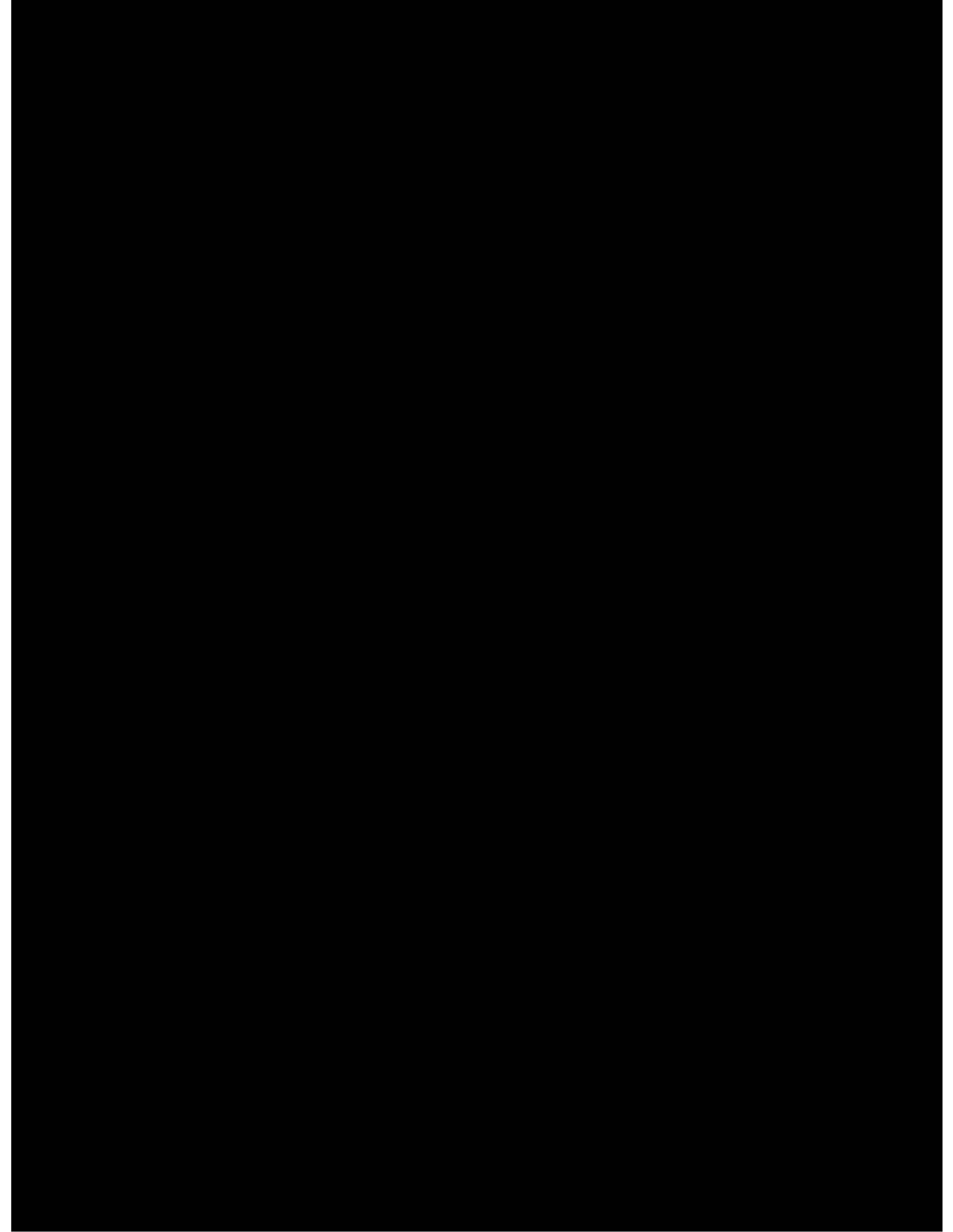


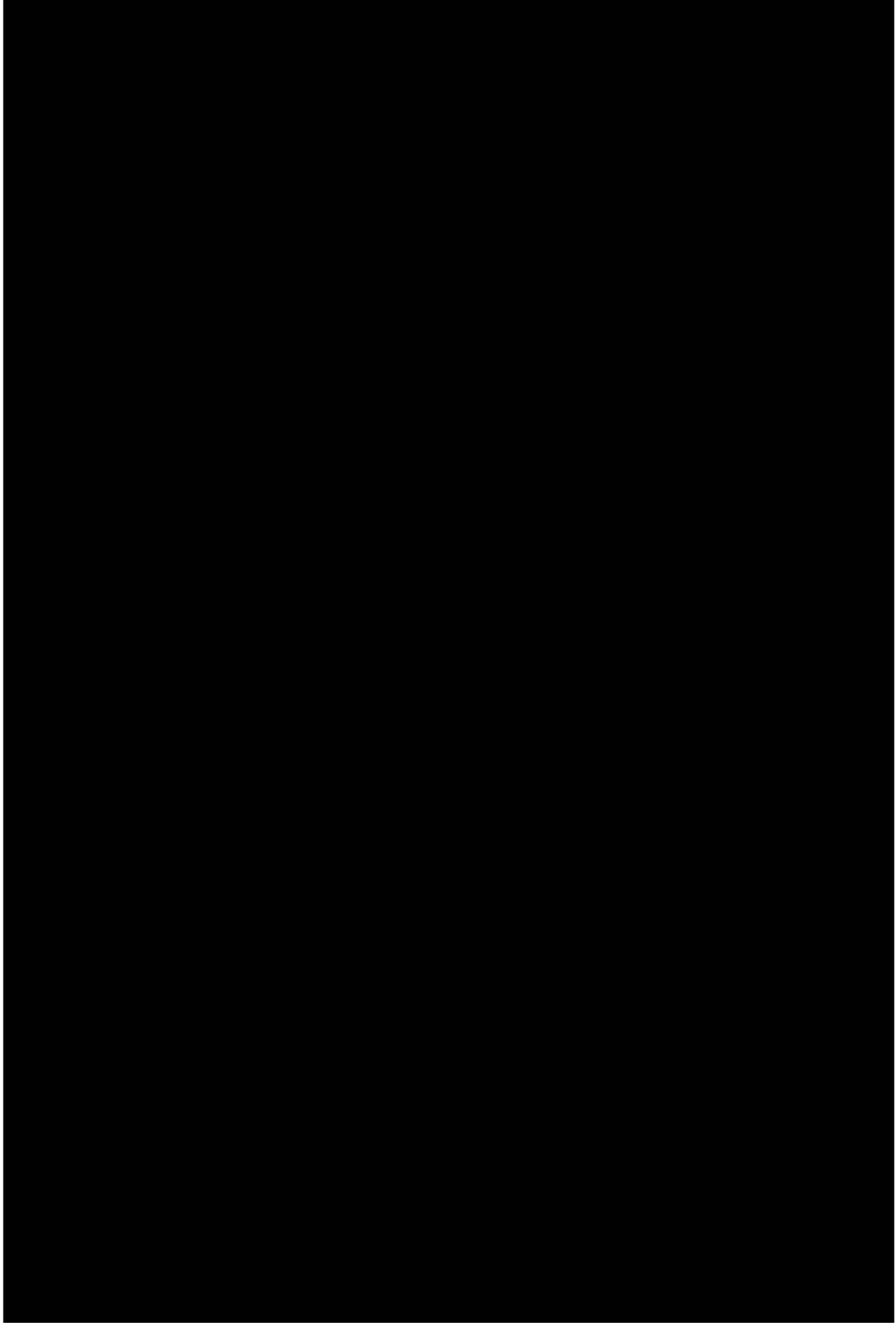


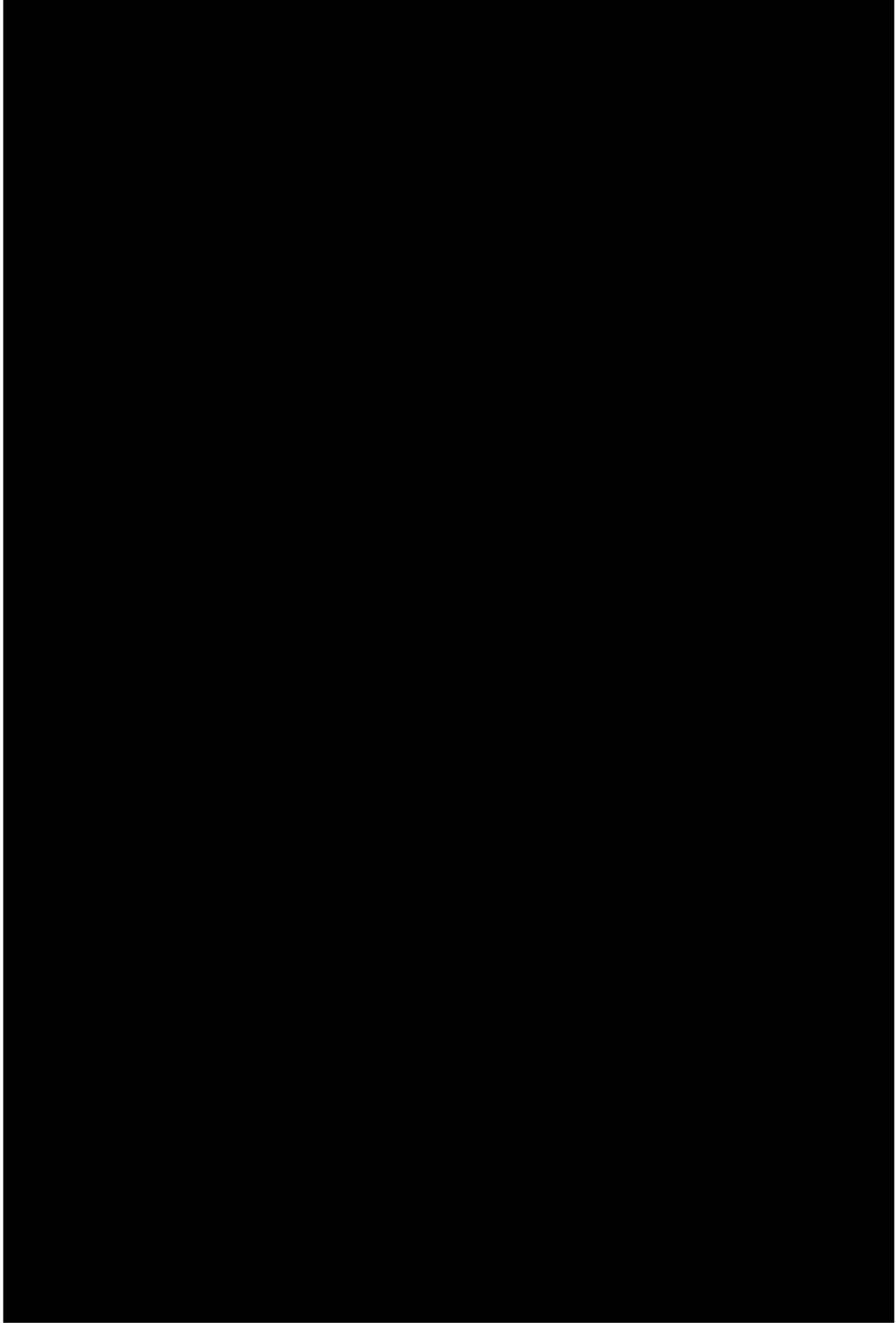


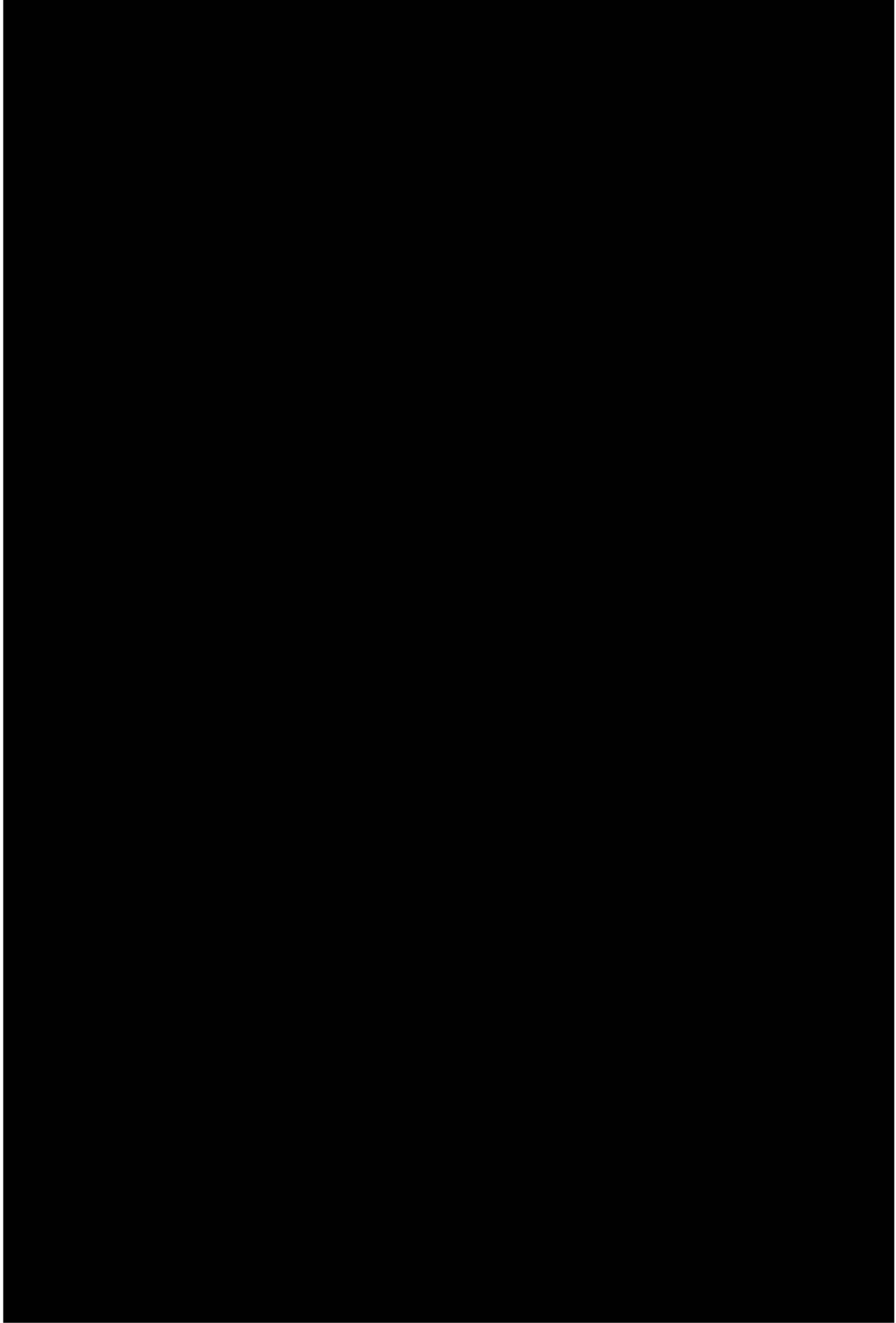


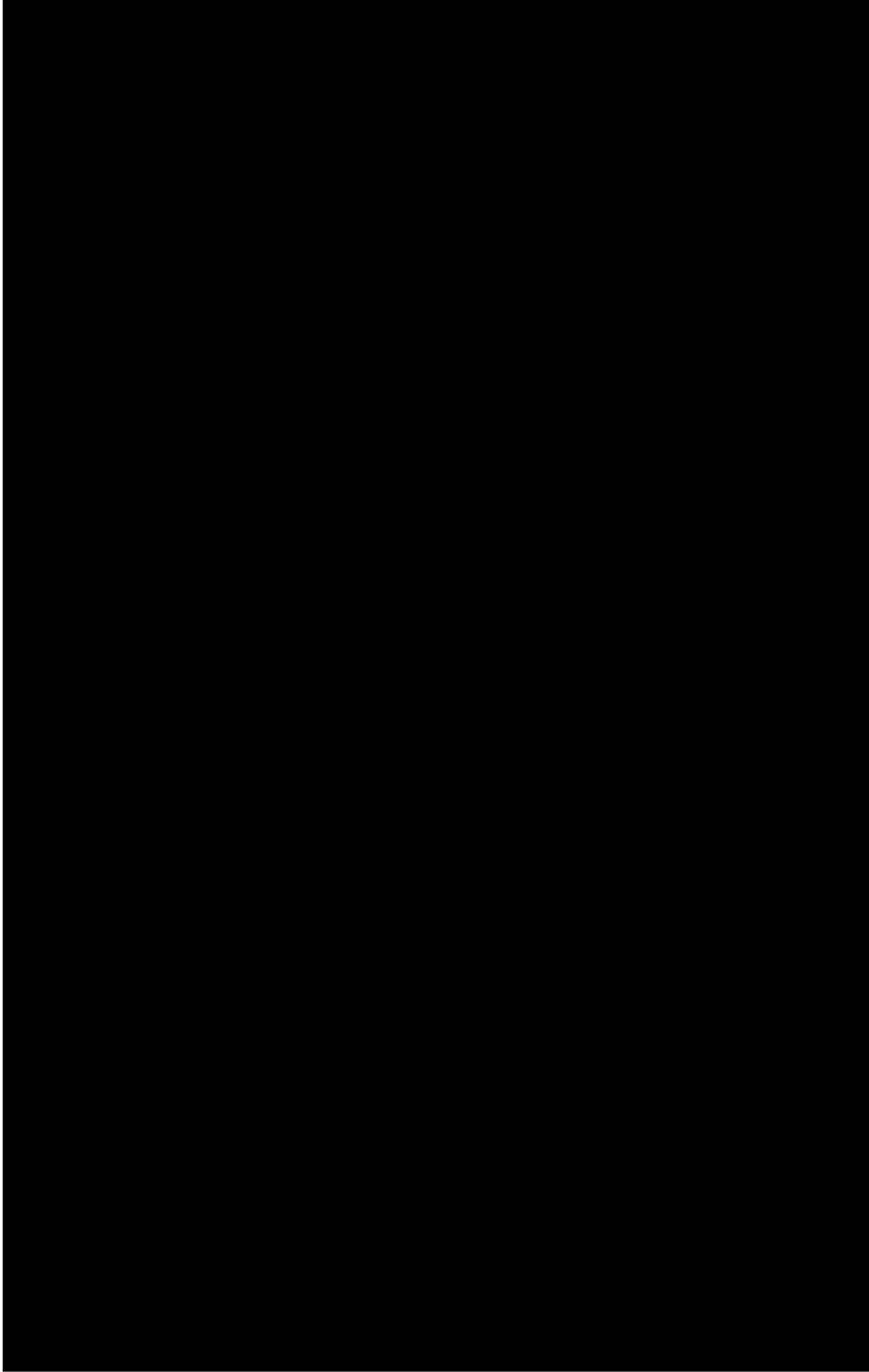


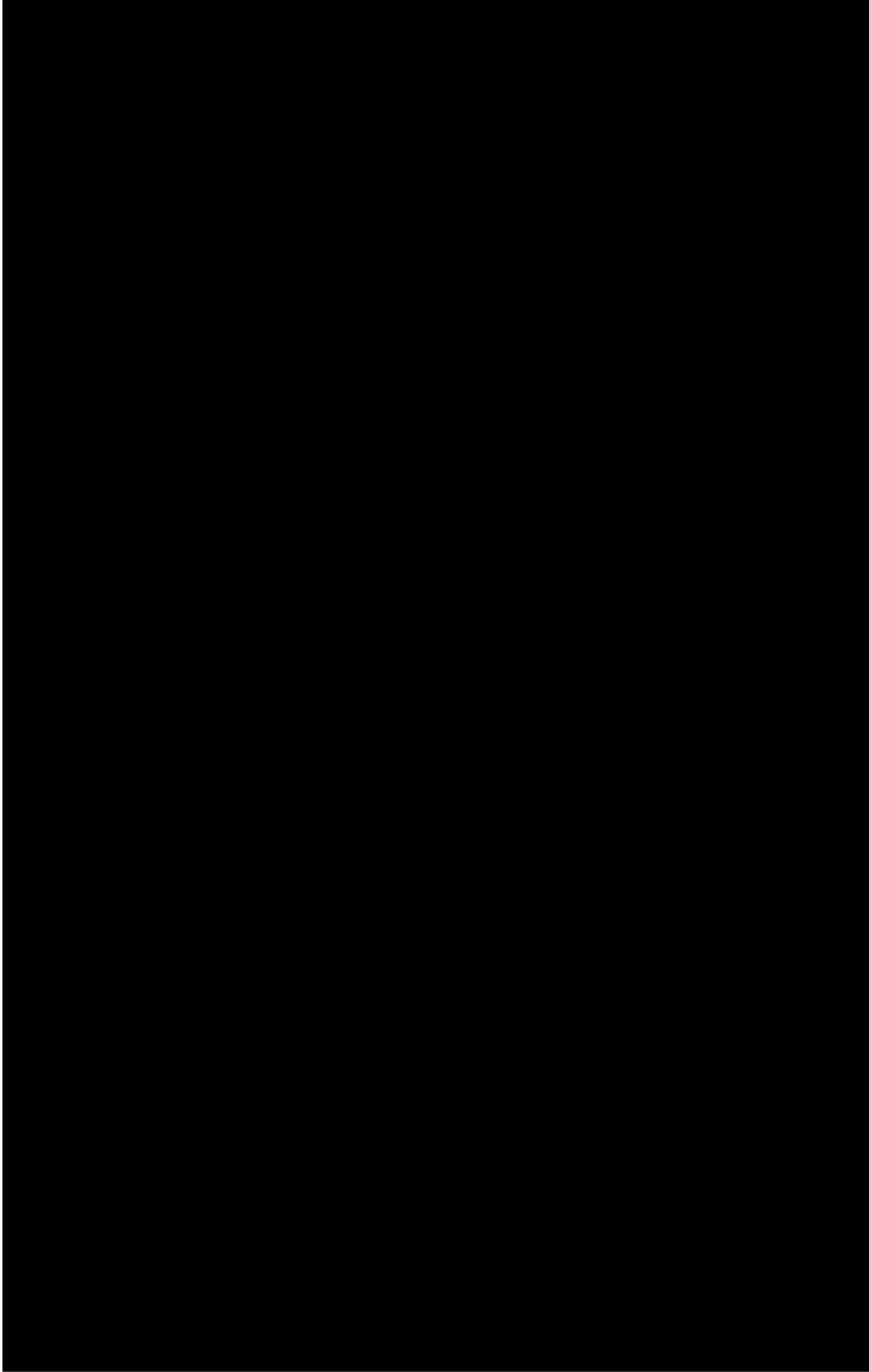


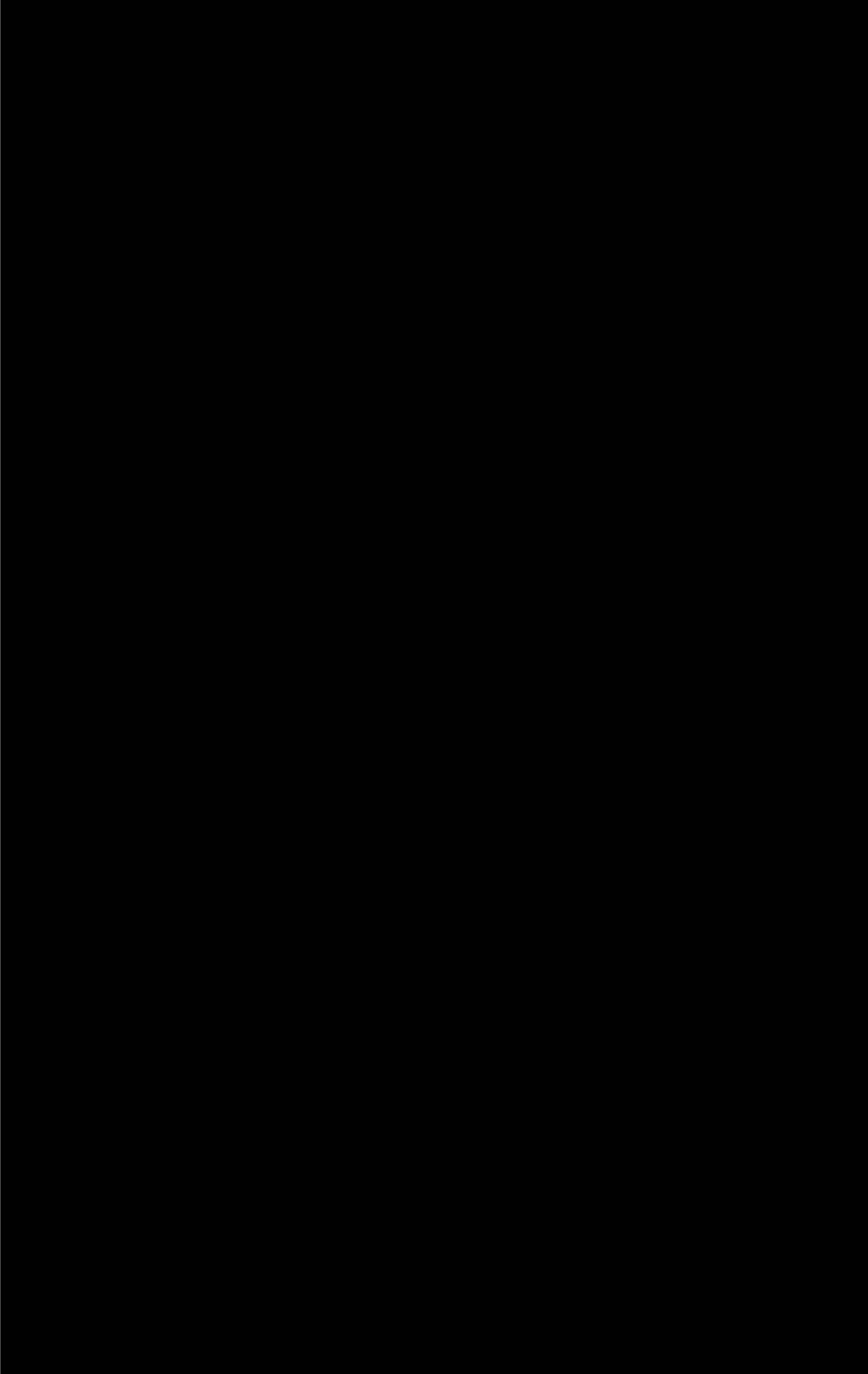


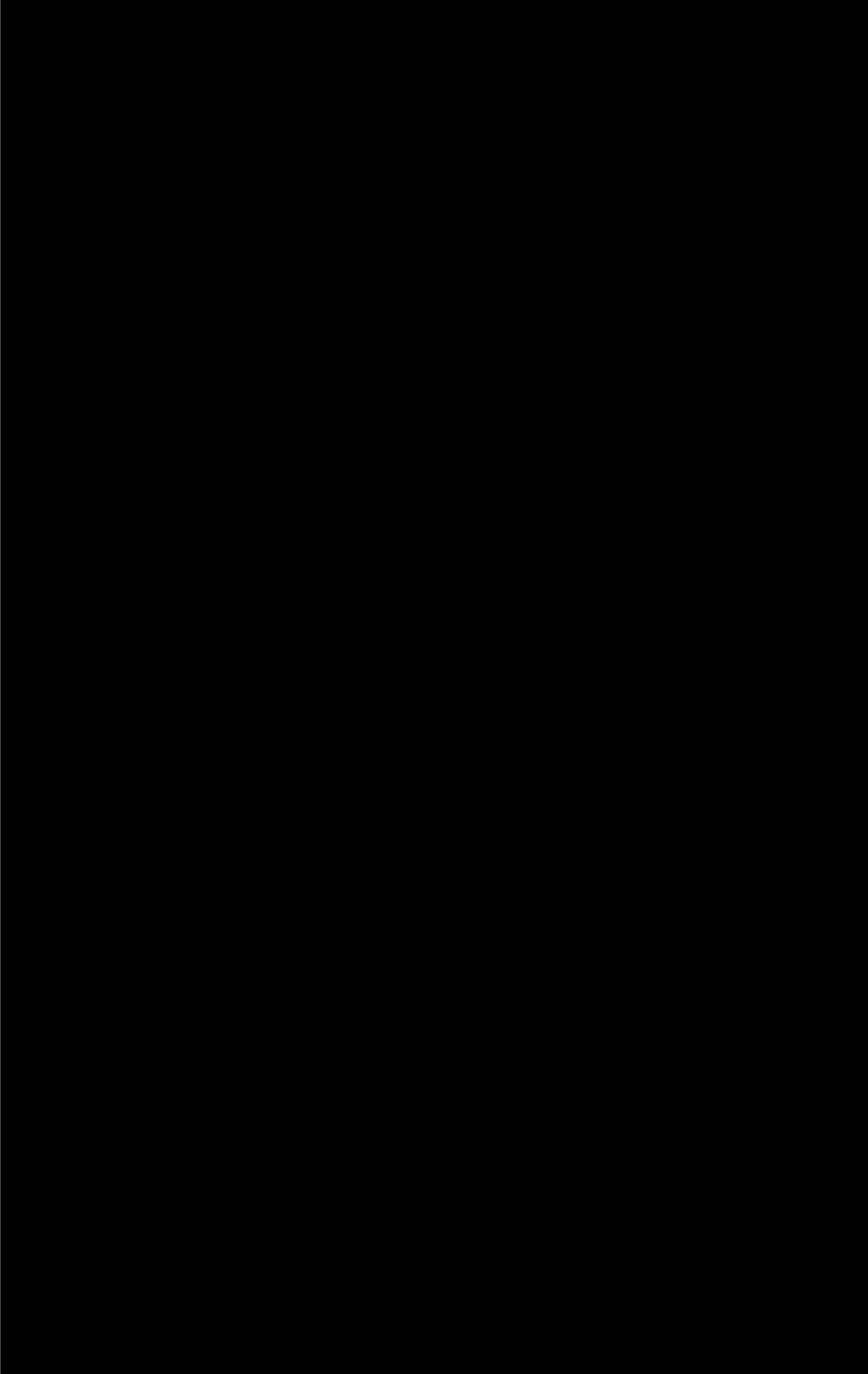


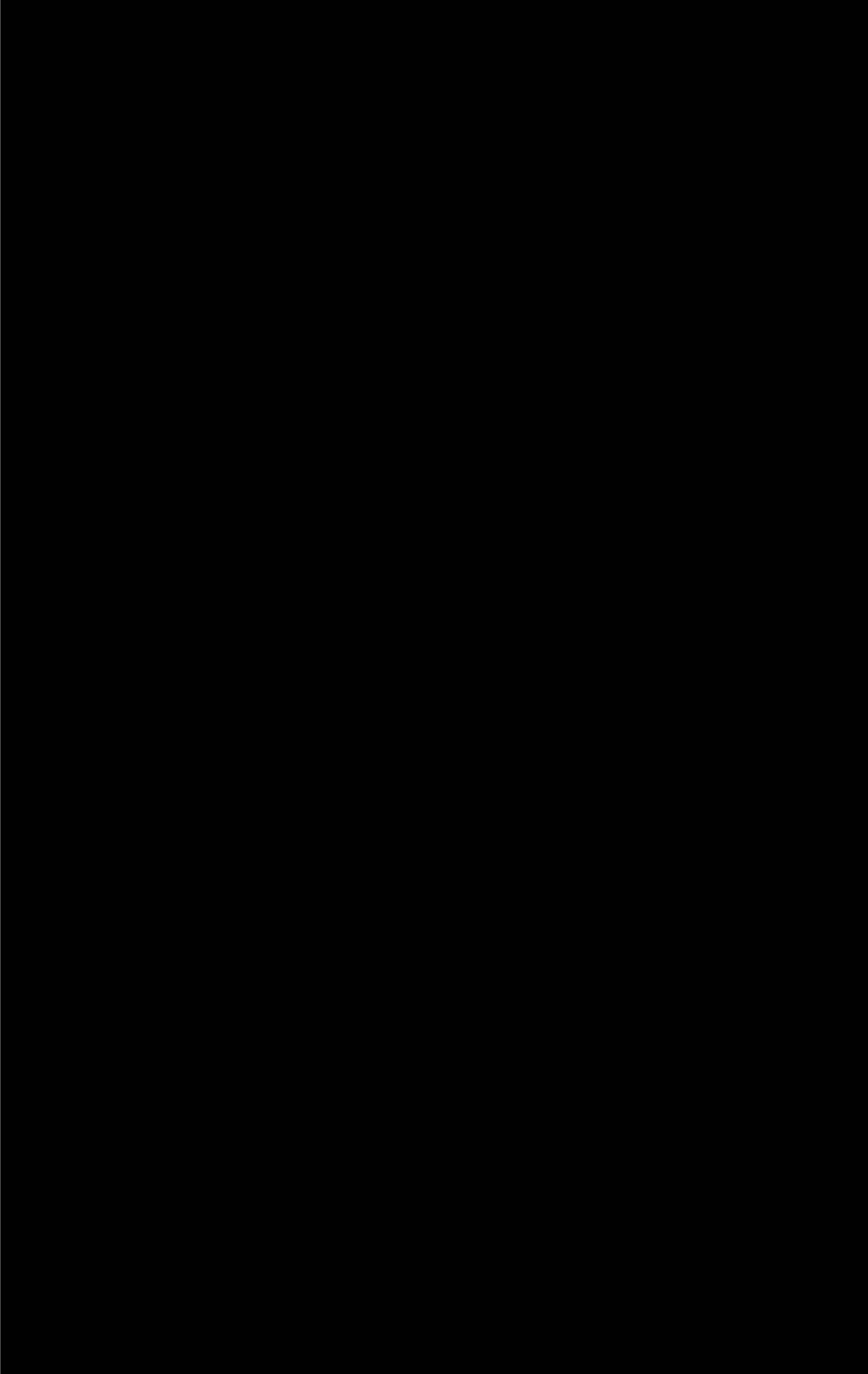


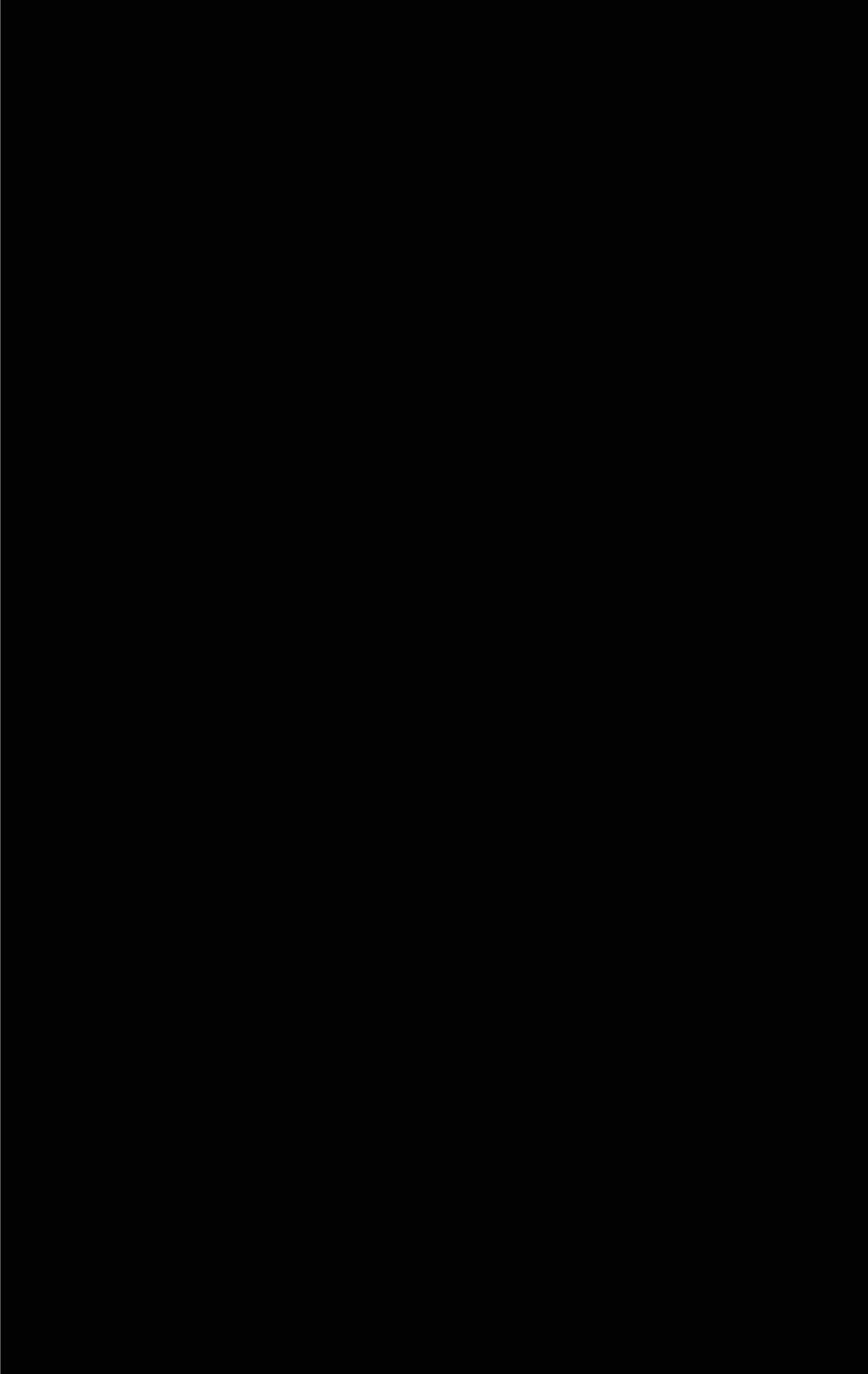


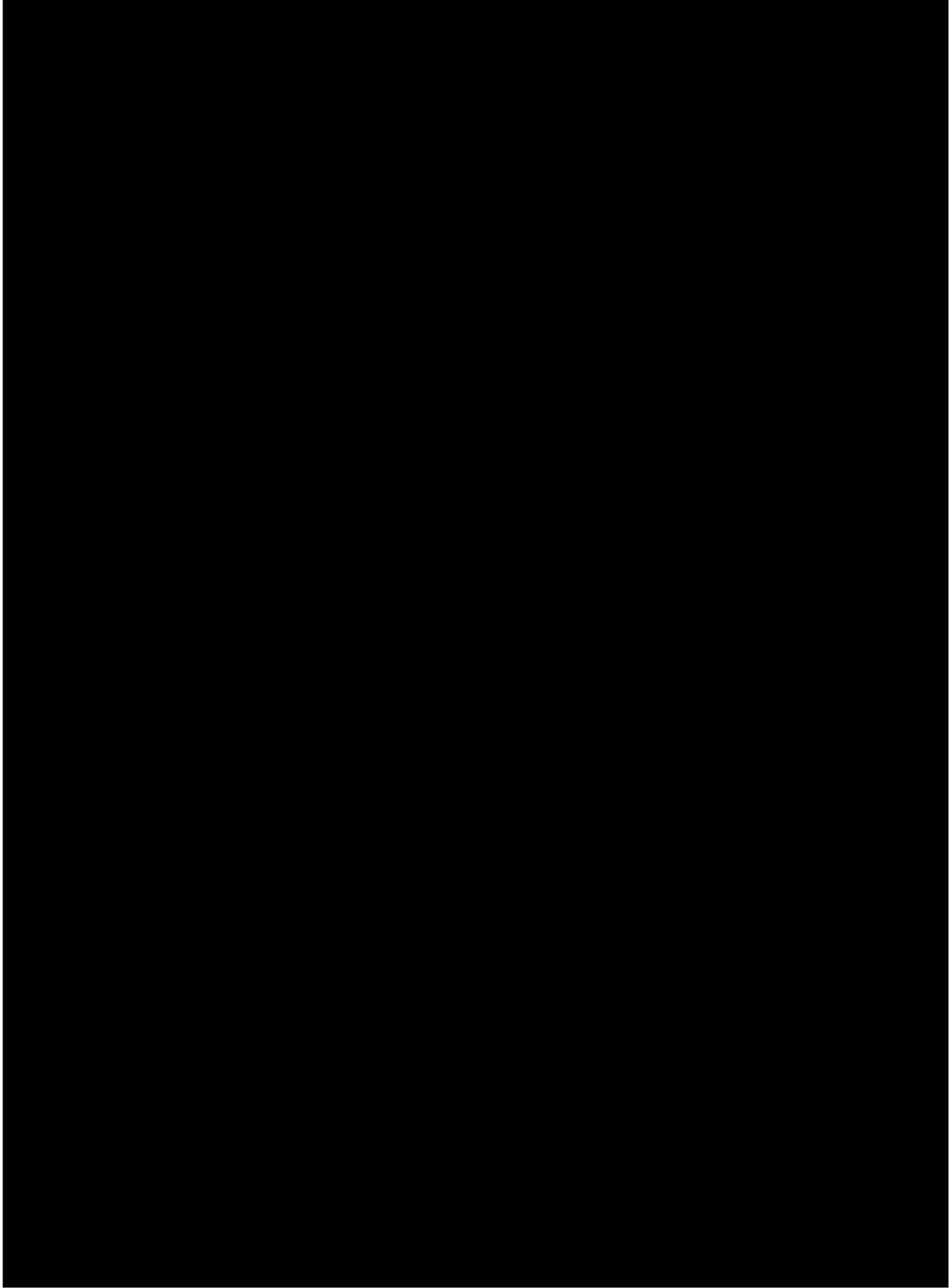


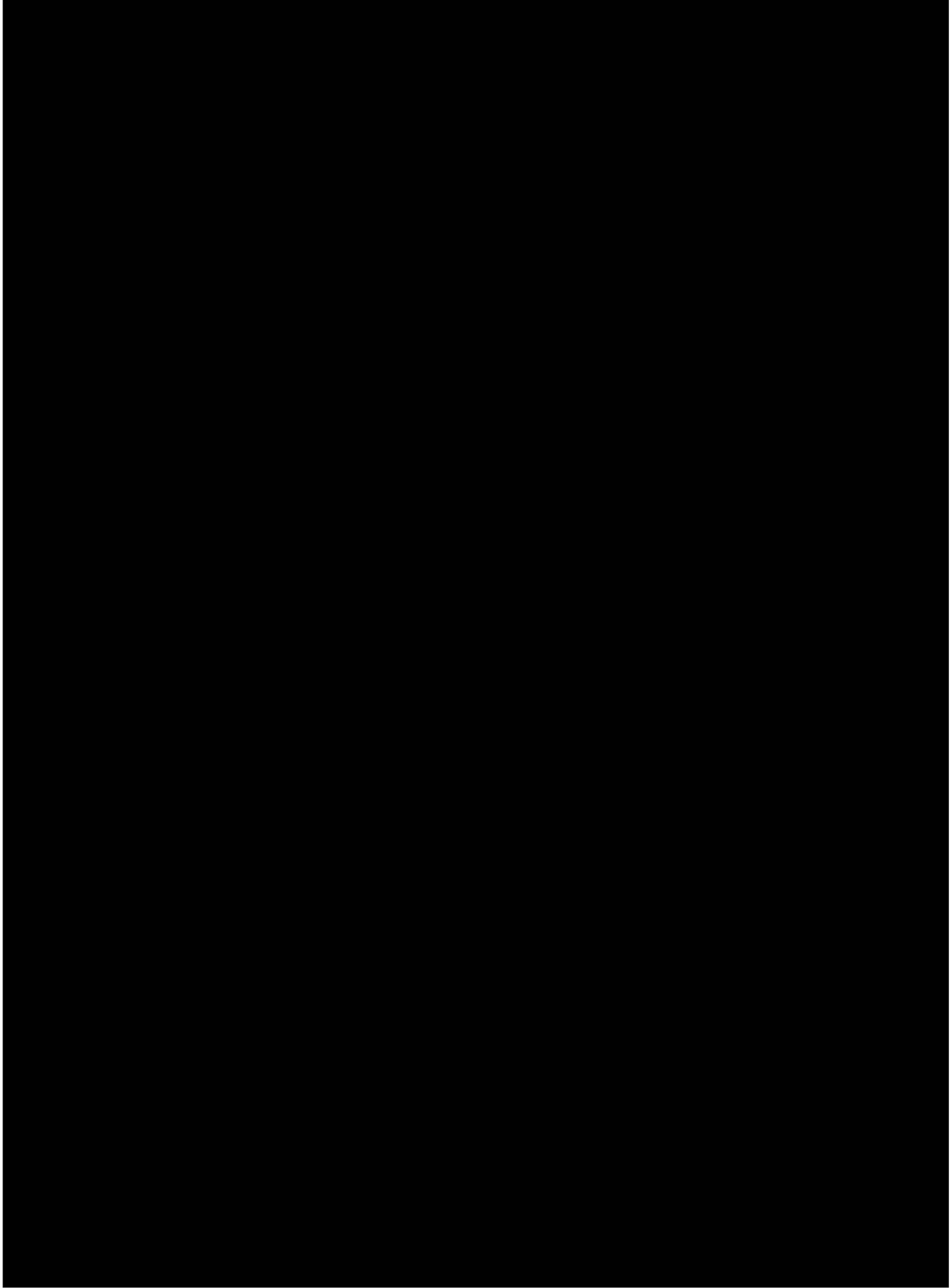


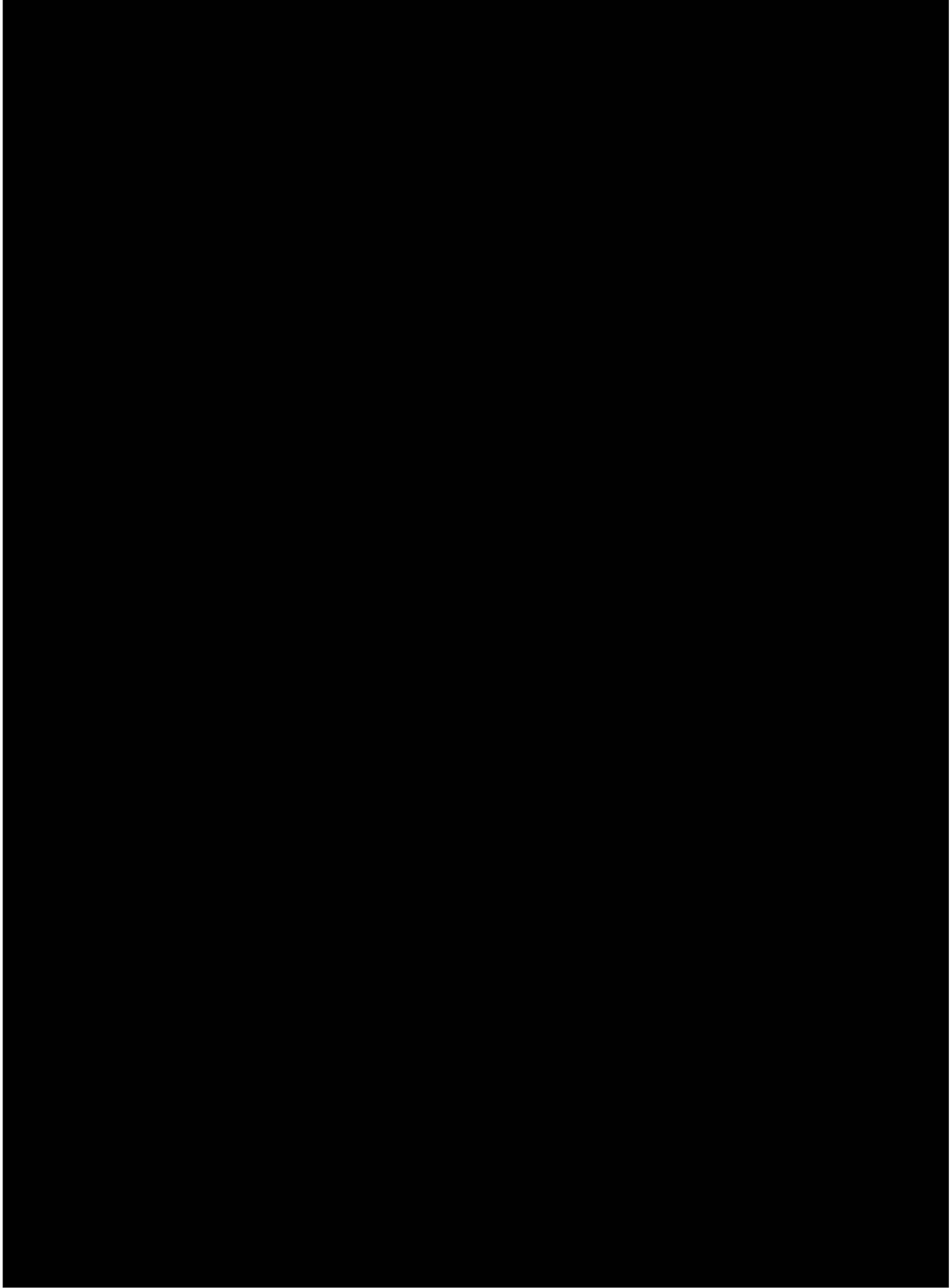


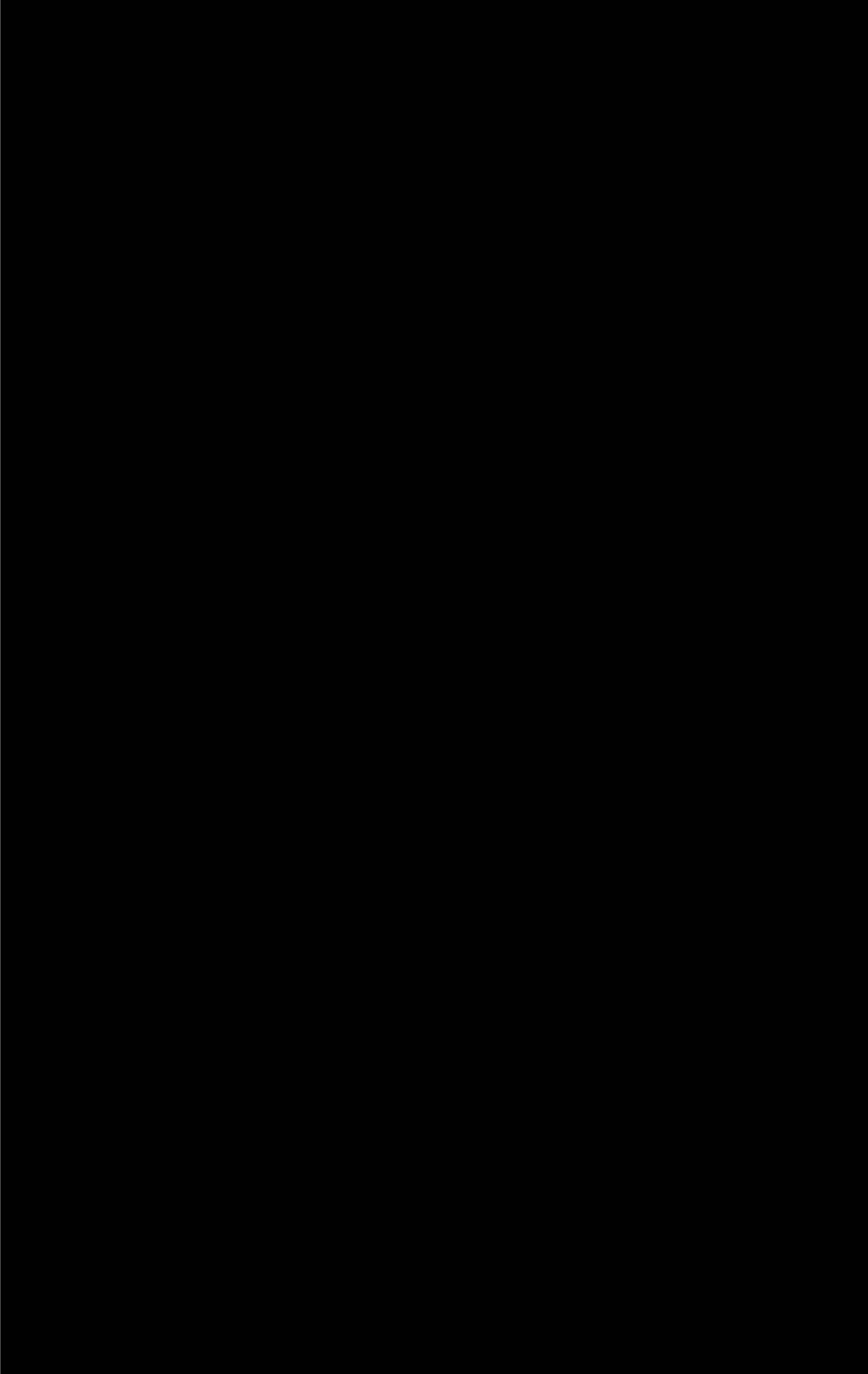


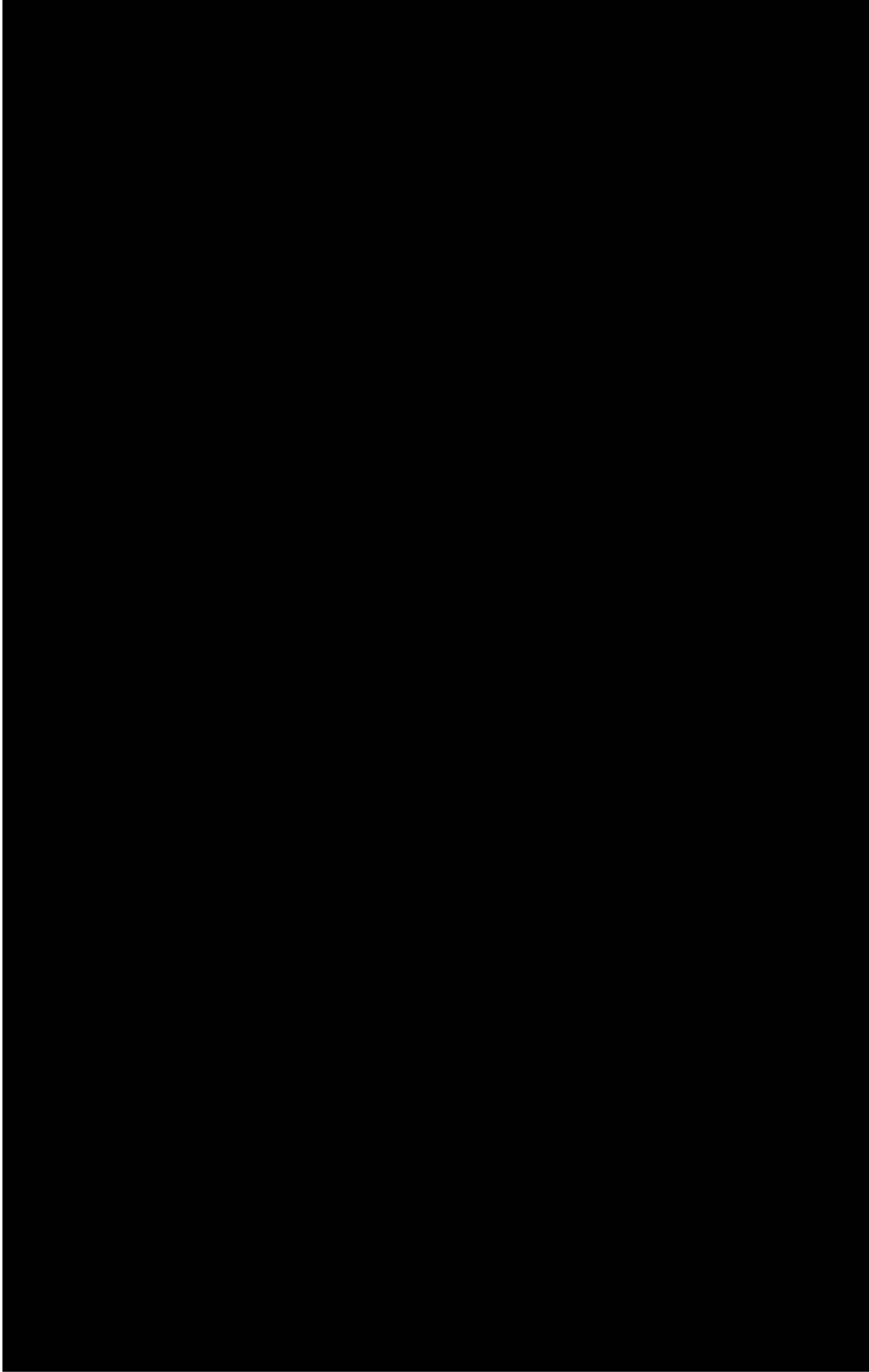


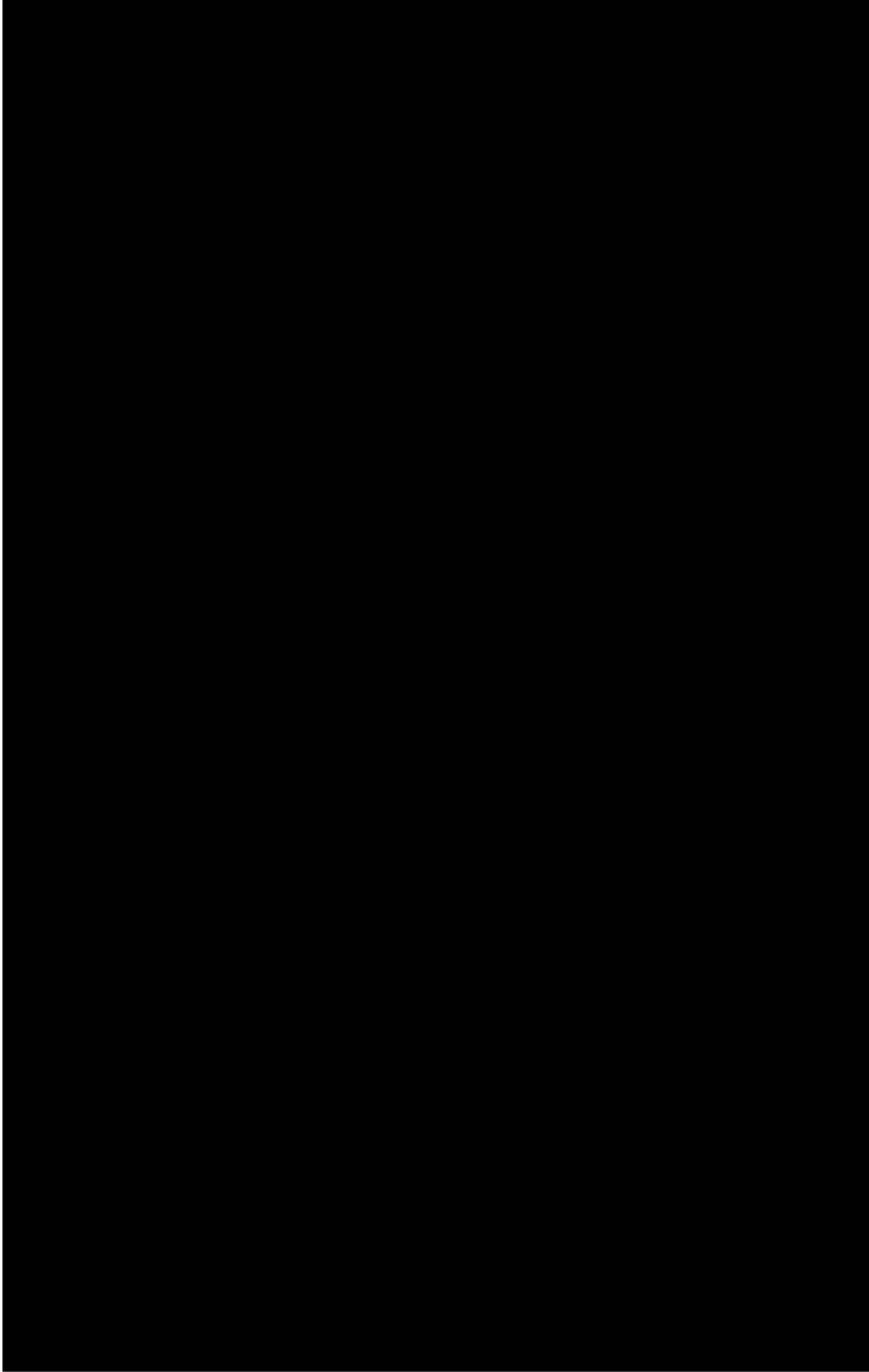


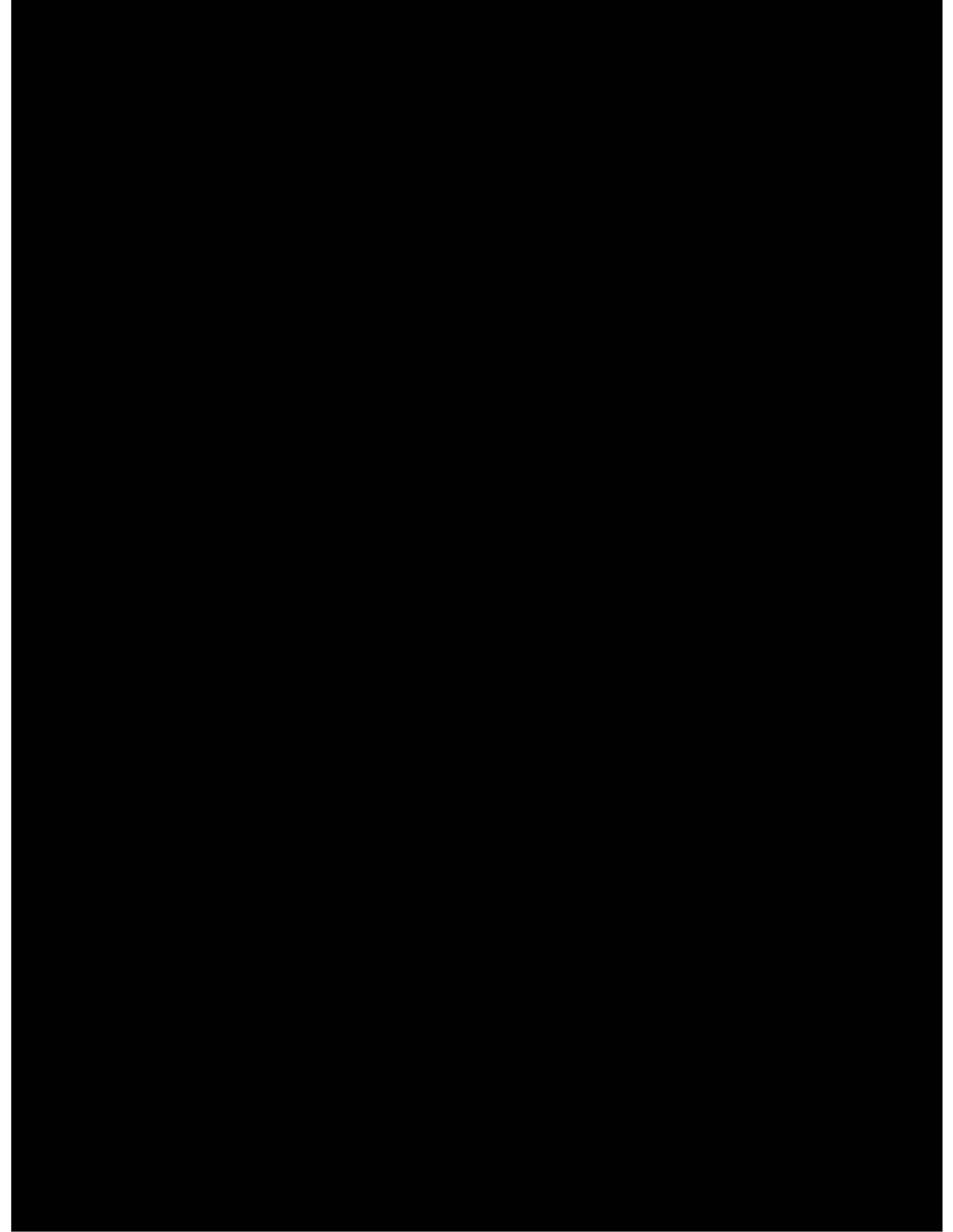












The Department of Homeland Security (DHS)  
Notice of Funding Opportunity (NOFO)  
Fiscal Year 2019 Intercity Passenger Rail (IPR) Program

**NOTE:** If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take 4 weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>.

**A. Program Description**

**Issued By**

Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

**Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number)**  
97.075

**Assistance Listings Title (formerly CFDA Title)**

Rail and Transit Security Grant Program

**Notice of Funding Opportunity Title**

Intercity Passenger Rail Program

**NOFO Number**

DHS-19-GPD-075-00-02

**Authorizing Authority for Program**

Section 1513 of the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. No. 110-53) (6 U.S.C. § 1163)

**Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2019*, (Pub. L. No. 116-6)

**Program Type**

New

## **Program Overview, Objectives, and Priorities**

### **Overview**

The Fiscal Year (FY) 2019 Intercity Passenger Rail (IPR) – Amtrak program is one of four grant programs that constitute DHS/FEMA’s focus on transportation infrastructure security activities. These grant programs are part of a comprehensive set of measures authorized by Congress and implemented by the Administration to help strengthen the Nation’s critical infrastructure against risks associated with potential terrorist attacks. IPR provides funds to Amtrak to protect critical surface transportation infrastructure and the traveling public from acts of terrorism, major disasters, and other emergencies. Among the five basic homeland security missions noted in the DHS Quadrennial Homeland Security Review, the IPR program supports the goal to Strengthen National Preparedness and Resilience.

The 2018-2022 FEMA Strategic Plan creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. IPR supports the goal of Ready the Nation for Catastrophic Disasters. We invite all of our stakeholders and partners to also adopt these priorities and join us in building a more prepared and resilient Nation.

### **Objectives**

Within this broader construct, the objective of the FY 2019 IPR is to provide funds to the National Railroad Passenger Corporation (Amtrak) for the protection of critical transportation infrastructure and the travelling public from acts of terrorism and to increase the resilience of transportation infrastructure.

### **Performance Metrics**

Performance metrics for this program are as follows:

- Percent Change in the relative risk score for the top fifty (50) most critical assets.
- Percentage of funding building new capabilities
- Percentage of funding sustaining existing capabilities

### **Priorities**

Given the evolving threat landscape, it is incumbent upon DHS/FEMA to continuously evaluate the national risk profile and set priorities that help ensure appropriate allocation of scarce security dollars. In assessing the national risk profile for FY 2019, four priority areas emerge:

- 1) Enhancing the protection of soft targets/crowded places;
- 2) Enhancing weapons of mass destruction (WMD) and improvised explosive device (IED) prevention, detection, response, and recovery capabilities;
- 3) Enhancing cybersecurity; and
- 4) Addressing emergent threats, such as unmanned aerial systems (UAS).

Likewise, there are several enduring security needs that crosscut the Transportation Sector and form a second tier of priorities that help ensure a comprehensive approach to securing the Nation’s transportation systems. These are:

- 1) Effective planning;
- 2) Training and awareness campaigns;
- 3) Equipment and capital projects; and
- 4) Exercises.

The table below provides a breakdown of these priority areas for the FY 2019 IPR, showing both the core capabilities impacted as well as examples of eligible project types for each area. A detailed description of allowable investments for each project type is included in the [Preparedness Grants Manual](#).

**FY 2019 IPR Funding Priorities**

Priority Areas	Core Capabilities Enhanced	Example Project Types
<b>National Priorities</b>		
Enhancing the Protection of Soft Targets/Crowded Places	<ul style="list-style-type: none"> <li>• Interdiction &amp; disruption</li> <li>• Screening, search &amp; detection</li> <li>• Access control &amp; identity verification</li> <li>• Physical protective measures</li> </ul>	<ul style="list-style-type: none"> <li>• Physical security enhancements at rail and bus stations located in historically eligible Urban Area Security Initiative (UASI) cities <ul style="list-style-type: none"> <li>○ Security cameras (CCTV)</li> <li>○ Security screening equipment for people and baggage</li> <li>○ Access controls <ul style="list-style-type: none"> <li>▪ Fencing, gates, barriers, etc.</li> </ul> </li> </ul> </li> <li>• Use of Visible, Unpredictable Deterrence, to Include Operational Packages <ul style="list-style-type: none"> <li>○ Explosive Detection Canine Teams</li> <li>○ Mobile Screening Teams</li> <li>○ Anti-Terrorism Teams</li> </ul> </li> </ul>
Enhancing WMD & IED Prevention, Detection, Response & Recovery Capabilities	<ul style="list-style-type: none"> <li>• Interdiction &amp; disruption</li> <li>• Screening, search &amp; detection</li> </ul>	<ul style="list-style-type: none"> <li>• Chemical Biological Radiological Nuclear and Explosives (CBRNE) detection, prevention, response, and recovery equipment</li> <li>• Explosive Detection Canine Teams</li> </ul>
Enhancing Cybersecurity	<ul style="list-style-type: none"> <li>• Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>• Projects that enhance the cybersecurity of: <ul style="list-style-type: none"> <li>○ Access controls; sensors; security cameras; badge/ID readers; Industrial Control Systems (ICS)/Supervisory Control and Data Acquisition (SCADA); process monitors and controls; etc.</li> <li>○ Passenger/vehicle/cargo security screening equipment (cybersecurity assessments are allowable)</li> </ul> </li> </ul>
Addressing Emergent Threats, such as UAS	<ul style="list-style-type: none"> <li>• Interdiction &amp; disruption</li> <li>• Screening, search &amp; detection</li> </ul>	<ul style="list-style-type: none"> <li>• UAS detection technologies</li> </ul>

Priority Areas	Core Capabilities Enhanced	Example Project Types
<b>Enduring Needs</b>		
Planning	<ul style="list-style-type: none"> <li>• Planning</li> <li>• Risk management for protection programs &amp; activities</li> <li>• Risk &amp; disaster resilience assessment</li> <li>• Threats and hazards identification</li> <li>• Operational coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Development of: <ul style="list-style-type: none"> <li>○ System-wide Security Risk Management Plans</li> <li>○ Continuity of Operations Plans</li> <li>○ Response Plans/Station Action Plans</li> </ul> </li> <li>• Efforts to Strengthen Governance Integration Between/Among Regional Partners</li> </ul>
Training & Awareness	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> <li>• Public information &amp; warning</li> </ul>	<ul style="list-style-type: none"> <li>• Active Shooter Training</li> <li>• Security Training for Employees</li> <li>• Public Awareness/Preparedness Campaigns</li> </ul>
Equipment & Capital Projects	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> <li>• Infrastructure systems</li> <li>• Operational communications</li> <li>• Interdiction &amp; disruption</li> <li>• Screening, search &amp; detection</li> <li>• Access control &amp; identity verification</li> <li>• Physical protective measures</li> </ul>	<ul style="list-style-type: none"> <li>• Top Transit Asset List Risk Remediation</li> <li>• Protection of Other High-Risk, High-Consequence Areas or Systems That Have Been Identified Through System-wide Risk Assessments</li> </ul>
Exercises	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Response Exercises</li> </ul>

## **B. Federal Award Information**

### **Award Amounts, Important Dates, and Extensions**

**Available Funding for the NOFO:** \$10,000,000

**Projected number of Awards:** 1

**Period of Performance:** 36 months

Extensions to the period of performance are allowed. For additional information on period of performance extensions, please refer to the [Preparedness Grants Manual](#).

**Projected Period of Performance Start Date(s):** September 1, 2019

**Projected Period of Performance End Date(s):** August 31, 2022

**Funding Instrument:** Cooperative Agreement

## **C. Eligibility Information**

### **Eligible Applicants**

National Railroad Passenger Corporation (Amtrak) is the only eligible entity.

### **Eligibility Criteria**

Sections 1405 (6 U.S.C. § 1134) and 1406 (6 U.S.C. § 1135) of the Implementing Recommendations of the 9/11 Commission Act of 2007 require that high risk public transportation agencies that receive grant funding develop a security plan based on a security assessment. Additionally, the statutes direct that grant funds be used to address items in the security assessment or the security plan. To be eligible for the FY 2019 IPR, Amtrak must have developed, or updated, its security plan. The security plan must be based on a security assessment, such as the Baseline Assessment for Security Enhancement (BASE), which is performed by the Transportation Security Inspectors-Surface Division of the Transportation Security Administration (TSA). This security assessment must have been conducted within the last three years prior to receiving an FY 2019 IPR award. A copy of the security plan and security assessment must be provided to DHS/FEMA upon request. Please see the [Preparedness Grants Manual](#) for more information on security plan requirements.

Entities providing transit security (e.g., city/county police department or a public transportation agency's own police department) for a public transportation agency must approve the security plan. The signature of a responsible official from the agency's transit security provider serves as this approval. If there is more than one provider in the core service area, all transit security providers must review and concur with the plan. Associated documentation of this approval must be provided to DHS/FEMA upon request. In addition, the agency's transit security provider is encouraged to review the Investment Justifications (IJs) prior to submission.

National Railroad Passenger Corporation (Amtrak), in receiving funds through this program, must participate in Regional Transit Security Working Groups (RTSWG's) in participating urban areas. The RTSWG should serve as the forum for regional partners to discuss risk, planning efforts, and mitigation strategies. These discussions should be held regardless of funding to continue enhancing the overall security of the region. Regional working groups are a best practice for enhancing security and are encouraged for all jurisdictions.

### **Other Eligibility Criteria**

#### **National Incident Management System (NIMS)**

Prior to allocation of any Federal preparedness awards in FY 2019, recipients must adopt and/or maintain implementation of the NIMS. For further information on NIMS requirements, please see the [Preparedness Grants Manual](#).

#### **Cost Share or Match**

There is no cost share or cost match requirement for the FY 2019 IPR program.

## **D. Application and Submission Information**

### ***Key Dates and Times***

**Date Posted to Grants.gov:** April 12, 2019

**Application Submission Deadline:** May 29, 2019 at 5:00 PM ET

All applications **must** be received by the established deadline. The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants

will receive an electronic message confirming receipt of the full application. **DHS/FEMA will not review applications that are received after the deadline or consider these late applications for funding.** DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant’s control that prevent submission of the application by the deadline, or other exigent or emergency circumstances.

*Applicants experiencing technical issues must notify the FEMA Headquarters (HQ) Program Analyst prior to the application deadline.* If applicants do not know their FEMA HQ Program Analyst or if there are programmatic questions or concerns, please contact the Centralized Scheduling and Information Desk (CSID) by phone at (800) 368-6498 or by e-mail at [askesid@fema.gov](mailto:askesid@fema.gov), Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

**Anticipated Funding Selection Date:** August 2, 2019

**Anticipated Award Date:** Before September 30, 2019

**Other Key Dates**

<b>Event</b>	<b>Suggested Deadline For Completion</b>
Obtain DUNS Number	May 1, 2019
Obtain a valid Employer Identification Number (EIN)	May 1, 2019
Update SAM registration	May 1, 2019
Submitting initial application in Grants.gov	May 22, 2019
Submitting final application in Non-Disaster Grants System (ND Grants)	May 29, 2019, 5:00 pm ET

**Agreeing to Terms and Conditions of the Award**

By submitting an application, applicants agree to comply with the requirements of this NOFO and the terms and conditions of the award, should they receive an award.

**Address to Request Application Package**

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

**Content and Form of Application Submission**

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

**Unique Entity Identifier and System for Award Management (SAM)**

See the [Preparedness Grants Manual](#) for information on Unique Entity Identifier and SAM.

### **Electronic Delivery**

DHS/FEMA is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS/FEMA requires applicants to submit their initial applications online through Grants.gov and to submit final applications through ND Grants.

### **How to Register to Apply through Grants.gov**

Please see the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

### **How to Submit an Application to DHS via Grants.gov**

Please see the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

### **Submitting the Final Application in Non-Disaster Grants System (ND Grants)**

After submitting the initial application in [Grants.gov](#), eligible applicants will be notified by DHS/FEMA and asked to proceed with submitting their complete application package in [ND Grants](#). Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement or at the latest, seven days before the application deadline. Early registration will allow applicants to have adequate time to start and complete their application.

In [ND Grants](#) applicants will be prompted to submit all of the information contained in the following forms. Applicants should review these forms before applying to ensure they have all the information required:

- Standard Form 424A, Budget Information (Non-construction)
- Standard Form 424B, Standard Assurances (Non-construction)
- Standard Form LLL, Disclosure of Lobbying Activities

In addition, applicants must submit copies of the following in [ND Grants](#):

- Standard Form 424D, Standard Assurances (Construction) if applying for funds to use for construction;
- Standard Form 424C, Budget Information (Construction) if applying for grants to support construction;
- Investment Justification(s);
- Detailed Budget(s); and
- Indirect Cost Agreement, if applicable.

### *IPR Specific Application Instructions*

All applicants will submit their IPR grant application and associated IJs, including detailed budgets and associated Memoranda of Understanding (MOU)/Memoranda of Agreement (MOA), as a file attachment within [ND Grants](#) prior to the application deadline.

### *Investment Justification (IJ)*

As part of the FY 2019 IPR application process, applicants must develop a formal IJ that addresses each initiative being proposed for funding, including a project's M&A costs. Applicants may submit up to 15 IJs. The IJ must demonstrate how proposed projects address gaps and deficiencies in current programs and capabilities and link to one or more core capabilities identified in the National Preparedness Goal. Applicants are encouraged to submit a separate IJ for each proposed project. IPR projects must be: 1) feasible and effective at reducing the risks for which the project was designed; and 2) able to be fully completed within the 3-year period of performance. Applicants must ensure that the IJs are consistent with all applicable requirements outlined in this application kit. IJs must be submitted with the grant application as a file attachment within [ND Grants](#). Applicants must use the following file naming convention when submitting IJ attachments through [ND Grants](#) as part of the FY 2019 IPR program:

**Name of Applicant\_IJ Number (Example: Amtrak\_IJ 1)**

Applicants must provide information in the following categories for **each** proposed investment:

- I. Background
- II. Strategic and Program Priorities
- III. Impact
- IV. Funding/Implementation Plan

#### *Operational Packages (OPacks)*

Applicants that meet basic OPack eligibility requirements may elect to pursue OPack funding, such as Canine Teams, Mobile Explosive Screening Teams, and Anti-Terrorism Teams, for new capabilities as well as to sustain existing OPacks. Applicants pursuing both new OPacks and sustainment funding for existing OPacks must indicate in their IJs which option is the higher priority for their agency. Additionally, applicants pursuing either new teams or sustainment of existing teams must include the number of OPack teams already in place (either funded by the agency or by the IPR).

In addition, recipients must commit to minimum training standards to be set by DHS/FEMA for all Federally funded security positions.

#### *Detailed Budget*

Applicants must provide detailed budgets for the funds requested. The detailed budgets must be submitted with the grant application as a file attachment within [ND Grants](#). The budgets must be complete, reasonable, and cost-effective in relation to the proposed projects. The budgets should provide the basis of computation of all project-related costs, any appropriate narrative, and a detailed justification of M&A costs. Applicants receiving funds may not obligate, expend, or draw down funds until budgets and budget narratives have been approved by DHS/FEMA. The budget detail worksheet may be used as a guide to assist applicants in the preparation of budgets and budget narratives.

*Note: Design and Planning/Engineering costs must be clearly identified in a separate line item in order for partial funding to be released prior to Environmental Planning and Historic Preservation (EHP) review and approval.*

Please see the [Preparedness Grants Manual](#) for information on the EHP review process.

Detailed budgets must be submitted with the grant application as a file attachment within [ND Grants](#). Applicants must use the following file naming convention when submitting detailed budgets as part of the IPR application process:

**Agency Name\_IJ Number\_Budget (Example: Amtrak IJ \_1\_Budget)**

#### *Sensitive Security Information (SSI) Requirements*

A portion of the information that is routinely submitted in the course of applying for funding or reporting under certain programs or that is provided in the course of an entity's grant management activities under those programs that are under Federal control may be subject to protection under an SSI marking and must be properly identified and marked accordingly. SSI is a control designation used by DHS/FEMA to protect transportation security-related information. It is applied to information about security programs; vulnerability and threat assessments; screening processes; technical specifications of certain screening equipment and objects used to test screening equipment; and equipment used for communicating security information relating to air, land, or maritime transportation. Further information can be found at 49 C.F.R. Part 1520, Protection of Sensitive Security Information.

For the purposes of the IPR, and due to the high frequency of SSI found in IPR-related IJs, all IPR IJs shall be considered SSI and treated as such until they have been subject to review for SSI by DHS/FEMA. Therefore, applicants shall label all application documents as SSI in accordance with 49 C.F.R. § 1520.13.

#### **Timely Receipt Requirements and Proof of Timely Submission**

**Online Submissions:** As application submission is a two-step process, the applicant with the AOR role who submitted the application in Grants.gov will receive an acknowledgement of receipt, a tracking number (GRANTXXXXXXXXXX) from Grants.gov, and an Agency Tracking Number (EMX-2019-XX-XXXX) with the successful transmission of their initial application. This notification does not serve as proof of timely submission, as the application is not complete until it is submitted in ND Grants. All applications must be received in ND Grants by 5:00 PM Eastern Time on May 29, 2019. Proof of timely submission is automatically recorded by ND Grants. An electronic date/time stamp is generated within the system when the application is successfully received by ND Grants. Additionally, the applicant(s) listed as contacts on the application will receive a system-generated email to confirm receipt.

#### **Funding Restrictions**

Federal funds made available through this award may be used for the purposes set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal awards, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. For additional information on allowable costs and Funding Restrictions, please refer to the [Preparedness Grants Manual](#).

### **Cost Principles**

Costs charged to this award must be consistent with the Cost Principles in the Federal Acquisition Regulation (FAR) Part 31.2 in lieu of 2 C.F.R. Part 200, Subpart E. Any conflicts between FAR Part 31.2 and CFR 200, Subpart E shall be resolved in favor of the applicable provision in FAR Part 31.2.

### **Direct Costs**

#### **Construction and Renovation**

Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction costs to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any program funds for construction or renovation. See the [Preparedness Grants Manual](#) for additional information. Additionally, recipients are required to submit an SF-424C Form and Budget detail citing the project costs.

#### **Operational Overtime**

Operational Overtime costs are allowed under this program.

#### **Travel**

Domestic travel costs are allowed under this program as described in this NOFO. International travel is not an allowable cost under this program unless approved in advance by DHS/FEMA.

#### **Maintenance and Sustainment**

Maintenance and Sustainment related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable as described in FEMA Policy FP 205-402-125-1 (<http://www.fema.gov/media-library/assets/documents/32474>). For additional details on allowable costs under the IPR, see the [Preparedness Grants Manual](#).

#### **Management and Administration (M&A) Costs**

Management and administration costs are allowed. Recipients may use *up to* 5 percent (5%) of the amount of the award for their M&A. M&A activities are those defined as directly relating to the management and administration of IPR funds, such as financial management and monitoring. Management and administrative expenses must be based on actual expenses or known contractual costs. M&A requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement.

M&A costs are not operational costs. They are the necessary costs incurred in direct support of the grant or as a consequence of the grant and should be allocated across the entire lifecycle of the grant. Examples include preparing and submitting required programmatic and financial reports, establishing and/or maintaining equipment inventory, documenting operational and equipment expenditures for financial accounting purposes,

and responding to official informational requests from state and federal oversight authorities.

Please see the [Preparedness Grants Manual](#) for additional information on Direct Costs.

### **Indirect (Facilities & Administrative [F&A]) Costs**

Indirect costs are allowable under this program as described in 2 C.F.R. § 200.414. With the exception of recipients who have never received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must have an approved indirect cost rate agreement with their cognizant Federal agency to charge indirect costs to this award. A copy of the approved rate (that is, a fully executed, agreement negotiated with the applicant's cognizant Federal agency) is required at the time of application and must be provided to DHS/FEMA before indirect costs are charged to the award.

## **E. Application Review Information**

### **Application Evaluation Criteria**

#### **Programmatic Criteria**

The FY 2019 IPR applications will be evaluated through a review process for completeness, adherence to programmatic guidelines, and anticipated effectiveness of the proposed investments. Amtrak is the only entity eligible to submit an application for the IPR program and must comply with all administrative requirements described herein — including the submission of IJs, budgets, and other application materials as required.

Investment justifications will be reviewed and selected based on the following criteria:

- 1. Funding priorities.** Projects will be evaluated and prioritized based on the extent to which they address the specific funding priorities contained in this NOFO.
- 2. Ability to reduce risk of catastrophic events.** Projects will be evaluated and prioritized on their ability to reduce risks associated with potential terrorist attacks and all other types of hazards.
- 3. Sustainability without additional federal funds and leveraging of other funding.** Projects will be evaluated and prioritized regarding the extent to which they exhibit a likelihood of success or continued success without requiring additional federal assistance.
- 4. Timeline.** Projects will be evaluated and prioritized on Amtrak's to complete the proposed project within submitted timeframes.

Grant projects must be both (1) feasible and effective at reducing the risks for which the project was designed and (2) able to be fully completed within the 3-year period of performance.

DHS/FEMA will use the information provided in the application as well as any supporting documentation to determine the feasibility and effectiveness of grant projects. Information that would assist in this feasibility and effectiveness determination includes the following:

- Scope of work (purpose and objectives of the project, identification of what is being protected)
- Desired outcomes, including expected long-term impact where applicable
- Summary of status of planning and design accomplished to date (*e.g.*, included in a capital improvement plan)
- Project schedule

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices.

### **Financial Integrity Criteria**

Prior to making a Federal award, FEMA is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information. Therefore, application evaluation criteria may include the following risk based considerations of the applicant:

1. Financial stability.
2. Quality of management systems and ability to meet management standards.
3. History of performance in managing federal award.
4. Reports and findings from audits.
5. Ability to effectively implement statutory, regulatory, or other requirements.

### **Supplemental Financial Integrity Review**

If the anticipated federal share of a federal award will be greater than the simplified acquisition threshold, currently \$250,000 (*see* Section 805 of the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 115-91, OMB Memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>; *see also* [FEMA GPD Information Bulletin No. 434, Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds](#)):

- i. Prior to making a federal award with a total amount of federal share greater than the simplified acquisition threshold, DHS is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIIS).
- ii. An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM.
- iii. DHS will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 C.F.R. § 200.205 federal awarding agency review of risk posed by applicants.

### **Review and Selection Process**

Amtrak is the only eligible entity for the FY 2019 IPR program.

## **F. Federal Award Administration Information**

### **Notice of Award**

Please see the [Preparedness Grants Manual](#) for information on Notice of Award.

### **Administrative and National Policy Requirements**

Recipients should apply the cost principles in the Federal Acquisition Regulation (FAR) in lieu of the cost principles at 2 C.F.R. Part 200, Subpart E, when expending funds associated with IPR awards. Any conflicts between 31.2 of the FAR and 2 C.F.R. Part 200, Subpart E shall be resolved in favor of the applicable provision in Subpart 31.2 of the FAR. Please see the [Preparedness Grants Manual](#) for further information on Administrative and National Policy requirements.

### **Reporting**

Please see the [Preparedness Grants Manual](#) for information on reporting requirements, including financial, programmatic, and closeout reporting and disclosing information per 2 C.F.R. § 180.335.

## **G. DHS Awarding Agency Contact Information**

### ***Contact and Resource Information***

#### **Centralized Scheduling and Information Desk (CSID)**

CSID is a non-emergency comprehensive management and information resource developed by DHS/FEMA for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the federal, state, and local levels. When necessary, recipients will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at [askcsid@fema.gov](mailto:askcsid@fema.gov), Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

#### **GPD Grant Operations Division**

GPD's Grant Operations Division Business Office provides support regarding financial matters and budgetary technical assistance. Additional guidance and information can be obtained by contacting the FEMA Grant Operations Help Center via e-mail at [ASK-GMD@fema.gov](mailto:ASK-GMD@fema.gov).

#### **FEMA Regional Offices**

FEMA Regional Offices also may provide fiscal support, including pre- and post-award administration and technical assistance such as conducting cash analysis, financial monitoring, and audit resolution to the grant programs included in this solicitation. GPD will provide programmatic support and technical assistance. FEMA Regional Office contact information is available at <https://www.fema.gov/fema-regional-contacts>.

### **GPD Environmental Planning and Historic Preservation (GPD EHP)**

The FEMA GPD EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects or the EHP review process, including the submittal of EHP review materials, should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov). EHP Technical Assistance, including the EHP Screening Form, can be found online at <https://www.fema.gov/media-library/assets/documents/90195>.

### ***Systems Information***

#### **Grants.gov**

For technical assistance with [Grants.gov](http://Grants.gov), please call the customer support hotline at (800) 518-4726.

#### **Non-Disaster (ND) Grants**

For technical assistance with the ND Grants system, please contact the ND Grants Helpdesk at [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

#### **Payment and Reporting System (PARS)**

DHS/FEMA uses the Payment and Reporting System ([PARS](#)) for financial reporting, invoicing, and tracking payments. DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, recipients must complete a Standard Form 1199A, Direct Deposit Form.

## **H. Additional Information**

GPD has developed the [Preparedness Grants Manual](#) to guide applicants and recipients of grant funding on how to manage their grants and other resources. Recipients seeking guidance on policies and procedures for managing Preparedness Grants should reference the manual for further information. Examples of information contained in the [Preparedness Grants Manual](#) include:

- Conflicts of Interest in the Administration of Federal Awards and Subawards
- Extensions
- Monitoring
- Procurement Integrity
- Other Post-Award Requirements

In response to recent disasters, FEMA has introduced a new lifelines construct, in order to enable the continuous operation of government functions and critical business essential to human health, safety, or economic security during and after a disaster. To learn more about lifelines, please refer to the [Preparedness Grants Manual](#), or visit <http://www.fema.gov/national-planning-frameworks>.

**The Department of Homeland Security (DHS)  
Notice of Funding Opportunity (NOFO)  
Fiscal Year 2020 Intercity Passenger Rail (IPR) Program**

**NOTE:** If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take 4 weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS and SAM is also provided in Section D of this NOFO, subsection, Content and Form of Application Submission.

**A. Program Description**

**1. Issued By**

U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

**2. Assistance Listings (formerly Catalog of Federal Domestic Assistance (CFDA) Number)**

97.075

**3. Assistance Listings Title (formerly CFDA Title)**

Rail and Transit Security Grant Program

**4. Funding Opportunity Title**

Intercity Passenger Rail Program

**5. Funding Opportunity Number**

DHS-20-GPD-075-000-02

**6. Authorizing Authority for Program**

Section 1513 of the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. No. 110-53) (6 U.S.C. § 1163)

**7. Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2020* (Pub. L. No. 116-93)

**8. Announcement Type**

New

## 9. Program Overview, Objectives, and Priorities

### Overview

The Fiscal Year (FY) 2020 Intercity Passenger Rail (IPR) – Amtrak program is one of four grant programs that constitute the Department of Homeland Security (DHS)/Federal Emergency Management Agency’s (FEMA’s) focus on transportation infrastructure security activities. These grant programs are part of a comprehensive set of measures authorized by Congress and implemented by the Department of Homeland Security (DHS) to help strengthen the Nation’s critical infrastructure against potential terrorist attacks. IPR provides funds to Amtrak to protect critical surface transportation infrastructure and the traveling public from acts of terrorism. Among the five basic homeland security missions noted in the 2018 DHS Quadrennial Homeland Security Review, IPR supports the goal to Strengthen National Preparedness and Resilience.

The 2018-2022 FEMA Strategic Plan creates a shared vision for managing the risks posed by terrorism and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The IPR program supports the goals of Building a Culture of Preparedness and Ready the Nation for Catastrophic Disasters. We invite our stakeholders and partners to also adopt these priorities and join us in building a more prepared and resilient nation.

Finally, for FY 2020, DHS is focused on the criticality of information sharing and collaboration to building a national culture of preparedness and protecting against terrorism and other emerging threats to our national security. DHS and its homeland security mission were born from the “failures among federal agencies and between the federal agencies and state and local authorities to share critical information related to the threat of terrorism” prior to the September 11, 2001, attacks.<sup>1</sup> The threat profile has changed in the last two decades – we now face continuous cyber threats by sophisticated actors, threats to soft targets and crowded places, threats to our democratic election process and threats from new and emerging technologies. But information sharing and cooperation between state, local, and tribal authorities and federal agencies, including all DHS officials, is just as vital, and perhaps even more vital, today. Therefore, for FY 2020, we have identified [three] priority areas, tied to some of the most serious threats that recipients should address with their IPR funds. Perhaps most importantly, DHS will be focused on forging partnerships to strengthen information sharing and collaboration in each of these priority areas and looking for recipients to remove barriers to communication and cooperation with DHS.

### Objectives

The objective of the FY 2020 IPR is to provide funds to the National Railroad Passenger Corporation (Amtrak) to protect critical transportation infrastructure and the travelling public from terrorism, and to increase transportation infrastructure resilience.

<sup>1</sup> Homeland Security Act of 2002: Report Together with Minority and Dissenting Views 222, Select Committee on Homeland Security: 107th Congress, U.S. House of Representatives (2002) (H. Rpt. 107-609).

**Priorities**

Given the evolving threat landscape, it is incumbent upon DHS/FEMA to continuously evaluate the national risk profile and set priorities that help ensure appropriate allocation of scarce security dollars. In assessing the national risk profile for FY 2020, three areas attract the most concern. As a result, DHS is requiring a minimum percentage of the FY 2020 IPR be spent in the following areas:

- 1) Enhancing cybersecurity – (no minimum percent);
- 2) Enhancing the protection of soft targets/crowded places – 5 percent; and
- 3) Addressing emerging threats (e.g., transnational criminal organizations, weapons of mass destruction [WMD], unmanned aerial systems [UASs], etc.) – 5 percent.

Likewise, there are several enduring security needs that crosscut the homeland security enterprise. The following are second-tier priorities that help recipients implement a comprehensive approach to securing critical transportation infrastructure:

- 1) Effective planning;
- 2) Training and awareness campaigns;
- 3) Equipment and capital projects; and
- 4) Exercises.

The table below provides a breakdown of these priority areas for the FY 2020 IPR, showing both the core capabilities enhanced and lifelines supported, as well as examples of eligible project types for each area. A detailed description of allowable investments for each project type is included in the [Preparedness Grants Manual](#).

**FY 2020 IPR Funding Priorities**

Priority Areas	Core Capabilities	Lifelines	Example Project Types
<b>National Priorities</b>			
Enhancing Cybersecurity	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Intelligence and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and security</li> <li>• Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Cybersecurity risk assessments</li> <li>• Projects that address vulnerabilities identified in cybersecurity risk assessments               <ul style="list-style-type: none"> <li>○ Improving cybersecurity of critical infrastructure to meet minimum levels identified by CISA</li> <li>○ Cybersecurity training and planning</li> </ul> </li> </ul>

Priority Areas	Core Capabilities	Lifelines	Example Project Types
Enhancing the Protection of Soft Targets/Crowded Places	<ul style="list-style-type: none"> <li>Operational coordination</li> <li>Public information and warning</li> <li>Intelligence and Information Sharing</li> <li>Interdiction and disruption</li> <li>Screening, search, and detection</li> <li>Access control and identity verification</li> <li>Physical protective measures</li> <li>Risk management for protection programs and activities</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Physical security enhancements at Amtrak-owned stations <ul style="list-style-type: none"> <li>Security cameras (CCTV)</li> <li>Security screening equipment and technology for people and baggage</li> <li>Access controls <ul style="list-style-type: none"> <li>Fencing, gates, barriers, etc.</li> </ul> </li> </ul> </li> <li>Use of visible, unpredictable deterrence, to include Operational Packages <ul style="list-style-type: none"> <li>Explosive Detection Canine Teams</li> <li>Mobile Screening Teams</li> <li>Anti-terrorism Teams</li> </ul> </li> <li>Directed/Surge Patrols on Overtime</li> </ul>
Addressing Emerging Threats, such as Transnational Criminal Organizations, WMD and UAS	<ul style="list-style-type: none"> <li>Interdiction and disruption</li> <li>Screening, search and detection</li> <li>Physical protective measures</li> <li>Intelligence and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Chemical Biological Radiological Nuclear and Explosive (CBRNE) detection, prevention, response, and recovery equipment</li> <li>Explosive Detection Canine Teams</li> <li>Security screening equipment and technology for people and baggage</li> <li>UAS detection technologies</li> </ul>
<b>Enduring Needs</b>			
Planning	<ul style="list-style-type: none"> <li>Planning</li> <li>Risk management for protection programs &amp; activities</li> <li>Risk &amp; disaster resilience assessment</li> <li>Threats and hazards identification</li> <li>Operational coordination</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Development of: <ul style="list-style-type: none"> <li>System-wide Security Risk Management Plans</li> <li>Continuity of Operations Plans</li> <li>Response Plans/Station Action Plans</li> <li>System-wide and/or asset-specific vulnerability assessments</li> </ul> </li> <li>Efforts to strengthen governance integration between/among regional partners</li> </ul>
Training & Awareness	<ul style="list-style-type: none"> <li>Long-term vulnerability reduction</li> <li>Public information &amp; warning</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Active shooter training</li> <li>Security training for employees</li> <li>Public awareness/preparedness campaigns</li> </ul>
Equipment & Capital Projects	<ul style="list-style-type: none"> <li>Long-term vulnerability reduction</li> <li>Infrastructure systems</li> <li>Operational communications</li> <li>Interdiction &amp; disruption</li> <li>Screening, search &amp; detection</li> <li>Access control &amp; identity verification</li> <li>Physical protective measures</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Top Transit Asset List (TTAL) risk remediation</li> <li>Protection of other high-risk, high-consequence areas or systems that have been identified through system-wide risk assessments</li> </ul>
Exercises	<ul style="list-style-type: none"> <li>Long-term vulnerability reduction</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Response exercises</li> </ul>

## 10. Performance Metrics

Performance metrics for this program are as follows:

- Percentage of funding allocated by the recipient to core capabilities to build or sustain the national priorities identified in the section above.

## B. Federal Award Information

- |   |                       |
|---|-----------------------|
| 1. Available Funding for the NOFO:                | \$10,000,000          |
| 2. Period of Performance:                         | 36 months             |
| 3. Projected Period of Performance Start Date(s): | 9/1/2020              |
| 4. Projected Period of Performance End Date(s):   | 8/31/2023             |
| 5. Funding Instrument Type:                       | Cooperative Agreement |

Throughout the period of performance, FEMA consistently has substantial federal involvement in the recipient's activities. The program office continuously reviews and approves various stages of work. They also are able to halt an activity immediately if detailed performance specifications aren't met. FEMA undertakes monitoring that permits them to direct or redirect work because of other projects and the program office and the recipient participate jointly in assistance activities.

## C. Eligibility Information

### 1. Eligible Applicants

The National Railroad Passenger Corporation (Amtrak) is the only eligible entity.

### 2. Applicant Eligibility Criteria

Sections 1405 (6 U.S.C. § 1134) and 1406 (6 U.S.C. § 1135) of the *Implementing Recommendations of the 9/11 Commission Act of 2007* require that high risk public transportation agencies that receive grant funding develop a security plan based on a security assessment. Additionally, the statutes direct that grant funds be used to address items in the security assessment or the security plan. To be eligible for the FY 2020 IPR, Amtrak must have developed, or updated, its security plan. The security plan must be based on a security assessment, such as the Baseline Assessment for Security Enhancement (BASE), which is performed by the Transportation Security Inspectors-Surface Division of the Transportation Security Administration (TSA). This security assessment must have been conducted within the last three years prior to receiving an FY 2020 IPR award. A copy of the security plan and security assessment must be provided to DHS/FEMA upon request. Please see the [Preparedness Grants Manual](#) for more information on security plan requirements.

Entities providing transit security (e.g., city/county police department or a public transportation agency's own police department) for a public transportation agency must

approve the security plan. The signature of a responsible official from the agency's transit security provider serves as this approval. If there is more than one provider in the core service area, all transit security providers must review and concur with the plan. Associated documentation of this approval must be provided to DHS/FEMA upon request. In addition, the agency's transit security provider is encouraged to review the Investment Justifications (IJs) prior to submission.

Amtrak, in receiving funds through this program, must participate in Regional Transit Security Working Groups (RTSWG) in participating urban areas. The RTSWG should serve as the forum for regional partners to discuss risk, planning efforts, and mitigation strategies. These discussions should be held regardless of funding to continue enhancing the overall security of the region. Regional working groups are a best practice for enhancing security and are encouraged for all jurisdictions.

### 3. Other Eligibility Criteria

Prior to allocation of any Federal preparedness awards in FY 2020, recipients must adopt and/or maintain implementation of the National Incident Management System (NIMS). Please see the [Preparedness Grants Manual](#) for more information on NIMS.

### 4. Cost Share or Match

There is no cost share or cost match requirement for the FY 2020 IPR program.

## D. Application and Submission Information

### 1. Key Dates and Times

- a. **Application Start Date:** 2/14/2020
- b. **Application Submission Deadline:** 4/30/2020 ~~4/15/2020~~ at 5 P.M. ET

All applications **must** be received by the established deadline. The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of the full application. ***DHS/FEMA will not review applications that are not received by the deadline or consider these late applications for funding.*** DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances.

***Applicants experiencing technical issues must notify the FEMA Headquarters (HQ) Program Analyst prior to the application deadline.*** If applicants do not know their FEMA HQ Program Analyst or if there are programmatic questions or concerns, please contact the Centralized Scheduling and Information Desk (CSID) by phone at

(800) 368-6498 or by e-mail at [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov), Monday through Friday, 9 a.m. – 5 p.m. ET.

- c. **Anticipated Funding Selection Date:** *No later than 7/1/2020*
- d. **Anticipated Award Date:** *No later than 9/30/2020*
- e. **Other Key Dates:**

<b>Event</b>	<b>Suggested Deadline for Completion</b>
Obtaining DUNS Number	3/16/2020 <del>3/1/2020</del>
Obtaining a valid EIN	3/16/2020 <del>3/1/2020</del>
Updating SAM registration	3/16/2020 <del>3/1/2020</del>
Completing initial application in Grants.gov	4/23/2020 <del>4/8/2020</del>
Submitting final application in the Non-Disaster (ND) Grants System	4/30/2020 <del>4/15/2020</del> , 5 P.M. ET

## 2. Agreeing to Terms and Conditions of the Award

By submitting an application, applicants agree to comply with the requirements of this NOFO and the terms and conditions of the award, should they receive an award.

## 3. Address to Request Application Package

Application forms and instructions are available on Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Applicants” then “Apply for Grants. Hard copies of the NOFO and associated application materials are not available. In order to obtain the application package, select “Download a Grant Application Package.” Enter the Assistance Listings (formerly CFDA) and/or the funding opportunity number located on the cover of this NOFO, select “Download Package,” and then follow the prompts to download the application package.

In addition, the following Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice and all relevant NOFOs is (800) 462-7585. Initial applications are processed through the Grants.gov portal. Final applications are completed and submitted through FEMA’s Non-Disaster Grants (ND Grants) System. Application forms and instructions are available at Grants.gov. Applications will be processed through the Grants.gov portal and ND Grants.

## 4. Steps Required to Submit an Application, Unique Entity Identifier, and System for Award Management (SAM)

To apply for an award under this program, all applicants must:

- a. Apply for, update, or verify their Data Universal Numbering System (DUNS) Number from Dun & Bradstreet (D&B) and Employer ID Number (EIN)

- b. In the application, provide a valid Data Universal Numbering System DUNS number, which is currently the unique entity identifier;
- c. Have an account with [login.gov](https://login.gov);
- d. Register for, update, or verify their SAM account and ensure the account is active before submitting the application;
- e. Create a Grants.gov account;
- f. Add a profile to a Grants.gov account;
- a. Establish an Authorized Organizational Representative (AOR) in Grants.gov;
- b. Submit an initial application in Grants.gov;
- g. Submit the final application in the ND Grants system; and
- h. Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by a federal awarding agency.

Applicants are advised that DHS may not make a federal award until the applicant has complied with all applicable DUNS and SAM requirements. Therefore, an applicant's SAM registration must be active not only at the time of application, but also during the application review period and when DHS is ready to make a federal award. Further, as noted above, an applicant's or recipient's SAM registration must remain active for the duration of an active federal award. If an applicant's SAM registration is expired at the time of application, expires during application review, or expires any other time before award, DHS may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

## 5. Electronic Delivery

DHS is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS encourages or requires applicants to submit their applications online through Grants.gov, depending on the funding opportunity. For this funding opportunity, applicants are required to submit applications through Grants.gov and ND Grants.

## 6. How to Register to Apply through Grants.gov

- a. *Instructions:* Registering in Grants.gov is a multi-step process. Read the instructions below about registering to apply for DHS funds. Applicants should read the registration instructions carefully and prepare the information requested before beginning the registration process. Reviewing and assembling the required information before beginning the registration process will alleviate last-minute searches for required information.

The registration process can take up to four weeks to complete. Therefore, registration should be done in sufficient time to ensure it does not impact your ability to meet required application submission deadlines. Organizations must have a Data Universal Numbering System (DUNS) Number, active System for Award Management (SAM) registration, and Grants.gov account to apply for grants. If individual applicants are eligible to apply for this grant funding opportunity, then you may begin with step 3, Create a Grants.gov account, listed below.

Creating a Grants.gov account can be completed online in minutes, but DUNS and SAM registrations may take several weeks. Therefore, an organization's registration should be done in sufficient time to ensure it does not impact the entity's ability to meet required application submission deadlines. Complete organization instructions can be found on Grants.gov here:

<https://www.grants.gov/web/grants/applicants/organization-registration.html>

- 1) *Obtain a DUNS Number:* All entities applying for funding, including renewal funding, must have a DUNS number from Dun & Bradstreet (D&B). Applicants must enter the DUNS number in the data entry field labeled "Organizational DUNS" on the SF-424 form.

For more detailed instructions for obtaining a DUNS number, refer to:

<https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

- 2) *Register with SAM:* All organizations applying online through Grants.gov must register with the System for Award Management (SAM). Failure to register with SAM will prevent your organization from applying through Grants.gov. SAM registration must be renewed annually.

For more detailed instructions for registering with SAM, refer to:

<https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html>

- 3) *Create a Grants.gov Account:* The next step is to register an account with Grants.gov. Follow the on-screen instructions or refer to the detailed instructions here: <https://www.grants.gov/web/grants/applicants/registration.html>
- 4) *Add a Profile to a Grants.gov Account:* A profile in Grants.gov corresponds to a single applicant organization the user represents (i.e., an applicant) or an individual applicant. If you work for or consult with multiple organizations and have a profile for each, you may log in to one Grants.gov account to access all of your grant applications. To add an organizational profile to your Grants.gov account, enter the DUNS Number for the organization in the DUNS field while adding a profile.

For more detailed instructions about creating a profile on Grants.gov, refer to:

<https://www.grants.gov/web/grants/applicants/registration/add-profile.html>

- 5) *EBiz POC Authorized Profile Roles:* After you register with Grants.gov and create an Organization Applicant Profile, the organization applicant's request for Grants.gov roles and access is sent to the EBiz POC. The EBiz POC will then log in to Grants.gov and authorize the appropriate roles, which may include the AOR role, thereby giving you permission to complete and submit applications on behalf of the organization. You will be able to submit your application online any time after you have been assigned the AOR role.

For more detailed instructions about creating a profile on Grants.gov, refer to:  
<https://www.grants.gov/web/grants/applicants/registration/authorize-roles.html>

- 6) *Track Role Status*: To track your role request, refer to:  
<https://www.grants.gov/web/grants/applicants/registration/track-role-status.html>
- 7) *Electronic Signature*: When applications are submitted through Grants.gov, the name of the organization applicant with the AOR role that submitted the application is inserted into the signature line of the application, serving as the electronic signature. The EBiz POC *must* authorize people who are able to make legally binding commitments on behalf of the organization as a user with the AOR role; *this step is often missed, and it is crucial for valid and timely submissions.*

## 7. How to Submit an Application to DHS via Grants.gov

Grants.gov applicants can apply online using Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different webforms within an application. For each NOFO, you can create individual instances of a workspace.

Below is an overview of applying on Grants.gov. For access to complete instructions on how to apply for opportunities using Workspace, refer to:

<https://www.grants.gov/web/grants/applicants/workspace-overview.html>

- a. *Create a Workspace*: Creating a workspace allows you to complete it online and route it through your organization for review before submitting.
- b. *Complete a Workspace*: Add participants to the workspace to work on the application together, complete all the required forms online or by downloading PDF versions, and check for errors before submission. The Workspace progress bar will display the state of your application process as you apply. As you apply using Workspace, you may click the blue question mark icon near the upper-right corner of each page to access context-sensitive help.
- c. *Adobe Reader*: If you decide not to apply by filling out webforms you can download individual PDF forms in Workspace. The individual PDF forms can be downloaded and saved to your local device storage, network drive(s), or external drives, then accessed through Adobe Reader.

NOTE: Visit the Adobe Software Compatibility page on Grants.gov to download the appropriate version of the software at:

<https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html>

- d. *Mandatory Fields in Forms*: In the forms, you will note fields marked with an asterisk and a different background color. These fields are mandatory fields that must be completed to successfully submit your application.

- e. *Complete SF-424 Fields First*: The forms are designed to fill in common required fields across other forms, such as the applicant name, address, and DUNS number. To trigger this feature, an applicant must complete the SF-424 information first. Once it is completed, the information will transfer to the other forms.
- f. *Submit a Workspace*: An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab. Grants.gov recommends submitting your application package at least 24-48 hours prior to the close date to provide you with time to correct any potential technical issues that may disrupt the application submission.
- g. *Track a Workspace Submission*: After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application. The number will be listed on the Confirmation page that is generated after submission. Using the tracking number, access the Track My Application page under the Applicants tab or the Details tab in the submitted workspace. For additional training resources, including video tutorials, refer to: <https://www.grants.gov/web/grants/applicants/applicant-training.html>
- h. *Applicant Support*: Grants.gov provides applicants 24/7 support via the toll-free number 1-800-518-4726 and email at [support@grants.gov](mailto:support@grants.gov). For questions related to the specific grant opportunity, contact the number listed in the application package of the grant you are applying for. If you are experiencing difficulties with your submission, it is best to call the Grants.gov Support Center and get a ticket number. The Support Center ticket number will assist DHS with tracking your issue and understanding background information on the issue.

## 8. Submitting the Final Application in Non-Disaster Grants System (ND Grants)

For assistance registering for the ND Grants system, please contact [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076. For step-by-step directions on using the ND Grants system and other guides, please see <https://www.fema.gov/non-disaster-grants-management-system>.

After submitting the initial application in [Grants.gov](https://www.grants.gov), eligible applicants will be notified by DHS/FEMA and asked to proceed with submitting their complete application package in [ND Grants](https://www.ndgrants.gov). Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement or at the latest, seven days before the application deadline. Early registration will allow applicants to have adequate time to start and complete their application.

## 9. Timely Receipt Requirements and Proof of Timely Submission

**Online Submissions**: As application submission is a two-step process, the applicant with the Authorized Organization Representative (AOR) role who submitted the application in Grants.gov will receive an acknowledgement of receipt, a tracking number (GRANTXXXXXXXX) from Grants.gov, and an Agency Tracking Number (EMX-2020-XX-XXXX) with the successful transmission of their initial application. This notification does not serve as proof of timely submission, as the application is not

complete until it is submitted in ND Grants . All applications must be received in ND Grants by 5 p.m. Eastern Time on April 30, 2020. Proof of timely submission is automatically recorded by ND Grants. An electronic date/time stamp is generated within the system when the application is successfully received by ND Grants. Additionally, the applicant(s) listed as contacts on the application will receive a system-generated email to confirm receipt.

## **10. Content and Form of Application Submission**

In [ND Grants](#) applicants will be prompted to submit all of the information contained in the following forms. Applicants should review these forms before applying to ensure they have all the information required:

- Standard Form 424A, Budget Information (Non-construction)
- Standard Form 424B, Standard Assurances (Non-construction)
- Standard Form LLL, Disclosure of Lobbying Activities

In addition, applicants must submit copies of the following in [ND Grants](#):

- Standard Form 424C, Budget Information (Construction) if applying for grants to support construction;
- Standard Form 424D, Standard Assurances (Construction) if applying for funds to use for construction;
- Investment Justification(s);
- Detailed Budget(s); and
- Indirect Cost Agreement, if applicable.

### **IPR-Specific Application Instructions**

All applicants will submit their TSGP grant application and associated investment justifications, including detailed budgets and associated Memoranda of Understanding (MOU)/Memoranda of Agreement (MOA), as a file attachment within [ND Grants](#) prior to the application deadline.

### **Priority Investments (IPR)**

#### **Cybersecurity (no minimum percentage)**

Cybersecurity investments must support the security and functioning of critical infrastructure and core capabilities as they relate to achieving target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism.

#### **Soft Targets and Crowded Places (5% minimum)**

Soft targets and crowded places are increasingly appealing to terrorists and other extremist actors because of their relative accessibility and the large number of potential targets. This challenge is complicated by the prevalent use of simple tactics and less sophisticated attacks. Segments of our society are inherently open to the general public, and by nature of their purpose do not incorporate strict security measures. Given the increased emphasis by terrorists and other extremist actors to leverage less sophisticated methods to inflict harm in public areas, it is vital that the

public and private sectors collaborate to enhance security of locations such as transportation centers, parks, restaurants, shopping centers, special event venues, and similar facilities. Additional resources and information regarding securing soft targets and crowded places are available through the [Cybersecurity and Infrastructure Security Agency](#).

#### **Emerging Threats (5% minimum)**

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists remain intent on acquiring weapons of mass destruction (WMD) capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and no-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of unmanned aircraft systems, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

#### **Investment Justification (IJ)**

As part of the FY 2020 IPR application process, applicants must develop a formal IJ that addresses each initiative being proposed for funding, including a project's management and administration (M&A) costs. *Applicants may submit up to eight IJs.* IJs must demonstrate how proposed projects address gaps and deficiencies in current programs and capabilities and link to one or more core capabilities identified in the National Preparedness Goal. Applicants are encouraged to submit a separate IJ for each proposed project. IPR projects must be: 1) feasible and effective at reducing the risks for which the project was designed, and 2) able to be fully completed within the 3-year period of performance. Applicants must ensure that the IJs are consistent with all applicable requirements outlined in this application kit. IJs must be submitted with the grant application as a file attachment within [ND Grants](#). Applicants must use the following file naming convention when submitting IJ attachments through [ND Grants](#) as part of the FY 2020 IPR program:

*Name of Applicant\_IJ Number (Example: Amtrak\_IJ 1)*

Applicants must provide information in the following categories for *each* proposed investment:

1. Background
2. Strategic and Program Priorities
3. Impact
4. Funding/Implementation Plan

### **Operational Packages (OPacks)**

Applicants that meet basic OPack eligibility requirements may elect to pursue OPack funding, such as Canine Teams, Mobile Explosive Screening Teams, and Anti-Terrorism Teams, for new capabilities as well as to sustain existing OPacks. Applicants pursuing both new OPacks and sustainment funding for existing OPacks must indicate in their IJs which option is the higher priority for their agency. Additionally, applicants pursuing either new teams or sustainment of existing teams must include the number of OPack teams already in place (either funded by the agency or by the IPR). In addition, recipients must commit to minimum training standards to be set by DHS/FEMA for all Federally funded security positions. In order for an application for an OPack to be considered eligible, it must include a *Five-Year Security Capital and Operational Sustainment Plan*. Please see [www.grants.gov](http://www.grants.gov) for the required template.

### **Detailed Budget**

Applicants must provide detailed budgets for the funds requested. The detailed budgets must be submitted with the grant application as a file attachment within [ND Grants](#). The budgets must be complete, reasonable, and cost-effective in relation to the proposed projects. The budgets should provide the basis of computation of all project-related costs, any appropriate narrative, and a detailed justification of M&A costs. Applicants receiving funds may not obligate, expend, or draw down funds until budgets and budget narratives have been approved by DHS/FEMA. The budget detail worksheet may be used as a guide to assist applicants in the preparation of budgets and budget narratives. ***Note: Design and Planning/Engineering costs must be clearly identified in a separate line item in order for partial funding to be released prior to Environmental Planning and Historic Preservation (EHP) review and approval.*** Please see the [Preparedness Grants Manual](#) for information on the EHP review process.

Detailed budgets must be submitted with the grant application as a file attachment within [ND Grants](#). Applicants must use the following file naming convention when submitting detailed budgets as part of the IPR application process:

***Agency Name\_IJ Number\_Budget (Example: Amtrak IJ\_1\_Budget)***

### **Sensitive Security Information (SSI) Requirements**

A portion of the information that is routinely submitted in the course of applying for funding or reporting under certain programs or that is provided in the course of an entity's grant management activities under those programs that are under Federal control may be subject to protection under an SSI marking and must be properly identified and marked accordingly. SSI is a control designation used by DHS/FEMA to protect transportation security-related information. It is applied to information about security programs; vulnerability and threat assessments; screening processes; technical

specifications of certain screening equipment and objects used to test screening equipment; and equipment used for communicating security information relating to air, land, or maritime transportation. Further information can be found at 49 C.F.R. Part 1520, Protection of Sensitive Security Information. For the purposes of the IPR, and due to the high frequency of SSI found in IPR-related IJs, all IPR IJs shall be considered SSI and treated as such until they have been subject to review for SSI by DHS/FEMA. Therefore, applicants shall label all application documents as SSI in accordance with 49 C.F.R. § 1520.13.

## 11. Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their state's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372. (See <https://www.archives.gov/federal-register/codification/executive-order/12372.html>; <https://www.whitehouse.gov/wp-content/uploads/2019/02/SPOC-February-2019.pdf>).

## 12. Funding Restrictions

All costs charged to awards covered by this NOFO must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 C.F.R. Part 200, unless otherwise indicated in the NOFO, the terms and conditions of the award, or the [Preparedness Grants Manual](#). For more information on FEMA's implementation of 2 C.F.R. Part 200, see Information Bulletin (IB) No. 400.

Federal funds made available through this award may be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal awards, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. See the [Preparedness Grants Manual](#) for more information on funding restrictions and allowable costs.

## 13. Allowable Costs

### Cost Principles

All costs charged to awards covered by this NOFO must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 C.F.R. Part 200, unless otherwise indicated in the NOFO, the terms and conditions of the award, or the [Preparedness Grants Manual](#). For more information on FEMA's implementation of 2 C.F.R. Part 200, see Information Bulletin (IB) No. 400. Federal funds made available through this award may be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal awards, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. See the [Preparedness Grants Manual](#) for more information on funding restrictions and allowable costs.

## Direct Costs

### a. Construction and Renovation

Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction costs to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any program funds for construction or renovation. See the [Preparedness Grants Manual](#) for additional information. Additionally, recipients are required to submit an SF-424C Form and budget detail citing the project costs.

### b. Operational Overtime

Operational Overtime costs are allowed under this program.

### c. Travel

Domestic travel costs are allowed under this program as described in this NOFO. International travel is not an allowable cost under this program unless approved in advance by DHS/FEMA.

### d. Maintenance and Sustainment

Maintenance- and sustainment-related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable as described in FEMA Policy FP 205-402-125-1 (<http://www.fema.gov/media-library/assets/documents/32474>). For additional details on allowable costs under the IPR, see the [Preparedness Grants Manual](#).

### e. Management and Administration (M&A) Costs

M&A costs are allowed. Recipients may use *up to* 5 percent of the amount of the award for their M&A. M&A activities are those defined as directly relating to the management and administration of IPR funds, such as financial management and monitoring. Management and administrative expenses must be based on actual expenses or known contractual costs. M&A requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement.

M&A costs are not operational costs. They are the necessary costs incurred in direct support of the grant or as a consequence of the grant and should be allocated across the entire lifecycle of the grant. Examples include preparing and submitting required programmatic and financial reports, establishing and/or maintaining equipment inventory, documenting operational and equipment expenditures for financial accounting purposes, and responding to official informational requests from state and Federal oversight authorities. Please see the [Preparedness Grants Manual](#) for additional information on Direct Costs.

**f. Indirect (Facilities & Administrative [F&A]) Costs**

Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above.

**E. Application Review Information**

**1. Application Evaluation Criteria**

**a. Programmatic Criteria**

The FY 2020 IPR applications will be evaluated through a review process for completeness, adherence to programmatic guidelines, and anticipated effectiveness of the proposed investments. Amtrak is the only entity eligible to submit an application for the IPR program and must comply with all administrative requirements described herein—including the submission of IJs, budgets, and other application materials as required. IJs will be reviewed and selected based on the following criteria:

- 1. Funding priorities.** Projects will be evaluated and prioritized based on the extent to which they address the National Priorities contained in this NOFO.
- 2. Ability to reduce risk of catastrophic events.** Projects will be evaluated and prioritized on their ability to reduce risks associated with potential terrorist attacks and all other types of hazards. For projects where an applicant's collaboration with others is relevant to the project's ability to reduce risks, projects will be evaluated based on the degree to which the proposal adequately details how the applicant will use investments to overcome existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, regional, and nonprofit partners. In evaluating an applicant's ability to collaborate, FEMA will consider any information provided by the applicant and may also consider relevant information from other sources.
- 3. Sustainability without additional Federal funds and leveraging of other funding.** Projects will be evaluated and prioritized regarding the extent to which they exhibit a likelihood of success or continued success without requiring additional Federal assistance.
- 4. Timeline.** Projects will be evaluated and prioritized on Amtrak's ability to complete the proposed project within submitted timeframes.

Grant projects must be both (1) feasible and effective at reducing the risks for which the project was designed and (2) able to be fully completed within the three-year period of performance. DHS/FEMA will use the information provided in the

application and any supporting documentation to determine the feasibility and effectiveness of proposed grant projects. Information that would assist in this feasibility and effectiveness determination includes the following:

- Scope of work (purpose and objectives of the project, identification of what is being protected)
- Desired outcomes, including expected long-term impact where applicable
- Summary of status of planning and design accomplished to date (e.g., included in a capital improvement plan)
- Project schedule

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices.

**b. Financial Integrity Criteria**

Prior to making a federal award, the FEMA is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB-designated repositories of government wide eligibility qualification or financial integrity information. Therefore, application evaluation criteria may include the following risk-based considerations of the applicant:

- 1) Financial stability.
- 2) Quality of management systems and ability to meet management standards.
- 3) History of performance in managing federal award.
- 4) Reports and findings from audits.
- 5) Ability to effectively implement statutory, regulatory, or other requirements.

**c. Supplemental Financial Integrity Criteria and Review**

If the anticipated Federal share of a Federal award will be greater than the simplified acquisition threshold, currently \$250,000 (*see* Section 805 of the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 115-91, OMB Memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>; *see also* [FEMA GPD Information Bulletin No. 434, Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds](#)):

- i. Prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, DHS is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIIS).
- ii. An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM.

- iii. DHS will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 C.F.R. § 200.205 Federal awarding agency review of risk posed by applicants.

## 2. Review and Selection Process

Amtrak is the only eligible entity for the FY 2020 IPR program.

## F. Federal Award Administration Information

### 1. Notice of Award

Please see the [Preparedness Grants Manual](#) for information on Notice of Award.

### 2. Administrative and National Policy Requirements

All successful applicants for DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at: [DHS Standard Terms and Conditions](#).

The applicable DHS Standard Terms and Conditions will be those in effect at the time the award was made, unless the application is for a continuation award. In that event, the terms and conditions in effect at the time the original award was made will generally apply. What terms and conditions will apply for the award will be clearly stated in the award package at the time of award. Please see the [Preparedness Grants Manual](#) for further information on Administrative and National Policy requirements.

### 3. Reporting

Please see the [Preparedness Grants Manual](#) for information on reporting requirements, including financial, programmatic, and closeout reporting and disclosing information per 2 C.F.R. § 180.335.

#### a. Disclosing Information per 2 C.F.R. § 180.335

This reporting requirement pertains to disclosing information related to government-wide suspension and debarment requirements. Before a recipient enters into a grant award with FEMA the recipient must notify FEMA if it knows if it or any of the recipient's principals under the award fall under one or more of the four criteria listed at 2 C.F.R. § 180.335:

- 1) Are presently excluded or disqualified;
- 2) Have been convicted within the preceding three years of any of the offenses listed in 2 C.F.R. § 180.800(a) or had a civil judgment rendered against it or any of the recipient's principals for one of those offenses within that time period;
- 3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 C.F.R. § 180.800(a); or

- 4) Have had one or more public transactions (federal, state, or local) terminated within the preceding three years for cause or default.

At any time after accepting the award, if the recipient learns that it or any of its principals falls under one or more of the criteria listed at 2 C.F.R. § 180.335, the recipient must provide immediate written notice to FEMA in accordance with 2 C.F.R. § 180.350.

**b. Reporting of Matters Related to Recipient Integrity and Performance**

Per 2 C.F.R. Part 200, Appendix I § F.3, the additional post-award reporting requirements in 2 C.F.R. Part 200, Appendix XII may apply to applicants who, if upon becoming recipients, have a total value of currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies that exceeds \$10,000,000 for any period of time during the period of performance of an award under this funding opportunity. Recipients that meet these criteria must maintain current information reported in FAPIIS about civil, criminal, or administrative proceedings described in paragraph 2 of Appendix XII at the reporting frequency described in paragraph 4 of Appendix XII.

**4. Monitoring**

Per 2 C.F.R. § 200.336, FEMA, through its authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and management control systems to review project accomplishments and to provide any required technical assistance. During site visits, FEMA will review grant recipients' files related to the grant award. As part of any monitoring and program evaluation activities, grant recipients must permit FEMA, upon reasonable notice, to review grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner to FEMA requests for information relating to the grant program.

**G. DHS Awarding Agency Contact Information**

**1. Contact and Resource Information**

**Centralized Scheduling and Information Desk (CSID)**

CSID is a non-emergency comprehensive management and information resource developed by DHS/FEMA for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, state, and local levels. When necessary, recipients will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov), Monday through Friday, 9 a.m. – 5 p.m. ET.

### **FEMA Grant Programs Directorate**

FEMA's Grant Programs Directorate (GPD) provides support regarding financial matters and budgetary technical assistance. Additional guidance and information can be obtained by contacting the FEMA Grant Operations Help Center via e-mail at [ASK-GMD@fema.gov](mailto:ASK-GMD@fema.gov).

### **FEMA Regional Offices**

FEMA Regional Offices also may provide support, including pre- and post-award administration and technical assistance such as conducting cash analysis, financial monitoring, and audit resolution to the grant programs included in this solicitation. GPD will provide programmatic support and technical assistance. FEMA Regional Office contact information is available at <https://www.fema.gov/fema-regional-contacts>.

### **GPD Environmental Planning and Historic Preservation (GPD EHP)**

The FEMA GPD EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects or the EHP review process, including the submittal of EHP review materials, should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov). EHP Technical Assistance, including the EHP Screening Form, can be found online at <https://www.fema.gov/media-library/assets/documents/90195>.

## **2. Systems Information**

### **Grants.gov**

For technical assistance with [Grants.gov](https://www.grants.gov), please call the customer support hotline at (800) 518-4726. Support is available 24/7, except for Federal holidays.

### **Non-Disaster (ND) Grants**

For technical assistance with the ND Grants system, please contact the ND Grants Helpdesk at [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076, Monday through Friday, 9 a.m. – 5 p.m. ET.

### **Payment and Reporting System (PARS)**

DHS/FEMA uses the Payment and Reporting System (PARS) for financial reporting, invoicing, and tracking payments. DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, recipients must complete a Standard Form 1199A, Direct Deposit Form.

## **H. Additional Information**

### **1. Period of Performance Extensions**

Extensions to the period of performance under this program are allowed on a case-by-case basis. Please see the [Preparedness Grants Manual](#) for additional information regarding extension requests.

## 2. Other

GPD has developed the [Preparedness Grants Manual](#) to guide applicants and recipients of grant funding on how to manage their grants and other resources. Recipients seeking guidance on policies and procedures for managing Preparedness Grants should reference the manual for further information. Examples of information contained in the [Preparedness Grants Manual](#) include:

- Conflicts of Interest in the Administration of Federal Awards and Subawards
- Extensions
- Monitoring
- Procurement Integrity
- Other Post-Award Requirements

In response to recent disasters, FEMA has introduced a new lifelines construct, in order to enable the continuous operation of government functions and critical business essential to human health, safety, or economic security during and after a disaster. To learn more about lifelines, please refer to the [Preparedness Grants Manual](#), or visit <http://www.fema.gov/national-planning-frameworks>.

Additionally, recipients can access the [DHS Strategic Framework for Countering Terrorism and Targeted Violence](#) which explains how the department will use the tools and expertise that have protected and strengthened the country from foreign terrorist organizations to address the evolving challenges of today.



## Homeland Security

### Fiscal Year 2020 Intercity Passenger Rail Program

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#### Overview

The Fiscal Year (FY) 2020 Intercity Passenger Rail (IPR) – Amtrak program is one of four grant programs that constitute the Department of Homeland Security (DHS)/Federal Emergency Management Agency’s (FEMA’s) focus on transportation infrastructure security activities. These grant programs are part of a comprehensive set of measures authorized by Congress and implemented by the Department of Homeland Security (DHS) to help strengthen the Nation’s critical infrastructure against potential terrorist attacks. IPR provides funds to Amtrak to protect critical surface transportation infrastructure and the traveling public from acts of terrorism.

*In Fiscal Year 2020, DHS is providing \$10 million to promote sustainable, risk-based efforts to protect critical transportation infrastructure and the traveling public from acts of terrorism.*

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#### Funding

In FY 2020, the total amount of funds to be distributed under this grant program is \$10 million. FY 2020 IPR funds are awarded to support the creation of sustainable, risk-based efforts to protect critical surface transportation infrastructure and the traveling public from acts of terrorism, major disasters, and other emergencies.

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#### Eligibility

The National Railroad Passenger Corporation (Amtrak) is the only entity eligible to apply for funding under the IPR program.

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#### Funding Guidelines

Consistent with the other non-competitive preparedness grant programs, new spending requirements are imposed in FY 2020. The three national priorities and associated minimum spend requirements for Amtrak are:

1. Enhancing Cybersecurity (no minimum spend requirement)
2. Enhancing the Protection of Soft Targets/Crowded Places: 5 percent
3. Addressing emerging threats (e.g., transnational criminal organizations, weapons of mass destruction [WMD], unmanned aerial systems [UASs], etc.): 5 percent

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## Application Process

Applying for an award under the IPR is a multi-step process:

Eligible applicants must submit their initial application at least seven days prior to the April 15, 2020 (at 5 p.m. ET) application deadline through the Grants.gov portal at <http://www.grants.gov>. Applicants needing Grants.gov support should contact the Grants.gov customer support hotline at (800) 518-4726.

Eligible applicants will be notified by FEMA and asked to proceed with submitting their complete application package in the [Non-Disaster \(ND\) Grants System](#) by the application deadline. Applicants needing technical support with the ND Grants System should contact [ndgrants@fema.dhs.gov](mailto:ndgrants@fema.dhs.gov) or (800) 865-4076, Monday through Friday from 9 a.m. – 6 p.m. ET.

Completed applications must be submitted no later than 5 p.m. ET on April 15, 2020.

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## IPR Resources

A variety of resources are available to address programmatic, technical, and financial questions, which can assist with the IPR, including:

- The FY 2020 IPR Notice of Funding Opportunity is located online at <http://www.fema.gov/grants> as well as on <http://www.grants.gov>.
- For additional program-specific information, applicants may contact the Centralized Scheduling and Information Desk (CSID) help line at (800) 368-6498 or [AskCSID@fema.dhs.gov](mailto:AskCSID@fema.dhs.gov). CSID hours of operation are from 9 a.m. to 5 p.m. ET, Monday through Friday.
- For support regarding financial grant management and budgetary technical assistance, applicants may contact the DHS/FEMA Grant Operations Help Desk via e-mail to [ASK-GMD@fema.dhs.gov](mailto:ASK-GMD@fema.dhs.gov).



## Amtrak's police strategy: More officers aboard trains, fewer in stations

By **Luz Lazo**

Feb. 21, 2020 at 6:00 a.m. CST

Amtrak is shifting many of its police officers from stations to trains to bolster their visibility in response to an increase in crime on board, the company said.

The move is part of an overhaul of the railroad system's strategy, which in the past year included ramping up security along the Northeast Corridor and a restructuring of its police force, which is responsible for the safety and security of 32.5 million passengers.

The changes, Amtrak said, have led to increased policing, chiefly aboard trains, where there was a spike in assaults and petty crimes last year.

"We really focused on getting more uniforms in front of people, which is the number one way we can increase safety. That was and continues to be our focus," said DJ Stadtler, the railroad service's executive vice president and chief administrative officer.

AD

Company officials say they have centralized resources in the Northeast, which in addition to increasing the number of officers on trains, includes securing sensitive assets along the corridor such as signal huts and service stations.

As part of that process, the company shifted positions, relocated officers and eliminated unfilled positions, thereby unsettling workers and the union that represents them. In a report to Congress last year, the union said the company planned to cut the police force by about 100 positions, or 20 percent, prompting congressional leaders to intervene.

An appropriations bill signed in December prohibits the company from reducing the number of uniformed officers in the system to below 431. Amtrak says it is complying, though it needs to hire 32 officers to reach that number. As of this week, Amtrak had 399 uniformed officers and was close to hiring 10, officials said.

AD

“These are critical jobs that ensure the safety and security of Amtrak passengers, workers, infrastructure, and communities throughout the nation,” said Rep. Peter A. DeFazio (D-Ore.), chair of the House Transportation Committee. DeFazio has been a vocal opponent of Amtrak’s police-force reduction since the Fraternal Order of Police reported the cuts to Congress last spring.

“Amtrak’s rail network passes through 46 states, and protecting this sprawling network is in the interest of all who travel by rail and surrounding communities,” DeFazio said.

Stadtler said the restructuring was in response to data that showed an upward trend in incidents aboard trains. The Silver Star, for example, a long-distance route from New York to Miami, was experiencing more crime than usual, much of it alcohol-related, officials said. The number of incidents decreased after an officer was assigned to ride the train, Stadtler said.

AD

“We found that redeploying folks from stations to trains increased our presence and increased the safety effectiveness of the entire police force,” Stadtler said.

Disorderly conduct ranks at the top of the offenses aboard trains and in stations, followed by thefts and assaults, according to police data from 2015 to 2019.

Overall, crime in the system is low and was down last year compared with 2018, officials said. But data also shows that the numbers have been increasing in recent years. Amtrak police responded to just over 5,700 criminal incidents in 2019, down from nearly 6,000 the year before. Both years, however, saw more offenses aboard trains and within Amtrak's jurisdiction than 2017, when there were about 4,100 incidents.

AD

"Part of what we have done over the past five months or so is take a look at all of that data and figure out where our officers are most properly placed to keep the number of incidents down," Stadler said.

Amtrak did not provide comparative data about assaults to support its claims that an increase prompted the recent redeployment of police resources.

Amtrak police respond to crime and emergencies at stations and aboard trains, and work with other law enforcement agencies to secure special events and conduct K-9 baggage sweeps and screenings. The force covers the system's more than 500 destinations in 46 states and the District, stretching across 21,400 miles.

AD

Amtrak President Richard Anderson told lawmakers in November that officer rides are up more than 1,000 percent, year over year.

Relocating resources is easier at places such as Washington's Union Station, where in addition to Amtrak police there are also transit, local and federal law enforcement officers. An Amtrak officer might spend part of the day patrolling Union Station and riding trains up and down the Northeast Corridor — the railroad system's busiest.

Amtrak said it is complying with the mandate from Congress.

“We will retain this number of active positions and actively attempt to fill them,” Amtrak spokeswoman Christina Leeds said, referring to the 431-officer level set by Congress. “However, we cannot control attrition, personnel transfers, individuals who choose to leave for personal reasons, or open positions that take time to fill. These exact numbers will always be in flux and will change frequently, particularly at this early stage of realignment.” **4/5**

AD

The department’s budget this year supports a total of 456 positions, including civilian jobs, down from 534 positions in fiscal 2019.

Amtrak officials said the change reflects reductions in administrative jobs, non-patrol police jobs and the elimination of some unfilled positions. At least 21 officers voluntarily left jobs in the past year, chiefly due to retirement, they said.

William Gonzalez, president of Amtrak’s Fraternal Order of Police, which brought the proposed cuts to the attention of Congress, said the staffing losses jeopardize the safety and security of passengers and employees.

“We are already below the manpower that is needed,” Gonzalez said. “It is a safety issue for the traveling public that uses Amtrak.”

AD

Gonzalez said the officers that have left the agency in recent months through retirement have not been replaced. Although, he said, management has talked about hiring for months.

“We need the police officers in order to provide the security that Amtrak is claiming to Congress that is happening,” Gonzalez said.

At a House hearing in November, Rep. Tom Malinowski (D-N.J.) questioned Amtrak's assertion that personnel losses have not taken a toll on the police department. 3/5

“Not to be too alarmist, but we have trains running between Washington and New York City, the heart of what some people with anti-government ideologists consider to be the establishment of the United States. I can walk in those trains without a metal detector,” Malinowski said. “What would happen if somebody opened fire on a train with hundreds of people on the Northeast Corridor? How equipped is Amtrak to deal with that situation?”

AD

The ongoing changes, Anderson reassured Malinowski, put Amtrak in better position to handle any such security threats.

“We have morphed the department from a traditional management-heavy organization to an organization that puts a lot of policemen on trains and in stations,” he said.

**Luz Lazo**

Luz Lazo is a transportation reporter at The Washington Post covering passenger and freight transportation, buses, taxis and ride-sharing services. She also writes about traffic, road infrastructure and air travel in the Washington region and beyond. She joined The Post in 2011. Follow 

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION —  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

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**VERIFIED STATEMENT**

**OF**

**THOMAS D. CROWLEY  
PRESIDENT**

**AND**

**ROBERT D. MULHOLLAND  
SENIOR VICE PRESIDENT**

**L. E. PEABODY & ASSOCIATES, INC.**

**ON BEHALF OF**

**THE COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND NORTHEAST  
ILLINOIS REGIONAL COMMUTER RAILROAD CORPORATION  
(METRA)**

Due Date: May 20, 2020

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## **EXHIBITS**

<b>Exhibit No.</b>	<b>Exhibit Description</b>
1	Statement of Qualifications of Thomas D. Crowley
2	Statement of Qualifications of Robert D. Mulholland
3	Corrected SOM Allocation
4	Index of Workpapers of Thomas Crowley and Robert Mulholland
5	Components and Weighting for Market Basket Index

## I. INTRODUCTION

We are Thomas D. Crowley and Robert D. Mulholland, respectively, President and a Senior Vice President of L. E. Peabody & Associates, Inc. L. E. Peabody & Associates, Inc. is an economic consulting Firm that specializes in addressing economic, transportation, marketing, financial, accounting and fuel supply matters. We have spent most of our consulting careers of over 45 and 20 years, respectively, evaluating railroad operations, capacity, costs and profitability and pricing issues for shippers, producers, railroads and government agencies. Our credentials are included as Exhibit No. 1 and Exhibit No. 2 to this Verified Statement (“VS”).

The Commuter Rail Division of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation (“Metra”) asked us to evaluate Amtrak’s calculation and allocation of Chicago Union Station (“CUS”) Station Operations and Maintenance (“SOM”) expenses included in the Amtrak Model, which purports to allocate a portion of Amtrak’s CUS expenses to Metra in relation to Metra’s use of portions of the facility.<sup>1</sup> In that model, Amtrak posits ██████████ in 2018 SOM expenses (after an adjustment re-allocating a portion of total 2018 SOM expenses to dispatching costs – discussed below), of which Amtrak allocates \$ ██████████ to Metra.<sup>2</sup> We were asked to determine the appropriate level of Metra contribution to SOM expenses and to identify an appropriate index to apply to SOM costs as well as the other three (3) cost categories included in CUS station costs (maintenance of way, dispatching and policing) on a going-forward basis.

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<sup>1</sup> Amtrak’s Model is included in Amtrak document “Amtrak0005283.xlsx.” We were not asked to evaluate Amtrak’s calculation of Metra’s share of Maintenance of Way, Dispatching or Policing expenses.

<sup>2</sup> See Amtrak document “Amtrak0005283.xlsx” at tab “Summary-Operating” Cell B7 and tab “Station Cost Allocation” cell Y28.

Our findings are included in the remainder of this VS under the following sections.

- II. Summary of Findings
- III. Station Operations and Maintenance Background
- IV. Amtrak's Model
- V. Corrections to Specific Deficiencies in Amtrak's Model
- VI. Restated Station Operations and Maintenance Expenses
- VII. Appropriate CUS Cost Indexing

## **II. SUMMARY OF FINDINGS**

We evaluated Amtrak's Model, along with other materials provided by Amtrak in discovery, and public documents. We found that the Amtrak Model vastly overstates the amount of CUS SOM expenses for which Metra should be responsible. The overstatement results from technical flaws and faulty inputs to the Model.

Among the issues with Amtrak's Model are the following: 1) it applies an inappropriate General and Administrative ("G&A") additive; 2) it uses two (2) indexes to forecast expenses that are both inappropriate and inconsistent with Amtrak's business practices; 3) it includes erroneous 2018 index values for one of the indexes; 4) it incorrectly calculates Metra's ridership metrics used to allocate CUS areas used in common by Amtrak and Metra; and 5) it incorrectly develops train metrics also used to allocate CUS areas used in common by Amtrak and Metra. In addition, the Amtrak Model applies three (3) separate allocation formulas to various categories of SOM expenses and it incorrectly allocates CUS square footage to usage categories.

When we corrected the technical and methodological flaws in Amtrak's Model, we determined that Metra's share of 2018 SOM expenses should be \$1,795,731.<sup>3</sup> We also determined that Metra's share of SOM expenses in 2019 should be \$1,830,748, and Metra's share of SOM expenses for 2020 should be \$1,866,448, based on the application of an appropriate index.<sup>4</sup>

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<sup>3</sup> See Exhibit No. 3. We included an index of the discovery documents that we relied upon and the workpapers we developed from them and other public sources to support our restatement of Metra's share of CUS SOM expenses as Exhibit No. 4 to this VS.

<sup>4</sup> See workpaper "Amtrak0008162 Lookup to 8603.xlsx" at tab "Sum by Cost Element" range M39:M40.

### **III. STATION OPERATIONS AND MAINTENANCE BACKGROUND**

Amtrak's Model calculates [REDACTED] in 2018 SOM expenses, and allocates [REDACTED] of that amount to Metra.<sup>5</sup> The draft Access Agreement with a May 1, 2019 effective date<sup>6</sup> includes a different Base Usage Fee for Metra's share of SOM expenses, totaling [REDACTED]. Amtrak provided Amtrak document "Amtrak0005990.xlsx," which purports to explain the difference between the [REDACTED] in the Amtrak Model and the [REDACTED] in the Access Agreement.

Amtrak document "Amtrak0005990.xlsx" shows two (2) adjustments to the Amtrak Model amount. In the first adjustment, Amtrak identifies [REDACTED] of the total expenses in its Model allocated to Metra as being "Common" expenses related to the "Great Hall." Amtrak does not show how that [REDACTED] was calculated. The \$698,913 does not match the SOM expenses associated with the Great Hall included in Amtrak's Model [REDACTED]<sup>7</sup> or the supporting expense item documentation [REDACTED]<sup>8</sup>

Amtrak reduced this unsupported [REDACTED] Great Hall Common expenses by [REDACTED] to a restated total of [REDACTED]. Amtrak's accompanying note reads: "Common – Great Hall Reallocated – Metra 15 percent and Amtrak 85 percent." The restated amount equals 17.8 percent<sup>9</sup> (not 15 percent) of the total [REDACTED] Great Hall Common expenses, and Amtrak's

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<sup>5</sup> Technically, Amtrak's Model calculates a total of [REDACTED] in SOM expenses, but allocates [REDACTED] of that total to the Dispatching expense category and divides the remaining [REDACTED] between Amtrak and Metra. See Amtrak document "Amtrak0005283.xlsx" at tab "Station Cost Allocation," cells M28, R28, X28, and Y28. This adjustment is discussed below.

<sup>6</sup> See Amtrak document "Amtrak0000189.pdf."

<sup>7</sup> See Amtrak document "Amtrak0005283.xlsx" at tab "Station Cost Allocation" Cell M11 + M13.

<sup>8</sup> See items associated with CO object name "CUS CHICAGO UNION STATION-GREAT HALL" at Amtrak document "Amtrak0008162.xlsx" and Amtrak document "Amtrak0005283.xlsx" at tab "Station Cost Allocation" Where CO Object Name = "GREAT HALL."

<sup>9</sup> [REDACTED].

portion equals 82.2 percent<sup>10</sup> [REDACTED] of the Great Hall Common expenses. Regardless of the discrepancies in these percentages, Amtrak purportedly reduced the Metra share of 2018 SOM expenses by [REDACTED]

In the second adjustment reflected in the Access Agreement SOM cost allocation, Amtrak indexed the restated amount to 2020 levels based on a change in the 3Q20 [REDACTED] [REDACTED]. The result of applying this index to the adjusted [REDACTED] Metra SOM expense allocation for 2018 is [REDACTED]<sup>1</sup>. Amtrak does not identify the source for the [REDACTED] values used in the adjustment<sup>12</sup> or offer justification for indexing the restated expenses to 2020 levels for inclusion in an agreement with an effective date of May 2019.

Both of Amtrak's outside adjustments shown in Amtrak document "Amtrak0005990.xlsx" and reflected in the Access Agreement proposal are unsupported. Therefore, our restatement of Metra's share of SOM expenses begins with Amtrak's Model and supporting documents. In the following Sections of our VS, we describe relevant elements of the Amtrak Model, identify specific flaws inherent in them, describe adjustments that we made to correct the flaws, and restate both total SOM expenses and the portion that should be allocated to Metra.

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<sup>10</sup> [REDACTED] does not foot due to rounding.

<sup>12</sup> Access Agreement Exhibit D, Item A.1. includes a secondary inflation adjustment based on the "Moody's Analytic inflation rate." It is possible that Amtrak believes it was following this instruction. However, the prior indexing step included in that paragraph calls for use of an AAR index that Amtrak did not use in its model. This issue is discussed in Section V.A.2. below.

#### **IV. AMTRAK'S MODEL**

CUS SOM expenses are developed in three (3) general steps in Amtrak's Model. Each step incorporates multiple inputs and formulas. In this section of our VS, we describe the key components of each step.

##### **A. TOTAL STATION OPERATIONS AND MAINTENANCE EXPENSES**

Amtrak's Model's total CUS SOM expenses are made up of [REDACTED] items that are drawn from 2016-2017 Amtrak expense data.<sup>13</sup> Amtrak applies a G&A additive to these expenses using an enterprise-wide factor. As discussed further below, applying this G&A additive is inappropriate because Amtrak's CUS SOM expenses are related to activities that are readily distinguishable from Amtrak's core enterprise-wide activities and business focus.

[REDACTED]. Finally, the indexed expenses derived from 2016 and 2017 data [REDACTED]. The resulting average expenses are assumed to be a proxy for 2018 SOM expenses and form the starting point for Amtrak's allocation exercise.

Notably, actual 2018 (and 2019) Amtrak CUS expenses are available and could be used in place of an estimate derived from 2016 and 2017 indexed expense data. We understand, however, that the parties have agreed to use the 2016 and 2017 data as the basis of the SOM cost calculations.

##### **B. PRELIMINARY ALLOCATION**

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<sup>13</sup> See Amtrak document "Amtrak0008162.xlsx."



**V. CORRECTIONS TO SPECIFIC DEFICIENCIES IN AMTRAK’S MODEL**

**A. TOTAL SOM EXPENSES**

Amtrak’s 2016-2017 SOM expense data include items for which Metra should bear no responsibility. [REDACTED]

[REDACTED]. However, it is not possible to determine with any level of confidence which items should be excluded from SOM expenses because the level of detail in the provided expense data is insufficient to identify precisely what is included in most line items. For that reason, we conservatively retained all of Amtrak’s 2016-2017 SOM expense items in our restatement. However, 2018 SOM expenses developed from this starting point in Amtrak’s Model incorporate the two (2) flaws discussed below.

**1. Adjustment to G&A Additive**

The G&A additive in the Amtrak Model is unsupported and the inputs to the calculation are contradicted by public financial documents filed by Amtrak. Amtrak's calculation is made by dividing the [REDACTED]<sup>17</sup> To develop the [REDACTED]

[REDACTED]

[REDACTED] The document does not identify the source of any of the expense line items used to make the calculation.

In an attempt to confirm Amtrak’s G&A additive rate and the expense components used to develop it, we reviewed Amtrak’s audited consolidated financial statements (“ACFS”)

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<sup>17</sup> See Amtrak document “Amtrak0008318.xlsx.”

included on the Amtrak website,<sup>18</sup> and other public documents. As a threshold matter, Amtrak's Model notes that the G&A additive rate for 2017 is based on "Fiscal Year 2016 expenses through September"<sup>19</sup> and the G&A additive rate for 2016 is based on "Fiscal Year 2015 expenses through Period 13."<sup>20</sup> However, the consolidated financial statements indicate that

Amtrak's overhead rates are updated at the end of each fiscal year based upon the actual activity and cost incurred during the fiscal year.<sup>21</sup>

Regardless, the total expenses included in Amtrak's G&A additive calculation conflict with its ACFS.<sup>22</sup> We were also unable to confirm the Total G&A Overhead Pool expenses in the ACFS.

Even assuming the Amtrak expense figures used to develop its G&A additive are correct, Amtrak's Model wrongly applies a [REDACTED] G&A additive to SOM operating expenses.<sup>23</sup>

The vast majority of SOM expenses comprise [REDACTED]

[REDACTED] The G&A expense items Amtrak's Model imposes on Metra through this additive are related to items [REDACTED]

[REDACTED].<sup>24</sup> If the Amtrak Model were developing a statement of the cost Amtrak incurs to move a set of traffic, this G&A additive would be appropriate, because the G&A expenses are incurred to ensure Amtrak can perform its core function of moving trains over its network.

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<sup>18</sup> "Consolidated Financial Statements, National Railroad Passenger Corporation and Subsidiaries (Amtrak) Years Ended September 30, 2017 and 2016." See workpaper "Amtrak-Audited-Consolidated-Financial-Statements-FY2017.pdf."

<sup>19</sup> See Amtrak document "Amtrak0008318.xlsx," at tab "G&A\_Rate\_2017," cell A3.

<sup>20</sup> See Amtrak document "Amtrak0008318.xlsx," at tab "G&A\_Rate\_2016," cell A3.

<sup>21</sup> Consolidated Financial Statements, National Railroad Passenger Corporation and Subsidiaries (Amtrak) Years Ended September 30, 2017 and 2016," page 15.

<sup>22</sup> See Amtrak document "Amtrak0008318.xlsx," tab "G&A Rate\_2017," A41:B50: [REDACTED]

<sup>23</sup> See Amtrak document "Amtrak0005283.xlsx" at tab "Station Cost Allocation."

<sup>24</sup> See Amtrak document "Amtrak0008318.xlsx."

The SOM expenses Amtrak incurs are related to activities that are incidental to Amtrak’s principal function of moving passengers on intercity trains. Amtrak’s enterprise-wide G&A expenses would not change if Amtrak were to divest itself of CUS, just as Metra’s G&A expenses will not change based on the amount of SOM expenses that are ultimately allocated to Metra. CUS is an asset in an urban location, on which Amtrak receives rental payments from retail and other tenants that occupy space therein. In fact, Amtrak “has begun to develop real estate at and near Union Station.”<sup>25</sup> Amtrak did not provide materials showing the rental revenues it receives that might be used to offset expenses that Amtrak incurs to maintain CUS. The most logical resolution to this issue is to remove the G&A additive entirely from Amtrak’s Model, and allocate the SOM expenses as reported in Amtrak’s data.

As a compromise, we reviewed the G&A expenses identified in documents provided by Amtrak to determine those expenses that are principally related to Amtrak’s core mission of providing nationwide passenger train service (and thus irrelevant to CUS expenses), and those expenses that may be relevant to CUS expenses for “behind the glass door” SOM activities. After making this determination, we developed a restated G&A additive including only the relevant expenses. Table 1 below shows our classification of Amtrak G&A expense categories.

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<sup>25</sup> <https://lipinski.house.gov/dan-in-the-news/battle-over-control-of-union-station-goes-nuclear-march-13-2020/>  
Amtrak recently partnered with Riverside Investment & Development and Convexity Properties to “renovate the upper floors at Union Station’s historic headhouse into a 400-room hotel.” Zoning for the project was approved in October 2019. See Koziarz and Freund, *Curbed Chicago*, Dec. 20, 2019. See <https://chicago.curbed.com/2018/12/11/18136203/construction-bmo-tower-union-station-redevelopment>.

Table 1  
**Amtrak G&A Expense Treatment**

Unrelated to CUS SOM	Potentially Related to CUS SOM
(1)	(2)
<div style="background-color: black; width: 100%; height: 100%; min-height: 150px;"></div>	<div style="background-color: black; width: 100%; height: 100%; min-height: 150px;"></div>
<p>Source: workpaper "Amtrak0008318 flagged.xlsx"</p>	

We determined that expenses unrelated to CUS SOM accounted for nearly half of total G&A expenses. Based on this determination, we revised Amtrak's [REDACTED] enterprise-wide G&A additive for 2016 to 3.73 percent and we revised [REDACTED] enterprise-wide G&A additive for 2017 to 3.03 percent.<sup>26</sup>

Table 2 below compares the application of the overstated G&A additive in Amtrak's Model to our restated G&A additive to 2016 and 2017 SOM expenses, while holding Amtrak's indexing errors (discussed in the next section) constant.

<sup>26</sup> See workpaper "Amtrak0008318 flagged.xlsx" at tab "G&A\_Rate\_2016," cell E51 and tab "G&A\_Rate\_2017," cell E52, respectively.

Table 2  
**Comparison of Applied G&A Additives**

Item (1)	Source (2)	Amtrak Model (3)	Adjusted Model (4)	Difference 1/ (5)
1.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1/ Column (3) – Column (4).

2/ Amtrak: Amtrak document “Amtrak0005283.xlsx,” tab “Station Cost Allocation.” Metra: workpaper “Amtrak0005283 G&A Adj Impact.xlsx,” tab “Station Cost Allocation.”

3/ This index figure contains an additional error. The Composite Inflation value for this year is 3.03% but [REDACTED].

As shown in Table 2 above (Line 9, Column (5)), our restated G&A additive results in a \$368,687 reduction to Amtrak’s estimate of 2018 SOM expenses.

**2. Index Adjustment**

Section VII of this VS addresses the appropriate inflationary index to be applied to CUS costs – Core PCE. That section explains why Core PCE is an accurate index to apply to SOM costs, and why Amtrak’s “Composite Inflation” is not. Table 3, below, shows Amtrak’s estimate of 2018 SOM expenses based on Amtrak’s Model, along with our restatement after adjusting the G&A additive and applying the Core PCE index.

Table 3  
**Comparison of 2018 SOM Expense Estimates**

Item (1)	Source (2)	Amtrak Model (3)	Adjusted Model (4)	Difference 1/ (5)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1/ Column (3) – Column (4).

2/ Amtrak: Amtrak document “Amtrak0005283.xlsx,” tab “Station Cost Allocation.” Metra: workpaper “Amtrak0005283 G&A plus Index Adj Impact.xlsx,” tab “Station Cost Allocation.”

As shown in Table 3 (Line 9, Column (5)), the combined impact of restating the G&A additive plus applying the correct index results in a \$585,452 reduction to Amtrak’s estimate of 2018 SOM expenses.

### **3. Allocation of SOM Expenses to Dispatching**

In the preliminary allocation step of Amtrak’s Model, [REDACTED] SOM expenses are reallocated to the Dispatching expense category.<sup>27</sup> Although the methodology Amtrak used to allocate these expenses to dispatching is flawed, the parties agreed to accept the adjustment. Therefore, we retain the adjustment in our restatement of SOM expenses. As a result, our recalculated 2018 SOM expenses, after applying the G&A and indexing adjustments described above, equal \$12,215,859.<sup>28</sup>

<sup>27</sup> See Amtrak document “Amtrak0005283.xlsx” at tab “Station Cost Allocation” cell R28.

<sup>28</sup> \$12,368,472 - \$152,613 = \$12,215,859. See workpaper “Amtrak0008162 Lookup to 8603.xlsx” at tab “Sum by Cost Element” cell M27.

**B. PRELIMINARY AREA-DRIVEN  
COST ALLOCATION**

We understand that for purposes of allocating SOM costs, the parties have agreed to a spatial allocation method that differs from, and is simpler than, the allocation methodology that was included in Amtrak’s Model.

In the first step of the revised cost allocation method, total CUS square footage for the basement, concourse and mezzanine levels of the building are allocated to one of three (3) categories: 1) Metra-exclusive area; 2) Amtrak-exclusive area; and 3) Common areas that benefit both Metra and Amtrak.

We have been advised that the parties agree that the pertinent total CUS area is 489,555 square feet. In addition, Metra determined that the station area allocation breaks down as follows: Metra-exclusive: 10,629 square feet; Amtrak-exclusive: 404,076 square feet; Common: 74,931 square feet.<sup>29</sup>

Table 4 below shows agreed upon revised space classifications, along with allocations provided by Metra.

<b>Floor</b>	<b>Common</b>	<b>Sole Metra</b>	<b>Sole Amtrak</b>	<b>Total</b>
(1)	(2)	(3)	(4)	(5)
1. Basement	19,620	5,963	197,960	223,543
2. Concourse	43,809	4,666	149,505	197,980
3. Mezzanine	11,421	0	56,611	68,032
4. Total	74,850	10,629	404,076	489,555
5. Allocation %	15.29%	2.17%	82.54%	100.00%

Source: Exhibit No. 3, Lines 1-5.

<sup>29</sup> See VS of Alvin Terry and workpaper “2.4.2 with totals.pdf.”

**1. The Amtrak Model**

In contrast to this simple approach, the preliminary allocation of total SOM expenses in Amtrak’s Model first assigns the estimated 2018 expenses to one of [REDACTED], and then allocates the expenses in each of those groups to the three (3) pools of expenses: (1) “Sole Amtrak;” (2) “Sole Metra;” and (3) “Common,” using one of three (3) separate allocation methodologies.

In the Model, [REDACTED] to the three (3) expense pools based on a “Spatial” allocation process, [REDACTED]s are allocated to the three (3) expense pools based on a different “Spatial” allocation process specific to janitorial services, and the [REDACTED] are allocated 100 percent to the “Common” expense pool.

Table 5 below shows the preliminary allocation for all 18 groupings in the Model.

Table 5  
**Amtrak Preliminary Allocation of SOM Expense Items**

SOM Expense Subgroup (1)	Preliminary Allocation Method (2)	Amtrak Estimated 2018 SOM Expense Amount (3)	Percent Allocated to Sole Amtrak (4)	Percent Allocated to Sole Metra (5)	Percent Allocated to Common (6)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Amtrak Model “Amtrak0005283.xlsx” tabs “Station Cost Allocation,” “Spatial Analysis - Summary” and “Spatial-Janitorial.”  
Spatial-Janitorial percentage [REDACTED]

The calculation of the allocation percentages [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] <sup>30</sup>

**C. SECONDARY AREA-DRIVEN  
COST ALLOCATION – THE  
USAGE FACTOR**

After the preliminary allocation is made, the parties have agreed to the application of a “Usage Factor” to determine the final allocation of Common SOM expenses. However, the Usage Factor calculated in Amtrak’s Model is developed from incongruent ridership and train statistics. Our corrections to the inputs and their impact is discussed below.

In the Model, the ridership statistics for Amtrak and Metra are not on the same basis, resulting in an overstatement of Metra’s CUS ridership as a percentage of total (Amtrak plus Metra) ridership. Specifically, the ridership statistics for Amtrak reflect the 3.4 million passengers who boarded or alighted (deboarded) Amtrak trains at CUS over a 12-month period. However, the ridership statistics for Metra included the 34.6 million passengers who rode on trains that served CUS over a 12-month period. This includes passengers on inbound trains who alighted at stations before the trains arrived at CUS and passengers who boarded outbound trains at stations beyond CUS.

We corrected this error and restated the number of Metra CUS passengers to 28.2 million using annualized daily CUS boarding and alighting data posted on Metra’s website. The error in

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<sup>30</sup> See Amtrak document “Amtrak0005283.xlsx” at tab “Spatial Analysis – Summary.”

Amtrak's Model resulted in an incorrect [REDACTED], which we corrected to a ratio of 89.3 (Metra) to 10.7 (Amtrak).<sup>31</sup>

In addition, the calculation of the train component of the allocation metric in Amtrak's Model improperly uses a simple average of northern and southern train ratios despite the fact that there is an imbalance in train counts. Specifically, [REDACTED]

[REDACTED]

[REDACTED] Correcting the formula restates the ratio to 75.02 (Metra) to 24.98 (Amtrak).<sup>33</sup>

Our combined corrections to passenger counts and train weighting in Amtrak's Model results in a common cost allocation of 82.15 (Metra) to 17.85 (Amtrak).<sup>34</sup> Application of Metra's 82.15 percent Usage Factor is discussed below.

#### **D. SPATIAL FORMULA RATIO**

We understand that the parties have agreed to apply a metric, which Metra has referred to as the Spatial Formula Ratio ("SFR"), to total SOM costs to determine Metra's portion of annual

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<sup>31</sup> See workpaper "Amtrak0005283 Adjusted.xlsx" at tab "Rider Statistics" range C32:C33 (incorrect as included) H32:H33 (corrected).

<sup>32</sup> There were [REDACTED]

<sup>33</sup> See workpaper "Amtrak0005283 Adjusted.xlsx" at tab "TrainMoves" range C57:D57 (incorrect) and C59:D59 (corrected).

<sup>34</sup> See workpaper "Amtrak0005283 Adjusted.xlsx" at tab "Rider Statistics" range B43:C43 (incorrect) and G43:H43 (corrected). In addition, Amtrak's metric for allocating common expenses fails to account for CUS use by persons other than Amtrak and Metra passengers. CUS is used by bus passengers, pedestrians, tourists, restaurant patrons, etc. We did not adjust Amtrak's secondary allocation of common costs to include the buses that serve CUS and bus passengers who board and alight from those buses at CUS, but including this adjustment would further reduce Metra's proportion of the total.

SOM costs. The SFR is mathematically equivalent to applying the corrected preliminary and secondary allocation methodologies discussed above, using the following formula:

$$\text{SFR} = [\text{MSF} + (\text{CSF} \times \text{UF})] \div \text{TSF}$$

Where:

SFR = Spatial Formula Ratio

MSF = Metra Square Footage

CSF = Common Square Footage

UF = Usage Factor

TSF = Total Square Footage

As explained above, the parties recently have agreed that the station total square footage for purposes of this costing exercise is 489,555 square feet, while we have been instructed that Metra has determined that the Metra-exclusive station area is 10,629 square feet, and the common station areas square footage is 74,931 feet. The appropriate Usage Factor allocates 82.15 percent of common area square footage costs to Metra. Exhibit No. 3 to this VS shows our development of the 14.7 percent SFR for Metra at Line 9, Column (4).

**VI. RESTATED STATION OPERATIONS  
AND MAINTENANCE EXPENSES**

We restated Metra’s share of SOM expenses to reflect the adjustments to the estimated 2018 SOM expense amount and allocation methodology described above. As shown in Exhibit No. 3, making the adjustments results in restated 2018 CUS SOM expenses of [REDACTED] and a restated Metra share of 2018 CUS SOM expenses of \$1,795,731.<sup>35</sup>

Based on the above restatement and the Core PCE index data supplied by Amtrak, we also developed Metra’s share of 2019 and 2020 SOM expenses. These values are shown in Table 6, below.

Table 6 <u>Metra Share of SOM Expenses, 2018-2020</u>		
Fiscal Year (1)	Change in Core PCE (2)	Metra Share of SOM Expenses (3)
1. 2018	[REDACTED]	[REDACTED] \$1,866,448
Source: workpaper “Amtrak0008162 Lookup to 8603.xlsx” at tab “Sum by Cost Element,” range M39:M40.		

For 2018, Metra’s share of SOM expenses equaled \$1,795,731 and increased to \$1,830,748 in 2019 and \$1,866,448 in 2020.

<sup>35</sup> See Exhibit No. 3, Line 10, Column (2) and Line 11, Column (4).

**VII. APPROPRIATE CUS COST INDEXING**

Amtrak’s proposed Access Agreement Exhibit D, Item A.1. provides that CUS access fees be indexed in two (2) steps as explained below:

All expenses from each fiscal year will be adjusted for inflation in two steps: (1) The expenses will be adjusted based on the percentage change in the AAR Quarterly Index of Chargeout Prices and Wage Rates (Table C), East, “material prices, wage rates and supplements combined (excluding fuel)” from the mid-point of the fiscal year to the most recently available quarterly AAR index. (2) The Moody’s Analytic inflation rate will be applied to adjust costs to the mid-point of the prospective fiscal year.<sup>36</sup>

The proposed two-step indexing is inappropriate for SOM expenses. As the name implies, the AAR index measures input prices of Class I freight railroads. The materials component reflects prices of materials and supplies purchased by Class I railroads, including steel rail, crossties, signal systems, etc. The wages and supplements component reflects the freight railroads’ labor union contracts. This index is irrelevant to the SOM expenses at CUS, which are principally related to property management, janitorial and building maintenance services, and utilities.

The Moody’s index is not specifically identified or described. Moody’s Analytics is a provider of commercial products that include multiple economic and financial forecasts. The Access Agreement does not specify which Moody’s index Amtrak proposed to use, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] We are unable to

verify this number or its source.

<sup>36</sup> June 4, 2019 Proposed Agreement sent by Amtrak to Metra, page 43 (Bates # Amtrak 0000230).

<sup>37</sup> See Amtrak document “Amtrak00005990.xlsx.”

Amtrak [REDACTED]

[REDACTED] The source document for the Composite Inflator lists all Amtrak expense accounts and identifies the index applied to each. This document includes the following instruction:

[REDACTED]

The Amtrak document that houses SOM expenses for 2016 and 2017 identifies the specific “Cost Element” associated with each expense item.<sup>42</sup> We cross-referenced Amtrak’s SOM expense Cost Elements for 2016 and 2017 with the Amtrak document that supports Amtrak’s Composite Inflator development process.<sup>43</sup> We found that Amtrak identifies the Core

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40 See Amtrak document “8603 PCE calculation.xlsx.”

41 See Amtrak document “8603 PCE calculation.xlsx” at tab “BlendedCalcDerived FY’17 Model” range A3:A10 (emphasis added).

42 See Amtrak document “Amtrak0008162.xlsx,” which shows SOM expense items totaling \$12,519,304 for 2016 and \$10,711,907 for 2017. These totals match the SOM expense totals included in the Amtrak Model (Amtrak document “Amtrak0005283.xlsx”) at tab “Station Cost Allocation” range E28:F28.

43 See Amtrak document “8603 PCE calculation.xlsx.”

[REDACTED]

PCE as the applicable index [REDACTED]. Amtrak excludes the remaining [REDACTED]<sup>44</sup>

Nonetheless, Amtrak’s Model applies the “Composite Inlator” for purposes of indexing 2016 and 2017 SOM expenses (plus G&A) to 2018 levels. This directly contradicts Amtrak’s normal-course-of-business treatment of these expense categories.<sup>45</sup> The Core PCE index should be applied to SOM expenses in Amtrak’s Model to remain consistent with Amtrak’s internal forecasting practices.

Recognizing that the mix of materials and services Amtrak purchases related to SOM in Chicago may be different from the mix of materials and services Amtrak purchases in the same expense categories in other regions of the country, we developed a Market Basket Index (“MBI”) using Consumer Price Indexes (“CPI”) published by the Bureau of Labor Statistics (“BLS”) that reflect the expense items included in SOM and are specific to the Chicago area. Specifically, we grouped the CUS expenses Amtrak included as SOM by sub-category and identified the applicable CPI for Chicago-Naperville-Elgin, IL-IN-WI. We weighted the selected indexes on 2016-2017 CUS SOM component expenses. The results of our analysis are shown in Exhibit No. 5 to this VS.

Table 7 below compares the indexes discussed above.

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<sup>44</sup> See workpaper “Amtrak0008162 Lookup to 8603.xlsx” at tab “Sum by Cost Element” range J5:N8.

<sup>45</sup> In addition to using the wrong index, Amtrak’s model includes a technical error. [REDACTED]

[REDACTED]

Table 7  
**Comparison of Indexes**

Item (1)	Chicago Market- Basket (2)	Core-PCE (3)	Composite Inflator (4)	RCR M&S, Wages & Supplements (5)
1. Source	1/	2/	3/	4/
2. FY16-FY17 Change	1.36%	1.85%		1.52%
3. FY17-FY18 Change 5/	1.64%	1.95%		3.99%
4. FY16-FY18 Compounded 6/	3.03%	3.84%		5.57%
5. FY18-FY19 Change	2.71%	1.95%		4.08%
6. FY16-FY19 CAGR 7/	1.90%	1.92%		3.19%

Source: workpaper "SOM Index.xlsx."

1/ Exhibit No. 5 developed using Bureau of Labor Statistics CPI data for Chicago-Naperville-Elgin, IL-IN-WI.

2/ 8603 PCE calculation.xlsx. Federal Reserve Board's Core PCE Index applied to SOM expense categories by Amtrak in the normal course of business. Used by Metra to restate Amtrak's CUS SOM calculation.

3/ 8603 PCE calculation.xlsx. Enterprise-wide Composite Inflator developed by Amtrak. Reflects expense categories not included in CUS SOM expenses. Used in Amtrak's CUS SOM calculation.

4/ AAR Quarterly Data. RCR Class I railroad index data published by AAR. Referenced in draft Access Agreement Exhibit D.

5/ Used to escalate 2017 SOM expenses to 2018 levels in Amtrak Model.

6/ Used to escalate 2016 SOM expenses to 2018 levels in Amtrak Model.

7/ Compound Annual Growth Rate from FY16-FY19.

As shown on Table 7, Line 6 above, over the 2016-2019 time period, the compound annual growth rate ("CAGR") for the CPI-based MBI that we developed was 1.90 percent and the Core PCE index CAGR was 1.92 percent. We concluded that the Core PCE Index [REDACTED] is reasonable. Accordingly, we applied the Core PCE Index to SOM expenses [REDACTED].

The CAGR [REDACTED], and the CAGR for the AAR index referenced in Exhibit D was 3.19 percent. Both of those indices would clearly overstate changes in SOM

expenses if applied. In fact, the universe of SOM expenses that Amtrak identified in its workpapers actually decreased slightly from [REDACTED] [REDACTED] [REDACTED] [REDACTED]

In addition to SOM expenses, the inappropriate Composite Inflater index is also applied to Maintenance of Way (“MOW”), Dispatching, and Policing expenses in the Amtrak Model. We compared Amtrak’s file containing its CUS expense items for 2018 and 2019 to Amtrak’s

[REDACTED]

[REDACTED] or MOW and Policing, Amtrak [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED].<sup>49</sup>

We understand that the parties have agreed to the use of a single publicly available index to apply to SOM expenses going forward. We cross-referenced 2018-2019 data for all four (4) CUS expense categories [REDACTED]

[REDACTED]

[REDACTED] The remaining

[REDACTED]

[REDACTED] In the context of the parties’ desire to identify a single index for application to CUS

<sup>46</sup> See Amtrak document “Amtrak0005283.xlsx” at tab “Station Cost Allocation” cell E28.

<sup>47</sup> See workpaper “Amtrak0000234-CUS FY18 & FY19 Actual Expense - Distro-c-c - working file.xlsx” at tab “piv” cell C11.

<sup>48</sup> See workpaper “Amtrak0000234-CUS FY18 & FY19 Actual Expense - Distro-c-c - working file.xlsx” at tab “Index Match” cells I18 and I13.

<sup>49</sup> Specifically, Amtrak applies the Core PCE to 47 percent, Labor Inflater “INF02” to 27 percent, Labor Inflater “INF01” to 13 percent, and the Benefit Inflater to nine (9) percent of Dispatching expenses in the normal course of business. Four (4) percent of Dispatching expenses could not be linked to Amtrak’s inflation index model (Amtrak document “8603 PCE calculation.xlsx”). See workpaper “Amtrak0000234-CUS FY18 & FY19 Actual Expense - Distro-c-c - working file.xlsx” at tab “Index Match” range G6:M11.

expenses going forward, the Core PCE index is superior to both the Composite Inflation used in Amtrak's Model and the AAR index referenced in the Access Agreement Exhibit D.

## LIST OF EXHIBITS

<b>Exhibit No.</b>	<b>Exhibit Description</b>
(1)	(2)
1	Statement of Qualifications of Thomas D. Crowley
2	Statement of Qualifications of Robert D. Mulholland
3	Corrected SOM Allocation
4	Index of Workpapers of Thomas Crowley and Robert Mulholland
5	Components and Weighting for Market Basket Index

My name is Thomas D. Crowley. I am an economist and President of the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, Virginia 22314, 760 E. Pusch View Lane, Suite 150, Tucson, Arizona 85737, and 7 Horicon Avenue, Glens Falls, New York 12801.

I am a graduate of the University of Maine from which I obtained a Bachelor of Science degree in Economics. I have also taken graduate courses in transportation at George Washington University in Washington, D.C. I spent three years in the United States Army and since February 1971 have been employed by L. E. Peabody & Associates, Inc.

I am a member of the American Economic Association, the Transportation Research Forum, and the American Railway Engineering and Maintenance-of-Way Association.

The firm of L. E. Peabody & Associates, Inc. specializes in analyzing matters related to the rail transportation of all commodities. As a result of my extensive economic consulting practice since 1971 and my participation in maximum-rate, rail merger, service disputes and rule-making proceedings before various government and private governing bodies, I have become thoroughly familiar with the rail carriers and the traffic they move over the major rail routes in the United States. This familiarity extends to subjects of railroad service, costs and profitability, cost of capital, railroad capacity, railroad traffic prioritization and the structure and operation of the various contracts and tariffs that historically have governed the movement of traffic by rail.

As an economic consultant, I have organized and directed economic studies and prepared reports for railroads, freight forwarders and other carriers, for shippers, for associations and for state governments and other public bodies dealing with transportation and related economic problems. Examples of studies I have participated in include organizing and directing traffic, operational and cost analyses in connection with single car and multiple car movements, unit train operations for coal, grain, oil and other commodities, freight forwarder facilities, TOFC/COFC rail facilities, divisions of through rail rates, operating commuter passenger service, and other studies dealing with markets and the transportation by different modes of various commodities from both eastern and western origins to various destinations in the United States. The nature of these studies enabled me to become familiar with the operating practices and accounting procedures utilized by railroads in the normal course of business.

Additionally, I have inspected and studied both railroad terminal and line-haul facilities used in handling various commodities. These operational reviews and studies were used as a basis for the determination of the traffic and operating characteristics for specific movements of numerous commodities handled by rail.

I have frequently been called upon to develop and coordinate economic and operational studies relative to the rail transportation of various commodities. My responsibilities in these undertakings included the analyses of rail routes, rail operations and an assessment of the relative efficiency and costs of railroad operations over those routes. I have also analyzed and made recommendations regarding the acquisition of railcars according to the specific needs of various shippers. The results of these analyses

have been employed in order to assist shippers in the development and negotiation of rail transportation contracts which optimize operational efficiency and cost effectiveness.

I have developed property and business valuations of privately held freight and passenger railroads for use in regulatory, litigation and commercial settings. These valuation assignments required me to develop company and/or industry specific costs of debt, preferred equity and common equity, as well as target and actual capital structures. I am also well acquainted with and have used the commonly accepted models for determining a company's cost of common equity, including the Discounted Cash Flow Model ("DCF"), Capital Asset Pricing Model ("CAPM"), and the Farma-French Three Factor Model.

Moreover, I have developed numerous variable cost calculations utilizing the various formulas employed by the Interstate Commerce Commission ("ICC") and the Surface Transportation Board ("STB") for the development of variable costs for common carriers, with particular emphasis on the basis and use of the Uniform Railroad Costing System ("URCS") and its predecessor, Rail Form A. I have utilized URCS/Rail form A costing principles since the beginning of my career with L. E. Peabody & Associates Inc. in 1971.

I have frequently presented both oral and written testimony before the ICC, STB, Federal Railroad Administration, Federal Energy Regulatory Commission, Railroad Accounting Principles Board, Postal Rate Commission and numerous state regulatory commissions, federal courts and state courts. This testimony was generally related to the development of variable cost of service calculations, rail traffic and operating patterns,

fuel supply economics, contract interpretations, economic principles concerning the maximum level of rates, implementation of maximum rate principles, and calculation of reparations or damages, including interest. I presented testimony before the Congress of the United States, Committee on Transportation and Infrastructure on the status of rail competition in the western United States. I have also presented expert testimony in a number of court and arbitration proceedings concerning the level of rates, rate adjustment procedures, service, capacity, costing, rail operating procedures and other economic components of specific contracts.

Since the implementation of the *Staggers Rail Act of 1980*, which clarified that rail carriers could enter into transportation contracts with shippers, I have been actively involved in negotiating transportation contracts on behalf of shippers. Specifically, I have advised shippers concerning transportation rates based on market conditions and carrier competition, movement specific service commitments, specific cost-based rate adjustment provisions, contract reopeners that recognize changes in productivity and cost-based ancillary charges.

I have developed different economic analyses regarding rail transportation matters for over sixty (60) electric utility companies located in all parts of the United States, and for major associations, including American Chemistry Council, American Paper Institute, American Petroleum Institute, Chemical Manufacturers Association, the Chlorine Institute, Coal Exporters Association, Edison Electric Institute, the Fertilizer Institute, Mail Order Association of America, National Coal Association, National Grain and Feed Association, National Industrial Transportation League, North America Freight Car

Association and Western Coal Traffic League. In addition, I have assisted numerous government agencies, major industries and major railroad companies in solving various transportation-related problems.

In the two Western rail mergers that resulted in the creation of the present BNSF Railway Company and Union Pacific Railroad Company and in the acquisition of Conrail by Norfolk Southern Railway Company and CSX Transportation, Inc., I reviewed the railroads' applications including their supporting traffic, cost and operating data and provided detailed evidence supporting requests for conditions designed to maintain the competitive rail environment that existed before the proposed mergers and acquisition. In these proceedings, I represented shipper interests, including plastic, chemical, coal, paper and steel shippers.

I have participated in various proceedings involved with the division of through rail rates. For example, I participated in ICC Docket No. 35585, *Akron, Canton & Youngstown Railroad Company, et al. v. Aberdeen and Rockfish Railroad Company, et al.* which was a complaint filed by the northern and mid-western rail lines to change the primary north-south divisions. I was personally involved in all traffic, operating and cost aspects of this proceeding on behalf of the northern and mid-western rail lines. I was the lead witness on behalf of the Long Island Rail Road in ICC Docket No. 36874, *Notice of Intent to File Division Complaint by the Long Island Rail Road Company.*

My name is Robert D. Mulholland. I am an economist and a Senior Vice President of the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at: 1501 Duke Street, Suite 200, Alexandria, Virginia 22314; 760 E. Pusch View Lane, Suite 150, Tucson, Arizona 85737; and 7 Horicon Avenue, Glens Falls, New York 12801.

I am a graduate of George Mason University's School of Public Policy, from which I obtained a Master's degree in Transportation Policy, Operations & Logistics, and Bowdoin College, from which I obtained a Bachelor of Arts degree in Government and Legal Studies. I have been employed by L. E. Peabody & Associates, Inc. since 2008 and from 1995 to 2004. From 2004 to 2006, I was the staff economist for the Office of Freight Management and Operations of the Federal Highway Administration ("FHWA") of the United States Department of Transportation ("USDOT"). From 2006 to 2008, I worked for ICF International as a consultant in the transportation group.

L. E. Peabody & Associates, Inc. specializes in analyzing matters related to the rail transportation of all commodities. As a result of my extensive consulting experience since 1995 and my participation in and support of maximum-rate, rail merger, service dispute, reasonable practices, and rule-making proceedings before various government bodies, I have become thoroughly familiar with the major freight and passenger rail carriers in the United States. This familiarity extends to subjects of railroad costs and revenues, service, maintenance, operations, capacity, traffic prioritization, and contract and tariff terms that govern the movement of commodities by rail.

As a consultant, I have directed and conducted economic and operations studies and prepared reports for passenger and freight carriers, shippers, federal agencies, the United States Congress, associations, and other public bodies dealing with transportation and related economic issues. Examples of studies I have participated in include organizing and directing rail facilities analyses, quantifying the impact of service disruptions for shippers, evaluation of traffic and operating factors in connection with single and multiple car movements and unit train operations for various commodities, rate and revenue division analyses, and other studies dealing with transportation markets for many commodities over various surface modes throughout the United States. Through these studies I have become familiar with railroad costing and operating practices.

I have inspected and studied railroad terminal facilities used in handling various commodities to collect data that were used as a basis for the determination of traffic and operating characteristics for specific movements handled by rail. I have conducted field studies of short line rail systems and rail spurs, and industry-owned rail facilities, and developed reports assessing their capacity to accommodate various projected operating scenarios and traffic levels.

I have developed operational and economic studies relative to the rail transportation of coal, chemicals, intermodal traffic, and other commodities on behalf of shippers, including analyses of the relative efficiency and costs of railroad operations over multiple routes. The results of these analyses have been used to assist shippers in

the development and negotiation of rail transportation contracts that optimize operational efficiency and cost effectiveness.

I have presented written testimony before the STB related to the development of evidence including rail traffic volume and revenue forecasts, cross-over traffic revenue divisions, and train operations in several maximum reasonable rate proceedings on behalf of coal and chemicals shippers, and the development of evidence including rail fuel consumption and cost determinations in an unreasonable practice proceeding.

I have supported the negotiation of transportation contracts between shippers and railroads. Specifically, I have conducted studies concerning transportation rates based on market conditions and carrier competition, movement specific service commitments, and specific cost-based rate adjustment provisions. I have developed numerous variable cost calculations utilizing the various formulas employed by the Surface Transportation Board (“STB”) for the development of variable costs for common carriers, with particular emphasis on the basis and use of the Uniform Railroad Costing System (“URCS”). I have utilized URCS costing principles since the beginning of my career with L. E. Peabody & Associates Inc. in 1995.

I have conducted different economic analyses regarding rail transportation matters for dozens of electric utility companies located in all parts of the United States, and for major associations, including the Chlorine Institute, the American Chemistry Council, the Chemical Manufacturers Association, the National Industrial Transportation League, and the Western Coal Traffic League. In addition, I have assisted numerous government agencies in analyzing and solving various transportation-related problems.

In the Western rail merger that resulted in the creation of the present Union Pacific Railroad Company, I reviewed the railroads' applications including their supporting traffic, cost and operating data and developed detailed evidence supporting requests for conditions designed to maintain the competitive rail environment that existed before the proposed merger.

While employed at FHWA, I was a member of the USDOT inter-agency working group that drafted the National Freight Policy. In addition, I served on the USDOT Freight Gateway Team, a group headed by the Undersecretary for Policy and composed of one representative from each of the surface modal agencies.

While employed at ICF International, I directed and conducted numerous analyses of the rail and trucking industries for federal transportation agencies including the Federal Railroad Administration ("FRA"), the Federal Motor Carrier Safety Administration ("FMCSA"), and the FHWA, including analyses of the current rail and trucking industries and forecasts of future trends in both industries.









BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36332

NATIONAL RAILROAD PASSENGER CORPORATION —  
PETITION FOR PROCEEDING UNDER 49 U.S.C. § 24903(c)(2)

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**VERIFIED STATEMENT  
OF**

**ALVIN T. TERRY**

**ON BEHALF OF  
THE COMMUTER RAIL DIVISION OF THE  
REGIONAL TRANSPORTATION AUTHORITY AND NORTHEAST  
ILLINOIS REGIONAL COMMUTER RAILROAD CORPORATION  
(METRA)**

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On January 9, 2020, in connection with efforts to resolve the dispute that is the subject of this proceeding, I participated in a CUS walk-through with Amtrak personnel, including Christine Suchy, who I understand is the “Director, Business Development, National Network” for Amtrak. In the course of this walk-through, we reviewed the Basement, Concourse,<sup>1</sup> Mezzanine, and street levels of CUS, and discussed the relative use of each by commuter rail passengers (among other CUS users, as the general public is permitted access to the CUS facilities—restaurants, bathrooms, etc.— and the Passenger Information Displays in the station indicate that the facility also is used as a terminal for intercity (non-commuter) bus departures).

During that walk-through we observed several trains arriving and identified egress patterns. Ingress patterns present a similar pedestrian flow, albeit in reverse. Pursuant to those discussions and further email correspondence, we arrived at a consensus spatial allocation on the amount of square footage that is, respectively: (1) devoted Metra’s exclusive use: 10,629; (2) shared in common by the parties and their respective passengers: 74,850; and (3) subject to dispute: 12,637. This agreement (the “Consensus Floor Plan”) is reflected in Exhibit 2 to my testimony, and is in accordance with Ms. Suchy’s email of March 9, 2020 (Exhibit 3), and its supporting attachments (Exhibit 4). I understand that Amtrak referenced this walk-through and ensuing agreement in response to Metra discovery in this proceeding. (Exhibit 5).

For purposes of this Verified Statement, I have reviewed the parties’ stipulation in this matter, which indicates a continuing dispute over basement square footage—one that is not

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<sup>1</sup> The use of the word “Concourse” for this level is a bit of a misnomer. Historically, the structures on the west side of Canal Street were known as the “Headhouse,” while the east side of Canal Street had the “Concourse Building,” a structure representing the subterranean and above-ground improvements of the rail terminal. Because there is a pedestrian passage sloping from the Great Hall, down under Canal Street, back up to the passenger terminal, the combined levels of the Headhouse and what was the Concourse Building is generally referenced as a single, undivided “Concourse level” now.

reflected in the Consensus Floor Plan or other maps Amtrak has used to apportion transportation-supporting square footage to Metra. Thus, the dispute over square footage appears to be two-fold. First, whether the Consensus Floor Plans contemplated allocation of costs to the Concourse Basement (a dispute about less than 30% of the facility as a whole). Specifically, the stipulation indicates that Amtrak disputes whether 135,393 square feet in the Headhouse Basement should be included in the total square footage to be allocated—meaning the amount of square footage to be allocated is either 354,162 or 489,555. Second, the parties dispute how certain space identified in the Consensus Floor Plans should be allocated (a dispute of about 2% of the square footages).

## II. HEADHOUSE BASEMENT

This space is generally divided into two halves: the north half is an [REDACTED]

[REDACTED]. Compare Exhibit 6, 1 with Exhibit 2, 1. From a real estate usage perspective, [REDACTED] is useful for transportation if it supports transportation workers ability to function at the station—in that sense it is no different than restrooms, lounges, or other spaces furnished for the convenience or utility of transportation employees. Even if limited to vehicles, the [REDACTED] clearly exist to permit Amtrak to support its transportation operations; Amtrak Police vehicles also [REDACTED]. Metra is permitted to use these assets for its own transportation needs—but the fact that Metra may only use them minimally is not an indication the assets are not used for transportation, only that the space should not be allocated to Metra.

Amtrak identified the Headhouse Basement as supporting the public's use of CUS

[REDACTED] Exhibit 6 (shading common areas shared by all persons at CUS in beige). Similarly,

Amtrak [REDACTED]. Exhibit 7, 8-12. Indeed, when asked to identify those assets at CUS used to provide rail transportation, Amtrak provided maps of the Headhouse Basement, Concourse Basement, Concourse Level, and Street level in their entirety, while excluding elements of its commercial development from the same maps (e.g., office tower and air rights it leases to other commercial operations). See Exhibit 7.

With regard to the accounting of Headhouse Basement costs, Amtrak indicated that it is space required [REDACTED], and evidently for that reason the Headhouse Basement is classified in Amtrak's accounting records as no different than the hallways, stairwells, and other areas that [REDACTED]. Exhibit 8, red highlight, excerpt from Amtrak Document No. 5283 "Saptial [sic] Analysis Data tab (basement) and *Id.*, yellow highlight (other common areas, amongst others). Plainly, Amtrak knew the difference in its own accounts for those areas that it sought to exclude from consideration v. those it acknowledged should be included in its own allocation [REDACTED]"). *Id.* at 4 (identifying certain areas as "Circulation-Public, Exclude"). Moreover, exclusion of the entire Headhouse Basement was not contemplated in the Consensus Floor Plans. The Headhouse Basement is an area that unmistakably contributes to, and supports, the provision of railroad transportation service. For these reasons, it is logical to include the entire area of the Headhouse Basement for purposes of spatial allocation.

### **III. OTHER DISPUTED SPACES**

The Consensus Floor Plan depicts certain areas upon which Metra and Amtrak could not agree upon allocation, in that sense they represent a "consensus" of what the dispute is. Metra's view, pursuant to the walk-through, is that each of those disputed areas should be

regarded as exclusively benefitting Amtrak, while Amtrak claims that they benefit Amtrak and Metra in common. The numbers below correspond to numbers identifying their approximate location on Exhibit 2 in blue text. As I explain below, the usage patterns of these disputed areas is such they are functionally exclusive to Amtrak.

**A. Basement Plan**

*1. Crew Quarters*

*(1,080 sq. ft.)*

These two spaces, at the north end of the Basement, are locker room and rest facilities with minimal benefit to Metra. The northern 840 sq. ft. is a locker room for mechanical employees—the mechanical operations of Amtrak at CUS far outpace Metra’s—while the southern 240 square feet is rest quarters for female onboard crew. Metra’s onboard crews have very different rest patterns than Amtrak’s, and Metra staff make minimal use of this space.

*2. Refuse Dock*

*(1,637 sq. ft.)*

This portion of the Basement is a trash receptacle dock. It is used for the disposal of municipal solid waste generated at CUS. In addition to serving as a rail terminal, portions of CUS are used as a retail center (there are a variety of vendors on the Mezzanine level, to be discussed later) and a commercial office building. In my experience regarding similar mixed-use transportation assets (Metra has several, including use of the Citigroup Building as part of Ogilvie Transportation Center and Millennium and LaSalle Street stations) the vast majority of solid waste is produced by the retail and commercial activities for Amtrak’s intercity passengers, while very little is produced by Metra commuters. Moreover, Amtrak receives rent from its retail/commercial of office tenants at CUS, and Metra concludes that the cost of waste management and disposal is factored into the rent that Amtrak collects from them.

Any waste arising out of transportation provided to Metra is disposed of separately. As such, Metra operations and use of CUS is a minimal source or beneficiary of the solid waste disposed through this area.

**B. Concourse Plan**

*1. North Stairwell Access (Concourse Portion)*

*(3 floor paths leading to the stairs—343; 287; and 343 square feet) to Great Hall Stairs and Taxi Stand)*

As indicated, these stairs, which are mirrored south of the hallway leading from the Great Hall to the Concourse, lead to the west side of Canal Street (by way of the staircases discussed below). Canal Street is directly accessible from the rail terminal on its east side. As such, the only reason a Metra commuter would use this indirect stairwell access route (walking away from the commuter terminal, past Canal Street, only to double back towards Canal Street) would be to make use of the Taxi Stand that Amtrak has located at that point along Canal Street. Metra commuters do not make regular or extensive use of taxi services, particularly compared to Amtrak patrons.

Nor is access from the west side of Canal Street a particularly direct route for Commuters. Amtrak data indicates that a [REDACTED] [REDACTED] (Exhibit 1, 2), while Riverside Plaza, a large pedestrian plaza along the Chicago River, permits Metra commuter access from the north, east, and south [REDACTED]). *Id.* Metra commuters approaching CUS from the west generally enter/exit on Clinton Street. Amtrak's own planning reflects these same pedestrian flows, which reinforce Metra's contention that the disputed staircase is of minimal benefit to Metra, if any, and is unnecessary to Metra commuter flows. *Id.* Finally, since Amtrak has agreed to stipulate to exclude the street area to which these disputed stairs lead, it has essentially

conceded that these stairs are not used in common.

*2. Constrained passageway*

*(1,171 sq. feet and 1,171 sq. feet.)*

With regard to the north side of the passageway, this is frontage space formerly used for now-vacant restaurant/food retail. Using wooden benches, Amtrak has erected what is essentially a barrier in this space, funneling pedestrians to the center of the passageway. On the south side of the corridor, a similar spatial exclusion exists, as Amtrak parks intercity Redcap baggage carts in front of its Ticket Office and Metropolitan Lounge (the latter is limited to premium Amtrak ticketholders). Amtrak's makeshift barriers serve to discourage pedestrian flows along the edges of the passageway. Additionally, the wider pathway that Amtrak may advocate for here is inconsistent with the Consensus Floor Plan captured- Metra pedestrian flows through the Great Hall.

*3. South Stairwell Access*

*(3 floor paths leading to the stairs (343; 287; and 343 square feet) to Taxi Stand).*

The usage patterns for No. 1, the North stairs on the west side of Canal Street, are repeated here. Here, also, Amtrak has agreed to stipulate to exclude the surface street area atop these stairs, and, accordingly, has effectively conceded that these stairs are not subject to common usage.

*4. Headhouse Building Stairs to Jackson Street*

*(527 sq. ft.)*

These stairs are in an odd place, squeezed in the middle of a city block, providing access to the north side of Jackson Street. They are narrow, have no corresponding elevator, and are low traffic areas. Metra passengers can access Jackson Street from Riverside

Plaza, and generally do, rather than use this staircase. Since Metra commuters do not use this pathway, the stairs are not of common benefit. Amtrak recognizes this, identifying the Jackson Street vestibule (on the street level, where these stairs end) as something it believes should be excluded from allocation. Exhibit 8, 4 (blue highlighting)

*5. Public restroom  
(610 sq. ft.)*

This restroom is similarly tucked in out from any high traffic area. In fact, this restroom was space Amtrak did not permit Metra or any member of the public into in 2016-2017. Amtrak's use of this restroom has been exclusive.

*6. Parking Garage Tunnel  
(2,160 sq. ft.)*

This tunnel led to a former Amtrak-owned parking garage. Reverse commuters using CUS as a departure station for an outbound morning trip are an insignificant portion of Metra's overall ridership—a mere 2.8%. Similar to the Canal Street taxi stand, persons driving to CUS, paying a daily parking fee to Amtrak, and taking the outbound morning trains are, or rather were, an even more miniscule number. More importantly, the parking garage was recently demolished. I understand that Amtrak is redeveloping the area into a food court and office building.

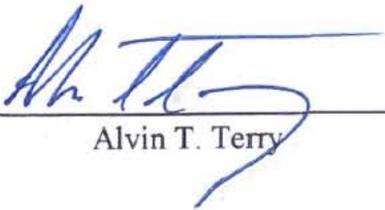
*7. Tracks 18-26  
(2,335 sq. ft.)*

Only a single Metra trainset—morning inbound Southwest service train number 810 (on average, 867 passengers or less than 2% of total ridership on lines serving CUS) doubling as morning outbound Southwest service train No. 807 (on average, 14 passengers, less than .1% of Metra CUS ridership) —uses any of these tracks on a regular, daily basis, relying on

only one of these 5 CUS tracks. Except for the very limited circumstance of trains 807/810, Amtrak erects a barrier controlling access to the concourse outside the platforms for these tracks. With the exception of the 807/810 turn-around service, Amtrak has exclusive access to the area leading to these tracks—this is not common benefit space. The Amtrak Assisted Boarding Area, which until recently was the primary boarding lounge, is immediately across the hallway, north of the tracks and the latitudinal concourse space to which Amtrak cuts off access. Departures from these tracks on the south portion of the building include the following at-least daily departures and arrivals: California Zephyr, Texas Eagle, Illinois Zephyr, Lincoln Service, City of New Orleans, Wolverine, Pere Marquette, Blue Water, Capitol Limited, and Lake Shore Limited. Under the circumstances, this area should be deemed exclusive to Amtrak.

I, Alvin T. Terry, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to make this Verified Statement.

Executed on this 19th day of May, 2020



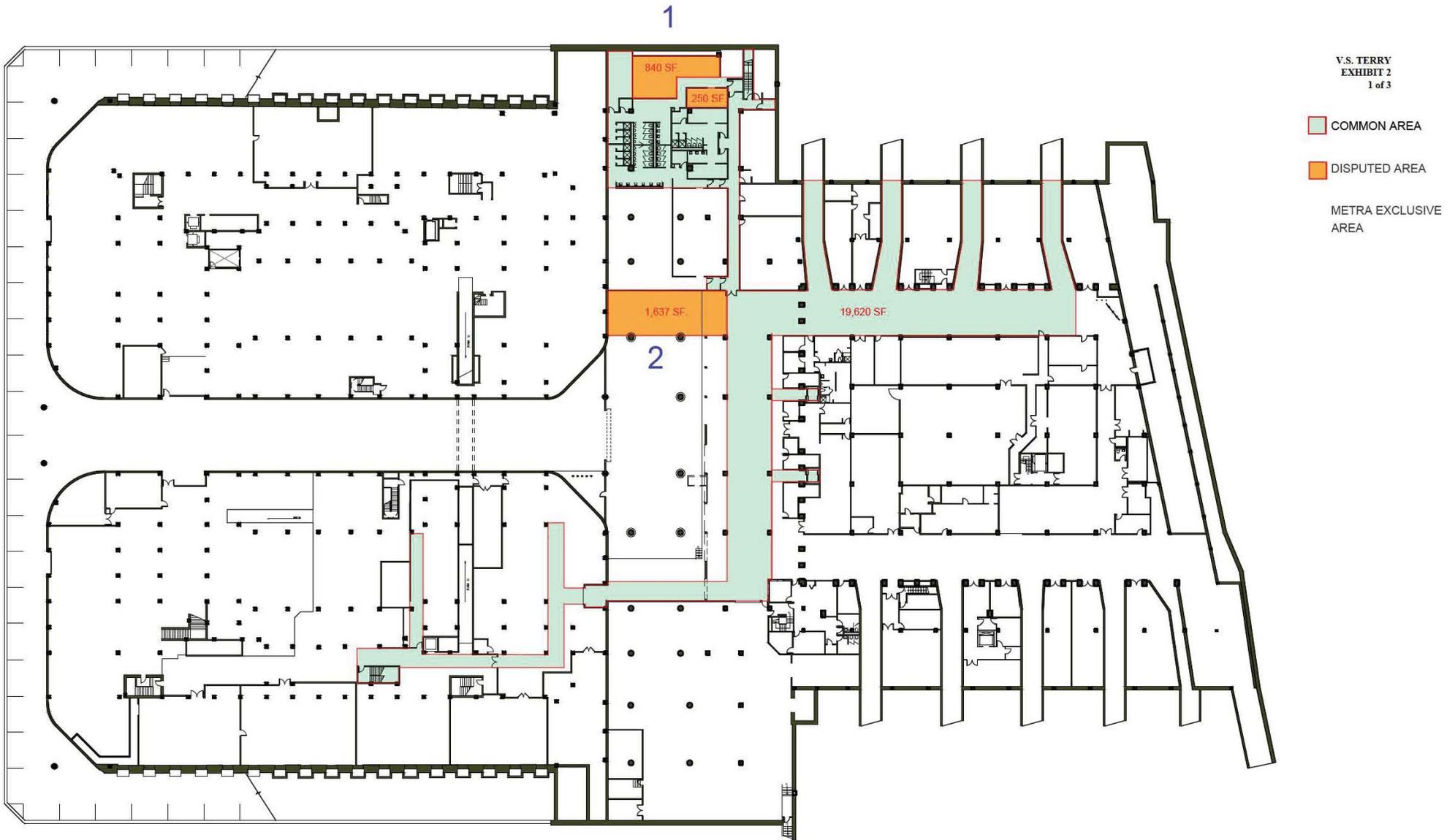
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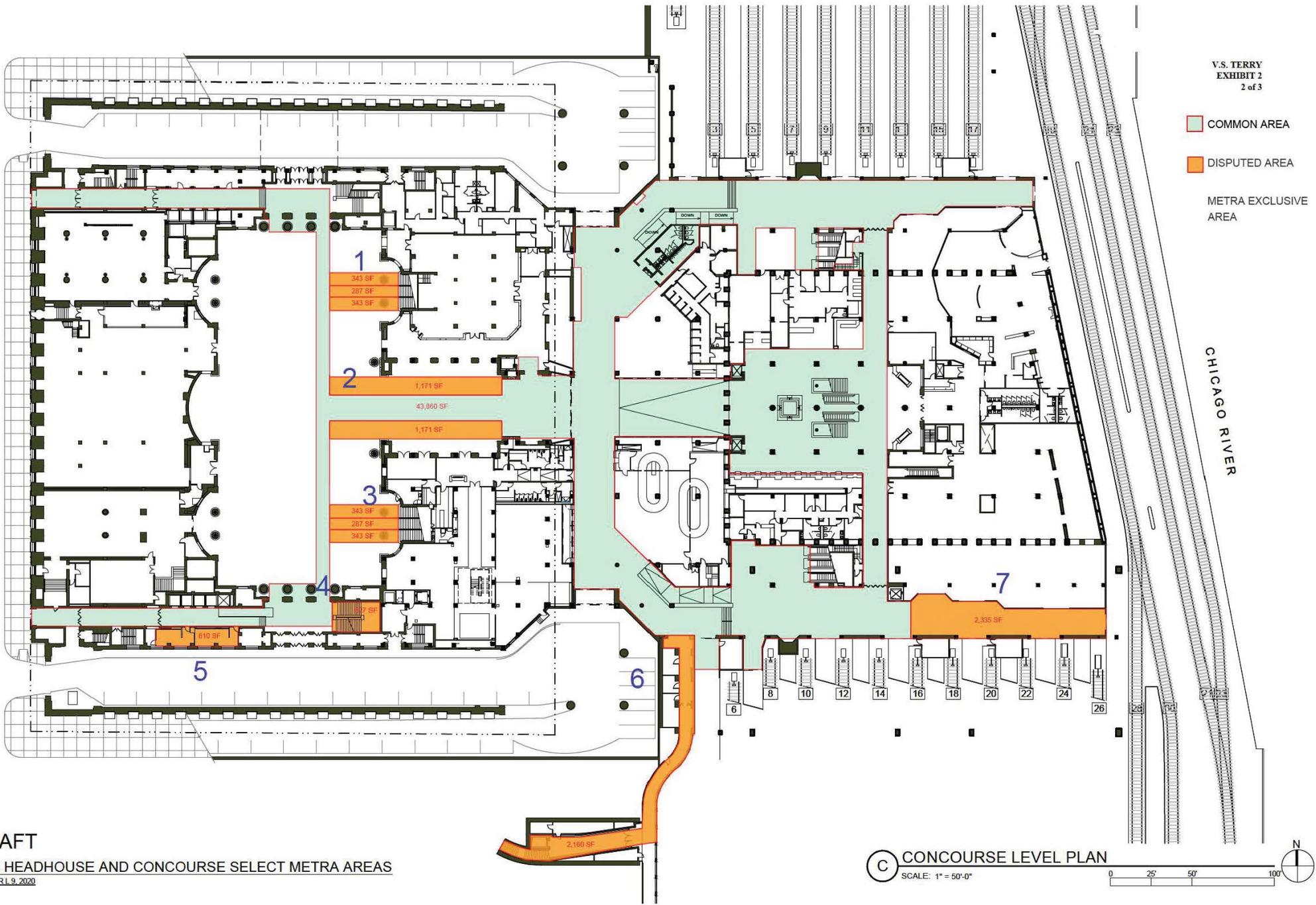
Alvin T. Terry





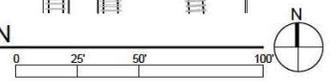


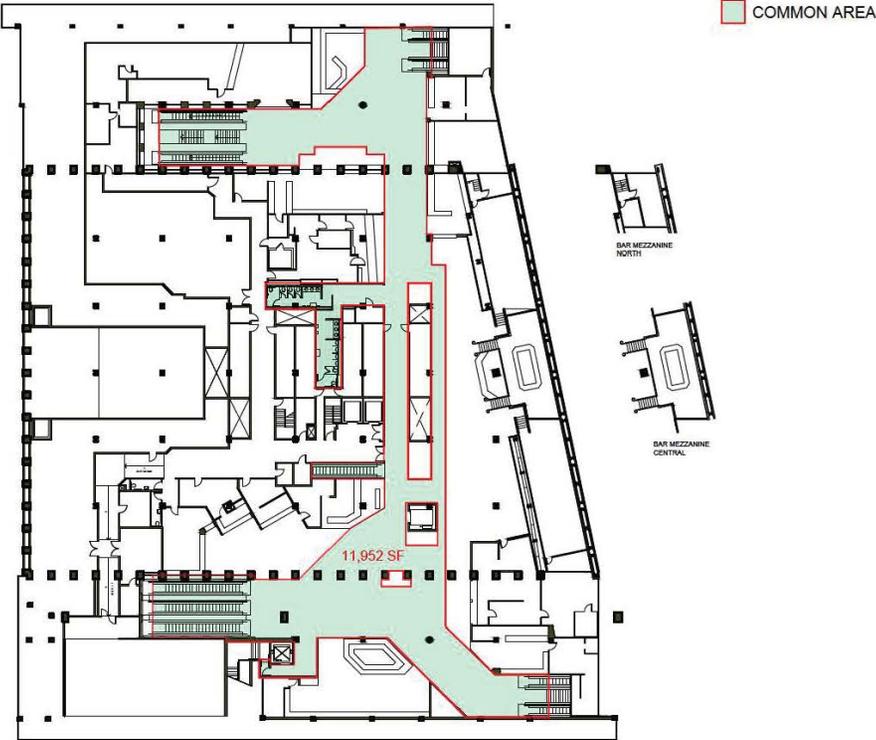




DRAFT  
CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
REV. APRIL 9, 2020

C CONCOURSE LEVEL PLAN  
SCALE: 1" = 50'-0"





DRAFT  
CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
REV: APRIL 9, 2020



**From:** [Suchy, Christine](#)  
**To:** [Alvin T. Terry](#); [Anthony Ognibene](#)  
**Subject:** updated CUS floor plans  
**Date:** Monday, March 09, 2020 2:59:47 PM  
**Attachments:** [image001.png](#)  
[2019 1112 Area Plans REV-030620-BASEMENT.pdf](#)  
[2019 1112 Area Plans REV-030620-CONCOURSE.pdf](#)  
[2019 1112 Area Plans REV-030620-MEZZANINE FOODCOURT.pdf](#)  
[2019 1112 Area Plans REV-030620-STREET LEVEL.pdf](#)

**[CAUTION:]** This email originated from outside of Metra. Do not click links, open attachments or forward unless you recognize the sender and know the content is safe. Suspicious email should be deleted or reported to the Metra Helpdesk at 312-322-6508.

Hello Tony and Alvin,

Attached are the updated floor plans based on your discussions with Joe and Suzanne last Tuesday, we look forward to seeing if your calculations and ours are now in alignment. I am on travel but back in the office on Wednesday, please feel free to call my cell phone if you have any questions or see any discrepancies.

Thank you,

Christine

**Christine Suchy**

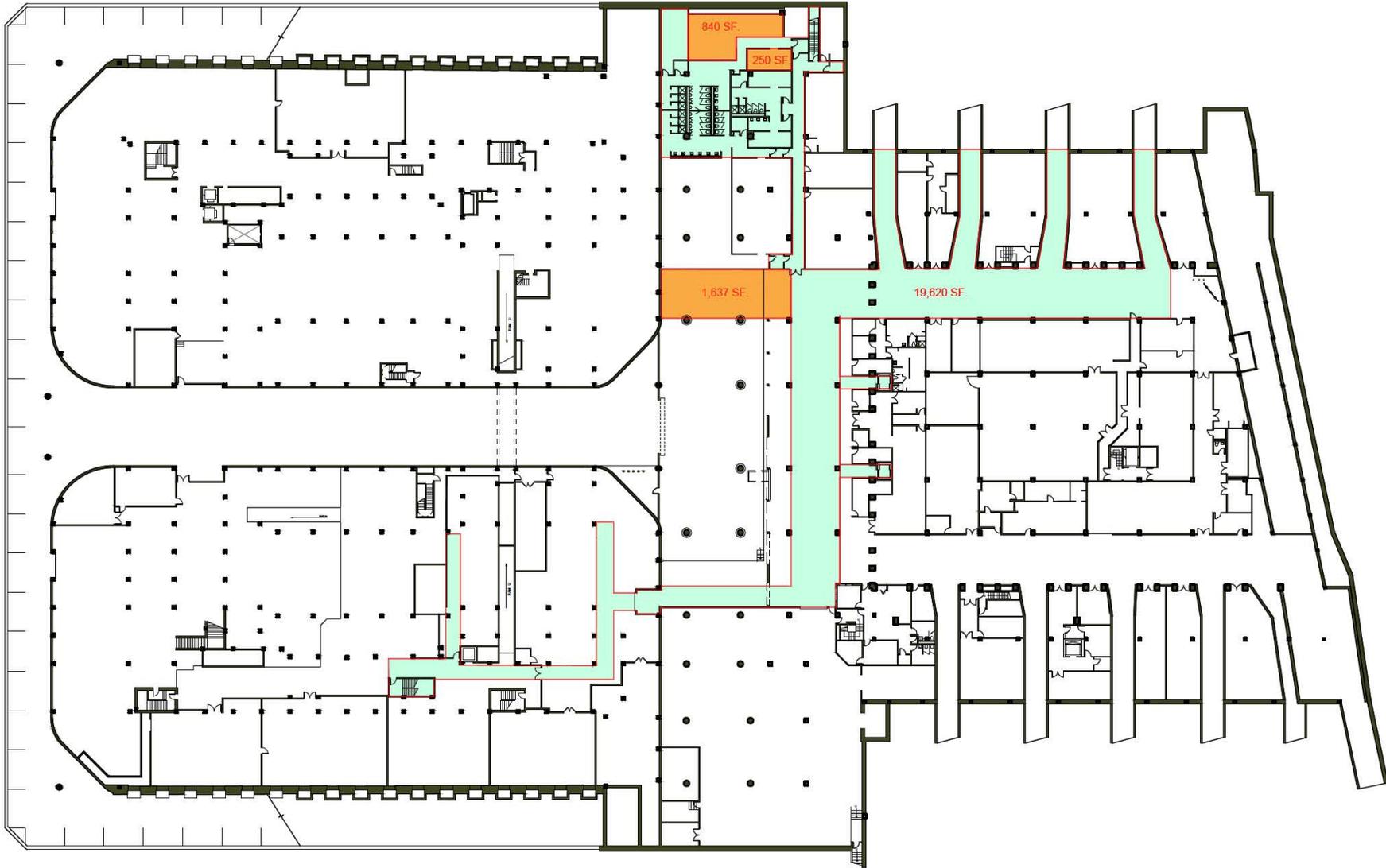
Director, Business Development, National Network

Amtrak | 1 Massachusetts Ave., NW | 4<sup>th</sup> Floor-427 | Washington, DC 20002

Email: [suchyc@amtrak.com](mailto:suchyc@amtrak.com) | office: 202.906.2543 | cell: 202.306.5471



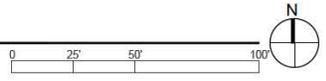
This e-mail message is for the sole use of the recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient(s), please contact the sender by reply e-mail and destroy all copies of the original message. Thank you.



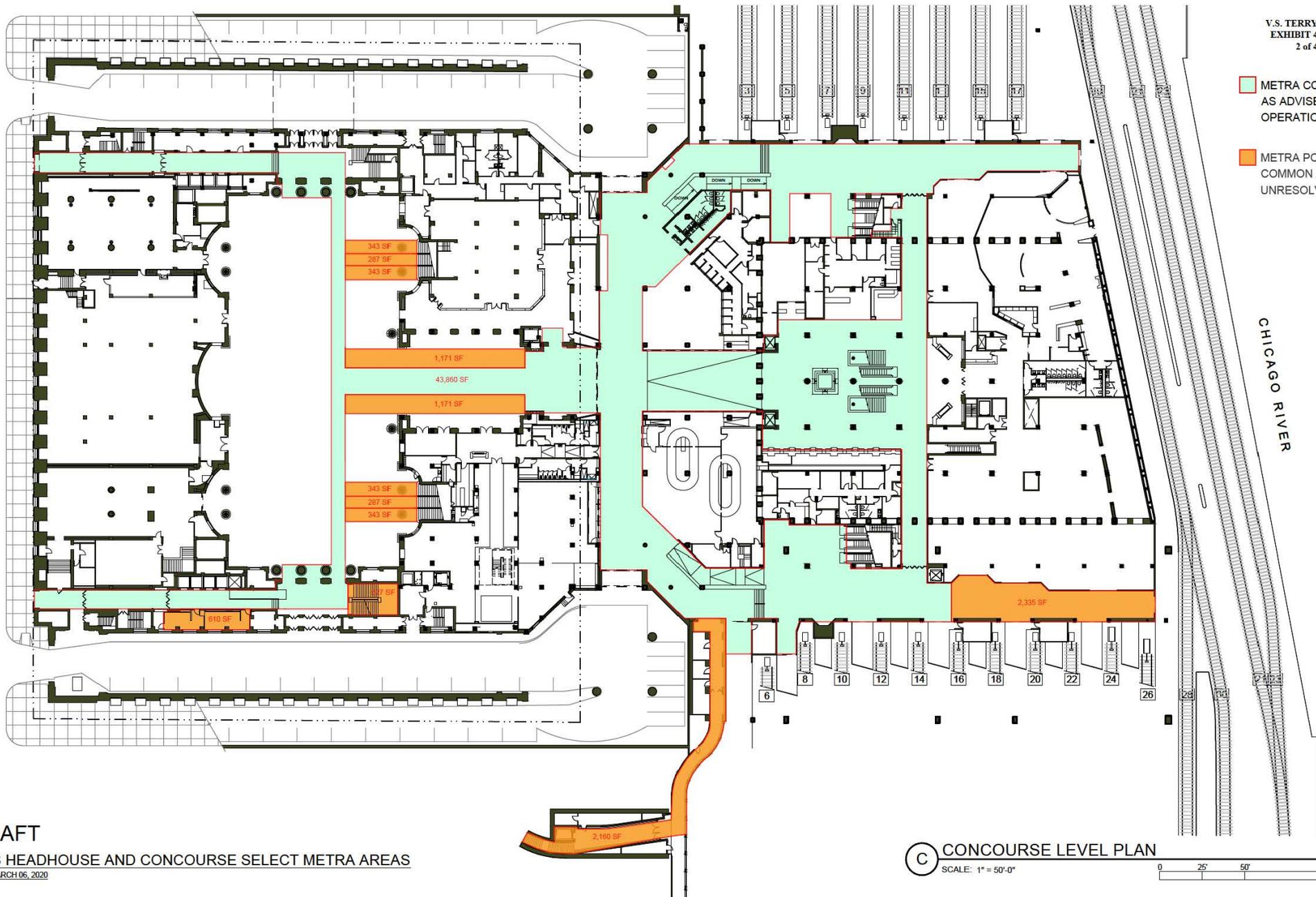
-  METRA COMMON AREA AS ADVISED BY METRA OPERATION
-  METRA POTENTIAL COMMON AREA UNRESOLVED

DRAFT  
CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
REV: MARCH 6, 2020

**(B) BASMENT PLAN**  
SCALE: 1" = 50'-0"

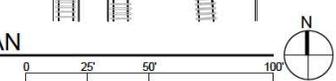


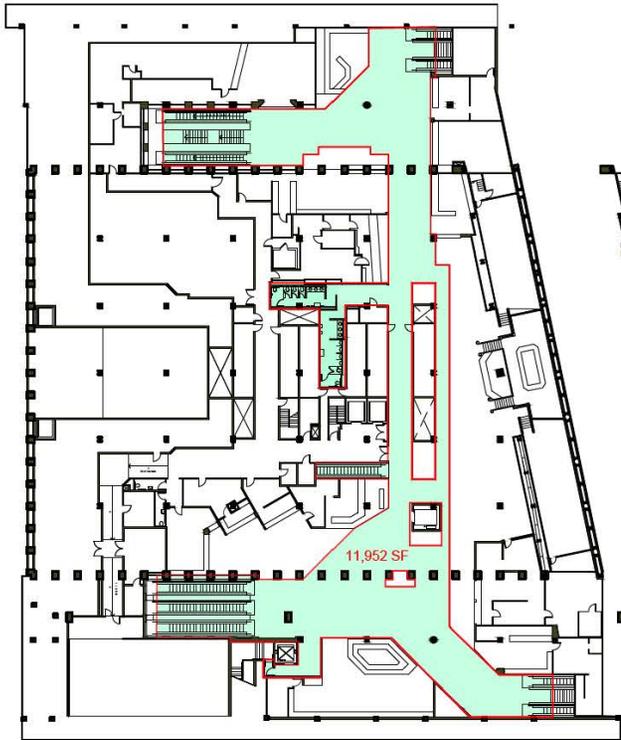
- METRA COMMON AREA  
AS ADVISED BY METRA  
OPERATION
- METRA POTENTIAL  
COMMON AREA  
UNRESOLVED



DRAFT  
CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
REV: MARCH 06, 2020

C CONCOURSE LEVEL PLAN  
SCALE: 1" = 50'-0"

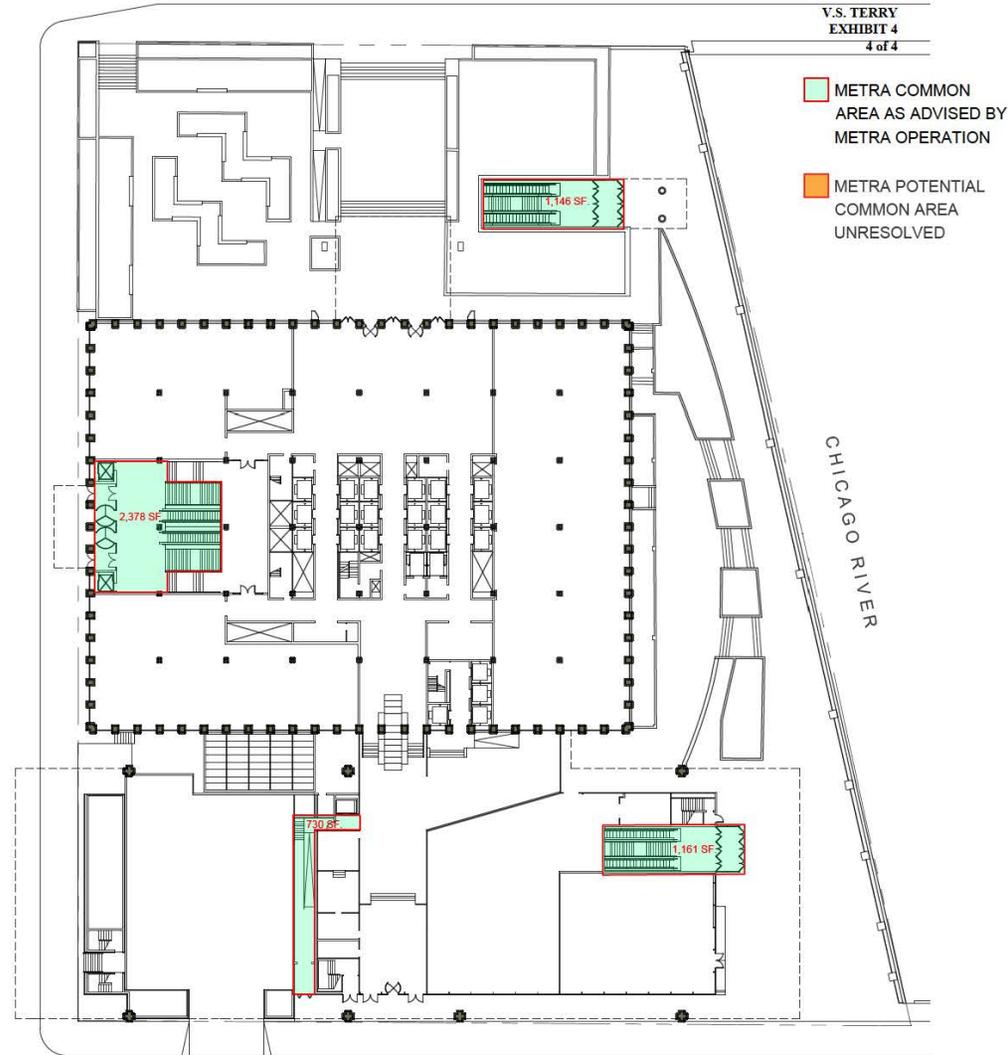
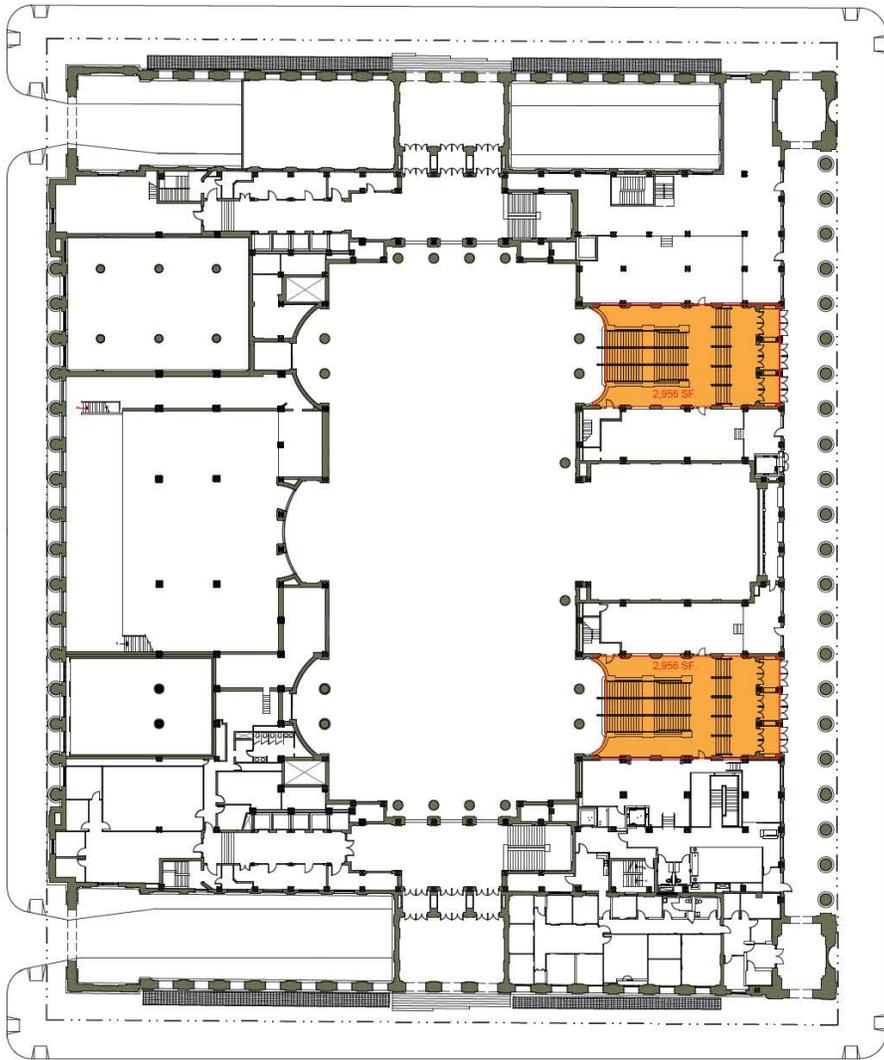




- METRA COMMON AREA AS ADVISED BY METRA OPERATION
- METRA POTENTIAL COMMON AREA UNRESOLVED



11,952 SF

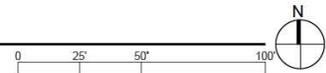


- METRA COMMON AREA AS ADVISED BY METRA OPERATION
- METRA POTENTIAL COMMON AREA UNRESOLVED

DRAFT  
CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
REV: MARCH 06, 2020

JACKSON STREET

**S** STREET LEVEL PLAN  
SCALE: 1" = 50'-0"



**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

---

**STB Docket No. FD 36332**

**PETITION BY THE NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK) FOR PROCEEDINGS UNDER 49 U.S.C. § 24903(c)(2)**

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**AMTRAK'S RESPONSE TO METRA'S THIRD SET OF INTERROGATORIES**

Pursuant to 49 C.F.R. § 1114.26 and the Board's Procedural Schedule in this matter, Amtrak submits these responses to the Third Set of Interrogatories of the Commuter Rail Division of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation (Metra).

**GENERAL OBJECTIONS**

1. Amtrak objects to the Definitions and Instructions to the extent that such Definitions and Instructions exceed the scope of the Surface Transportation Board's discovery rules, *see* 49 CFR §§ 1114.21–1114.31 and purport to impose on Amtrak undue burden and expense or raise issues untimely or inappropriate to the proceeding.
2. Amtrak objects to the number of Interrogatories (29 in the Third Set) as imposing an undue burden on Amtrak, particularly where Amtrak has already responded to 89 Interrogatories and 41 Requests for Production from Metra. Metra has now served nearly 120 Interrogatories and 60 Requests for Production in this case. The volume of discovery sought is not proportionate to the needs of the case.
3. Amtrak objects to the Interrogatories to the extent the Interrogatories purport to require disclosure of information that was prepared in anticipation of litigation, constitutes attorney work product, reveals attorney-client communications, or is otherwise protected from disclosure under applicable privileges laws, or rules. In responding to these Interrogatories,

**INTERROGATORY NO. 97:**

Explain whether any portion of the sum(s) in Amtrak Bates No. 5283 on the “Summary-Capital” tab labeled as Projected-FY 2018 in row or in Amtrak Bates Nos. 5998-5999 were addressed or included in Amtrak Bates Nos. 5287 through 5492 and if so, where the sums were included in 5287 through 5492.

**RESPONSE TO INTERROGATORY NO. 97:**

Amtrak incorporates its General Objections. Amtrak further objects to this request as seeking irrelevant information.

Notwithstanding its objections, Amtrak states that while the projects listed in the Capital-Projected tab may have been mentioned in Amtrak Bates Nos. 5287–5492, the amounts would likely not be comparable.

**INTERROGATORY NO. 98:**

Explain why ‘Spatial-Janitorial’ is a separate allocation calculation in the Cost Model contained in file Amtrak Bates No. 5283, and how it is represented in the Access Agreement.

**RESPONSE TO INTERROGATORY NO. 98:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 98 as follows: Amtrak conducted a separate calculation for janitorial expense based on the contract for janitorial services that identifies areas of Chicago Union Station for purposes of that contract. Janitorial services are part of station operations and maintenance costs.

**INTERROGATORY NO. 99:**

For each area in Amtrak Bates No. 179 that corresponds to color-coding in beige or purple areas in Amtrak Bates Nos. 180-183, or for which Amtrak otherwise claims a cost is

incurred for the benefit of Metra, describe the manner in which the area is used and the annual<sup>7</sup> of 5  
hours the area is used.

**RESPONSE TO INTERROGATORY NO. 99:**

Amtrak incorporates its General Objections. Amtrak further objects to this interrogatory as overly broad and unduly burdensome to the extent it requests that Amtrak specifically categorize numerous separate areas. Amtrak further objects on the ground that Amtrak Bates No. 179–83 was not used for any calculations. Amtrak further objects on the ground that Amtrak and Metra have continued to discuss the proper allocation of and space up to and through a recent (January 2020) walk-through of Chicago Union Station at which agreement was reached as to specific areas of Chicago Union Station.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 99 as follows: The purple areas are used exclusively by Metra and include the Metra crew locker and quiet rooms (basement) and ticketing areas (concourse). The yellow (or beige as stated in the Interrogatory) areas are those used by both Amtrak and Metra. These include areas utilized by Amtrak and Metra passengers (concourse, mezzanine and street level) and storage and mechanical rooms (basement level).

**INTERROGATORY NO. 100:**

Identify all other persons—other than the General Public, Amtrak, and Metra—Amtrak permits to use CUS.

**RESPONSE TO INTERROGATORY NO. 100:**

Amtrak incorporates its General Objections. Amtrak further objects to this as vague, ambiguous and unintelligible. Amtrak will meet and confer with Metra and provide a response or objections once it understands what information Metra is seeking.

**INTERROGATORY NO. 119:**

Describe all calculations undertaken in support of the 10-year cost of good repair factors described on row 7 of the “Summary” tabs of Amtrak Bates No. 1 and 294.

**RESPONSE TO INTERROGATORY NO. 119:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 119 as follows: No calculations were undertaken in support of the utilization of a 10-year cost of good repair factor.

The 10-year period was based on the fact that Amtrak’s proposal was for a 10-year contract.

Dated: January 28, 2020

William H. Herrmann  
Christine E. Lanzon  
National Railroad Passenger Corporation  
(Amtrak)  
60 Massachusetts Avenue, N.E.  
Washington, DC 20002

/s/Neil K. Gilman  
Neil K. Gilman  
Perie Reiko Koyama  
HUNTON ANDREWS KURTH LLP  
2200 Pennsylvania Avenue, N.W.  
Washington, DC 20037  
ngilman@HuntonAK.com  
pkoyama@HuntonAK.com  
(202) 955-1500

Thomas R. Waskom  
HUNTON ANDREWS KURTH LLP  
Riverfront Plaza, East Tower  
951 East Byrd Street  
Richmond, VA 23219  
twaskom@HuntonAK.com  
(804) 788-8200

*Counsel for the National Railroad Passenger  
Corporation (Amtrak)*

Dated: January 29, 2020

Verified by: C. Suchy

Name: Christine Suchy

Title: Director, Business Development, National Network

National Railroad Passenger Corporation (Amtrak)

State of MARYLAND,

County of MONTGOMERY,

SS:

CHRISTINE SUCHY, being duly sworn, deposes and says that she has read the foregoing statement, knows the facts asserted there are true, and that the same are true as stated.

Subscribed and sworn to before me this 29<sup>th</sup> day of January 2020.

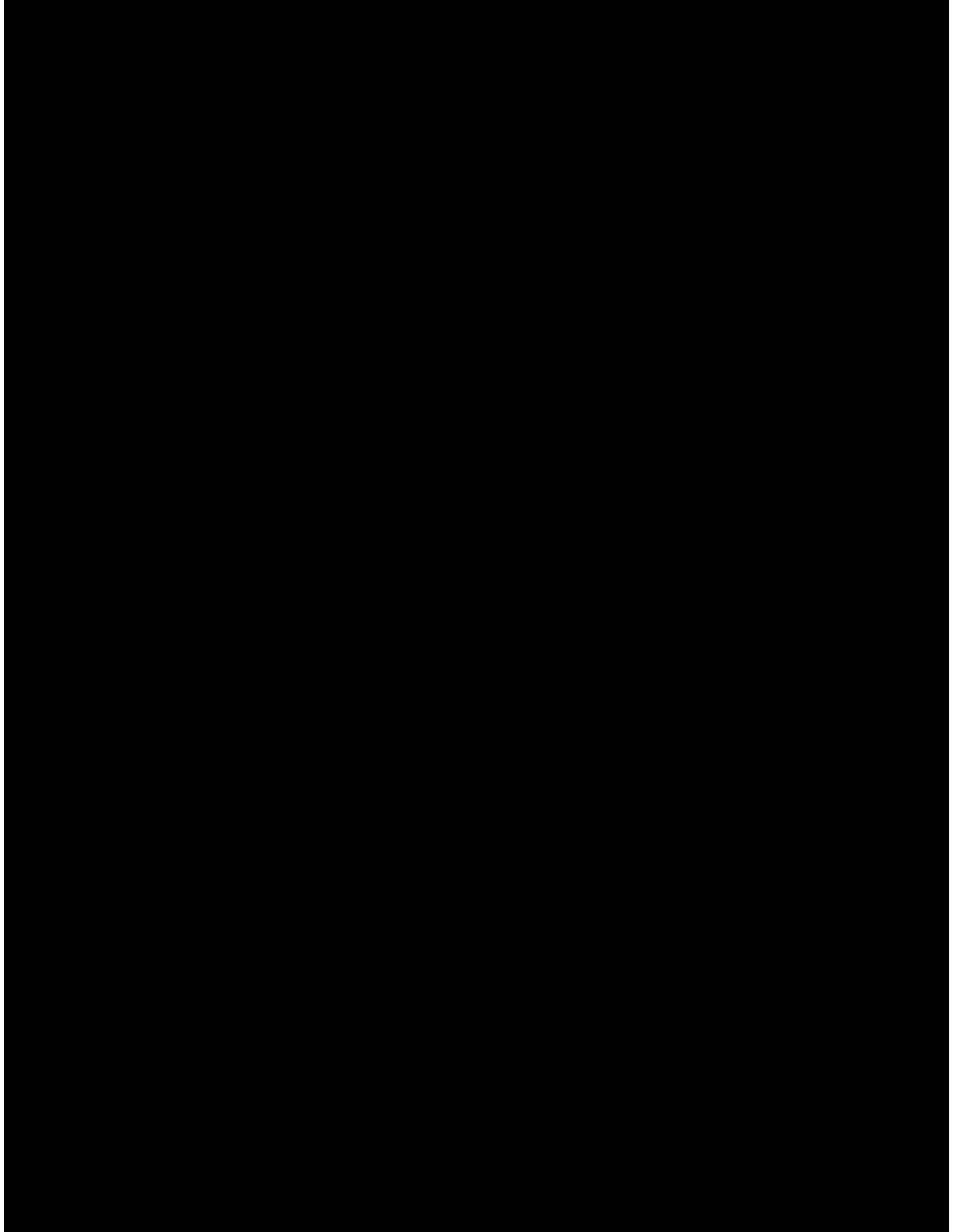
Signed: Partap Ajrawat

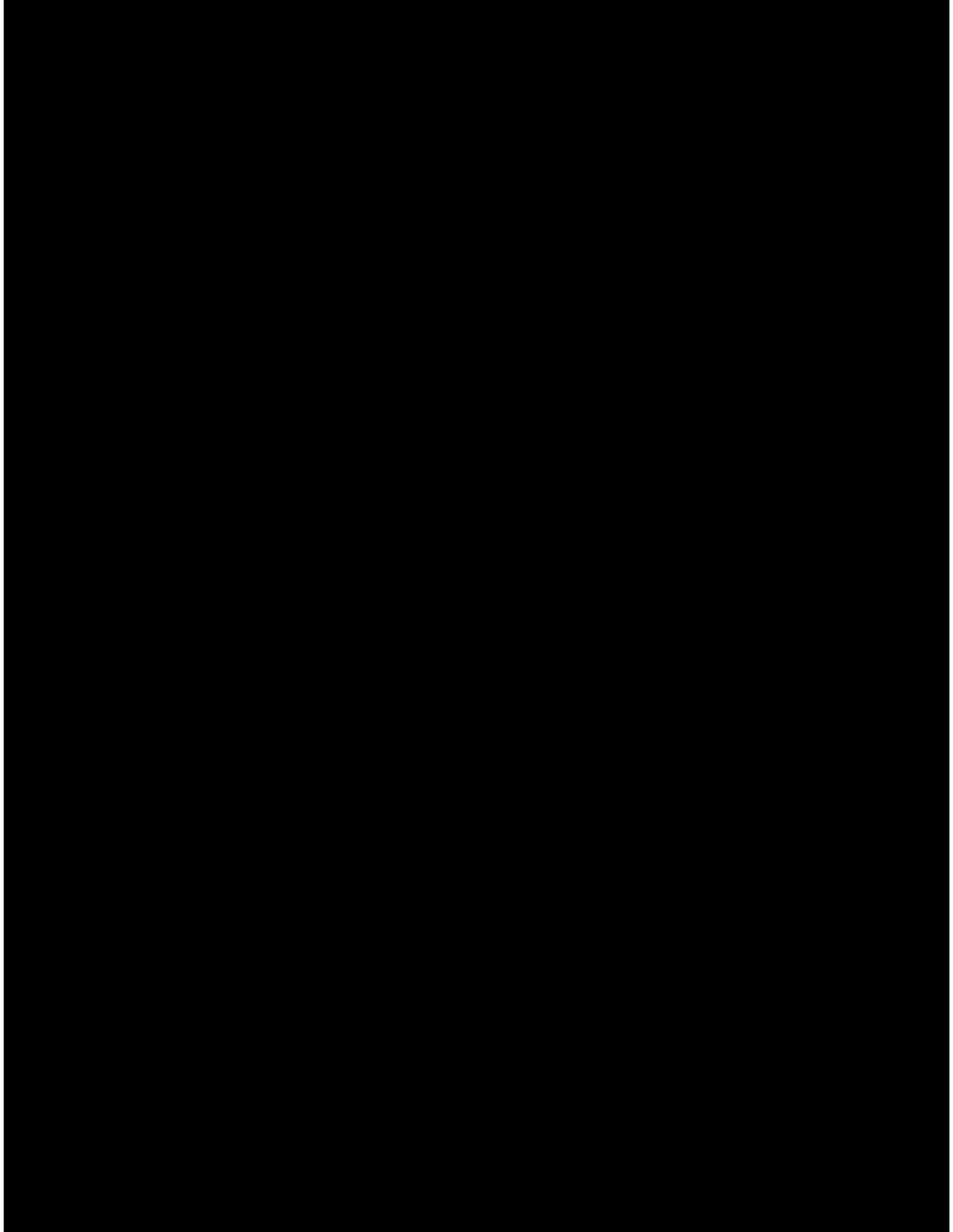
Notary Public of MONTGOMERY COUNTY, MD

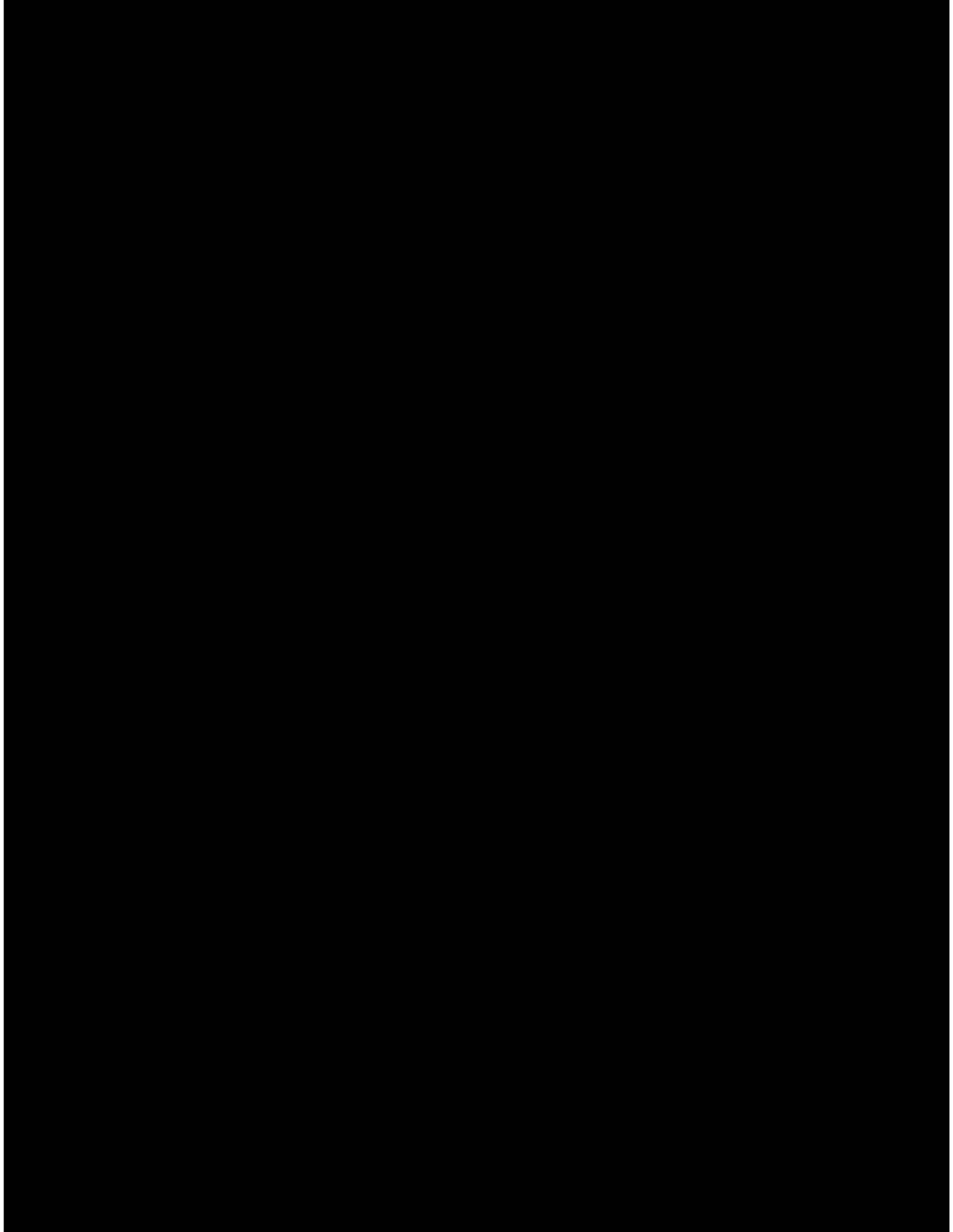
My Commission expires JUNE 9<sup>th</sup>, 2021

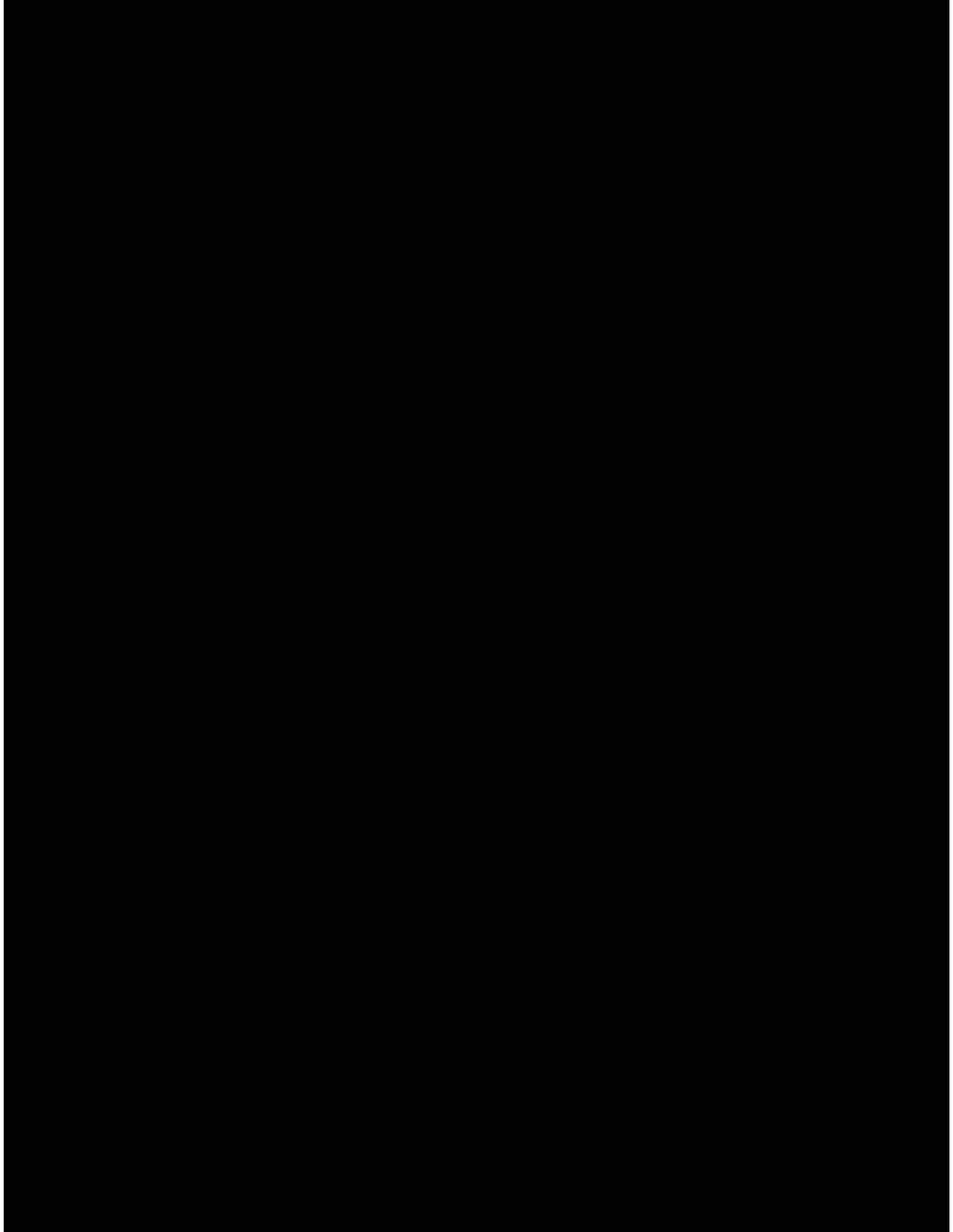


PARTAP S. AJRAWAT  
Notary Public, State of Maryland  
County of Montgomery  
My Commission Expires June 9, 2021









**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

---

**STB Docket No. FD 36332**

**PETITION BY THE NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK) FOR PROCEEDINGS UNDER 49 U.S.C. § 24903(c)(2)**

---

**AMTRAK'S RESPONSES TO FIRST INTERROGATORIES**

Pursuant to 49 C.F.R. § 1114.26 and the Board's Procedural Schedule in this matter, Amtrak submits these responses to the First Set of Interrogatories of the Commuter Rail Division of the Regional Transportation Authority and Northeast Illinois Regional Commuter Railroad Corporation (Metra) served on November 4, 2019.

**GENERAL OBJECTIONS**

1. Amtrak objects to the Definitions and Instructions to the extent that such Definitions and Instructions exceed the scope of the Surface Transportation Board's discovery rules, *see* 49 CFR §§ 1114.21–1114.31 and purport to impose on Amtrak undue burden and expense or raise issues untimely or inappropriate to the proceeding.

2. Amtrak objects to the Interrogatories to the extent the Interrogatories purport to require disclosure of information that was prepared in anticipation of litigation, constitutes attorney work product, reveals attorney-client communications, or is otherwise protected from disclosure under applicable privileges laws, or rules. In responding to these Interrogatories, Amtrak does not intend to waive, and shall not be construed as having waived, any privilege or protection, including but not limited to, the attorney-client, consultant, and work product privileges.

3. Amtrak objects to the Interrogatories to the extent that they are vague, ambiguous, overly broad, unduly burdensome and oppressive, and seek “all” expenditures, figures, calculations, models, data, spatial analyses, graphs, maps, documents, software, materials, assets, accounting records, ledger entries, etc. relating to a particular subject matter, since it is not feasible to comply.

4. Amtrak objects to the Time Period included in Metra’s instructions as seeking information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence since many of Metra’s requests seek information from up to 35 years ago. Amtrak further objects that it would be unduly burdensome to require Amtrak to respond going back many years. As discussed and agreed by the Parties, Amtrak will be searching for and producing more recent information. To the extent that Metra believes Amtrak’s responses are insufficient for purposes of this case, Amtrak and Metra have agreed to meet and confer, and Amtrak has agreed that it will consider reasonable and specific requests for further information.

5. Amtrak objects to the Interrogatories to the extent that they seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

6. Amtrak objects to the Interrogatories to the extent that they purport to require Amtrak to reach a legal conclusion about any document, thing, or event, particularly at the present stage of the litigation.

7. Amtrak objects to the large number of Interrogatories as seeking to impose an undue burden on Amtrak, especially when coupled with the large number of overly broad document requests. Amtrak further objects to the 20 days provided for a response as unduly burdensome and unreasonable given the number of requests and broad scope of the requests. While Amtrak has worked diligently to provide reasonable and appropriate responses in the time

3 of 12  
period provided, Amtrak reserves its right to supplement or amend these responses if further information becomes available.

8. Amtrak objects to the Definition of “Amtrak,” “you,” “yourself,” and “petitioner” to the extent that it includes nonparties, and further to the extent it purports to require Amtrak to provide information regardless of whether such information is in Amtrak’s possession, custody or control.

9. Amtrak objects to the Definition of “identify” or “describe” as used with respect to documents or communications for being overly broad, unduly burdensome and seeking information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Amtrak’s identification of documents, communications or other information in response to any Interrogatories will provide only such information that is reasonable. To the extent Metra has specific and reasonable follow up questions, Amtrak will work with Metra to provide responses.

10. Amtrak objects to the Definition of “Capital Improvements” to the extent it limits real estate improvements to those “planned, suggested, recommended, or desired by Amtrak” or “not in existence at Chicago Union Station.”

11. Amtrak objects to Metra’s use of the term “transportation,” as that term is undefined in 49 U.S.C. § 24903 and is not defined by Metra.

1 of 12  
**INTERROGATORY NO. 1:**

Identify by legal description (whether metes and bounds, or other readily identifiable description within Amtrak's possession using physical linear or cubic measures and landmarks) the premises constituting the real estate holding Amtrak contends represents "Chicago Union Station" as to which Amtrak incurs costs of providing transportation for the benefit of Metra.

**RESPONSE TO INTERROGATORY NO. 1:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 1 as follows:

Amtrak directs Metra to Amtrak0000002, Amtrak0000003, Amtrak0000004, and Amtrak0000036, maps demonstrating the property that comprises Chicago Union Station.

**INTERROGATORY NO. 2:**

Identify whether Amtrak contends that the entire premises described in your response to Interrogatory No. 1 is used for providing transportation for the sole or exclusive benefit of Metra. To the extent Amtrak contends that some portion of the premises is used for Metra's sole or exclusive benefit, identify the portion of the premises so used for Metra's sole or exclusive benefit. To the extent a portion of the premises does not benefit Metra, identify that portion of the premises.

**RESPONSE TO INTERROGATORY NO. 2:**

Amtrak incorporates its General Objections.

Notwithstanding its objections, Amtrak responds to Interrogatory No. 2 as follows:

Amtrak states, as to the first question, that it does not contend that the entirety of Chicago Union Station is used for providing transportation for the sole or exclusive benefit of Metra. As to the second question, Amtrak does contend that certain portions of the premises are used for Metra's

5 of 12  
sole or exclusive benefit. These areas include the Metra ticket office and Metra crew locker and quiet rooms. Amtrak refers to Amtrak0000179, which identifies the Metra sole use areas, the Amtrak (or other tenant) sole use areas, and the shared areas at Chicago Union Station, and Amtrak0000184, a Chicago Union Station spatial analysis.

**INTERROGATORY NO. 3:**

Identify all witnesses who will provide verified statements in this matter and any person assisting such individuals. In your response, also include a description of the subject matter and a summary of the content of the anticipated statement.

**RESPONSE TO INTERROGATORY NO. 3:**

Amtrak incorporates its General Objections. Amtrak further objects to Interrogatory No. 3 as premature and seeking information protected by the attorney-client privilege and the attorney work product doctrine. Amtrak's opening brief with evidentiary support is not due to be filed for several months. Accordingly, Amtrak and its counsel have not made any decision as to what individuals, if any, will provide statements, verified or otherwise, in this matter.

**INTERROGATORY NO. 4:**

Identify each person with knowledge of the allegations contained in the Petition. Your identification shall specifically include a summary of the knowledge such persons have and the bases therefor.

**RESPONSE TO INTERROGATORY NO. 4:**

Amtrak incorporates its General Objections. Amtrak further objects to Interrogatory No. 4 as overly broad and unduly burdensome because large numbers of individuals, both within and outside Amtrak have knowledge of some allegations contained in the Petition. Amtrak further objects to this interrogatory as overly broad and unduly burdensome because there are

6 of 12  
Dated: November 26, 2019

Verified by: Christine Suchy

Name: Christine Suchy

Title: Director, Business Development, National Network

National Railroad Passenger Corporation (Amtrak)

State of MARYLAND,

County of MONTGOMERY,

SS:

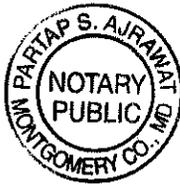
CHRISTINE SUCHY, being duly sworn, deposes and says that she has read the foregoing statement, knows the facts asserted there are true, and that the same are true as stated.

Subscribed and sworn to before me this 26<sup>th</sup> day of November 2019.

Signed: Partap S. Ajrawat

Notary Public of STATE OF MARYLAND

My Commission expires 06/09/21



PARTAP S. AJRAWAT  
Notary Public, State of Maryland  
County of Montgomery  
My Commission Expires June 9, 2021

V.S. TERRY  
EXHIBIT 7

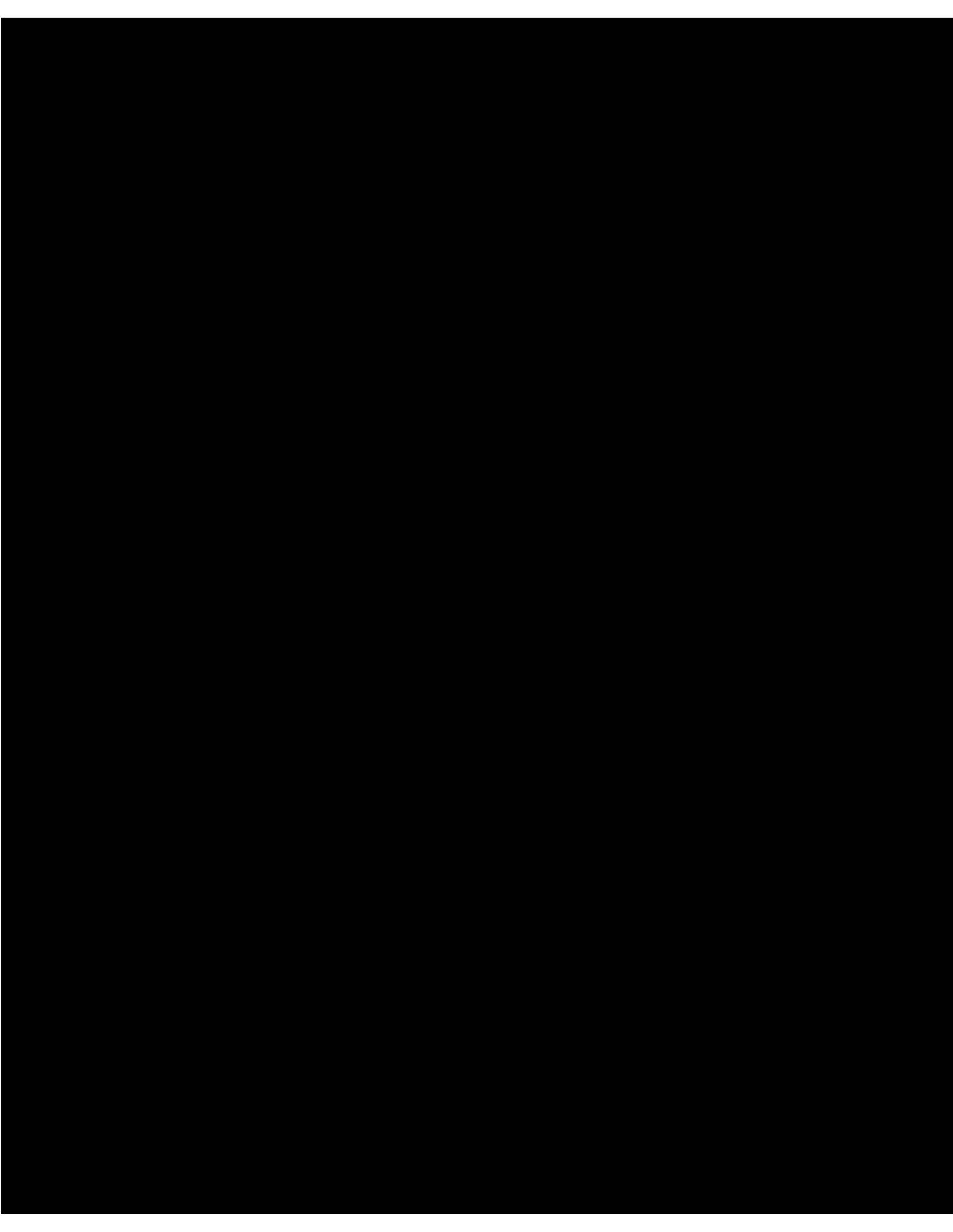
~~7 of 12~~  
Dated: November 25, 2019

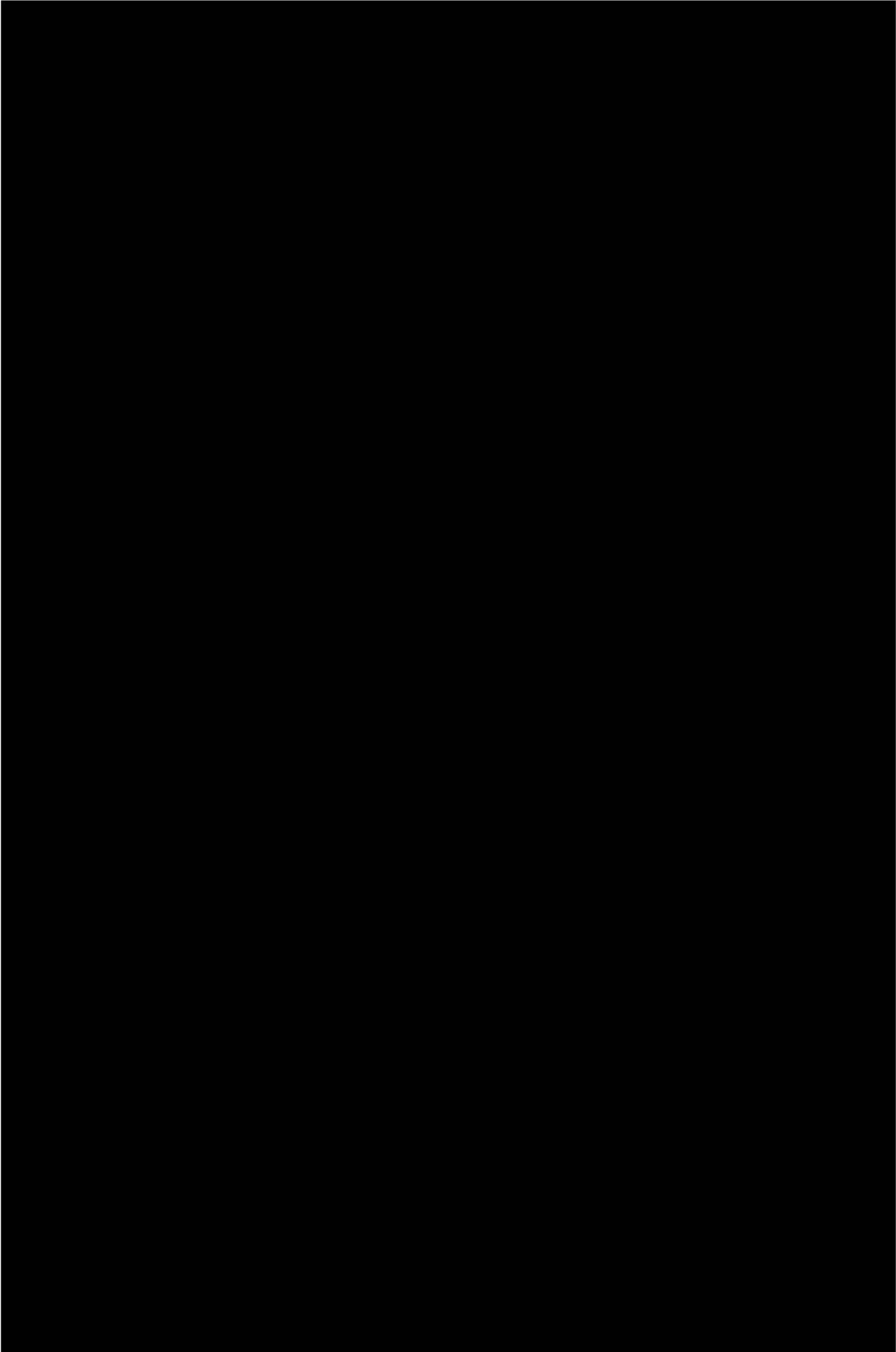
William H. Herrmann  
Christine E. Lanson  
National Railroad Passenger Corporation  
(Amtrak)  
60 Massachusetts Avenue, N.E.  
Washington, DC 20002

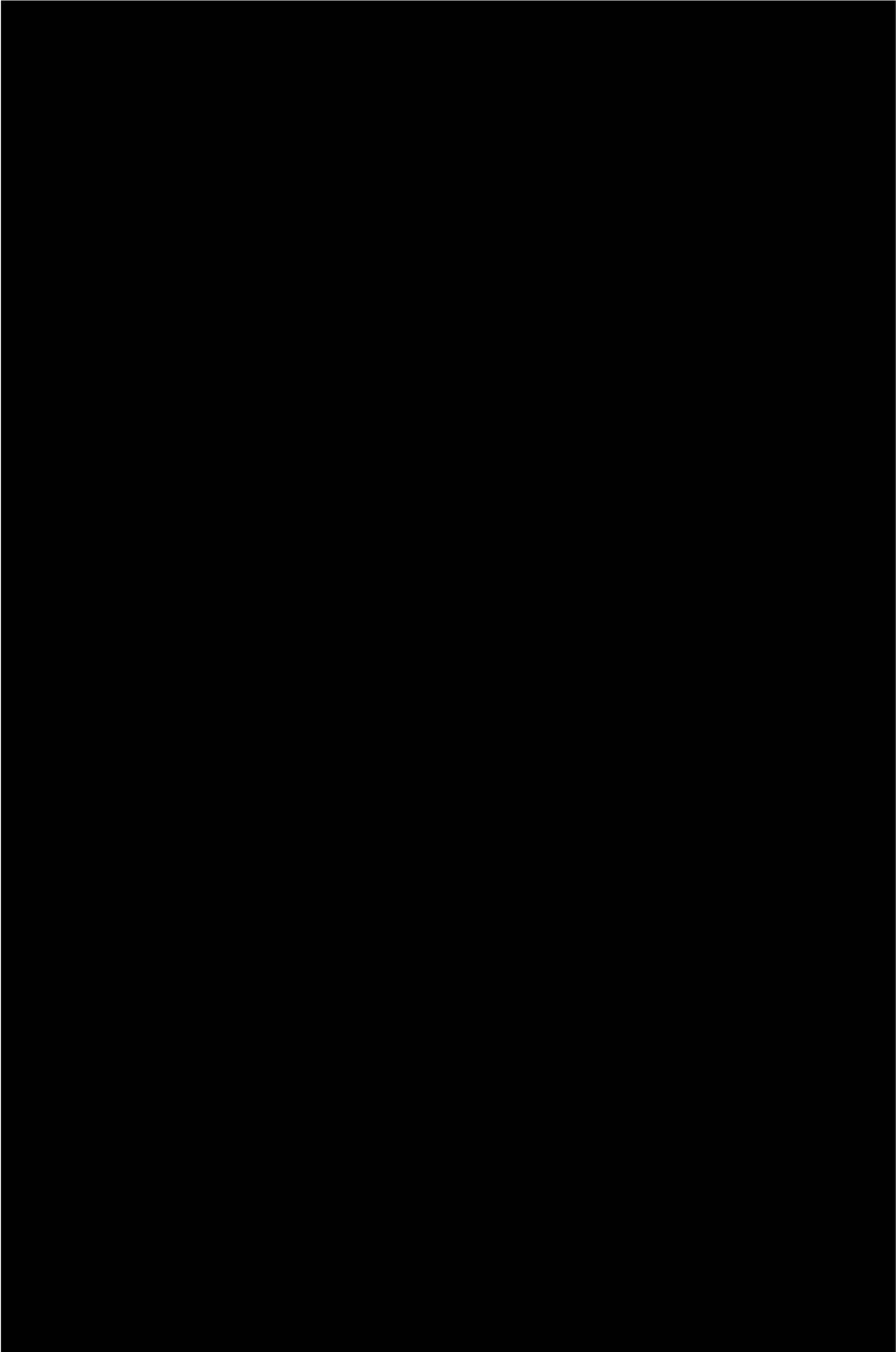
/s/Neil K. Gilman  
Neil K. Gilman  
Perie Reiko Koyama  
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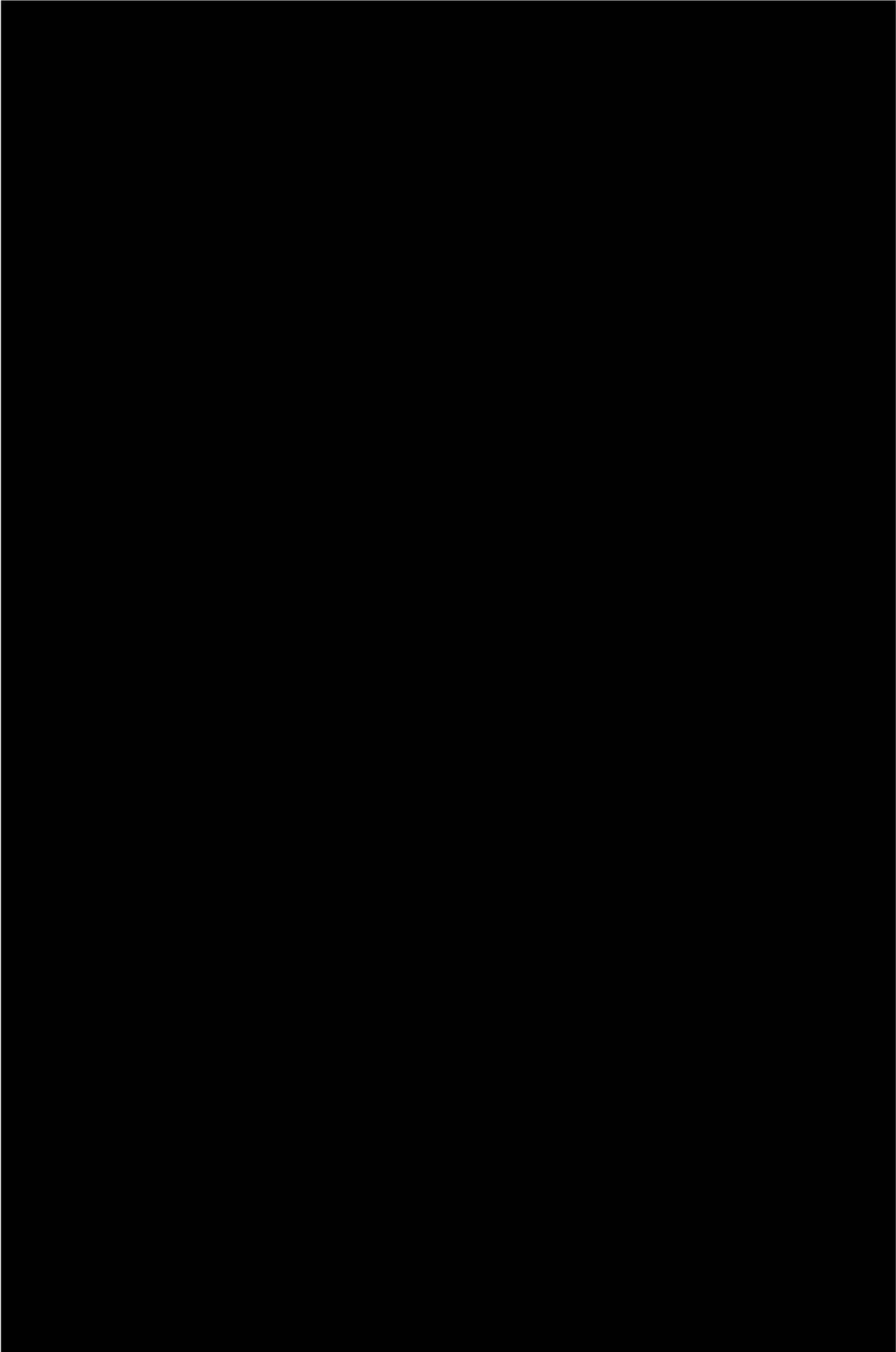
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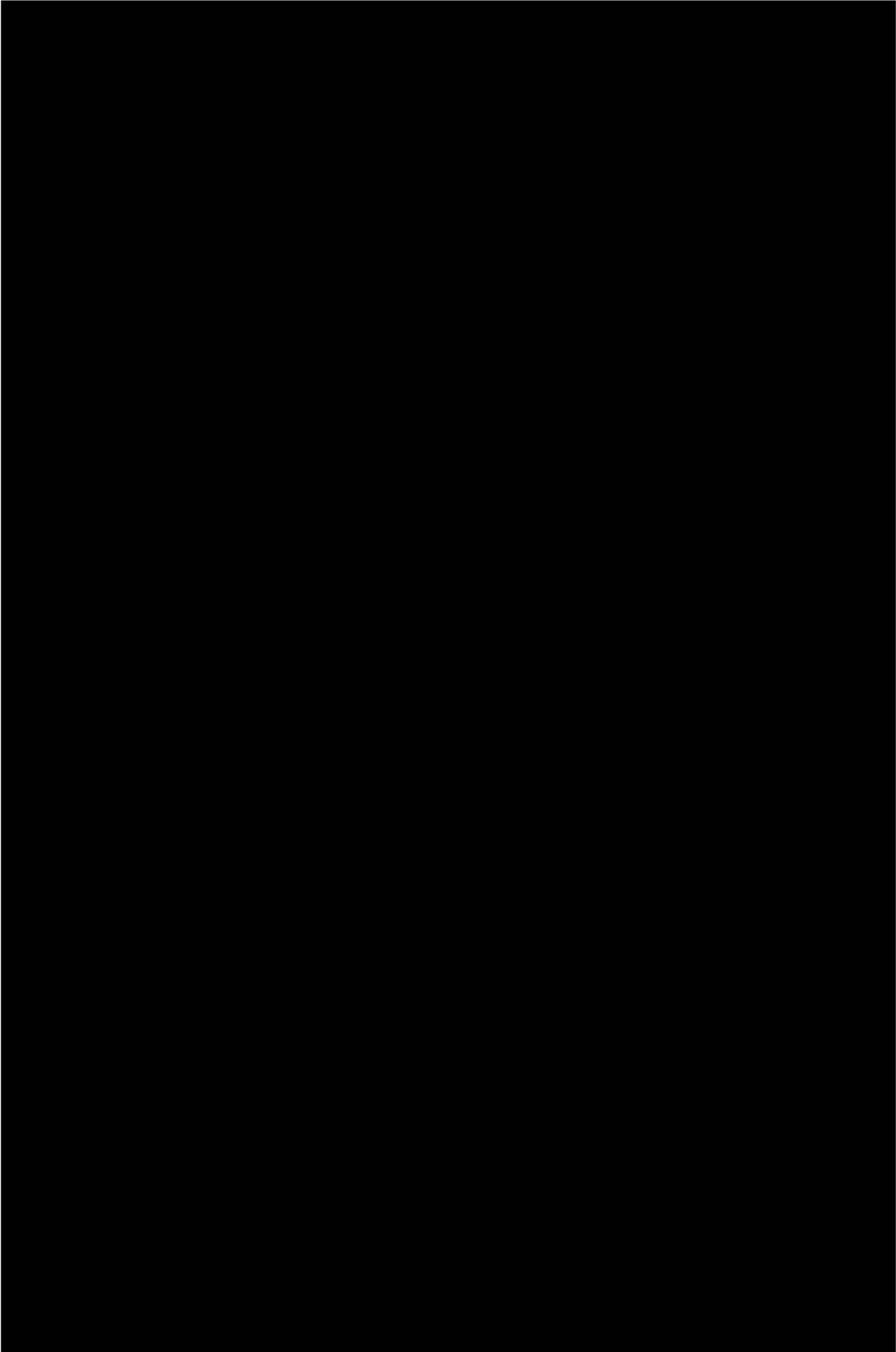
*Counsel for the National Railroad Passenger  
Corporation (Amtrak)*





















**CERTIFICATE OF SERVICE**

I hereby certify that on this day, May 27, 2020, in accordance with the requirements of 49 C.F.R. § 1152.60(d), a copy of the foregoing **Opening Statement of the Commuter Rail Division of the Regional Transportation Authority and the Northeast Illinois Regional Commuter Railroad Corporation (Public)** was served by electronic file transfer site on the following persons:

Neil K. Gilman  
Hunton Andrews Kurth LLP  
2200 Pennsylvania Ave., N.W.  
Washington, DC 20037

Perie R. Koyama  
Hunton Andrews Kurth LLP  
2200 Pennsylvania Ave., N.W.  
Washington, DC 20037

Thomas R. Waskom  
Hunton Andrews Kurth LLP  
951 East Byrd St.  
Richmond, VA 23219



---

Bradon J. Smith

WORKPAPERS SUBMITTED IN SUPPORT OF CROWLEY/MULHOLLAND  
VERIFIED STATEMENT ARE SUBJECT TO SEAL EXCEPT AS PROVIDED HEREIN

# **Commuter Rail System Station Boarding/Alighting Count**

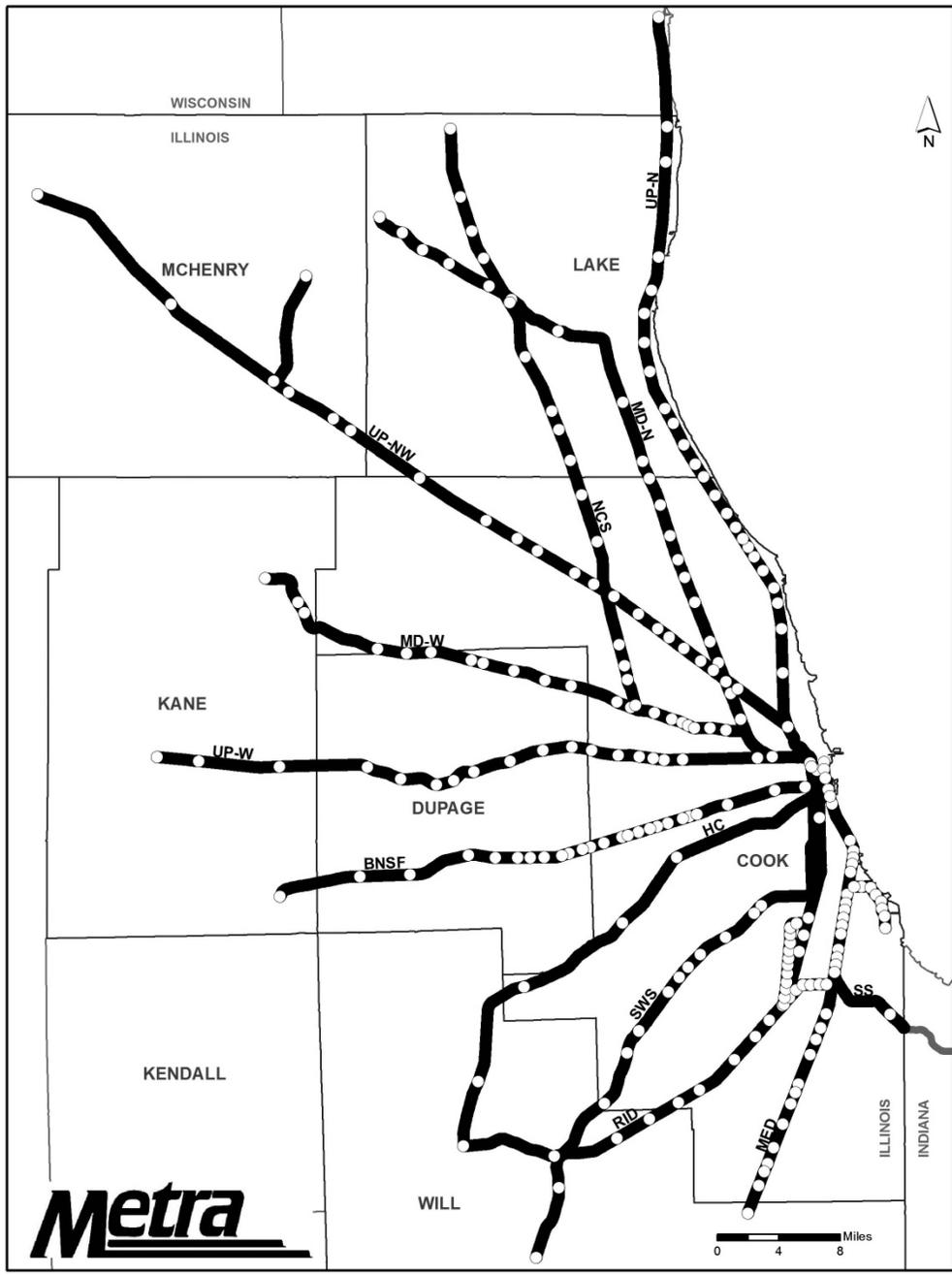


## **SUMMARY RESULTS**

**Fall 2016**

Division of Strategic Capital Planning

**May 2017**



## Fall 2016 Commuter Rail System Weekday Station Boarding/Alighting Count SUMMARY RESULTS

This report summarizes results of the Metra station passenger boarding/alighting count taken during the fall of 2016, and is intended as a companion to the separate train count tabulations report.

Metra uses several primary data sources to measure commuter rail ridership. Passenger travel by month is estimated on the basis of ticket sales. Standard trip-rate factors are applied to sales of each ticket type to convert ticket information to passenger trips. Since this data is collected at the fare zone level, it is possible to determine where travel has been made, but not when. Another source is conductor passenger load counts of trains entering and leaving downtown stations. This information serves to measure when passenger travel occurs, but not where. To answer the question of where and when Metra service is used, a census of an entire rail line's ridership for a given weekday is taken on a periodic basis. This Fall 2016 count is the most recent such census.

This 2016 project involved use of survey personnel positioned at the entranceway of each revenue car, or on station platforms if more efficient. Weekday counts were performed on Tuesdays, Wednesdays, and Thursdays except for some recounts on Monday December 5<sup>th</sup>. Counters recorded the number of passengers boarding and alighting at each station stop on pre-coded forms that were later keyed and computer processed. (The South Shore Line trains of the Northern Indiana Commuter Transportation District were not counted.)

The Fall 2016 Commuter Rail System Weekday Station Boarding/Alighting Count (2016 count) was managed by an outside contractor, who was responsible for recruiting, training, scheduling, and supervising count personnel, and for data entry. A detailed examination of the 2016 count by the contractor and Metra staff led to recounts

being made on a few trains. Metra staff analyzed and tabulated the final data.

For the 2016 count, trains were counted on these dates:

<u>Line</u>	<u>Abbr.</u>	<u>Count Dates</u>
Electric District	Elec	Nov. 1 through Nov. 17, 2016
Rock Island District	RI	Nov. 29 through Dec. 8, 2016
SouthWest Service	SWS	Oct. 11 through Nov. 16, 2016
Heritage Corridor	Her	Sep. 27 through Oct. 19, 2016
BNSF Railway	BNSF	Nov. 9 through Dec. 5, 2016
Union Pacific West Line	UP-West	Oct. 26 through Dec. 13, 2016
Milwaukee District West Line	Milw-W	Oct. 18 through Nov. 17, 2016
Union Pacific Northwest Line	UP-NW	Nov. 15 through Dec. 8, 2016
Milwaukee District North Line	Milw-N	Oct. 20 through Dec. 1, 2016
North Central Service	NCS	Oct. 6 through Dec. 1, 2016
Union Pacific North Line	UP-N	Oct. 25 through Dec. 14, 2016

Overall, the accuracy of the information was judged good for the specific day(s) of each line's count. However, the validity of the counts as being representative of how riders "typically" use the service is somewhat more difficult to gauge. A one-day count, as opposed to averages derived from multiple observations, is more susceptible to random variations due to factors like weather, traffic conditions, day of week, and time of year. Given that no other data source presently exists which breaks passenger use down to the station stop/train level, most users of this report will need to assume that the data is representative of ridership patterns.

System counts of similar coverage have been taken previously, including Spring 1983, Spring 1985, Fall 1987, Fall 1989, Fall 1991, Fall 1993, Fall 1995, Fall 1997, Fall 1999, Fall 2002, Fall 2006, and Spring 2014.

The summary count results in this report are organized according to six topical areas. A listing of each exhibit is provided below, including a short description of table format and content.

**Exhibit I  
Rail Line Ridership Statistics**

- a. Line Boardings by Distance from Downtown page 1  
Provides rail line boardings aggregated by distance from downtown for 2014 and 2016. Note that the 2016 count occurred in the fall, while the 2014 count occurred in the spring.
- b. Total AM Boardings by Area and Rail Line page 2  
This table summarizes boardings on inbound trains arriving, and outbound trains departing, downtown terminal stations between the start of service and 11:59 AM. Line counts are arrayed according to nine geographical areas based on station location. This exhibit is intended to provide a general correlation between commuter rail use and area of residence.
- c. Weekday Ridership Statistics by Rail Line page 3  
Provides rail line ridership figures according to three measures, including: total passenger trips, intermediate passenger trips (i.e., trips that neither begin or end downtown), and passenger miles (i.e., combined distance of all passenger travel). For each measure, breakdowns are provided by direction of travel

and time-of-day. Criteria for time-of-day are based on the following table:

	<b>Inbound Trains Arriving Chicago</b>	<b>Outbound Trains Departing Chicago</b>
AM Peak	Start of Service - 9:15 AM	Start of Service - 9:15 AM
Midday	9:16 AM - 3:29 PM	9:16 AM - 3:29 PM
PM Peak	3:30 PM - 6:45 PM	3:30 PM - 6:45 PM
Evening	6:46 PM - End of Service	6:46 PM - End of Service

**Exhibit II  
Weekday Station Boardings and Alightings** pages 4-10

This table summarizes the total number of passengers entering and leaving stations by direction of travel. Also included are the total AM boardings for each station, that is, all passengers boarding a train from start of service day until 11:59 am. The table also includes the rank of outlying stations (i.e., Metra stations located outside of downtown Chicago). For stations that are served by multiple lines, the rank is based on the combined Metra ridership.

**Exhibit III  
Weekday Station Boardings Over Time** pages 11-16

This exhibit includes station results from thirteen counts conducted since 1983. Stations are listed by rail line in descending mile post order. Counts for stations closed over the thirty-three year period are also provided.

**Exhibit IV**  
**Weekday Station Boardings and Alightings by**  
**Time-of-Day and Direction** pages 17-22

This table breaks down Fall 2016 station ridership by time-of-day and direction of travel.

**Exhibit V**  
**Non-Downtown Metra Stations Ranked by Total**  
**Weekday Boardings** pages 23-25

Stations are ranked in descending order of total Fall 2016 Metra boardings. Stations served by more than one line are ranked according to the combined Metra ridership.

**Exhibit VI**  
**Downtown Stations**

a. Downtown Station Boardings Over Time page 26

Boardings over time are presented for each of the five downtown stations, including breakouts by rail line.

b. Downtown Station Boardings and Alightings  
by Service Period page 27

Fall 2016 downtown station ridership is presented by time-of-day and direction of travel.

**Metra Division of Strategic Capital Planning**  
**May 2017**

**Line Boardings by Distance from Downtown, Fall 2016 vs. Spring 2014**

**Exhibit Ia.**

Miles from Downtown	Year	Electric	Rock Island	SouthWest Service	Heritage	BNSF	UP West	Milwaukee West	UP Northwest	Milwaukee North	North Central	UP North	System
<b>50.1+</b>	2014								826		227	358	1,411
	2016								634		184	276	1,094
	Change								(192)		(43)	(82)	(317)
	%Change								-23.2%		-18.9%	-22.9%	-22.5%
<b>40.1-50.0</b>	2014		866	29			658		1,982	1,658	580	225	5,998
	2016		768	22			583		1,950	1,437	475	185	5,420
	Change		(98)	(7)			(75)		(32)	(221)	(105)	(40)	(578)
	%Change		-11.3%	-24.1%			-11.4%		-1.6%	-13.3%	-18.1%	-17.8%	-9.6%
<b>30.1-40.0</b>	2014	939	1,146	27	596	7,981	1,732	3,024	3,000	1,277	1,084	2,032	22,838
	2016	907	1,115	24	621	7,717	1,708	2,938	3,130	1,247	1,035	2,055	22,497
	Change	(32)	(31)	(3)	25	(264)	(24)	(86)	130	(30)	(49)	23	(341)
	%Change	-3.4%	-2.7%	-11.1%	4.2%	-3.3%	-1.4%	-2.8%	4.3%	-2.3%	-4.5%	1.1%	-1.5%
<b>20.1-30.0</b>	2014	7,067	5,620	1,722	456	10,218	5,421	5,512	6,355	4,414	1,231	2,793	50,809
	2016	6,589	5,849	1,785	489	10,202	5,263	5,842	6,653	4,493	1,209	2,999	51,373
	Change	(478)	229	63	33	(16)	(158)	330	298	79	(22)	206	564
	%Change	-6.8%	4.1%	3.7%	7.2%	-0.2%	-2.9%	6.0%	4.7%	1.8%	-1.8%	7.4%	1.1%
<b>10.1-20.0</b>	2014	5,723	6,134	2,811	181	9,121	4,985	2,008	6,115	4,651	403	7,173	49,305
	2016	5,340	6,085	2,769	215	9,024	4,972	2,017	6,219	4,805	400	8,822	50,668
	Change	(383)	(49)	(42)	34	(97)	(13)	9	104	154	(3)	1,649	1,363
	%Change	-6.7%	-0.8%	-1.5%	18.8%	-1.1%	-0.3%	0.4%	1.7%	3.3%	-0.7%	23.0%	2.8%
<b>1.0-10.0</b>	2014	3,834	644			1,289	1,619	1,166	1,766	1,387	92	4,767	16,564
	2016	4,211	545			1,193	1,395	1,262	1,956	1,389	53	5,084	17,088
	Change	377	(99)			(96)	(224)	96	190	2	(39)	317	524
	%Change	9.8%	-15.4%			-7.4%	-13.8%	8.2%	10.8%	0.1%	-42.4%	6.6%	3.2%
<b>Downtown</b>	2014	13,775	13,239	4,477	1,188	26,077	12,781	10,011	15,938	9,870	2,799	10,833	120,988
	2016	12,939	12,656	4,503	1,222	26,615	13,451	10,310	16,395	10,072	2,772	12,566	123,501
	Change	(836)	(583)	26	34	538	670	299	457	202	(27)	1,733	2,513
	%Change	-6.1%	-4.4%	0.6%	2.9%	2.1%	5.2%	3.0%	2.9%	2.0%	-1.0%	16.0%	2.1%
<b>Total</b>	2014	31,338	27,649	9,066	2,421	54,686	27,196	21,721	35,982	23,257	6,416	28,181	267,913
	2016	29,986	27,018	9,103	2,547	54,751	27,372	22,369	36,937	23,443	6,128	31,987	271,641
	Change	(1,352)	(631)	37	126	65	176	648	955	186	(288)	3,806	3,728
	%Change	-4.3%	-2.3%	0.4%	5.2%	0.1%	0.6%	3.0%	2.7%	0.8%	-4.5%	13.5%	1.4%

**Total AM Boardings by Area and Rail Line -- Fall 2016**

**Exhibit Ib.**

Station Location	AM Boardings (trains arriving/departing downtown stations between start of service and 11:59 am)											System		
	Electric	Rock Island	SouthWest Service	Heritage	BNSF	UP West	Milwaukee West	UP Northwest	Milwaukee North	North Central	UP North	% Share		
												Total	2016	2014
<b>Inbound Trains</b>														
Chicago	3,978	4,064	410		25	3	771	1,853	1,270	25	2,844	15,243	13%	12%
Suburban Cook	8,485	5,966	3,927	699	5,684	1,454	1,695	11,302	4,693	753	6,433	51,091	42%	41%
DuPage					17,844	8,682	5,888					32,414	27%	27%
Kane					1,657	2,043	1,536					5,236	4%	5%
Lake									3,428	2,068	3,035	8,531	7%	7%
McHenry								3,480				3,480	3%	3%
Will	810	3,167	44	621								4,642	4%	4%
Wisconsin											219	219	0%	0%
<b>Total</b>	<b>13,273</b>	<b>13,197</b>	<b>4,381</b>	<b>1,320</b>	<b>25,210</b>	<b>12,182</b>	<b>9,890</b>	<b>16,635</b>	<b>9,391</b>	<b>2,846</b>	<b>12,531</b>	<b>120,856</b>	<b>100%</b>	<b>100%</b>
<b>% Share 2016</b>	<b>11%</b>	<b>11%</b>	<b>4%</b>	<b>1%</b>	<b>21%</b>	<b>10%</b>	<b>8%</b>	<b>14%</b>	<b>8%</b>	<b>2%</b>	<b>10%</b>	<b>100%</b>		
<b>Outbound Trains</b>														
Chicago	1,013	309	57		803	522	552	1,131	1,545	97	2,285	8,314	87%	85%
Suburban Cook	57	53	2		128	100	71	113	51	14	310	899	9%	11%
DuPage					61	75	35					171	2%	3%
Kane					0	1	0					1	0%	0%
Lake									31	1	88	120	1%	1%
McHenry								16				16	0%	0%
Will	0	6	0									6	0%	0%
Wisconsin											0	0	0%	0%
<b>Total</b>	<b>1,070</b>	<b>368</b>	<b>59</b>		<b>992</b>	<b>698</b>	<b>658</b>	<b>1,260</b>	<b>1,627</b>	<b>112</b>	<b>2,683</b>	<b>9,527</b>	<b>100%</b>	<b>100%</b>
<b>% Share 2016</b>	<b>11%</b>	<b>4%</b>	<b>1%</b>	<b>0%</b>	<b>10%</b>	<b>7%</b>	<b>7%</b>	<b>13%</b>	<b>17%</b>	<b>1%</b>	<b>28%</b>	<b>100%</b>		
<b>All Trains</b>														
Chicago	4,991	4,373	467		828	525	1,323	2,984	2,815	122	5,129	23,557	18%	18%
Suburban Cook	8,542	6,019	3,929	699	5,812	1,554	1,766	11,415	4,744	767	6,743	51,990	40%	39%
DuPage					17,905	8,757	5,923					32,585	25%	25%
Kane					1,657	2,044	1,536					5,237	4%	4%
Lake									3,459	2,069	3,123	8,651	7%	7%
McHenry								3,496				3,496	3%	3%
Will	810	3,173	44	621								4,648	4%	4%
Wisconsin											219	219	0%	0%
<b>Total</b>	<b>14,343</b>	<b>13,565</b>	<b>4,440</b>	<b>1,320</b>	<b>26,202</b>	<b>12,880</b>	<b>10,548</b>	<b>17,895</b>	<b>11,018</b>	<b>2,958</b>	<b>15,214</b>	<b>130,383</b>	<b>100%</b>	<b>100%</b>
<b>% Share 2016</b>	<b>11%</b>	<b>10%</b>	<b>3%</b>	<b>1%</b>	<b>20%</b>	<b>10%</b>	<b>8%</b>	<b>14%</b>	<b>8%</b>	<b>2%</b>	<b>12%</b>	<b>100%</b>		
<b>% Share 2014</b>	<b>11%</b>	<b>10%</b>	<b>3%</b>	<b>1%</b>	<b>21%</b>	<b>10%</b>	<b>8%</b>	<b>13%</b>	<b>8%</b>	<b>2%</b>	<b>10%</b>	<b>100%</b>		

Weekday Ridership Statistics by Rail Line -- Fall 2016

Exhibit Ic.

	Electric	Rock Island	SouthWest Service	Heritage	BNSF	UP West	Milwaukee West	UP Northwest	Milwaukee North	North Central	UP North	System
<b>Total Passenger Trips</b>												
<b>Inbound Trains</b>												
AM-Peak	11,892	12,442	4,040	1,320	23,837	11,160	9,005	15,000	8,434	2,680	11,369	111,179
Midday	2,066	1,030	405	--	1,764	1,246	1,276	2,136	1,513	225	1,721	13,382
PM-Peak	925	340	83	--	1,329	631	758	1,029	1,642	152	2,541	9,430
Evening	398	98	22	--	331	320	229	391	318	5	623	2,735
Sub-Total	15,281	13,910	4,550	1,320	27,261	13,357	11,268	18,556	11,907	3,062	16,254	136,726
<b>Outbound Trains</b>												
AM-Peak	543	169	37	--	805	472	419	989	1,367	112	2,390	7,303
Midday	2,063	1,398	386	52	3,016	1,001	992	1,553	1,003	340	1,423	13,227
PM-Peak	10,788	10,899	3,761	1,175	20,725	11,301	8,786	14,241	7,904	2,347	10,461	102,388
Evening	1,311	642	369	--	2,944	1,241	904	1,598	1,262	267	1,459	11,997
Sub-Total	14,705	13,108	4,553	1,227	27,490	14,015	11,101	18,381	11,536	3,066	15,733	134,915
<b>Grand Total</b>	29,986	27,018	9,103	2,547	54,751	27,372	22,369	36,937	23,443	6,128	31,987	271,641
<b>Intermediate Passenger Trips*</b>												
<b>Inbound Trains</b>												
AM-Peak	1,358	567	21	3	204	322	430	811	716	217	796	5,445
Midday	374	155	7	--	158	107	133	465	196	36	446	2,077
PM-Peak	180	123	6	--	255	152	260	507	738	62	1,649	3,932
Evening	178	45	2	--	102	135	117	218	140	--	439	1,376
Sub-Total	2,090	890	36	3	719	716	940	2,001	1,790	315	3,330	12,830
<b>Outbound Trains</b>												
AM-Peak	173	74	4	--	175	172	235	586	732	33	1,754	3,938
Midday	392	100	22	--	320	94	150	278	191	67	406	2,020
PM-Peak	976	253	23	5	291	243	320	932	447	173	790	4,453
Evening	235	25	1	--	89	55	86	190	94	21	217	1,013
Sub-Total	1,776	452	50	5	875	564	791	1,986	1,464	294	3,167	11,424
<b>Grand Total</b>	3,866	1,342	86	8	1,594	1,280	1,731	3,987	3,254	609	6,497	24,254
<b>Passenger Miles</b>												
<b>Inbound Trains</b>												
AM-Peak	221,108	255,889	76,653	36,795	562,490	246,158	220,053	371,096	191,017	82,209	177,853	2,441,321
Midday	34,464	23,542	8,086	--	37,480	29,130	32,184	53,559	33,692	7,251	29,424	288,814
PM-Peak	9,441	7,317	1,480	--	28,742	13,202	16,866	20,769	32,417	4,117	41,004	175,355
Evening	5,513	2,375	492	--	7,213	6,433	4,991	9,260	6,992	235	10,920	54,423
Sub-Total	270,526	289,123	86,711	36,795	635,925	294,924	274,095	454,684	264,119	93,812	259,201	2,959,913
<b>Outbound Trains</b>												
AM-Peak	5,576	3,754	677	--	17,509	8,960	8,764	20,016	25,574	2,967	38,367	132,163
Midday	34,655	29,177	7,338	1,584	66,554	22,631	24,336	37,200	23,793	10,761	24,057	282,085
PM-Peak	209,876	226,536	70,912	32,150	483,977	250,953	215,231	349,471	175,980	71,653	164,302	2,251,041
Evening	22,928	13,411	7,002	--	66,182	28,209	22,476	39,532	30,766	8,201	24,119	262,825
Sub-Total	273,036	272,878	85,929	33,734	634,222	310,753	270,806	446,218	256,112	93,581	250,845	2,928,113
<b>Grand Total</b>	543,561	562,001	172,640	70,529	1,270,148	605,676	544,900	900,902	520,230	187,393	510,046	5,888,026

\*Trips that neither begin nor end downtown.

**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
Elec-SC	1130	South Chicago, 93rd St.	13.2	B	Chicago	619	0	0	631	619	631	533	86
Elec-SC	1125	87th Street	12.5	B	Chicago	89	2	1	111	90	113	75	202
Elec-SC	1120	83rd Street	12.0	B	Chicago	102	1	1	96	103	97	75	195
Elec-SC	1115	Cheltenham, 79th St.	11.5	B	Chicago	54	3	1	64	55	67	40	213
Elec-SC	1109	Windsor Park	10.9	B	Chicago	91	2	4	74	95	76	75	201
Elec-SC	1103	South Shore	10.3	B	Chicago	182	2	0	140	182	142	157	172
Elec-SC	1097	Bryn Mawr	9.7	B	Chicago	88	9	24	84	112	93	74	189
Elec-SC	1091	Stony Island	9.1	B	Chicago	108	9	1	132	109	141	91	192
Elec-BI	4189	Blue Island	18.9	D	Sub Cook	181	0	0	133	181	133	161	173
Elec-BI	4184	Burr Oak	18.4	D	Sub Cook	116	0	1	91	117	91	110	185
Elec-BI	4179	Ashland Avenue	17.9	D	Sub Cook	111	0	0	96	111	96	105	190
Elec-BI	4170	Racine Avenue	17.0	D	Chicago	31	1	0	36	31	37	29	224
Elec-BI	4167	West Pullman	16.7	D	Chicago	22	2	0	17	22	19	21	233
Elec-BI	4160	Stewart Ridge	16.0	D	Chicago	36	3	0	25	36	28	34	220
Elec-BI	4156	State Street	15.6	D	Chicago	29	1	1	31	30	32	26	226
Elec-Main	5315	University Park	31.5	G	Will	907	0	0	828	907	828	810	59
Elec-Main	5293	Richton Park	29.3	F	Sub Cook	1,165	2	14	1,144	1,179	1,146	1,062	35
Elec-Main	5282	Matteson	28.2	F	Sub Cook	502	1	5	449	507	450	475	101
Elec-Main	5276	211th St., Lincoln Hwy.	27.6	F	Sub Cook	717	10	10	779	727	789	660	72
Elec-Main	5266	Olympia Fields	26.6	F	Sub Cook	638	6	5	659	643	665	591	80
Elec-Main	5249	Flossmoor	24.9	E	Sub Cook	819	4	5	754	824	758	749	64
Elec-Main	5235	Homewood	23.5	E	Sub Cook	1,292	24	16	1,213	1,308	1,237	1,178	31
Elec-Main	5228	Calumet	22.8	E	Sub Cook	980	7	9	1,082	989	1,089	957	51
Elec-Main	5223	Hazel Crest	22.3	E	Sub Cook	405	12	7	375	412	387	383	123
Elec-Main	5200	Harvey	20.0	D	Sub Cook	513	45	29	528	542	573	462	98
Elec-Main	5190	147th St., Sibley Blvd.	19.0	D	Sub Cook	969	10	15	935	984	945	909	52
Elec-Main	5182	Ivanhoe	18.2	D	Sub Cook	616	7	12	584	628	591	579	84
Elec-Main	5173	Riverdale	17.3	D	Sub Cook	170	9	10	186	180	195	161	174
Elec-Main	5145	Kensington, 115th St.	14.5	C	Chicago	990	157	130	859	1,120	1,016	953	41
Elec-Main	5140	111th St., Pullman	14.0	C	Chicago	21	10	3	28	24	38	16	231
Elec-Main	5135	107th Street	13.5	C	Chicago	17	3	2	24	19	27	16	236
Elec-Main	5130	103rd St., Rosemoor	13.0	C	Chicago	34	9	3	33	37	42	34	219
Elec-Main	5120	95th St., Chicago State Univ.	12.0	C	Chicago	11	28	15	13	26	41	13	230
Elec-Main	5114	91st St., Chesterfield	11.4	C	Chicago	25	1	2	21	27	22	24	229
Elec-Main	5109	87th St., Woodruff	10.9	C	Chicago	34	10	7	32	41	42	32	217
Elec-Main	5104	83rd St., Avalon Park	10.4	C	Chicago	40	5	0	50	40	55	38	218
Elec-Main	5100	79th St., Chatham	10.0	B	Chicago	52	10	7	41	59	51	51	212
Elec-Main	5093	75th St., Grand Crossing	9.3	B	Chicago	22	9	6	26	28	35	17	228
Elec-Main	5079	63rd Street	7.9	B	Chicago	144	62	155	209	299	271	131	147
Elec-Main	5074	59th St., Univ. of Chicago	7.4	B	Chicago	664	369	10	467	674	836	307	78
Elec-Main	5070	55th-56th-57th St.	7.0	B	Chicago	975	272	567	944	1,542	1,216	692	20
Elec-Main	5065	53rd St., Hyde Park	6.5	B	Chicago	529	201	113	429	642	630	436	81

\* All trains arriving/departing downtown terminals up to 11:59am

\*\* Ranking by all alightings among outlying stations

\*\*\* Based on alightings of all lines serving this station

**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
Elec-Main	5059	47th St., Kenwood	5.9	B	Chicago	65	30	17	140	82	170	59	205
Elec-Main	5032	27th Street	3.2	A	Chicago	12	14	18	19	30	33	17	226
Elec-Main	5027	McCormick Place	2.7	A	Chicago	42	88	66	27	108	115	12	193
Elec-Main	5022	18th Street	2.2	A	Chicago	2	37	40	29	42	66	23	216
Elec-Main	5014	Museum Campus/11th St.	1.4	A	Chicago	40	603	444	25	484	628	89	107
Elec-Main	5008	Van Buren Street	0.8	A	Chicago	10	3,881	3,131	12	3,141	3,893	118	
Elec-Main	5000	Millennium Station	0.0	A	Chicago	0	9,310	9,798	0	9,798	9,310	683	
Total Electric						15,281	15,281	14,705	14,705	29,986	29,986	14,343	
RI-Main	6402	Joliet	40.2	H	Will	768	0	0	734	768	734	598	68
RI-Main	6340	New Lenox	34.0	G	Will	1,111	7	4	947	1,115	954	1,061	42
RI-Main	6296	Mokena	29.6	F	Will	598	10	6	567	604	577	564	88
RI-Main	6275	Hickory Creek	27.5	F	Will	994	5	5	918	999	923	950	50
RI-Main	6251	80th Avenue, Tinley Park	25.1	E	Sub Cook	2,033	18	17	1,918	2,050	1,936	1,966	8
RI-Main	6235	Tinley Park	23.5	E	Sub Cook	1,041	14	19	945	1,060	959	995	45
RI-Main	6204	Oak Forest	20.4	E	Sub Cook	1,110	34	26	933	1,136	967	1,090	38
RI-Main	6184	Midlothian	18.4	D	Sub Cook	997	162	18	877	1,015	1,039	957	49
RI-Main	6172	Robbins	17.2	D	Sub Cook	84	41	5	81	89	122	81	203
RI-Main	6157	Vermont St., Blue Island	15.7	D	Sub Cook	521	81	54	529	575	610	525	93
RI-Main	6120	103rd St., Washington Hts	12.0	C	Chicago	106	4	1	133	107	137	106	194
RI-Main	6109	95th Street, Longwood	10.9	C	Chicago	57	1	3	48	60	49	58	210
RI-Branch	7164	Vermont St., Blue Island	16.4	D	Sub Cook	105	8	8	114	113	122	85	188
RI-Branch	7158	Prairie Street	15.8	D	Sub Cook	16	3	4	34	20	37	20	235
RI-Branch	7152	123rd Street	15.2	D	Sub Cook	44	1	1	51	45	52	40	215
RI-Branch	7148	119th Street	14.8	C	Sub Cook	272	3	7	261	279	264	260	153
RI-Branch	7143	115th St., Morgan Park	14.3	C	Chicago	170	2	0	165	170	167	163	175
RI-Branch	7138	111th St., Morgan Park	13.8	C	Chicago	580	6	7	539	587	545	551	92
RI-Branch	7133	107th St., Beverly Hills	13.3	C	Chicago	450	3	1	462	451	465	439	111
RI-Branch	7128	103rd St., Beverly Hills	12.8	C	Chicago	724	4	35	750	759	754	696	69
RI-Branch	7123	99th St., Beverly Hills	12.3	C	Chicago	723	7	2	674	725	681	703	73
RI-Branch	7117	95th St., Beverly Hills	11.7	C	Chicago	406	17	17	403	423	420	393	118
RI-Branch	7113	91st St., Beverly Hills	11.3	C	Chicago	362	3	2	380	364	383	354	132
RI-Branch	7106	Brainerd	10.6	C	Chicago	300	5	3	289	303	294	299	146
RI-Main	6098	Gresham	9.8	B	Chicago	313	138	5	335	318	473	308	142
RI-Main	6031	35th St.	3.1	A	Chicago	25	313	202	21	227	334	32	161
RI-Main	6000	LaSalle Street Station	0.0	A	Chicago	0	13,020	12,656	0	12,656	13,020	271	
Total Rock Island						13,910	13,910	13,108	13,108	27,018	27,018	13,565	
SWS	8408	Manhattan	40.8	I	Will	22	0	0	18	22	18	20	233
SWS	8358	Laraway Road	35.8	H	Will	24	0	0	27	24	27	24	231
SWS	8289	Orland Park, 179th St.	28.9	F	Sub Cook	201	1	0	182	201	183	186	167
SWS	8248	Orland Park, 153rd St.	25.2	E	Sub Cook	603	2	1	589	604	591	581	88
SWS	8236	Orland Park, 143rd St.	23.6	E	Sub Cook	546	1	2	528	548	529	517	96
SWS	8203	Palos Park	20.3	E	Sub Cook	432	3	0	427	432	430	419	117

\* All trains arriving/departing downtown terminals up to 11:59am

\*\* Ranking by all alightings among outlying stations

\*\*\* Based on alightings of all lines serving this station

**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
SWS	8192	Palos Heights	19.2	D	Sub Cook	238	0	0	230	238	230	224	160
SWS	8182	Worth	18.2	D	Sub Cook	419	1	0	430	419	431	408	121
SWS	8168	Chicago Ridge	16.8	D	Sub Cook	334	1	5	354	339	355	322	139
SWS	8152	Oak Lawn	15.2	D	Sub Cook	1,308	17	21	1,312	1,329	1,329	1,272	30
SWS	8126	Ashburn	12.6	C	Chicago	215	2	3	237	218	239	211	164
SWS	8112	Wrightwood	11.9	C	Chicago	208	8	18	219	226	227	201	162
SWS	8000	Union Station	0.0	A	Chicago	0	4,514	4,503	0	4,503	4,514	55	
Total SouthWest Service						4,550	4,550	4,553	4,553	9,103	9,103	4,440	
Heritage	9372	Joliet	37.2	H	Will	209	0	0	182	209	182	209	165
Heritage	9329	Lockport	32.9	G	Will	412	0	0	385	412	385	412	123
Heritage	9253	Lemont	25.3	E	Sub Cook	488	0	1	434	489	434	488	106
Heritage	9175	Willow Springs	17.5	D	Sub Cook	115	0	0	125	115	125	115	186
Heritage	9119	Summit	11.9	C	Sub Cook	96	3	4	101	100	104	96	197
Heritage	8000	Union Station	0.0	A	Chicago	0	1,317	1,222	0	1,222	1,317	0	
Total Heritage						1,320	1,320	1,227	1,227	2,547	2,547	1,320	
BNSF	10380	Aurora	37.5	H	Kane	1,936	0	0	1,920	1,936	1,920	1,657	10
BNSF	10316	Route 59	31.6	G	DuPage	5,764	19	17	5,528	5,781	5,547	5,540	1
BNSF	10285	Naperville	28.5	F	DuPage	4,064	45	43	4,164	4,107	4,209	3,748	2
BNSF	10245	Lisle	24.5	E	DuPage	1,744	26	45	1,882	1,789	1,908	1,534	12
BNSF	10226	Belmont	22.6	E	DuPage	1,436	10	36	1,356	1,472	1,366	1,317	22
BNSF	10212	Downers Grove, Main St.	21.2	E	DuPage	2,315	32	61	2,486	2,376	2,518	2,097	6
BNSF	10204	Fairview Avenue	20.4	E	DuPage	429	15	29	417	458	432	389	108
BNSF	10195	Westmont	19.5	D	DuPage	1,036	31	22	1,065	1,058	1,096	950	46
BNSF	10183	Clarendon Hills	18.3	D	DuPage	798	13	8	816	806	829	748	66
BNSF	10178	West Hinsdale	17.8	D	DuPage	375	0	1	304	376	304	375	128
BNSF	10169	Hinsdale	16.9	D	DuPage	1,120	24	40	1,086	1,160	1,110	1,010	36
BNSF	10164	Highlands	16.4	D	DuPage	202	0	1	207	203	207	197	166
BNSF	10155	Western Springs	15.5	D	Sub Cook	1,116	15	17	1,103	1,133	1,118	1,079	39
BNSF	10142	LaGrange, Stone Ave.	14.2	C	Sub Cook	1,039	13	7	851	1,046	864	998	47
BNSF	10138	LaGrange Road	13.8	C	Sub Cook	1,280	72	60	1,380	1,340	1,452	1,182	29
BNSF	10131	Congress Park	13.1	C	Sub Cook	286	1	4	268	290	269	286	151
BNSF	10123	Brookfield	12.3	C	Sub Cook	537	30	35	594	572	624	519	95
BNSF	10118	Hollywood (Zoo Stop)	11.8	C	Sub Cook	115	8	5	183	120	191	109	183
BNSF	10111	Riverside	11.1	C	Sub Cook	471	39	28	535	499	574	449	104
BNSF	10101	Harlem Avenue	10.1	B	Sub Cook	387	39	34	338	421	377	381	120
BNSF	10096	Berwyn	9.6	B	Sub Cook	512	39	120	643	632	682	498	83
BNSF	10091	LaVergne	9.1	B	Sub Cook	184	4	3	199	187	203	184	169
BNSF	10070	Cicero	7.0	B	Sub Cook	87	98	98	137	185	235	127	170
BNSF	10038	Western Avenue	3.8	A	Chicago	4	70	65	7	69	77	33	208
BNSF	10018	Halsted Street	1.8	A	Chicago	24	76	96	21	120	97	25	183
BNSF	8000	Union Station	0.0	A	Chicago	0	26,542	26,615	0	26,615	26,542	770	
Total BNSF						27,261	27,261	27,490	27,490	54,751	54,751	26,202	

\* All trains arriving/departing downtown terminals up to 11:59am

\*\* Ranking by all alightings among outlying stations

\*\*\* Based on alightings of all lines serving this station

**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
UP-West	11436	Elburn	43.6	I	Kane	307	0	0	329	307	329	246	145
UP-West	11409	La Fox	40.9	I	Kane	275	3	1	265	276	268	264	156
UP-West	11355	Geneva	35.5	H	Kane	1,705	3	3	1,835	1,708	1,838	1,534	16
UP-West	11300	West Chicago	29.8	F	DuPage	524	8	3	548	527	556	470	99
UP-West	11275	Winfield	27.5	F	DuPage	499	14	8	534	507	548	429	101
UP-West	11250	Wheaton	25.0	E	DuPage	1,535	28	42	1,672	1,577	1,700	1,398	19
UP-West	11238	College Avenue	23.8	E	DuPage	911	9	7	882	918	891	855	57
UP-West	11224	Glen Ellyn	22.4	E	DuPage	1,710	27	24	1,814	1,734	1,841	1,545	14
UP-West	11199	Lombard	19.9	D	DuPage	1,316	34	27	1,357	1,343	1,391	1,247	28
UP-West	11178	Villa Park	17.8	D	DuPage	797	25	31	800	828	825	758	62
UP-West	11157	Elmhurst	15.7	D	DuPage	2,253	68	91	2,207	2,344	2,275	2,055	7
UP-West	11143	Berkeley	14.3	C	Sub Cook	128	8	12	180	140	188	128	180
UP-West	11126	Bellwood	12.6	C	Sub Cook	140	9	8	151	148	160	134	177
UP-West	11113	Melrose Park	11.3	C	Sub Cook	80	13	7	92	87	105	74	204
UP-West	11105	Maywood	10.5	C	Sub Cook	67	25	15	45	82	70	74	205
UP-West	11097	River Forest	9.7	B	Sub Cook	419	126	19	406	438	532	414	115
UP-West	11085	Oak Park, Marion St.	8.5	B	Sub Cook	686	253	219	895	905	1,148	730	60
UP-West	11036	Kedzie	3.6	A	Chicago	5	63	47	3	52	66	42	214
UP-West	13000	Ogilvie Transportation Ctr.	0.0	A	Chicago	0	12,641	13,451	0	13,451	12,641	483	
Total UP West						13,357	13,357	14,015	14,015	27,372	27,372	12,880	
Milw-W	12398	Big Timber Road	39.8	H	Kane	789	0	0	714	789	714	648	67
Milw-W	12366	Elgin	36.6	H	Kane	432	4	4	499	436	503	331	116
Milw-W	12360	National Street	36.0	H	Kane	640	11	2	663	642	674	557	81
Milw-W	12301	Bartlett	30.1	F	Sub Cook	1,066	9	5	1,077	1,071	1,086	961	43
Milw-W	12284	Hanover Park	28.4	F	DuPage	1,472	16	14	1,426	1,486	1,442	1,333	21
Milw-W	12265	Schaumburg	26.5	F	DuPage	1,714	19	13	1,716	1,727	1,735	1,574	15
Milw-W	12239	Roselle	23.9	E	DuPage	1,439	15	16	1,394	1,455	1,409	1,293	23
Milw-W	12230	Medinah	23.0	E	DuPage	565	8	8	499	573	507	483	94
Milw-W	12210	Itasca	21.1	E	DuPage	585	23	16	579	601	602	465	90
Milw-W	12191	Wood Dale	19.1	D	DuPage	593	27	31	523	624	550	489	85
Milw-W	12172	Bensenville	17.2	D	DuPage	327	45	30	327	357	372	286	134
Milw-W	12140	Mannheim	14.0	C	Sub Cook	23	10	8	13	31	23	14	224
Milw-W	12132	Franklin Park	13.2	C	Sub Cook	354	91	104	379	458	470	332	108
Milw-W	12114	River Grove	11.4	C	Sub Cook	103	33	39	119	142	152	95	144***
Milw-W	12102	Elmwood Park	10.2	C	Sub Cook	353	58	52	353	405	411	364	125
Milw-W	12095	Mont Clare	9.5	B	Chicago	295	28	40	323	335	351	300	141
Milw-W	12091	Mars	9.1	B	Chicago	138	6	4	104	142	110	138	179
Milw-W	12086	Galewood	8.6	B	Chicago	225	38	54	220	279	258	236	153
Milw-W	12077	Hanson Park	7.7	B	Chicago	53	13	7	53	60	66	53	210
Milw-W	12065	Grand/Cicero	6.5	B	Chicago	43	61	53	40	96	101	76	198
Milw-W	12029	Western Avenue	2.9	A	Chicago	59	425	291	80	350	505	150	64***
Milw-W	8000	Union Station	0.0	A	Chicago	0	10,328	10,310	0	10,310	10,328	370	

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**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
Total Milwaukee West						11,268	11,268	11,101	11,101	22,369	22,369	10,548	
UP/McHrn	14506	McHenry	50.6	K	McHenry	96	0	0	80	96	80	96	198
UP-NW	13631	Harvard	63.1	M	McHenry	221	0	0	234	221	234	177	163
UP-NW	13516	Woodstock	51.6	K	McHenry	309	9	8	299	317	308	274	143
UP-NW	13432	Crystal Lake	43.2	I	McHenry	1,178	21	21	1,149	1,199	1,170	1,033	34
UP-NW	13417	Pingree Road	41.7	I	McHenry	744	5	7	755	751	760	673	70
UP-NW	13386	Cary	38.6	H	McHenry	898	13	43	880	941	893	839	56
UP-NW	13373	Fox River Grove	37.3	H	McHenry	439	14	12	435	451	449	404	111
UP-NW	13319	Barrington	31.9	G	Sub Cook	1,681	38	57	1,643	1,738	1,681	1,489	13
UP-NW	13268	Palatine	26.4	F	Sub Cook	2,286	105	92	2,259	2,378	2,364	2,044	5
UP-NW	13244	Arlington Park	24.4	E	Sub Cook	1,664	48	33	1,611	1,697	1,659	1,475	17
UP-NW	13228	Arlington Heights	22.8	E	Sub Cook	2,439	97	139	2,312	2,578	2,409	2,213	4
UP-NW	13200	Mount Prospect	20.0	D	Sub Cook	1,746	62	70	1,821	1,816	1,883	1,605	11
UP-NW	13186	Cumberland	18.6	D	Sub Cook	429	29	26	389	455	418	373	110
UP-NW	13171	Des Plaines	17.1	D	Sub Cook	972	157	170	1,044	1,142	1,201	829	37
UP-NW	13150	Dee Road	15.0	C	Sub Cook	494	14	21	448	515	462	479	100
UP-NW	13135	Park Ridge	13.5	C	Sub Cook	966	90	77	976	1,043	1,066	908	48
UP-NW	13126	Edison Park	12.6	C	Chicago	653	35	41	659	694	694	644	76
UP-NW	13114	Norwood Park	11.4	C	Chicago	324	35	35	276	359	311	294	133
UP-NW	13101	Gladstone Park	10.1	B	Chicago	187	6	8	228	195	234	187	168
UP-NW	13091	Jefferson Park	9.1	B	Chicago	391	281	265	392	656	673	493	79
UP-NW	13070	Irving Park	7.0	B	Chicago	242	175	201	307	443	482	336	113
UP-NW	13029	Clybourn	2.9	A	Chicago	197	767	660	184	857	951	423	61
UP-NW	13000	Ogilvie Transportation Ctr.	0.0	A	Chicago	0	16,555	16,395	0	16,395	16,555	607	
Total UP Northwest						18,556	18,556	18,381	18,381	36,937	36,937	17,895	
Milw-N	15495	Fox Lake	49.5	J	Lake	356	0	0	336	356	336	308	135
Milw-N	15478	Ingleside	47.8	J	Lake	74	1	0	91	74	92	68	207
Milw-N	15460	Long Lake	46.0	J	Lake	94	0	2	84	96	84	80	198
Milw-N	15440	Round Lake	44.0	I	Lake	413	0	4	337	417	337	330	122
Milw-N	15410	Grayslake	41.0	I	Lake	493	4	1	470	494	474	411	105
Milw-N	15392	Prairie Crossing	39.2	H	Lake	419	9	3	427	422	436	345	119
Milw-N	15355	Libertyville	35.5	H	Lake	789	58	36	767	825	825	624	63
Milw-N	15280	Lake Forest	28.4	F	Lake	523	27	25	562	548	589	385	96
Milw-N	15242	Deerfield	24.2	E	Lake	1,214	34	68	1,102	1,282	1,136	908	32
Milw-N	15230	Lake Cook Road	23.0	E	Sub Cook	1,177	87	94	1,263	1,271	1,350	524	33
Milw-N	15211	Northbrook	21.1	E	Sub Cook	1,349	43	43	1,227	1,392	1,270	1,098	26
Milw-N	15188	Glen of North Glenview	18.8	D	Sub Cook	1,013	66	57	1,047	1,070	1,113	810	44
Milw-N	15174	Glenview	17.4	D	Sub Cook	1,369	61	70	1,313	1,439	1,374	1,166	24
Milw-N	15162	Golf	16.2	D	Sub Cook	344	30	31	278	375	308	303	129
Milw-N	15143	Morton Grove	14.3	C	Sub Cook	915	69	54	927	969	996	843	55
Milw-N	15116	Edgebrook	11.6	C	Chicago	535	77	74	494	609	571	546	87
Milw-N	15102	Forest Glen	10.2	C	Chicago	270	81	73	274	343	355	310	138

\* All trains arriving/departing downtown terminals up to 11:59am

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**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
Milw-N	15090	Mayfair	9.0	B	Chicago	115	182	169	110	284	292	249	152
Milw-N	15082	Grayland	8.2	B	Chicago	226	116	113	214	339	330	303	139
Milw-N	15064	Healy	6.4	B	Chicago	154	240	191	130	345	370	293	137
Milw-N	12029	Western Avenue	2.9	A	Chicago	65	605	356	83	421	688	286	64***
Milw-N	8000	Union Station	0.0	A	Chicago	0	10,117	10,072	0	10,072	10,117	828	
Total Milwaukee North						11,907	11,907	11,536	11,536	23,443	23,443	11,018	
NCS	16528	Antioch	52.8	K	Lake	184	0	0	201	184	201	164	171
NCS	16482	Lake Villa	48.2	J	Lake	148	0	0	129	148	129	139	177
NCS	16459	Round Lake Beach	45.9	J	Lake	113	5	2	106	115	111	103	186
NCS	16439	Washington St./Grayslake	43.9	I	Lake	109	2	1	93	110	95	97	191
NCS	16407	Prairie Crossing/Libertyville	40.7	H	Lake	97	5	5	103	102	108	80	196
NCS	16369	Mundelein	36.9	H	Lake	267	10	10	255	277	265	250	155
NCS	16330	Vernon Hills	33.0	G	Lake	365	4	5	380	370	384	341	131
NCS	16316	Prairie View	31.6	G	Lake	376	16	12	360	388	376	358	126
NCS	16295	Buffalo Grove	29.5	F	Lake	577	15	13	540	590	555	537	91
NCS	16272	Wheeling	27.2	F	Sub Cook	338	22	15	376	353	398	315	136
NCS	16240	Prospect Heights	24.0	E	Sub Cook	242	24	24	258	266	282	241	159
NCS	16171	O'Hare Transfer	17.1	D	Chicago	22	99	101	59	123	158	16	182
NCS	16156	Rosemont	15.6	D	Sub Cook	15	15	20	18	35	33	8	222
NCS	16148	Schiller Park	14.8	C	Sub Cook	21	14	15	17	36	31	24	220
NCS	16130	Belmont Ave./Franklin Park	13.0	C	Sub Cook	18	15	14	19	32	34	21	223
NCS	12114	River Grove	11.4	C	Sub Cook	158	9	16	126	174	135	158	144***
NCS	12029	Western Avenue	2.9	A	Chicago	12	60	41	26	53	86	27	64***
NCS	8000	Union Station	0.0	A	Chicago	0	2,747	2,772	0	2,772	2,747	79	
Total North Central Service						3,062	3,062	3,066	3,066	6,128	6,128	2,958	
UP-N	17516	Kenosha, Wisconsin	51.5	K	Wisconsin	276	0	0	307	276	307	219	156
UP-N	17445	Winthrop Harbor	44.5	I	Lake	61	0	0	68	61	68	57	209
UP-N	17421	Zion	42.1	I	Lake	119	5	5	117	124	122	105	181
UP-N	17359	Waukegan	35.9	H	Lake	893	13	18	783	911	796	646	58
UP-N	17332	North Chicago	33.7	G	Lake	166	9	4	179	170	188	67	175
UP-N	17322	Great Lakes	32.0	G	Lake	260	33	33	227	293	260	89	149
UP-N	17302	Lake Bluff	30.2	G	Lake	660	22	21	642	681	664	298	77
UP-N	17283	Lake Forest	28.3	F	Lake	671	35	46	668	717	703	369	74
UP-N	17257	Fort Sheridan	25.7	F	Lake	261	18	13	266	274	284	211	158
UP-N	17245	Highwood	24.5	E	Lake	245	53	48	230	293	283	177	149
UP-N	17230	Highland Park	23.0	E	Lake	885	70	93	915	978	985	632	53
UP-N	17215	Ravinia	21.5	E	Lake	276	20	19	285	295	305	234	148
UP-N	17205	Braeside	20.5	E	Lake	425	18	17	403	442	421	238	114
UP-N	17192	Glencoe	19.2	D	Sub Cook	673	31	42	638	715	669	535	75
UP-N	17177	Hubbard Woods	17.7	D	Sub Cook	352	18	22	293	374	311	310	130
UP-N	17166	Winnetka	16.6	D	Sub Cook	699	41	38	700	737	741	565	71
UP-N	17158	Indian Hill	15.8	D	Sub Cook	347	79	35	294	382	373	262	127

\* All trains arriving/departing downtown terminals up to 11:59am

\*\* Ranking by all alightings among outlying stations  
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**Weekday Station Boardings and Alightings -- Fall 2016**

**Exhibit II**

Line	Sta-code	Station	Mile Post	Fare Zone	Station Location	Total Passengers Entering & Leaving Stations						Total AM* Boardings	Outlying Metra Rank**
						Inbound Trains		Outbound Trains		All Trains			
						Ons	Offs	Ons	Offs	Ons	Offs		
UP-N	17152	Kenilworth	15.2	D	Sub Cook	481	18	19	445	500	463	407	103
UP-N	17144	Wilmette	14.4	C	Sub Cook	1,555	48	59	1,458	1,614	1,506	1,399	18
UP-N	17133	Central St., Evanston	13.3	C	Sub Cook	1,351	65	77	1,238	1,428	1,303	1,232	25
UP-N	17120	Davis St., Evanston	12.0	C	Sub Cook	1,564	491	375	1,643	1,939	2,134	1,039	9
UP-N	17110	Main St., Evanston	11.0	C	Sub Cook	968	175	165	954	1,133	1,129	994	39
UP-N	17094	Rogers Park	9.4	B	Chicago	1,164	186	225	1,034	1,389	1,220	1,232	27
UP-N	17065	Ravenswood	6.5	B	Chicago	1,682	1,007	1,039	1,745	2,721	2,752	2,397	3
UP-N	17029	Clybourn	2.9	A	Chicago	220	875	754	201	974	1,076	703	54
UP-N	13000	Ogilvie Transportation Ctr.	0.0	A	Chicago	0	12,924	12,566	0	12,566	12,924	797	
Total UP North						16,254	16,254	15,733	15,733	31,987	31,987	15,214	
TOTAL						136,726	136,726	134,915	134,915	271,641	271,641	130,383	

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\*\* Ranking by all alightings among outlying stations

\*\*\* Based on alightings of all lines serving this station

**Weekday Station Boardings Over Time**

**Exhibit III**

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
Elec-SC	South Chicago, 93rd St.	13.2	635	715	881	997	1,012	1,001	942	997	960	1,108	974	652	619
Elec-SC	87th Street	12.5	211	272	303	377	339	272	260	244	267	245	189	117	90
Elec-SC	83rd Street	12.0	417	475	505	511	486	429	415	417	450	405	217	113	103
Elec-SC	Cheltenham, 79th St.	11.5	232	284	236	258	288	207	192	172	232	174	114	79	55
Elec-SC	Windsor Park	10.9	266	378	293	381	353	274	261	289	325	313	192	100	95
Elec-SC	South Shore	10.3	349	387	338	372	458	414	395	445	442	428	278	179	182
Elec-SC	Bryn Mawr	9.7	153	190	153	171	203	232	236	265	294	225	184	88	112
Elec-SC	Stony Island	9.1	175	182	192	247	263	210	201	221	235	236	197	161	109
Elec-BI	Blue Island	18.9	393	336	366	323	359	416	303	266	264	237	324	169	181
Elec-BI	Burr Oak	18.4	350	279	325	367	307	283	251	212	221	179	156	124	117
Elec-BI	Ashland Avenue	17.9	166	123	176	154	147	167	138	137	132	137	165	98	111
Elec-BI	Racine Avenue	17.0	41	32	42	71	63	64	76	85	84	43	53	33	31
Elec-BI	West Pullman	16.7	57	66	44	36	56	46	57	43	69	34	24	21	22
Elec-BI	Stewart Ridge	16.0	48	68	64	90	86	67	68	84	89	75	61	37	36
Elec-BI	State Street	15.6	51	81	91	81	104	87	86	94	103	72	85	54	30
Elec-Main	University Park	31.5	411	475	628	782	790	772	912	851	1,009	1,004	1,243	939	907
Elec-Main	Richton Park	29.3	1,140	1,586	1,619	1,680	1,607	1,685	1,651	1,716	1,665	1,579	1,625	1,315	1,179
Elec-Main	Matteson	28.2	1,080	1,295	1,492	1,372	1,068	1,079	937	907	975	922	879	592	507
Elec-Main	211th St., Lincoln Hwy.	27.6	796	589	672	1,082	1,129	1,126	1,173	1,159	1,279	1,241	1,149	855	727
Elec-Main	Olympia Fields	26.6	265	405	338	310	247	243	255	206	204	186	473	665	643
Elec-Main	Flossmoor	24.9	1,273	1,552	1,514	1,416	1,328	1,285	1,286	1,146	1,064	1,018	1,002	830	824
Elec-Main	Homewood	23.5	1,602	1,625	1,715	1,880	1,715	1,623	1,584	1,566	1,578	1,466	1,456	1,244	1,308
Elec-Main	Calumet	22.8	764	944	1,052	1,351	1,145	1,097	1,124	1,143	1,128	1,117	1,363	1,187	989
Elec-Main	Hazel Crest	22.3	610	740	792	779	817	802	772	675	697	608	518	379	412
Elec-Main	Harvey	20.0	1,229	1,574	1,528	1,546	1,470	1,382	1,293	1,266	1,172	1,125	937	640	542
Elec-Main	147th St., Sibley Blvd.	19.0	990	1,123	1,321	1,591	1,609	1,435	1,338	1,334	1,411	1,349	1,255	1,060	984
Elec-Main	Ivanhoe	18.2	1,529	1,570	1,365	1,368	1,213	1,286	1,197	1,163	1,201	1,153	945	697	628
Elec-Main	Riverdale	17.3	747	794	698	661	602	604	568	533	580	500	397	201	180
Elec-Main	Kensington, 115th St.	14.5	840	771	843	1,007	1,162	1,116	1,044	1,249	1,378	1,310	1,577	1,081	1,120
Elec-Main	111th St., Pullman	14.0	46	48	42	57	53	48	41	64	45	22	27	19	24
Elec-Main	107th Street	13.5	18	32	37	48	54	39	36	43	46	28	34	31	19
Elec-Main	103rd St., Rosemoor	13.0	17	27	51	74	91	76	77	96	67	82	70	43	37
Elec-Main	95th St., Chicago State Univ	12.0	17	24	43	51	47	36	41	58	77	43	49	43	26
Elec-Main	91st St., Chesterfield	11.4	30	38	35	51	32	36	31	39	32	44	66	26	27
Elec-Main	87th St., Woodruff	10.9	41	41	57	65	48	64	101	76	93	48	64	56	41
Elec-Main	83rd St., Avalon Park	10.4	46	57	48	67	72	77	82	97	102	95	103	50	40
Elec-Main	79th St., Chatham	10.0	70	65	113	103	105	144	122	157	134	120	119	57	59
Elec-Main	75th St., Grand Crossing	9.3	61	24	29	47	41	37	23	26	26	20	52	15	28
Elec-Main	67th St.	8.3	24	--	--	--	--	--	--	--	--	--	--	--	--
Elec-Main	63rd Street	7.9	109	74	99	29	64	87	77	85	82	84	261	154	299
Elec-Main	59th St., Univ. of Chicago	7.4	513	749	770	856	1,018	1,117	1,136	1,199	1,484	1,382	517	484	674
Elec-Main	55th-56th-57th St.	7.0	533	478	527	542	531	574	609	602	677	502	1,591	1,677	1,542
Elec-Main	53rd St., Hyde Park	6.5	427	641	570	656	629	625	691	769	802	582	571	496	642
Elec-Main	47th St., Kenwood	5.9	18	31	35	69	55	80	106	93	81	72	113	94	82
Elec-Main	27th Street	3.2	77	120	135	139	141	126	125	117	112	97	105	46	30
Elec-Main	McCormick Place	2.7	171	199	175	140	139	113	85	1,000	750	118	137	92	108
Elec-Main	18th Street	2.2	19	27	11	20	12	27	24	21	29	16	29	41	42
Elec-Main	Museum Campus/11th St.	1.4	365	450	234	270	297	405	375	374	525	348	443	429	484
Elec-Main	Van Buren Street	0.8	5,151	5,682	6,099	6,468	5,546	5,735	5,589	5,796	6,093	5,360	4,671	3,422	3,141
Elec-Main	Millennium Station	0.0	12,112	13,868	13,516	14,705	15,032	14,121	13,846	13,768	14,209	13,533	13,152	10,353	9,798
<b>Total Electric</b>			<b>36,685</b>	<b>41,586</b>	<b>42,212</b>	<b>45,718</b>	<b>44,433</b>	<b>43,271</b>	<b>42,232</b>	<b>43,365</b>	<b>44,974</b>	<b>41,085</b>	<b>40,206</b>	<b>31,338</b>	<b>29,986</b>

Weekday Station Boardings Over Time

Exhibit III

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
RI-Main	Joliet	40.2	193	207	307	299	373	380	476	480	577	715	958	866	768
RI-Main	New Lenox	34.0	301	360	562	605	646	732	823	861	897	1,076	1,348	1,146	1,115
RI-Main	Mokena	29.6	382	371	504	561	624	488	524	606	655	728	634	572	604
RI-Main	Hickory Creek	27.5	--	--	--	--	--	609	801	719	943	1,135	1,236	992	999
RI-Main	80th Avenue, Tinley Park	25.1	632	759	1,178	1,246	1,268	1,148	1,240	1,585	1,822	2,297	2,459	1,932	2,050
RI-Main	Tinley Park	23.5	910	967	1,106	1,397	1,356	1,350	1,331	1,169	1,247	1,193	1,232	983	1,060
RI-Main	Oak Forest	20.4	1,019	1,299	1,570	1,495	1,447	1,422	1,508	1,594	1,672	1,591	1,487	1,141	1,136
RI-Main	Midlothian	18.4	864	1,025	1,133	1,194	1,218	1,183	1,262	1,135	1,144	1,179	1,230	950	1,015
RI-Main	Robbins	17.2	27	60	53	72	111	135	142	119	94	113	152	77	89
RI-Main	Vermont St., Blue Island	15.7	542	558	681	678	636	749	761	906	800	758	915	521	575
RI-Main	Givens	12.9	27	--	--	--	--	--	--	--	--	--	--	--	--
RI-Main	103rd St., Washington Hts	12.0	80	74	95	138	216	217	197	198	220	249	219	168	107
RI-Main	99th Street, Longwood	11.4	24	25	--	--	--	--	--	--	--	--	--	--	--
RI-Main	95th Street, Longwood	10.9	27	54	91	103	120	127	134	111	140	133	147	85	60
RI-Branch	Vermont St., Blue Island	16.4	137	181	233	269	144	132	143	124	154	173	233	124	113
RI-Branch	Prairie Street	15.8	79	82	90	91	85	70	65	59	41	43	44	46	20
RI-Branch	123rd Street	15.2	65	70	71	75	56	82	73	81	61	67	96	53	45
RI-Branch	119th Street	14.8	424	499	484	539	484	406	390	370	375	405	326	327	279
RI-Branch	115th St., Morgan Park	14.3	215	227	298	355	338	320	267	223	265	269	279	173	170
RI-Branch	111th St., Morgan Park	13.8	766	862	946	1,176	1,029	940	796	774	889	875	820	601	587
RI-Branch	107th St., Beverly Hills	13.3	435	494	626	754	681	655	588	544	628	668	617	413	451
RI-Branch	103rd St., Beverly Hills	12.8	1,085	1,216	1,206	1,205	1,081	1,036	1,026	987	969	977	931	767	759
RI-Branch	99th St., Beverly Hills	12.3	614	767	839	941	827	755	721	773	756	759	679	621	725
RI-Branch	95th St., Beverly Hills	11.7	722	760	795	769	676	706	602	637	661	649	604	527	423
RI-Branch	91st St., Beverly Hills	11.3	478	561	604	706	645	714	716	608	641	542	437	359	364
RI-Branch	Brainerd	10.6	123	262	213	288	293	297	316	301	375	499	448	322	303
RI-Main	Gresham	9.8	49	81	179	385	363	526	552	650	690	599	537	395	318
RI-Main	35th St.	3.1	--	--	--	--	--	--	--	--	--	--	--	249	227
RI-Main	LaSalle Street Station	0.0	10,286	11,464	13,248	15,018	14,730	14,877	14,867	15,002	16,336	16,868	17,026	13,239	12,656
<b>Total Rock Island</b>			<b>20,506</b>	<b>23,285</b>	<b>27,112</b>	<b>30,359</b>	<b>29,447</b>	<b>30,056</b>	<b>30,321</b>	<b>30,616</b>	<b>33,052</b>	<b>34,560</b>	<b>35,094</b>	<b>27,649</b>	<b>27,018</b>
SWS	Manhattan	40.8	--	--	--	--	--	--	--	--	--	--	22	29	22
SWS	Laraway Road	35.8	--	--	--	--	--	--	--	--	--	--	11	27	24
SWS	Orland Park, 179th St.	28.9	--	--	--	--	--	67	79	97	166	209	190	201	
SWS	Orland Park, 153rd St.	25.2	--	--	--	--	197	224	290	429	451	512	715	621	604
SWS	Orland Park, 143rd St.	23.6	135	151	359	418	305	294	319	249	315	241	234	493	548
SWS	Palos Park	20.3	63	111	151	223	188	190	213	204	273	214	387	418	432
SWS	Palos Heights	19.2	--	--	--	--	--	--	--	--	--	--	281	254	238
SWS	Worth	18.2	204	234	335	413	417	413	480	547	557	450	445	430	419
SWS	Chicago Ridge	16.8	227	257	425	466	447	455	474	520	485	372	406	332	339
SWS	Oak Lawn	15.2	443	486	704	813	793	727	713	701	756	788	1,157	1,246	1,329
SWS	Ashburn	12.6	244	299	322	424	408	372	322	344	312	353	321	255	218
SWS	Wrightwood	11.9	130	138	220	238	210	194	147	174	197	152	296	294	226
SWS	Western Avenue	10.7	19	--	--	--	--	--	--	--	--	--	--	--	--
SWS	Union Station	0.0	1,437	1,628	2,450	2,953	2,896	2,815	3,033	3,149	3,400	3,100	4,327	4,477	4,503
<b>Total SouthWest Service</b>			<b>2,902</b>	<b>3,304</b>	<b>4,966</b>	<b>5,948</b>	<b>5,861</b>	<b>5,684</b>	<b>6,058</b>	<b>6,396</b>	<b>6,843</b>	<b>6,348</b>	<b>8,811</b>	<b>9,066</b>	<b>9,103</b>

**Weekday Station Boardings Over Time**

**Exhibit III**

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
Heritage	Joliet	37.2	106	138	149	192	130	100	139	171	253	313	395	244	209
Heritage	Lockport	32.9	55	67	79	100	92	123	128	182	201	303	552	352	412
Heritage	Lockport/5th	32.1	26	14	17	--	--	--	--	--	--	--	--	--	--
Heritage	Lemont	25.3	130	171	239	239	245	216	247	252	341	407	381	456	489
Heritage	Willow Springs	17.5	84	96	136	142	134	115	82	67	82	142	97	95	115
Heritage	Summit	11.9	44	73	107	109	144	123	74	62	66	79	64	86	100
Heritage	Glenn	10.3	51	72	93	80	--	--	--	--	--	--	--	--	--
Heritage	Brighton Park	5.2	3	--	--	--	--	--	--	--	--	--	--	--	--
Heritage	Halsted	2.6	2	--	--	--	--	--	--	--	--	--	--	--	--
Heritage	Union Station	0.0	499	588	827	858	748	678	631	668	905	1,180	1,421	1,188	1,222
<b>Total Heritage</b>			<b>1,000</b>	<b>1,219</b>	<b>1,647</b>	<b>1,720</b>	<b>1,493</b>	<b>1,355</b>	<b>1,301</b>	<b>1,402</b>	<b>1,848</b>	<b>2,424</b>	<b>2,910</b>	<b>2,421</b>	<b>2,547</b>
BNSF	Aurora	37.5	834	905	985	1,056	1,014	1,033	1,184	1,387	1,467	1,646	2,180	2,107	1,936
BNSF	Route 59	31.6	--	--	--	1,112	1,740	2,011	2,556	3,322	4,178	5,001	5,793	5,874	5,781
BNSF	Naperville	28.5	2,571	3,251	3,791	3,510	3,150	3,196	3,271	3,516	4,040	3,734	4,112	4,002	4,107
BNSF	Lisle	24.5	2,330	2,219	2,150	2,222	2,227	2,280	2,390	2,648	2,576	2,204	2,472	1,993	1,789
BNSF	Belmont	22.6	1,204	1,400	1,460	1,511	1,410	1,392	1,418	1,495	1,515	1,450	1,414	1,325	1,472
BNSF	Downers Grove, Main St.	21.2	1,830	2,051	2,090	2,261	2,044	2,021	2,023	2,205	2,277	2,371	2,328	2,473	2,376
BNSF	Fairview Avenue	20.4	598	635	612	562	537	604	553	572	550	445	403	425	458
BNSF	Westmont	19.5	1,305	1,314	1,268	1,273	1,254	1,275	1,290	1,292	1,282	1,243	1,168	1,070	1,058
BNSF	Clarendon Hills	18.3	1,078	1,032	1,117	1,011	986	990	928	902	957	885	799	808	806
BNSF	West Hinsdale	17.8	338	411	468	439	340	367	409	374	378	317	323	351	376
BNSF	Hinsdale	16.9	1,155	1,196	1,194	1,223	1,113	1,163	1,231	1,215	1,156	1,047	1,065	1,168	1,160
BNSF	Highlands	16.4	210	231	256	202	207	223	269	238	228	213	176	167	203
BNSF	Western Springs	15.5	1,022	1,151	1,121	1,118	1,166	1,151	1,138	1,081	1,179	1,065	1,093	1,113	1,133
BNSF	LaGrange, Stone Ave.	14.2	1,017	985	1,089	1,101	1,171	1,078	1,090	1,153	1,123	999	988	1,026	1,046
BNSF	LaGrange Road	13.8	1,496	1,529	1,567	1,548	1,423	1,360	1,388	1,366	1,496	1,353	1,352	1,468	1,340
BNSF	Congress Park	13.1	129	168	149	116	105	107	113	126	86	118	176	250	290
BNSF	Brookfield	12.3	708	691	705	688	618	635	659	633	648	660	604	607	572
BNSF	Hollywood (Zoo Stop)	11.8	152	147	170	160	116	123	174	133	144	129	133	95	120
BNSF	Riverside	11.1	531	570	510	583	468	490	482	492	466	438	416	501	499
BNSF	Harlem Avenue	10.1	680	718	758	859	768	788	738	676	698	532	530	497	421
BNSF	Berwyn	9.6	852	803	882	867	811	869	921	804	860	844	718	732	632
BNSF	LaVergne	9.1	235	267	346	289	254	276	227	221	229	201	159	191	187
BNSF	Clyde	8.5	131	116	129	128	113	110	89	80	64	71	64	--	--
BNSF	Cicero	7.0	276	232	213	245	182	225	249	208	256	281	246	196	185
BNSF	Western Avenue	3.8	116	115	95	109	77	80	92	94	92	77	110	78	69
BNSF	Halsted Street	1.8	36	52	37	30	34	24	22	21	14	41	70	92	120
BNSF	Union Station	0.0	18,545	20,005	21,361	22,620	21,980	21,995	22,546	24,200	25,355	25,114	26,547	26,077	26,615
<b>Total BNSF</b>			<b>39,379</b>	<b>42,194</b>	<b>44,523</b>	<b>46,843</b>	<b>45,308</b>	<b>45,866</b>	<b>47,450</b>	<b>50,454</b>	<b>53,314</b>	<b>52,479</b>	<b>55,439</b>	<b>54,686</b>	<b>54,751</b>

**Weekday Station Boardings Over Time**

**Exhibit III**

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
UP-West	Elburn	43.6	--	--	--	--	--	--	--	--	--	--	255	345	307
UP-West	La Fox	40.9	--	--	--	--	--	--	--	--	--	--	261	313	276
UP-West	Geneva	35.5	872	955	1,124	1,290	1,366	1,370	1,623	1,607	1,642	1,698	1,562	1,732	1,708
UP-West	West Chicago	29.8	371	386	474	464	485	495	520	518	499	585	588	576	527
UP-West	Winfield	27.5	341	465	546	525	562	540	495	538	538	449	503	517	507
UP-West	Wheaton	25.0	1,770	1,901	2,132	2,133	2,115	2,188	2,027	1,990	1,865	1,655	1,661	1,506	1,577
UP-West	College Avenue	23.8	838	838	993	946	999	970	1,031	973	981	840	952	1,057	918
UP-West	Glen Ellyn	22.4	1,971	1,999	2,280	2,186	2,070	1,948	1,844	1,949	1,889	1,665	1,537	1,765	1,734
UP-West	Lombard	19.9	1,418	1,360	1,385	1,146	1,123	1,261	1,211	1,285	1,269	1,213	1,281	1,321	1,343
UP-West	Villa Park	17.8	1,289	1,206	1,328	1,219	1,138	1,055	973	1,015	949	914	835	841	828
UP-West	Elmhurst	15.7	1,521	1,635	1,787	1,783	1,704	1,730	1,768	1,805	1,776	1,785	1,833	2,313	2,344
UP-West	Berkeley	14.3	201	207	246	248	221	201	201	205	194	162	176	161	140
UP-West	Bellwood	12.6	248	225	214	202	196	205	173	196	205	221	215	165	148
UP-West	Melrose Park	11.3	101	112	143	146	112	166	168	117	149	109	100	103	87
UP-West	Maywood	10.5	87	96	115	73	88	117	132	95	84	93	97	81	82
UP-West	River Forest	9.7	127	146	192	270	292	327	407	375	406	390	367	434	438
UP-West	Oak Park, Marion St.	8.5	344	374	566	841	1,032	1,307	1,910	1,237	1,038	960	1,025	1,129	905
UP-West	Kedzie	3.6	42	33	31	38	44	42	32	44	18	36	22	56	52
UP-West	Ogilvie Transportation Ctr.	0.0	10,769	10,843	12,372	12,736	12,544	12,758	13,299	12,770	12,383	11,594	11,743	12,781	13,451
<b>Total UP West</b>			<b>22,310</b>	<b>22,781</b>	<b>25,928</b>	<b>26,246</b>	<b>26,091</b>	<b>26,680</b>	<b>27,814</b>	<b>26,719</b>	<b>25,885</b>	<b>24,369</b>	<b>25,013</b>	<b>27,196</b>	<b>27,372</b>
Milw-West	Big Timber Road	39.8	--	--	41	33	124	128	347	385	482	581	803	782	789
Milw-West	Elgin	36.6	390	495	463	465	358	421	373	361	419	554	476	461	436
Milw-West	National Street	36.0	132	222	183	255	421	439	562	559	618	551	742	700	642
Milw-West	Bartlett	30.1	669	712	805	915	1,075	1,109	1,213	1,184	1,173	1,027	1,064	1,081	1,071
Milw-West	Hanover Park	28.4	738	765	855	1,150	1,171	1,455	1,356	1,460	1,506	1,431	1,482	1,414	1,486
Milw-West	Schaumburg	26.5	480	693	961	1,147	1,238	1,363	1,569	1,647	1,733	1,609	1,698	1,737	1,727
Milw-West	Roselle	23.9	1,455	1,621	1,736	1,827	1,760	1,797	1,620	1,628	1,617	1,298	1,500	1,277	1,455
Milw-West	Medinah	23.0	194	215	265	249	276	274	407	516	529	399	501	520	573
Milw-West	Itasca	21.1	444	565	481	491	497	501	546	609	642	518	546	564	601
Milw-West	Wood Dale	19.1	497	563	579	708	614	666	672	709	719	551	639	608	624
Milw-West	Bensenville	17.2	439	476	448	527	447	526	521	501	498	458	450	433	357
Milw-West	Mannheim	14.0	49	45	31	38	48	48	27	32	39	13	37	30	31
Milw-West	Franklin Park	13.2	446	464	533	553	490	506	547	496	499	506	461	399	458
Milw-West	River Grove	11.4	222	254	222	238	244	244	285	186	184	164	174	142	142
Milw-West	Elmwood Park	10.2	466	521	483	436	400	408	471	473	471	405	392	396	405
Milw-West	Mont Clare	9.5	314	313	427	464	474	548	478	467	440	393	361	291	335
Milw-West	Mars	9.1	75	80	114	117	117	129	132	117	128	109	110	115	142
Milw-West	Galewood	8.6	202	212	244	287	262	343	347	323	336	324	265	260	279
Milw-West	Hanson Park	7.7	54	63	42	43	63	49	53	76	54	53	54	46	60
Milw-West	Cragin	7.0	111	104	61	54	44	53	39	53	38	29	37	--	--
Milw-West	Grand/Cicero	6.5	--	--	--	--	--	--	--	--	--	--	--	106	96
Milw-West	Hermosa	5.9	101	90	79	68	74	69	62	53	44	50	35	--	--
Milw-West	Western Avenue	2.9	158	174	135	188	229	170	224	267	300	301	372	348	350
Milw-West	Union Station	0.0	6,548	7,264	8,071	8,649	8,875	9,703	10,167	10,313	10,356	9,693	10,144	10,011	10,310
<b>Total Milwaukee West</b>			<b>14,184</b>	<b>15,911</b>	<b>17,259</b>	<b>18,902</b>	<b>19,301</b>	<b>20,949</b>	<b>22,018</b>	<b>22,415</b>	<b>22,825</b>	<b>21,017</b>	<b>22,343</b>	<b>21,721</b>	<b>22,369</b>

**Weekday Station Boardings Over Time**

**Exhibit III**

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
UP/McHenry	McHenry	50.6	101	74	199	115	131	179	162	154	159	140	101	114	96
UP-NW	Harvard	63.1	84	104	112	140	170	181	235	203	222	259	274	275	221
UP-NW	Hartland	56.0	7	--	--	--	--	--	--	--	--	--	--	--	--
UP-NW	Woodstock	51.6	166	183	308	289	327	365	357	314	349	415	456	437	317
UP-NW	Crystal Lake	43.2	907	954	1,084	1,105	1,248	1,316	1,463	1,495	1,501	1,579	1,370	1,238	1,199
UP-NW	Pingree Road	41.7	--	--	--	--	--	--	--	--	--	--	581	744	751
UP-NW	Cary	38.6	457	478	516	615	732	853	973	899	951	1,035	988	873	941
UP-NW	Fox River Grove	37.3	209	195	228	321	350	367	359	370	428	449	422	410	451
UP-NW	Barrington	31.9	1,564	1,631	1,945	1,838	1,748	1,859	1,831	1,758	1,745	1,724	1,724	1,717	1,738
UP-NW	Palatine	26.4	1,632	1,586	1,919	2,104	2,010	2,092	1,957	2,092	2,091	1,894	2,105	2,334	2,378
UP-NW	Arlington Park	24.4	1,430	1,479	1,834	1,845	1,829	1,945	1,957	1,980	1,904	1,665	1,614	1,672	1,697
UP-NW	Arlington Heights	22.8	2,764	2,727	2,953	3,179	3,129	3,001	2,833	2,572	2,579	2,496	2,317	2,349	2,578
UP-NW	Mount Prospect	20.0	2,146	2,220	2,253	2,147	2,073	2,055	1,899	1,754	1,804	1,655	1,590	1,774	1,816
UP-NW	Cumberland	18.6	685	567	546	604	537	559	543	520	523	393	393	431	455
UP-NW	Des Plaines	17.1	1,145	1,141	1,159	1,252	1,146	1,237	1,117	1,111	1,148	991	1,085	1,221	1,142
UP-NW	Dee Road	15.0	397	373	432	416	403	489	428	389	438	388	446	570	515
UP-NW	Park Ridge	13.5	908	850	801	917	818	900	820	874	922	932	897	954	1,043
UP-NW	Edison Park	12.6	383	328	360	425	402	544	518	541	547	593	536	646	694
UP-NW	Norwood Park	11.4	218	195	170	244	239	307	320	273	329	269	289	350	359
UP-NW	Gladstone Park	10.1	81	81	67	94	97	138	119	111	129	124	103	169	195
UP-NW	Jefferson Park	9.1	441	434	537	548	583	736	740	706	719	749	786	599	656
UP-NW	Irving Park	7.0	175	196	225	248	257	407	414	376	408	451	495	474	443
UP-NW	Clybourn	2.9	272	261	305	466	408	486	575	460	531	529	769	693	857
UP-NW	Ogilvie Transportation Ctr.	0.0	13,737	13,517	15,037	15,778	15,809	16,516	15,954	15,253	15,603	14,542	14,886	15,938	16,395
<b>Total UP Northwest</b>			<b>29,909</b>	<b>29,574</b>	<b>32,990</b>	<b>34,690</b>	<b>34,446</b>	<b>36,532</b>	<b>35,574</b>	<b>34,205</b>	<b>35,030</b>	<b>33,272</b>	<b>34,227</b>	<b>35,982</b>	<b>36,937</b>
Milw-North	Fox Lake	49.5	405	457	445	495	433	443	500	558	547	475	632	442	356
Milw-North	Ingleside	47.8	15	22	23	25	48	39	27	50	75	104	150	89	74
Milw-North	Wilson Road	47.0	14	--	--	--	--	--	--	--	--	--	--	--	--
Milw-North	Long Lake	46.0	45	62	59	75	93	73	58	95	83	102	133	105	96
Milw-North	Round Lake	44.0	317	333	356	406	371	428	487	498	534	566	710	513	417
Milw-North	Grayslake	41.0	196	229	294	269	369	509	691	745	827	871	772	509	494
Milw-North	Prairie Crossing	39.2	--	--	--	--	--	--	--	--	--	--	344	451	422
Milw-North	Libertyville	35.5	702	817	1,010	1,080	1,139	1,228	1,222	1,089	1,118	1,119	1,169	826	825
Milw-North	Rondout	32.3	17	--	--	--	--	--	--	--	--	--	--	--	--
Milw-North	Lake Forest	28.4	193	249	325	408	522	680	674	608	717	576	578	570	548
Milw-North	Deerfield	24.2	1,185	1,439	1,447	1,528	1,669	1,676	1,765	1,307	1,279	1,286	1,315	1,247	1,282
Milw-North	Lake Cook Road	23.0	--	--	--	--	--	--	--	740	1,128	1,154	1,406	1,263	1,271
Milw-North	Northbrook	21.1	1,213	1,406	1,361	1,430	1,458	1,612	1,546	1,459	1,505	1,349	1,323	1,334	1,392
Milw-North	Glen of North Glenview	18.8	--	--	--	--	--	--	--	--	--	448	770	1,097	1,070
Milw-North	Glenview	17.4	1,218	1,329	1,546	1,512	1,450	1,425	1,423	1,423	1,646	1,390	1,611	1,444	1,439
Milw-North	Golf	16.2	131	143	181	158	267	288	271	309	326	264	315	201	375
Milw-North	Morton Grove	14.3	451	538	583	539	672	710	772	825	989	943	966	1,054	969
Milw-North	Edgebrook	11.6	197	266	328	337	385	527	587	586	578	624	544	504	609
Milw-North	Forest Glen	10.2	73	75	102	124	155	197	232	239	320	332	331	351	343
Milw-North	Mayfair	9.0	53	66	78	72	109	136	136	154	239	254	317	340	284
Milw-North	Grayland	8.2	78	109	83	94	119	198	207	213	263	282	318	314	339
Milw-North	Healy	6.4	226	244	227	239	216	256	252	259	272	309	342	322	345
Milw-North	Western Avenue	2.9	136	122	88	167	175	152	134	228	288	289	435	411	421
Milw-North	Union Station	0.0	5,805	6,483	6,801	7,329	7,802	8,729	8,930	8,541	9,300	8,903	9,776	9,870	10,072
<b>Total Milwaukee North</b>			<b>12,670</b>	<b>14,389</b>	<b>15,337</b>	<b>16,287</b>	<b>17,452</b>	<b>19,306</b>	<b>19,914</b>	<b>19,926</b>	<b>22,034</b>	<b>21,640</b>	<b>24,257</b>	<b>23,257</b>	<b>23,443</b>

**Weekday Station Boardings Over Time**

**Exhibit III**

Line	Station	Mile Post	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
NCS	Antioch	52.8	--	--	--	--	--	--	--	124	141	169	262	227	184
NCS	Lake Villa	48.2	--	--	--	--	--	--	--	87	108	143	150	176	148
NCS	Round Lake Beach	45.9	--	--	--	--	--	--	--	111	130	157	154	157	115
NCS	Washington St./Grayslake	43.9	--	--	--	--	--	--	--	--	--	--	109	122	110
NCS	Prairie Crossing/Libertyville	40.7	--	--	--	--	--	--	--	38	54	76	117	125	102
NCS	Mundelein	36.9	--	--	--	--	--	--	--	223	227	235	283	304	277
NCS	Vernon Hills	33.0	--	--	--	--	--	--	--	231	272	284	353	435	370
NCS	Prairie View	31.6	--	--	--	--	--	--	--	217	232	255	299	345	388
NCS	Buffalo Grove	29.5	--	--	--	--	--	--	--	534	599	547	545	621	590
NCS	Wheeling	27.2	--	--	--	--	--	--	--	245	282	235	306	333	353
NCS	Prospect Heights	24.0	--	--	--	--	--	--	--	192	228	240	245	277	266
NCS	O'Hare Transfer	17.1	--	--	--	--	--	--	--	68	83	55	106	144	123
NCS	Rosemont	15.6	--	--	--	--	--	--	--	--	--	--	23	33	35
NCS	Schiller Park	14.8	--	--	--	--	--	--	--	--	--	--	29	29	36
NCS	Belmont Ave./Franklin Park	13.0	--	--	--	--	--	--	--	--	--	--	25	29	32
NCS	River Grove	11.4	--	--	--	--	--	--	--	138	176	172	124	168	174
NCS	Western Avenue	2.9	--	--	--	--	--	--	--	25	43	42	35	92	53
NCS	Union Station	0.0	--	--	--	--	--	--	--	1,708	1,905	1,893	2,173	2,799	2,772
<b>Total North Central Service</b>			--	--	--	--	--	--	--	<b>3,941</b>	<b>4,480</b>	<b>4,503</b>	<b>5,338</b>	<b>6,416</b>	<b>6,128</b>
UP-North	Kenosha, Wisconsin	51.5	142	169	208	207	296	308	264	306	301	341	431	358	276
UP-North	Winthrop Harbor	44.5	21	18	24	17	28	34	57	47	49	77	79	70	61
UP-North	Zion	42.1	81	67	85	78	92	100	94	91	93	103	152	155	124
UP-North	Waukegan	35.9	553	614	644	694	780	752	841	806	925	893	1,030	910	911
UP-North	Abbott Platform	34.0	14	20	--	--	--	--	--	--	--	--	--	--	--
UP-North	North Chicago	33.7	175	158	145	179	165	139	192	220	200	190	191	232	170
UP-North	Great Lakes	32.0	76	93	96	109	98	186	110	118	153	156	306	264	293
UP-North	Lake Bluff	30.2	307	302	374	328	357	390	379	425	420	504	519	626	681
UP-North	Lake Forest	28.3	644	715	729	753	700	721	652	661	689	726	725	727	717
UP-North	Fort Sheridan	25.7	311	313	394	354	338	279	296	276	276	285	279	266	274
UP-North	Highwood	24.5	230	236	261	267	290	290	246	258	270	311	279	314	293
UP-North	Highland Park	23.0	970	1,204	1,155	1,166	1,240	1,171	1,118	1,133	1,124	1,107	1,118	875	978
UP-North	Ravinia	21.5	366	339	366	386	346	327	416	362	347	330	332	238	295
UP-North	Braeside	20.5	301	286	313	295	324	292	275	247	330	340	341	373	442
UP-North	Glencoe	19.2	748	809	873	841	784	789	770	774	786	724	708	457	715
UP-North	Hubbard Woods	17.7	511	480	502	480	470	444	428	456	441	397	371	245	374
UP-North	Winnetka	16.6	673	656	671	672	689	695	721	668	660	630	562	485	737
UP-North	Indian Hill	15.8	356	349	407	395	396	372	372	375	378	368	362	201	382
UP-North	Kenilworth	15.2	444	470	532	456	533	468	446	505	480	435	408	305	500
UP-North	Wilmette	14.4	1,175	1,245	1,375	1,465	1,473	1,465	1,505	1,484	1,494	1,363	1,379	1,120	1,614
UP-North	Central St., Evanston	13.3	771	845	1,039	1,118	1,317	1,226	1,210	1,161	1,246	1,276	1,234	1,197	1,428
UP-North	Davis St., Evanston	12.0	565	709	787	951	1,073	1,124	1,208	1,322	1,395	1,439	1,854	2,070	1,939
UP-North	Main St., Evanston	11.0	481	556	667	697	820	726	773	756	933	769	869	1,093	1,133
UP-North	Rogers Park	9.4	464	511	611	742	881	924	877	977	1,072	973	1,176	1,498	1,389
UP-North	Ravenswood	6.5	307	353	511	562	663	747	878	914	1,246	1,455	1,940	2,363	2,721
UP-North	Clybourn	2.9	110	124	181	221	268	368	424	419	479	491	697	906	974
UP-North	Ogilvie Transportation Ctr.	0.0	8,437	8,899	10,113	10,216	10,792	10,689	10,455	10,714	11,209	10,595	10,935	10,833	12,566
<b>Total UP North</b>			<b>19,233</b>	<b>20,540</b>	<b>23,063</b>	<b>23,649</b>	<b>25,213</b>	<b>25,026</b>	<b>25,007</b>	<b>25,475</b>	<b>26,996</b>	<b>26,278</b>	<b>28,277</b>	<b>28,181</b>	<b>31,987</b>
<b>TOTAL</b>			<b>198,778</b>	<b>214,783</b>	<b>235,037</b>	<b>250,362</b>	<b>249,045</b>	<b>254,725</b>	<b>257,689</b>	<b>264,914</b>	<b>277,281</b>	<b>267,975</b>	<b>281,915</b>	<b>267,913</b>	<b>271,641</b>

Weekday Station Boardings and Alightings by Time-of-Day and Direction -- Fall 2016

Exhibit IV

Line	Station	Mile Post	AM PEAK				MIDDAY				PM PEAK				EVENING			
			Inbound		Outbound		Inbound		Outbound		Inbound		Outbound		Inbound		Outbound	
			on	off	on	off	on	off	on	off	on	off	on	off	on	off	on	off
Elec-SC	South Chicago, 93rd St.	13.2	483	0	0	11	110	0	0	102	18	0	0	445	8	0	0	73
Elec-SC	87th Street	12.5	71	0	0	3	13	0	1	25	3	0	0	72	2	2	0	11
Elec-SC	83rd Street	12.0	69	1	0	4	12	0	0	8	18	0	1	71	3	0	0	13
Elec-SC	Cheltenham, 79th St.	11.5	37	2	0	1	10	1	1	12	6	0	0	45	1	0	0	6
Elec-SC	Windsor Park	10.9	65	0	1	2	15	2	3	11	7	0	0	53	4	0	0	8
Elec-SC	South Shore	10.3	142	0	0	8	24	1	0	25	11	0	0	92	5	1	0	15
Elec-SC	Bryn Mawr	9.7	66	1	0	1	19	3	24	10	3	2	0	64	0	3	0	9
Elec-SC	Stony Island	9.1	85	4	0	4	13	5	0	14	7	0	1	97	3	0	0	17
Elec-BI	Blue Island	18.9	158	0	0	6	10	0	0	20	4	0	0	105	9	0	0	2
Elec-BI	Burr Oak	18.4	106	0	0	0	9	0	0	6	1	0	1	84	0	0	0	1
Elec-BI	Ashland Avenue	17.9	100	0	0	2	9	0	0	12	2	0	0	80	0	0	0	2
Elec-BI	Racine Avenue	17.0	26	0	0	0	4	1	0	3	1	0	0	32	0	0	0	1
Elec-BI	West Pullman	16.7	20	1	0	0	2	1	0	4	0	0	0	13	0	0	0	0
Elec-BI	Stewart Ridge	16.0	31	0	0	1	4	1	0	1	0	0	0	22	1	2	0	1
Elec-BI	State Street	15.6	23	0	1	1	6	0	0	3	0	0	0	27	0	1	0	0
Elec-Main	University Park	31.5	701	0	0	34	139	0	0	161	25	0	0	578	42	0	0	55
Elec-Main	Richton Park	29.3	947	0	2	30	158	1	3	159	26	1	7	837	34	0	2	118
Elec-Main	Matteson	28.2	425	0	1	5	56	0	2	60	13	0	2	354	8	1	0	30
Elec-Main	211th St., Lincoln Hwy.	27.6	578	2	1	8	101	4	5	98	19	1	4	576	19	3	0	97
Elec-Main	Olympia Fields	26.6	524	5	0	10	87	1	3	79	15	0	2	529	12	0	0	41
Elec-Main	Flossmoor	24.9	672	0	0	11	92	2	4	93	32	0	1	575	23	2	0	75
Elec-Main	Homewood	23.5	1,051	5	5	14	169	10	8	154	50	6	1	925	22	3	2	120
Elec-Main	Calumet	22.8	867	4	1	1	98	1	1	67	8	0	3	958	7	2	4	56
Elec-Main	Hazel Crest	22.3	344	8	2	4	45	0	1	45	2	0	3	304	14	4	1	22
Elec-Main	Harvey	20.0	388	10	6	14	85	18	12	83	15	6	3	393	25	11	8	38
Elec-Main	147th St., Sibley Blvd.	19.0	810	0	6	2	120	2	7	90	21	3	0	748	18	5	2	95
Elec-Main	Ivanhoe	18.2	513	0	4	11	74	2	5	78	12	2	2	436	17	3	1	59
Elec-Main	Riverdale	17.3	136	1	2	4	28	1	3	26	3	1	3	136	3	6	2	20
Elec-Main	Kensington, 115th St.	14.5	845	106	10	19	105	25	46	102	23	14	59	694	17	12	15	44
Elec-Main	111th St., Pullman	14.0	12	7	3	0	3	3	0	3	4	0	0	18	2	0	0	7
Elec-Main	107th Street	13.5	11	3	2	0	4	0	0	0	1	0	0	18	1	0	0	6
Elec-Main	103rd St., Rosemoor	13.0	29	3	1	3	4	1	1	1	1	2	1	27	0	3	0	2
Elec-Main	95th St., Chicago State Univ.	12.0	10	16	2	2	0	5	13	2	1	3	0	7	0	4	0	2
Elec-Main	91st St., Chesterfield	11.4	23	0	0	0	1	0	0	1	0	0	0	15	1	1	2	5
Elec-Main	87th St., Woodruff	10.9	31	7	0	0	1	0	3	1	0	1	3	30	2	2	1	1
Elec-Main	83rd St., Avalon Park	10.4	38	2	0	1	2	0	0	3	0	2	0	36	0	1	0	10
Elec-Main	79th St., Chatham	10.0	45	4	3	1	5	2	1	1	1	1	3	37	1	3	0	2
Elec-Main	75th St., Grand Crossing	9.3	16	0	1	0	0	0	0	4	2	1	1	18	4	8	4	4
Elec-Main	63rd Street	7.9	119	39	4	0	13	5	31	18	4	5	25	89	8	13	95	102
Elec-Main	59th St., Univ. of Chicago	7.4	280	346	2	168	133	21	1	161	223	0	4	129	28	2	3	9
Elec-Main	55th-56th-57th St.	7.0	519	149	29	105	197	64	88	265	230	38	421	498	29	21	29	76
Elec-Main	53rd St., Hyde Park	6.5	373	148	12	25	76	23	5	33	64	14	88	328	16	16	8	43
Elec-Main	47th St., Kenwood	5.9	57	12	0	1	4	11	5	5	4	2	11	128	0	5	1	6
Elec-Main	27th Street	3.2	12	11	5	5	0	0	3	2	0	2	9	12	0	1	1	0
Elec-Main	McCormick Place	2.7	5	62	4	20	5	15	14	0	25	2	44	4	7	9	4	3
Elec-Main	18th Street	2.2	2	8	12	1	0	15	11	4	0	13	9	23	0	1	8	1
Elec-Main	Museum Campus/11th St.	1.4	20	391	51	0	0	127	87	8	19	58	264	14	1	27	42	3
Elec-Main	Van Buren Street	0.8	7	3,290	57	0	1	397	340	0	1	142	2,487	12	1	52	247	0
Elec-Main	Millennium Station	0.0	0	7,244	313	0	0	1,295	1,331	0	0	603	7,325	0	0	168	829	0
<b>Total Electric</b>			<b>11,892</b>	<b>11,892</b>	<b>543</b>	<b>543</b>	<b>2,066</b>	<b>2,066</b>	<b>2,063</b>	<b>2,063</b>	<b>925</b>	<b>925</b>	<b>10,788</b>	<b>10,788</b>	<b>398</b>	<b>398</b>	<b>1,311</b>	<b>1,311</b>

Weekday Station Boardings and Alightings by Time-of-Day and Direction -- Fall 2016

Exhibit IV

Line	Station	Mile Post	AM PEAK				MIDDAY				PM PEAK				EVENING			
			Inbound		Outbound		Inbound		Outbound		Inbound		Outbound		Inbound		Outbound	
			on	off	on	off	on	off	on	off	on	off	on	off	on	off	on	off
RI-Main	Joliet	40.2	522	0	0	63	133	0	0	135	78	0	0	472	35	0	0	64
RI-Main	New Lenox	34.0	1,005	1	1	3	66	4	0	118	30	1	3	792	10	1	0	34
RI-Main	Mokena	29.6	533	1	2	14	43	2	3	53	16	2	1	481	6	5	0	19
RI-Main	Hickory Creek	27.5	910	0	1	26	48	3	1	79	26	1	3	789	10	1	0	24
RI-Main	80th Avenue, Tinley Park	25.1	1,848	4	7	14	129	4	1	158	46	9	9	1,675	10	1	0	71
RI-Main	Tinley Park	23.5	941	4	5	6	74	2	5	74	25	4	8	817	1	4	1	48
RI-Main	Oak Forest	20.4	1,008	8	11	9	79	6	5	83	19	17	8	803	4	3	2	38
RI-Main	Midlothian	18.4	911	152	3	1	62	3	5	78	20	5	9	764	4	2	1	34
RI-Main	Robbins	17.2	68	35	2	3	11	2	1	9	2	4	2	55	3	0	0	14
RI Main	Vermont St., Blue Island	15.7	507	65	14	3	7	1	8	41	7	15	32	485	0	0	0	0
RI-Main	103rd St., Washington Hts	12.0	106	4	0	1	0	0	0	0	0	0	1	132	0	0	0	0
RI-Main	95th Street, Longwood	10.9	57	0	1	1	0	0	0	0	0	1	2	47	0	0	0	0
RI Branch	Vermont St., Blue Island	16.4	63	0	1	4	33	3	3	47	7	0	1	39	2	5	3	24
RI-Branch	Prairie Street	15.8	9	0	4	0	7	1	0	6	0	1	0	17	0	1	0	11
RI-Branch	123rd Street	15.2	31	0	0	1	11	0	1	16	2	0	0	29	0	1	0	5
RI-Branch	119th Street	14.8	245	0	0	0	24	1	3	29	3	0	4	207	0	2	0	25
RI-Branch	115th St., Morgan Park	14.3	151	1	0	2	19	0	0	19	0	0	0	130	0	1	0	14
RI-Branch	111th St., Morgan Park	13.8	521	4	0	5	41	0	6	65	16	1	1	434	2	1	0	35
RI-Branch	107th St., Beverly Hills	13.3	411	1	1	2	33	0	0	48	2	1	0	395	4	1	0	17
RI-Branch	103rd St., Beverly Hills	12.8	642	0	3	4	68	2	3	98	14	1	29	589	0	1	0	59
RI-Branch	99th St., Beverly Hills	12.3	666	0	0	1	52	3	1	102	5	4	1	537	0	0	0	34
RI-Branch	95th St., Beverly Hills	11.7	362	5	2	1	37	8	9	38	6	2	3	348	1	2	3	16
RI-Branch	91st St., Beverly Hills	11.3	332	1	1	1	26	1	1	41	3	1	0	307	1	0	0	31
RI-Branch	Brainerd	10.6	286	1	0	2	12	1	3	33	1	0	0	241	1	3	0	13
RI-Main	Gresham	9.8	295	122	2	1	12	9	2	26	4	4	1	297	2	3	0	11
RI-Main	35th St.	3.1	12	158	13	1	3	99	39	2	8	49	135	17	2	7	15	1
RI-Main	LaSalle Street Station	0.0	0	11,875	95	0	0	875	1,298	0	0	217	10,646	0	0	53	617	0
<b>Total Rock Island</b>			<b>12,442</b>	<b>12,442</b>	<b>169</b>	<b>169</b>	<b>1,030</b>	<b>1,030</b>	<b>1,398</b>	<b>1,398</b>	<b>340</b>	<b>340</b>	<b>10,899</b>	<b>10,899</b>	<b>98</b>	<b>98</b>	<b>642</b>	<b>642</b>
SWS	Manhattan	40.8	20	0	0	0	0	0	0	1	2	0	0	17	0	0	0	0
SWS	Laraway Road	35.8	24	0	0	0	0	0	0	0	0	0	0	27	0	0	0	0
SWS	Orland Park, 179th St.	28.9	158	1	0	1	35	0	0	25	2	0	0	133	6	0	0	23
SWS	Orland Park, 153rd St.	25.2	524	0	0	5	66	0	0	51	8	2	1	483	5	0	0	50
SWS	Orland Park, 143rd St.	23.6	469	1	0	10	60	0	1	60	12	0	1	419	5	0	0	39
SWS	Palos Park	20.3	379	0	0	1	44	1	0	47	7	1	0	343	2	1	0	36
SWS	Palos Heights	19.2	204	0	0	2	26	0	0	28	5	0	0	184	3	0	0	16
SWS	Worth	18.2	376	0	0	3	36	0	0	33	7	0	0	371	0	1	0	23
SWS	Chicago Ridge	16.8	302	0	2	5	23	1	0	24	9	0	3	295	0	0	0	30
SWS	Oak Lawn	15.2	1,195	12	0	8	88	4	12	88	24	1	8	1,097	1	0	1	119
SWS	Ashburn	12.6	194	0	1	2	18	0	1	13	3	2	1	208	0	0	0	14
SWS	Wrightwood	11.9	195	7	1	0	9	1	8	16	4	0	9	184	0	0	0	19
SWS	Union Station	0.0	0	4,019	33	0	0	398	364	0	0	77	3,738	0	0	20	368	0
<b>Total SouthWest Service</b>			<b>4,040</b>	<b>4,040</b>	<b>37</b>	<b>37</b>	<b>405</b>	<b>405</b>	<b>386</b>	<b>386</b>	<b>83</b>	<b>83</b>	<b>3,761</b>	<b>3,761</b>	<b>22</b>	<b>22</b>	<b>369</b>	<b>369</b>
Heritage	Joliet	37.2	209	0	0	0	0	0	0	16	0	0	0	166	0	0	0	0
Heritage	Lockport	32.9	412	0	0	0	0	0	0	13	0	0	0	372	0	0	0	0
Heritage	Lemont	25.3	488	0	0	0	0	0	0	21	0	0	1	413	0	0	0	0
Heritage	Willow Springs	17.5	115	0	0	0	0	0	0	1	0	0	0	124	0	0	0	0
Heritage	Summit	11.9	96	3	0	0	0	0	0	1	0	0	4	100	0	0	0	0
Heritage	Union Station	0.0	0	1,317	0	0	0	0	52	0	0	0	1,170	0	0	0	0	0
<b>Total Heritage</b>			<b>1,320</b>	<b>1,320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>1,175</b>	<b>1,175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Weekday Station Boardings and Alightings by Time-of-Day and Direction -- Fall 2016

Exhibit IV

Line	Station	Mile Post	AM PEAK				MIDDAY				PM PEAK				EVENING			
			Inbound		Outbound		Inbound		Outbound		Inbound		Outbound		Inbound		Outbound	
			on	off	on	off	on	off	on	off	on	off	on	off	on	off	on	off
BNSF	Aurora	37.5	1,547	0	0	73	156	0	0	314	167	0	0	1,297	66	0	0	236
BNSF	Route 59	31.6	5,376	7	1	93	206	3	5	489	144	6	8	4,417	38	3	3	529
BNSF	Naperville	28.5	3,550	15	11	137	259	5	14	379	198	21	8	3,253	57	4	10	395
BNSF	Lisle	24.5	1,444	9	7	132	96	6	9	182	175	7	28	1,382	29	4	1	186
BNSF	Belmont	22.6	1,265	4	1	73	71	1	1	148	91	3	32	1,006	9	2	2	129
BNSF	Downers Grove, Main St.	21.2	1,957	8	9	96	182	8	12	304	136	9	32	1,837	40	7	8	249
BNSF	Fairview Avenue	20.4	347	3	5	7	42	2	10	37	34	8	12	321	6	2	2	52
BNSF	Westmont	19.5	867	6	8	40	98	10	5	112	55	12	5	800	16	3	4	113
BNSF	Clarendon Hills	18.3	701	2	2	8	51	0	5	92	36	7	0	608	10	4	1	108
BNSF	West Hinsdale	17.8	366	0	0	0	9	0	0	19	0	0	1	264	0	0	0	21
BNSF	Hinsdale	16.9	912	6	8	70	107	6	6	165	90	10	21	743	11	2	5	108
BNSF	Highlands	16.4	197	0	0	2	0	0	0	23	5	0	0	167	0	0	1	15
BNSF	Western Springs	15.5	1,011	4	7	14	70	3	3	141	33	5	5	797	2	3	2	151
BNSF	LaGrange, Stone Ave.	14.2	923	4	1	6	83	6	2	113	31	3	1	617	2	0	3	115
BNSF	LaGrange Road	13.8	1,075	7	11	23	118	16	27	151	61	45	12	1,035	26	4	10	171
BNSF	Congress Park	13.1	286	1	0	0	0	0	0	28	0	0	4	218	0	0	0	22
BNSF	Brookfield	12.3	463	9	13	9	51	12	7	46	19	9	10	442	4	0	5	97
BNSF	Hollywood (Zoo Stop)	11.8	92	1	0	0	21	4	4	77	2	3	1	97	0	0	0	9
BNSF	Riverside	11.1	400	21	4	4	50	3	16	77	15	8	7	382	6	7	1	72
BNSF	Harlem Avenue	10.1	341	7	6	0	34	15	17	36	12	11	7	243	0	6	4	59
BNSF	Berwyn	9.6	429	8	18	16	54	8	73	57	21	16	26	497	8	7	3	73
BNSF	LaVergne	9.1	184	4	0	0	0	0	1	13	0	0	1	165	0	0	1	21
BNSF	Cicero	7.0	80	10	35	1	5	23	23	10	1	37	18	113	1	28	22	13
BNSF	Western Avenue	3.8	3	13	24	1	1	18	15	0	0	23	25	6	0	16	1	0
BNSF	Halsted Street	1.8	21	55	4	0	0	9	65	3	3	12	27	18	0	0	0	0
BNSF	Union Station	0.0	0	23,633	630	0	0	1,606	2,696	0	0	1,074	20,434	0	0	229	2,855	0
<b>Total BNSF</b>			<b>23,837</b>	<b>23,837</b>	<b>805</b>	<b>805</b>	<b>1,764</b>	<b>1,764</b>	<b>3,016</b>	<b>3,016</b>	<b>1,329</b>	<b>1,329</b>	<b>20,725</b>	<b>20,725</b>	<b>331</b>	<b>331</b>	<b>2,944</b>	<b>2,944</b>
UP-West	Elburn	43.6	195	0	0	11	67	0	0	40	23	0	0	234	22	0	0	44
UP-West	La Fox	40.9	237	1	0	6	34	1	0	42	3	0	1	189	1	1	0	28
UP-West	Geneva	35.5	1,359	2	1	61	205	0	0	144	91	1	2	1,457	50	0	0	173
UP-West	West Chicago	29.8	416	0	0	18	61	3	0	55	34	2	3	416	13	3	0	59
UP-West	Winfield	27.5	389	7	3	31	49	2	1	26	39	4	2	421	22	1	2	56
UP-West	Wheaton	25.0	1,271	13	4	91	137	7	11	103	87	4	24	1,354	40	4	3	124
UP-West	College Avenue	23.8	795	3	1	29	68	1	2	58	36	1	2	706	12	4	2	89
UP-West	Glen Ellyn	22.4	1,411	11	7	41	157	5	5	122	93	5	11	1,496	49	6	1	155
UP-West	Lombard	19.9	1,130	5	9	24	121	7	9	82	38	14	9	1,148	27	8	0	103
UP-West	Villa Park	17.8	674	11	19	21	74	5	3	59	24	6	7	641	25	3	2	79
UP-West	Elmhurst	15.7	1,922	30	16	104	156	17	14	155	125	16	46	1,767	50	5	15	181
UP-West	Berkeley	14.3	112	1	5	7	10	4	2	23	6	0	5	137	0	3	0	13
UP-West	Bellwood	12.6	124	4	2	5	10	2	4	11	2	0	2	122	4	3	0	13
UP-West	Melrose Park	11.3	68	3	1	2	7	2	2	4	3	3	4	85	2	5	0	1
UP-West	Maywood	10.5	66	5	6	1	1	6	1	2	0	3	5	40	0	11	3	2
UP-West	River Forest	9.7	379	104	10	2	32	4	2	36	7	7	6	334	1	11	1	34
UP-West	Oak Park, Marion St.	8.5	609	105	60	16	57	34	27	39	18	72	106	753	2	42	26	87
UP-West	Kedzie	3.6	3	17	28	2	0	7	11	0	2	14	8	1	0	25	0	0
UP-West	Ogilvie Transportation Ctr.	0.0	0	10,838	300	0	0	1,139	907	0	0	479	11,058	0	0	185	1,186	0
<b>Total UP West</b>			<b>11,160</b>	<b>11,160</b>	<b>472</b>	<b>472</b>	<b>1,246</b>	<b>1,246</b>	<b>1,001</b>	<b>1,001</b>	<b>631</b>	<b>631</b>	<b>11,301</b>	<b>11,301</b>	<b>320</b>	<b>320</b>	<b>1,241</b>	<b>1,241</b>
Milw-West	Big Timber Road	39.8	572	0	0	45	106	0	0	77	85	0	0	529	26	0	0	63
Milw-West	Elgin	36.6	295	1	0	40	63	0	1	89	47	1	3	324	27	2	0	46
Milw-West	National Street	36.0	489	8	0	19	91	1	1	77	36	2	1	499	24	0	0	68

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			on	off	on	off	on	off	on	off	on	off	on	off	on	off	on	off
Milw-West	Bartlett	30.1	872	1	0	24	139	3	4	103	38	0	1	870	17	5	0	80
Milw-West	Hanover Park	28.4	1,211	3	2	22	181	5	5	109	55	2	4	1,159	25	6	3	136
Milw-West	Schaumburg	26.5	1,439	6	4	33	182	6	5	116	79	5	4	1,440	14	2	0	127
Milw-West	Roselle	23.9	1,168	8	4	53	162	2	4	94	84	5	6	1,156	25	0	2	91
Milw-West	Medinah	23.0	451	4	1	22	49	3	1	50	50	0	4	373	15	1	2	54
Milw-West	Itasca	21.1	425	12	2	66	57	3	2	50	90	5	11	411	13	3	1	52
Milw-West	Wood Dale	19.1	425	11	11	35	74	4	5	50	81	7	11	396	13	5	4	42
Milw-West	Bensenville	17.2	239	23	5	29	55	8	7	49	25	5	15	225	8	9	3	24
Milw-West	Mannheim	14.0	11	6	3	2	0	0	0	0	12	4	5	11	0	0	0	0
Milw-West	Franklin Park	13.2	276	41	19	13	43	16	10	37	23	26	66	300	12	8	9	29
Milw-West	River Grove	11.4	73	7	8	3	11	7	13	19	17	11	14	87	2	8	4	10
Milw-West	Elmwood Park	10.2	313	4	24	0	27	15	15	28	9	30	7	291	4	9	6	34
Milw-West	Mont Clare	9.5	272	6	16	2	15	8	9	26	6	8	12	267	2	6	3	28
Milw-West	Mars	9.1	136	4	2	1	0	0	0	0	2	2	2	103	0	0	0	0
Milw-West	Galewood	8.6	202	6	20	2	13	10	9	14	9	17	13	187	1	5	12	17
Milw-West	Hanson Park	7.7	49	4	4	2	0	0	0	0	4	9	3	51	0	0	0	0
Milw-West	Grand/Cicero	6.5	37	15	30	2	3	9	12	2	3	28	10	35	0	9	1	1
Milw-West	Western Avenue	2.9	50	260	80	4	5	33	47	2	3	93	128	72	1	39	36	2
Milw-West	Union Station	0.0	0	8,575	184	0	0	1,143	842	0	0	498	8,466	0	0	112	818	0
<b>Total Milwaukee West</b>			<b>9,005</b>	<b>9,005</b>	<b>419</b>	<b>419</b>	<b>1,276</b>	<b>1,276</b>	<b>992</b>	<b>992</b>	<b>758</b>	<b>758</b>	<b>8,786</b>	<b>8,786</b>	<b>229</b>	<b>229</b>	<b>904</b>	<b>904</b>
UP/McHenry	McHenry	50.6	96	0	0	4	0	0	0	0	0	0	76	0	0	0	0	0
UP-NW	Harvard	63.1	136	0	0	13	52	0	0	35	14	0	0	160	19	0	0	26
UP-NW	Woodstock	51.6	210	0	0	15	75	3	1	32	11	3	5	234	13	3	2	18
UP-NW	Crystal Lake	43.2	919	11	3	39	151	8	6	128	63	0	10	869	45	2	2	113
UP-NW	Pingree Road	41.7	593	0	1	28	105	4	3	81	28	0	3	576	18	1	0	70
UP-NW	Cary	38.6	766	6	1	21	94	2	6	58	22	2	33	729	16	3	3	72
UP-NW	Fox River Grove	37.3	343	7	3	5	76	2	1	31	15	2	8	361	5	3	0	38
UP-NW	Barrington	31.9	1,366	18	2	122	159	9	3	165	108	6	50	1,220	48	5	2	136
UP-NW	Palatine	26.4	1,781	61	10	117	337	22	6	201	120	18	67	1,726	48	4	9	215
UP-NW	Arlington Park	24.4	1,389	31	2	150	109	7	6	79	112	4	24	1,269	54	6	1	113
UP-NW	Arlington Heights	22.8	1,933	55	13	121	335	24	35	155	123	12	82	1,811	48	6	9	225
UP-NW	Mount Prospect	20.0	1,467	35	9	108	161	17	9	117	103	5	49	1,440	15	5	3	156
UP-NW	Cumberland	18.6	322	12	10	33	60	4	2	35	42	10	14	267	5	3	0	54
UP-NW	Des Plaines	17.1	717	100	19	123	112	28	25	105	105	13	120	725	38	16	6	91
UP-NW	Dee Road	15.0	423	6	7	10	56	3	1	48	12	3	12	343	3	2	1	47
UP-NW	Park Ridge	13.5	824	56	20	36	82	19	15	111	52	10	37	757	8	5	5	72
UP-NW	Edison Park	12.6	574	4	19	9	63	5	4	71	13	23	10	525	3	3	8	54
UP-NW	Norwood Park	11.4	261	9	14	9	22	7	6	32	40	17	11	211	1	2	4	24
UP-NW	Gladstone Park	10.1	187	6	0	0	0	0	0	1	0	0	7	206	0	0	1	21
UP-NW	Jefferson Park	9.1	325	60	118	11	41	55	63	39	23	107	59	309	2	59	25	33
UP-NW	Irving Park	7.0	207	36	100	3	28	32	24	24	7	72	56	268	0	35	21	12
UP-NW	Clybourn	2.9	161	298	235	12	18	214	62	5	16	200	275	159	2	55	88	8
UP-NW	Ogilvie Transportation Ctr.	0.0	0	14,189	403	0	0	1,671	1,275	0	0	522	13,309	0	0	173	1,408	0
<b>Total UP Northwest</b>			<b>15,000</b>	<b>15,000</b>	<b>989</b>	<b>989</b>	<b>2,136</b>	<b>2,136</b>	<b>1,553</b>	<b>1,553</b>	<b>1,029</b>	<b>1,029</b>	<b>14,241</b>	<b>14,241</b>	<b>391</b>	<b>391</b>	<b>1,598</b>	<b>1,598</b>
Milw-North	Fox Lake	49.5	292	0	0	8	38	0	0	66	15	0	0	213	11	0	0	49
Milw-North	Ingleside	47.8	66	1	0	1	6	0	0	10	2	0	0	69	0	0	0	11
Milw-North	Long Lake	46.0	75	0	0	0	15	0	0	12	3	0	1	58	1	0	1	14
Milw-North	Round Lake	44.0	319	0	0	8	35	0	1	43	49	0	0	215	10	0	3	71
Milw-North	Grayslake	41.0	368	0	0	12	80	3	1	70	26	1	0	329	19	0	0	59
Milw-North	Prairie Crossing	39.2	319	7	0	31	59	1	0	27	28	1	3	309	13	0	0	60

Weekday Station Boardings and Alightings by Time-of-Day and Direction -- Fall 2016

Exhibit IV

Line	Station	Mile Post	AM PEAK				MIDDAY				PM PEAK				EVENING			
			Inbound		Outbound		Inbound		Outbound		Inbound		Outbound		Inbound		Outbound	
			on	off	on	off	on	off										
Milw-North	Libertyville	35.5	578	19	3	33	124	28	10	89	63	8	15	530	24	3	8	115
Milw-North	Lake Forest	28.4	345	13	7	110	62	4	4	52	103	9	13	343	13	1	1	57
Milw-North	Deerfield	24.2	795	17	10	148	140	5	13	82	238	10	45	756	41	2	0	116
Milw-North	Lake Cook Road	23.0	386	72	1	596	200	9	21	88	521	6	65	487	70	0	7	92
Milw-North	Northbrook	21.1	1,005	32	2	82	143	4	9	114	173	7	28	906	28	0	4	125
Milw-North	Glen of North Glenview	18.8	659	51	3	133	184	6	9	95	146	8	43	720	24	1	2	99
Milw-North	Glenview	17.4	1,055	20	9	82	137	4	10	86	143	37	47	1,013	34	0	4	132
Milw-North	Golf	16.2	258	9	16	33	46	2	6	34	31	17	8	178	9	2	1	33
Milw-North	Morton Grove	14.3	775	43	13	45	77	4	8	58	51	18	30	730	12	4	3	94
Milw-North	Edgebrook	11.6	451	19	41	11	67	7	7	30	16	41	19	402	1	10	7	51
Milw-North	Forest Glen	10.2	230	16	48	4	31	10	12	17	7	42	10	226	2	13	3	27
Milw-North	Mayfair	9.0	91	18	133	4	16	26	20	7	8	113	9	82	0	25	7	17
Milw-North	Grayland	8.2	193	15	83	3	27	16	9	9	4	66	7	186	2	19	14	16
Milw-North	Healy	6.4	121	93	145	8	21	19	20	10	9	106	17	94	3	22	9	18
Milw-North	Western Avenue	2.9	53	271	218	15	5	48	31	4	6	248	87	58	1	38	20	6
Milw-North	Union Station	0.0	0	7,718	635	0	0	1,317	812	0	0	904	7,457	0	0	178	1,168	0
<b>Total Milwaukee North</b>			<b>8,434</b>	<b>8,434</b>	<b>1,367</b>	<b>1,367</b>	<b>1,513</b>	<b>1,513</b>	<b>1,003</b>	<b>1,003</b>	<b>1,642</b>	<b>1,642</b>	<b>7,904</b>	<b>7,904</b>	<b>318</b>	<b>318</b>	<b>1,262</b>	<b>1,262</b>
NCS	Antioch	52.8	150	0	0	5	22	0	0	49	11	0	0	129	1	0	0	18
NCS	Lake Villa	48.2	128	0	0	2	13	0	0	20	6	0	0	102	1	0	0	5
NCS	Round Lake Beach	45.9	93	2	0	0	15	1	0	12	4	2	1	81	1	0	1	13
NCS	Washington St./Grayslake	43.9	94	1	0	1	8	0	0	15	5	1	1	71	2	0	0	6
NCS	Prairie Crossing/Libertyville	40.7	72	3	0	12	12	1	2	15	13	1	3	72	0	0	0	4
NCS	Mundelein	36.9	238	8	1	8	14	1	5	28	15	1	3	192	0	0	1	27
NCS	Vernon Hills	33.0	312	2	0	4	36	1	1	43	17	1	4	297	0	0	0	36
NCS	Prairie View	31.6	337	12	0	11	26	3	4	31	13	1	7	290	0	0	1	28
NCS	Buffalo Grove	29.5	517	12	0	25	26	1	4	49	34	2	8	418	0	0	1	48
NCS	Wheeling	27.2	291	20	1	21	34	0	2	40	13	2	12	277	0	0	0	38
NCS	Prospect Heights	24.0	225	17	4	8	15	1	4	21	2	6	15	203	0	0	1	26
NCS	O'Hare Transfer	17.1	11	71	3	2	2	21	28	7	9	7	65	45	0	0	5	5
NCS	Rosemont	15.6	6	13	2	7	0	0	3	2	9	2	12	7	0	0	3	2
NCS	Schiller Park	14.8	20	6	4	1	0	1	1	2	1	7	7	13	0	0	3	1
NCS	Belmont Ave./Franklin Park	13.0	17	10	3	1	1	0	0	2	0	5	7	12	0	0	4	4
NCS	River Grove	11.4	158	9	0	0	0	0	6	3	0	0	9	117	0	0	1	6
NCS	Western Avenue	2.9	11	31	15	4	1	5	7	1	0	24	19	21	0	0	0	0
NCS	Union Station	0.0	0	2,463	79	0	0	189	273	0	0	90	2,174	0	0	5	246	0
<b>Total North Central Service</b>			<b>2,680</b>	<b>2,680</b>	<b>112</b>	<b>112</b>	<b>225</b>	<b>225</b>	<b>340</b>	<b>340</b>	<b>152</b>	<b>152</b>	<b>2,347</b>	<b>2,347</b>	<b>5</b>	<b>5</b>	<b>267</b>	<b>267</b>
UP-North	Kenosha, Wisconsin	51.5	171	0	0	24	48	0	0	37	34	0	0	215	23	0	0	31
UP-North	Winthrop Harbor	44.5	53	0	0	0	4	0	0	1	4	0	0	59	0	0	0	8
UP-North	Zion	42.1	96	4	2	10	7	1	1	1	14	0	2	95	2	0	0	11
UP-North	Waukegan	35.9	527	10	3	82	205	1	5	175	101	0	6	407	60	2	4	119
UP-North	North Chicago	33.7	57	1	0	69	24	7	0	25	64	0	4	65	21	1	0	20
UP-North	Great Lakes	32.0	51	15	3	120	59	11	0	45	116	4	18	50	34	3	12	12
UP-North	Lake Bluff	30.2	275	5	2	295	35	9	7	32	279	3	8	278	71	5	4	37
UP-North	Lake Forest	28.3	314	15	1	239	68	11	15	77	206	6	19	300	83	3	11	52
UP-North	Fort Sheridan	25.7	195	1	2	51	24	7	4	15	37	3	5	177	5	7	2	23
UP-North	Highwood	24.5	129	9	17	26	48	14	21	44	41	14	6	121	27	16	4	39
UP-North	Highland Park	23.0	536	27	25	194	111	21	23	82	197	15	42	565	41	7	3	74
UP-North	Ravinia	21.5	198	4	0	37	42	4	8	20	28	6	5	196	8	6	6	32
UP-North	Braeside	20.5	205	6	2	177	45	8	2	22	153	4	11	187	22	0	2	17
UP-North	Glencoe	19.2	488	14	7	81	60	4	5	49	100	10	25	453	25	3	5	55
UP-North	Hubbard Woods	17.7	280	4	6	24	34	5	7	40	31	8	7	195	7	1	2	34

**Weekday Station Boardings and Alightings by Time-of-Day and Direction -- Fall 2016**

**Exhibit IV**

Line	Station	Mile Post	AM PEAK				MIDDAY				PM PEAK				EVENING			
			Inbound		Outbound		Inbound		Outbound		Inbound		Outbound		Inbound		Outbound	
			on	off	on	off	on	off	on	off	on	off	on	off	on	off	on	off
UP-North	Winnetka	16.6	505	26	5	90	70	6	7	73	105	5	20	477	19	4	6	60
UP-North	Indian Hill	15.8	238	73	3	50	33	1	8	32	71	5	21	181	5	0	3	31
UP-North	Kenilworth	15.2	364	8	3	16	51	2	1	46	59	5	15	334	7	3	0	49
UP-North	Wilmette	14.4	1,291	19	23	72	115	11	8	133	129	15	20	1,101	20	3	8	152
UP-North	Central St., Evanston	13.3	1,098	20	26	58	134	19	8	95	90	19	25	962	29	7	18	123
UP-North	Davis St., Evanston	12.0	813	237	96	547	195	83	60	157	483	137	195	819	73	34	24	120
UP-North	Main St., Evanston	11.0	793	5	110	34	106	16	21	98	51	129	33	692	18	25	1	130
UP-North	Rogers Park	9.4	995	11	154	27	103	21	22	56	59	96	35	855	7	58	14	96
UP-North	Ravenswood	6.5	1,524	87	761	45	89	93	122	58	56	666	111	1,516	13	161	45	126
UP-North	Clybourn	2.9	173	195	503	22	11	91	51	10	33	499	157	161	3	90	43	8
UP-North	Ogilvie Transportation Ctr.	0.0	0	10,573	636	0	0	1,275	1,017	0	0	892	9,671	0	0	184	1,242	0
<b>Total UP North</b>			<b>11,369</b>	<b>11,369</b>	<b>2,390</b>	<b>2,390</b>	<b>1,721</b>	<b>1,721</b>	<b>1,423</b>	<b>1,423</b>	<b>2,541</b>	<b>2,541</b>	<b>10,461</b>	<b>10,461</b>	<b>623</b>	<b>623</b>	<b>1,459</b>	<b>1,459</b>
<b>TOTAL</b>			<b>111,179</b>	<b>111,179</b>	<b>7,303</b>	<b>7,303</b>	<b>13,382</b>	<b>13,382</b>	<b>13,227</b>	<b>13,227</b>	<b>9,430</b>	<b>9,430</b>	<b>102,388</b>	<b>102,388</b>	<b>2,735</b>	<b>2,735</b>	<b>11,997</b>	<b>11,997</b>

**Non-Downtown Metra Stations Ranked By Total Weekday Boardings -- Fall 2016**

**Exhibit V**

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
1	Route 59	BNSF	31.6	5,781	-93
2	Naperville	BNSF	28.5	4,107	105
3	Ravenswood	UP-N	6.5	2,721	358
4	Arlington Heights	UP-NW	22.8	2,578	229
5	Palatine	UP-NW	26.4	2,378	44
6	Downers Grove, Main St.	BNSF	21.2	2,376	-97
7	Elmhurst	UP-West	15.7	2,344	31
8	80th Avenue, Tinley Park	RI-Main	25.1	2,050	118
9	Davis St., Evanston	UP-N	12.0	1,939	-131
10	Aurora	BNSF	37.5	1,936	-171
11	Mount Prospect	UP-NW	20.0	1,816	42
12	Lisle	BNSF	24.5	1,789	-204
13	Barrington	UP-NW	31.9	1,738	21
14	Glen Ellyn	UP-West	22.4	1,734	-31
15	Schaumburg	Milw-W	26.5	1,727	-10
16	Geneva	UP-West	35.5	1,708	-24
17	Arlington Park	UP-NW	24.4	1,697	25
18	Wilmette	UP-N	14.4	1,614	494
19	Wheaton	UP-West	25.0	1,577	71
20	55th-56th-57th St.	Elec-Main	7.0	1,542	-135
21	Hanover Park	Milw-W	28.4	1,486	72
22	Belmont	BNSF	22.6	1,472	147
23	Roselle	Milw-W	23.9	1,455	178
24	Glenview	Milw-N	17.4	1,439	-5
25	Central St., Evanston	UP-N	13.3	1,428	231
26	Northbrook	Milw-N	21.1	1,392	58
27	Rogers Park	UP-N	9.4	1,389	-109
28	Lombard	UP-West	19.9	1,343	22
29	LaGrange Road	BNSF	13.8	1,340	-128
30	Oak Lawn	SWS	15.2	1,329	83
31	Homewood	Elec-Main	23.5	1,308	64
32	Deerfield	Milw-N	24.2	1,282	35
33	Lake Cook Road	Milw-N	23.0	1,271	8
34	Crystal Lake	UP-NW	43.2	1,199	-39
35	Richton Park	Elec-Main	29.3	1,179	-136
36	Hinsdale	BNSF	16.9	1,160	-8
37	Des Plaines	UP-NW	17.1	1,142	-79
38	Oak Forest	RI-Main	20.4	1,136	-5
39	Western Springs	BNSF	15.5	1,133	20
39	Main St., Evanston	UP-N	11.0	1,133	40
41	Kensington, 115th St.	Elec-Main	14.5	1,120	39
42	New Lenox	RI-Main	34.0	1,115	-31
43	Bartlett	Milw-W	30.1	1,071	-10
44	Glen of North Glenview	Milw-N	18.8	1,070	-27

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
45	Tinley Park	RI-Main	23.5	1,060	77
46	Westmont	BNSF	19.5	1,058	-12
47	LaGrange, Stone Ave.	BNSF	14.2	1,046	20
48	Park Ridge	UP-NW	13.5	1,043	89
49	Midlothian	RI-Main	18.4	1,015	65
50	Hickory Creek	RI-Main	27.5	999	7
51	Calumet	Elec-Main	22.8	989	-198
52	147th St., Sibley Blvd.	Elec-Main	19.0	984	-76
53	Highland Park	UP-N	23.0	978	103
54	Clybourn [UP-N]	UP-N	2.9	974	68
55	Morton Grove	Milw-N	14.3	969	-85
56	Cary	UP-NW	38.6	941	68
57	College Avenue	UP-West	23.8	918	-139
58	Waukegan	UP-N	35.9	911	1
59	University Park	Elec-Main	31.5	907	-32
60	Oak Park, Marion St.	UP-West	8.5	905	-224
61	Clybourn [UP-NW]	UP-NW	2.9	857	164
62	Villa Park	UP-West	17.8	828	-13
63	Libertyville	Milw-N	35.5	825	-1
64	Flossmoor	Elec-Main	24.9	824	-6
64	Western Avenue [Milw & NCS]	Milw-N, -W, & NCS	2.9	824	-27
66	Clarendon Hills	BNSF	18.3	806	-2
67	Big Timber Road	Milw-W	39.8	789	7
68	Joliet [RI-Main]	RI-Main	40.2	768	-98
69	103rd St., Beverly Hills	RI-Branch	12.8	759	-8
70	Pingree Road	UP-NW	41.7	751	7
71	Winnetka	UP-N	16.6	737	252
72	211th St., Lincoln Hwy.	Elec-Main	27.6	727	-128
73	99th St., Beverly Hills	RI-Branch	12.3	725	104
74	Lake Forest	UP-N	28.3	717	-10
75	Glencoe	UP-N	19.2	715	258
76	Edison Park	UP-NW	12.6	694	48
77	Lake Bluff	UP-N	30.2	681	55
78	59th St., Univ. of Chicago	Elec-Main	7.4	674	190
79	Jefferson Park	UP-NW	9.1	656	57
80	Olympia Fields	Elec-Main	26.6	643	-22
81	53rd St., Hyde Park	Elec-Main	6.5	642	146
81	National Street	Milw-W	36.0	642	-58
83	Berwyn	BNSF	9.6	632	-100
84	Ivanhoe	Elec-Main	18.2	628	-69
<b>System Average</b>				<b>628</b>	<b>5</b>
85	Wood Dale	Milw-W	19.1	624	16
86	South Chicago, 93rd St.	Elec-SC	13.2	619	-33
87	Edgebrook	Milw-N	11.6	609	105

**Non-Downtown Metra Stations Ranked By Total Weekday Boardings -- Fall 2016**

**Exhibit V**

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
88	Mokena	RI-Main	29.6	604	32
88	Orland Park, 153rd St.	SWS	25.2	604	-17
90	Itasca	Milw-W	21.1	601	37
91	Buffalo Grove	NCS	29.5	590	-31
92	111th St., Morgan Park	RI-Branch	13.8	587	-14
93	Vermont St. [main]	RI-Main	15.7	575	54
94	Medinah	Milw-W	23.0	573	53
95	Brookfield	BNSF	12.3	572	-35
96	Orland Park, 143rd St.	SWS	23.6	548	55
96	Lake Forest	Milw-N	28.4	548	-22
98	Harvey	Elec-Main	20.0	542	-98
99	West Chicago	UP-West	29.8	527	-49
100	Dee Road	UP-NW	15.0	515	-55
101	Matteson	Elec-Main	28.2	507	-85
101	Winfield	UP-West	27.5	507	-10
103	Kenilworth	UP-N	15.2	500	195
104	Riverside	BNSF	11.1	499	-2
105	Grayslake	Milw-N	41.0	494	-15
106	Lemont	Heritage	25.3	489	33
107	Museum Campus/11th Street	Elec-Main	1.4	484	55
108	Fairview Avenue	BNSF	20.4	458	33
108	Franklin Park	Milw-W	13.2	458	59
110	Cumberland	UP-NW	18.6	455	24
111	107th St., Beverly Hills	RI-Branch	13.3	451	38
111	Fox River Grove	UP-NW	37.3	451	41
113	Irving Park	UP-NW	7.0	443	-31
114	Braeside	UP-N	20.5	442	69
115	River Forest	UP-West	9.7	438	4
116	Elgin	Milw-W	36.6	436	-25
117	Palos Park	SWS	20.3	432	14
118	95th St., Beverly Hills	RI-Branch	11.7	423	-104
119	Prairie Crossing [Milw-N]	Milw-N	39.2	422	-29
120	Harlem Avenue	BNSF	10.1	421	-76
121	Worth	SWS	18.2	419	-11
122	Round Lake	Milw-N	44.0	417	-96
123	Hazel Crest	Elec-Main	22.3	412	33
123	Lockport	Heritage	32.9	412	60
125	Elmwood Park	Milw-W	10.2	405	9
126	Prairie View	NCS	31.6	388	43
127	Indian Hill	UP-N	15.8	382	181
128	West Hinsdale	BNSF	17.8	376	25
129	Golf	Milw-N	16.2	375	174
130	Hubbard Woods	UP-N	17.7	374	129
131	Vernon Hills	NCS	33.0	370	-65

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
132	91st St., Beverly Hills	RI-Branch	11.3	364	5
133	Norwood Park	UP-NW	11.4	359	9
134	Bensenville	Milw-W	17.2	357	-76
135	Fox Lake	Milw-N	49.5	356	-86
136	Wheeling	NCS	27.2	353	20
137	Healy	Milw-N	6.4	345	23
138	Forest Glen	Milw-N	10.2	343	-8
139	Chicago Ridge	SWS	16.8	339	7
139	Grayland	Milw-N	8.2	339	25
141	Mont Clare	Milw-W	9.5	335	44
142	Gresham	RI-Main	9.8	318	-77
143	Woodstock	UP-NW	51.6	317	-120
144	River Grove	Milw-W & NCS	11.4	316	6
145	Elburn	UP-West	43.6	307	-38
146	Brainerd	RI-Branch	10.6	303	-19
147	63rd Street	Elec-Main	7.9	299	145
148	Ravinia	UP-N	21.5	295	57
149	Highwood	UP-N	24.5	293	-21
149	Great Lakes	UP-N	32.0	293	29
151	Congress Park	BNSF	13.1	290	40
152	Mayfair	Milw-N	9.0	284	-56
153	119th Street	RI-Branch	14.8	279	-48
153	Galewood	Milw-W	8.6	279	19
155	Mundelein	NCS	36.9	277	-27
156	La Fox	UP-West	40.9	276	-37
156	Kenosha, Wisconsin	UP-N	51.5	276	-82
158	Fort Sheridan	UP-N	25.7	274	8
159	Prospect Heights	NCS	24.0	266	-11
160	Palos Heights	SWS	19.2	238	-16
161	35th Street	RI-Main	3.1	227	-22
162	Wrightwood	SWS	11.9	226	-68
163	Harvard	UP-NW	63.1	221	-54
164	Ashburn	SWS	12.6	218	-37
165	Joliet [Heritage]	RI-Main	37.2	209	-35
166	Highlands	BNSF	16.4	203	36
167	Orland Park, 179th St.	SWS	28.9	201	11
168	Gladstone Park	UP-NW	10.1	195	26
169	LaVergne	BNSF	9.1	187	-4
170	Cicero	BNSF	7.0	185	-11
171	Antioch	NCS	52.8	184	-43
172	South Shore	Elec-SC	10.3	182	3
173	Blue Island	Elec-BI	18.9	181	12
174	Riverdale	Elec-Main	17.3	180	-21
175	115th St., Morgan Park	RI-Branch	14.3	170	-3

**Non-Downtown Metra Stations Ranked By Total Weekday Boardings -- Fall 2016**

**Exhibit V**

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
175	North Chicago	UP-N	33.7	170	-62
177	Bellwood	UP-West	12.6	148	-17
177	Lake Villa	NCS	48.2	148	-28
179	Mars	Milw-W	9.1	142	27
180	Berkeley	UP-West	14.3	140	-21
181	Zion	UP-N	42.1	124	-31
182	O'Hare Transfer	NCS	17.1	123	-21
183	Halsted Street	BNSF	1.8	120	28
183	Hollywood (Zoo Stop)	BNSF	11.8	120	25
185	Burr Oak	Elec-BI	18.4	117	-7
186	Willow Springs	Heritage	17.5	115	20
186	Round Lake Beach	NCS	45.9	115	-42
188	Vermont St. [branch]	RI-Branch	16.4	113	-11
189	Bryn Mawr	Elec-SC	9.7	112	24
190	Ashland Avenue	Elec-BI	17.9	111	13
191	Washington St./Grayslake	NCS	43.9	110	-12
192	Stony Island	Elec-SC	9.1	109	-52
193	McCormick Place	Elec-Main	2.7	108	16
194	103rd St., Washington Hts.	RI-Main	12.0	107	-61
195	83rd Street	Elec-SC	12.0	103	-10
196	Prairie Crossing [NCS]	NCS	40.7	102	-23
197	Summit	Heritage	11.9	100	14
198	Grand/Cicero	Milw-W	6.5	96	-10
198	McHenry (Branch Line)	UP-NW/McHenry Br.	50.6	96	-18
198	Long Lake	Milw-N	46.0	96	-9
201	Windsor Park	Elec-SC	10.9	95	-5
202	87th Street	Elec-SC	12.5	90	-27
203	Robbins	RI-Main	17.2	89	12
204	Melrose Park	UP-West	11.3	87	-16
205	47th St., Kenwood	Elec-Main	5.9	82	-12
205	Maywood	UP-West	10.5	82	1
207	Ingleside	Milw-N	47.8	74	-15
208	Western Avenue [BNSF]	BNSF	3.8	69	-9
209	Winthrop Harbor	UP-N	44.5	61	-9
210	95th Street, Longwood	RI-Main	10.9	60	-25
210	Hanson Park	Milw-W	7.7	60	14
212	79th St., Chatham	Elec-Main	10.0	59	2
213	Cheltenham, 79th St.	Elec-SC	11.5	55	-24
214	Kedzie	UP-West	3.6	52	-4
215	123rd Street	RI-Branch	15.2	45	-8
216	18th Street	Elec-Main	2.2	42	1
217	87th St., Woodruff	Elec-Main	10.9	41	-15
218	83rd St., Avalon Park	Elec-Main	10.4	40	-10
219	103rd St., Rosemoor	Elec-Main	13.0	37	-6

Rank *	Station	Line(s)	Mile Post	Fall 2016	Change from Spring 2014
220	Stewart Ridge	Elec-BI	16.0	36	-1
220	Schiller Park	NCS	14.8	36	7
222	Rosemont	NCS	15.6	35	2
223	Belmont Ave./Franklin Park	NCS	13.0	32	3
224	Racine Avenue	Elec-BI	17.0	31	-2
224	Mannheim	Milw-W	14.0	31	1
226	State Street	Elec-BI	15.6	30	-24
226	27th Street	Elec-Main	3.2	30	-16
228	75th St., Grand Crossing	Elec-Main	9.3	28	13
229	91st St., Chesterfield	Elec-Main	11.4	27	1
230	95th St., Chicago State Univ.	Elec-Main	12.0	26	-17
231	111th St., Pullman	Elec-Main	14.0	24	5
231	Laraway Road	SWS	35.8	24	-3
233	West Pullman	Elec-BI	16.7	22	1
233	Manhattan	SWS	40.8	22	-7
235	Prairie Street	RI-Branch	15.8	20	-26
236	107th Street	Elec-Main	13.5	19	-12

\* based on revenue stations open in Fall 2016; excludes South Shore boardings.

## Downtown Station Boardings Over Time

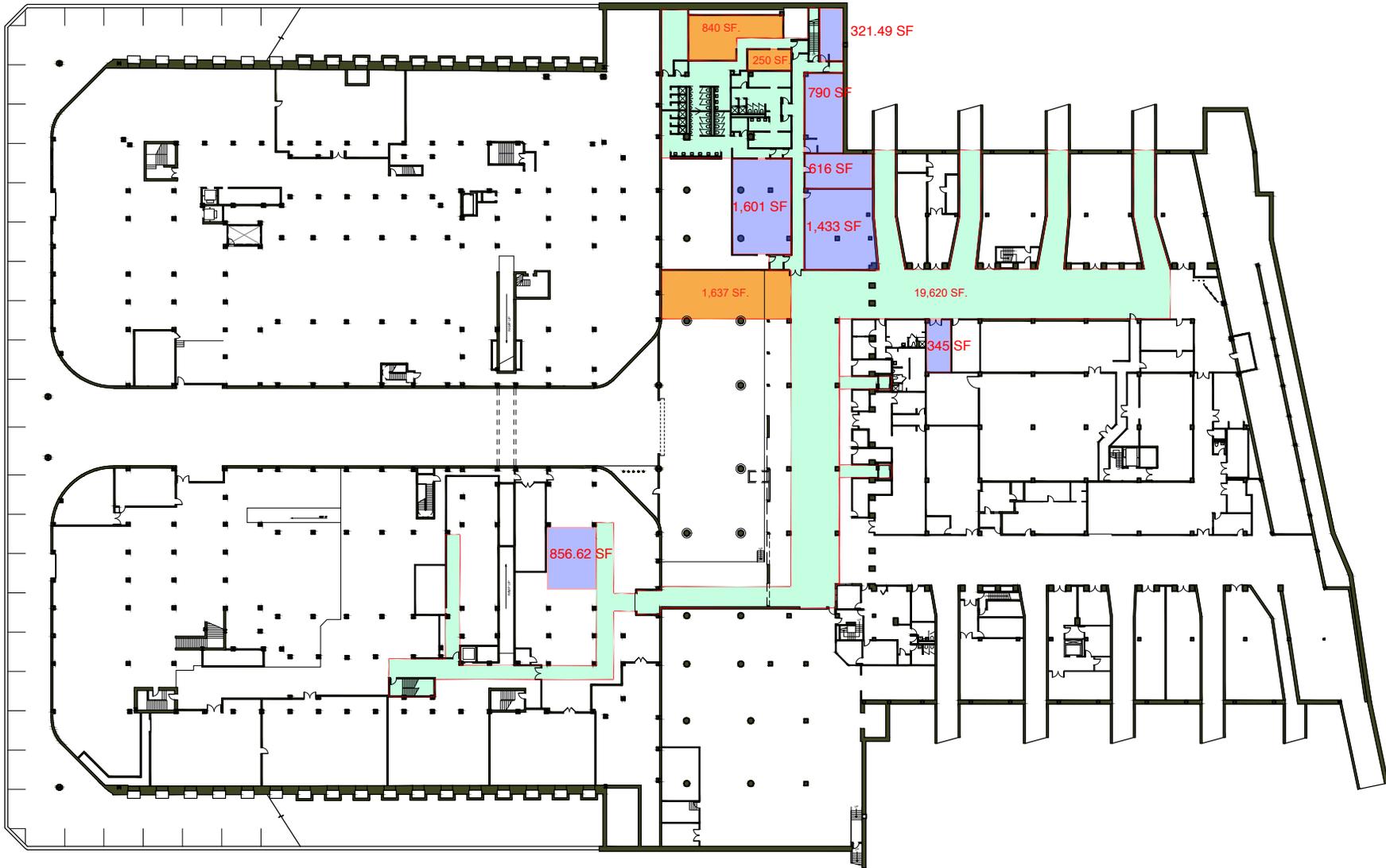
Exhibit VIa.

Station Line	Spring 1983	Spring 1985	Fall 1987	Fall 1989	Fall 1991	Fall 1993	Fall 1995	Fall 1997	Fall 1999	Fall 2002	Fall 2006	Spring 2014	Fall 2016
<b>Chicago Union Station</b>													
BNSF	18,545	20,005	21,361	22,620	21,980	21,995	22,546	24,200	25,355	25,114	26,547	26,077	26,615
Heritage	499	588	827	858	748	678	631	668	905	1,180	1,421	1,188	1,222
Milw-N	5,805	6,483	6,801	7,329	7,802	8,729	8,930	8,541	9,300	8,903	9,776	9,870	10,072
Milw-W	6,548	7,264	8,071	8,649	8,875	9,703	10,167	10,313	10,356	9,693	10,144	10,011	10,310
North Central	--	--	--	--	--	--	--	1,708	1,905	1,893	2,173	2,799	2,772
SouthWest	<u>1,437</u>	<u>1,628</u>	<u>2,450</u>	<u>2,953</u>	<u>2,896</u>	<u>2,815</u>	<u>3,033</u>	<u>3,149</u>	<u>3,400</u>	<u>3,100</u>	<u>4,327</u>	<u>4,477</u>	<u>4,503</u>
Sub-Total	32,834	35,968	39,510	42,409	42,301	43,920	45,307	48,579	51,221	49,883	54,388	54,422	55,494
<b>LaSalle Street Station</b>													
Rock Island	10,286	11,464	13,248	15,018	14,730	14,877	14,867	15,002	16,336	16,868	17,026	13,239	12,656
<b>Ogilvie Transportation Center</b>													
UP-N	8,437	8,899	10,113	10,216	10,792	10,689	10,455	10,714	11,209	10,595	10,935	10,833	12,566
UP-NW	13,737	13,517	15,037	15,778	15,809	16,516	15,954	15,253	15,603	14,542	14,886	15,938	16,395
UP-W	<u>10,769</u>	<u>10,843</u>	<u>12,372</u>	<u>12,736</u>	<u>12,544</u>	<u>12,758</u>	<u>13,299</u>	<u>12,770</u>	<u>12,383</u>	<u>11,594</u>	<u>11,743</u>	<u>12,781</u>	<u>13,451</u>
Sub-Total	32,943	33,259	37,522	38,730	39,145	39,963	39,708	38,737	39,195	36,731	37,564	39,552	42,412
<b>Millennium Station at Randolph Street</b>													
Electric	12,112	13,868	13,516	14,705	15,032	14,121	13,846	13,768	14,209	13,533	13,152	10,353	9,798
<b>Van Buren Street Station (outbound only)</b>													
Electric	5,151	5,682	6,099	6,468	5,546	5,735	5,589	5,796	6,093	5,360	4,634	3,325	3,131
<b>Total</b>	93,326	100,241	109,895	117,330	116,754	118,616	119,317	121,882	127,054	122,375	126,764	120,891	123,491

**Downtown Station Boardings and Alightings by Service Period -- Fall 2016**

**Exhibit VIb.**

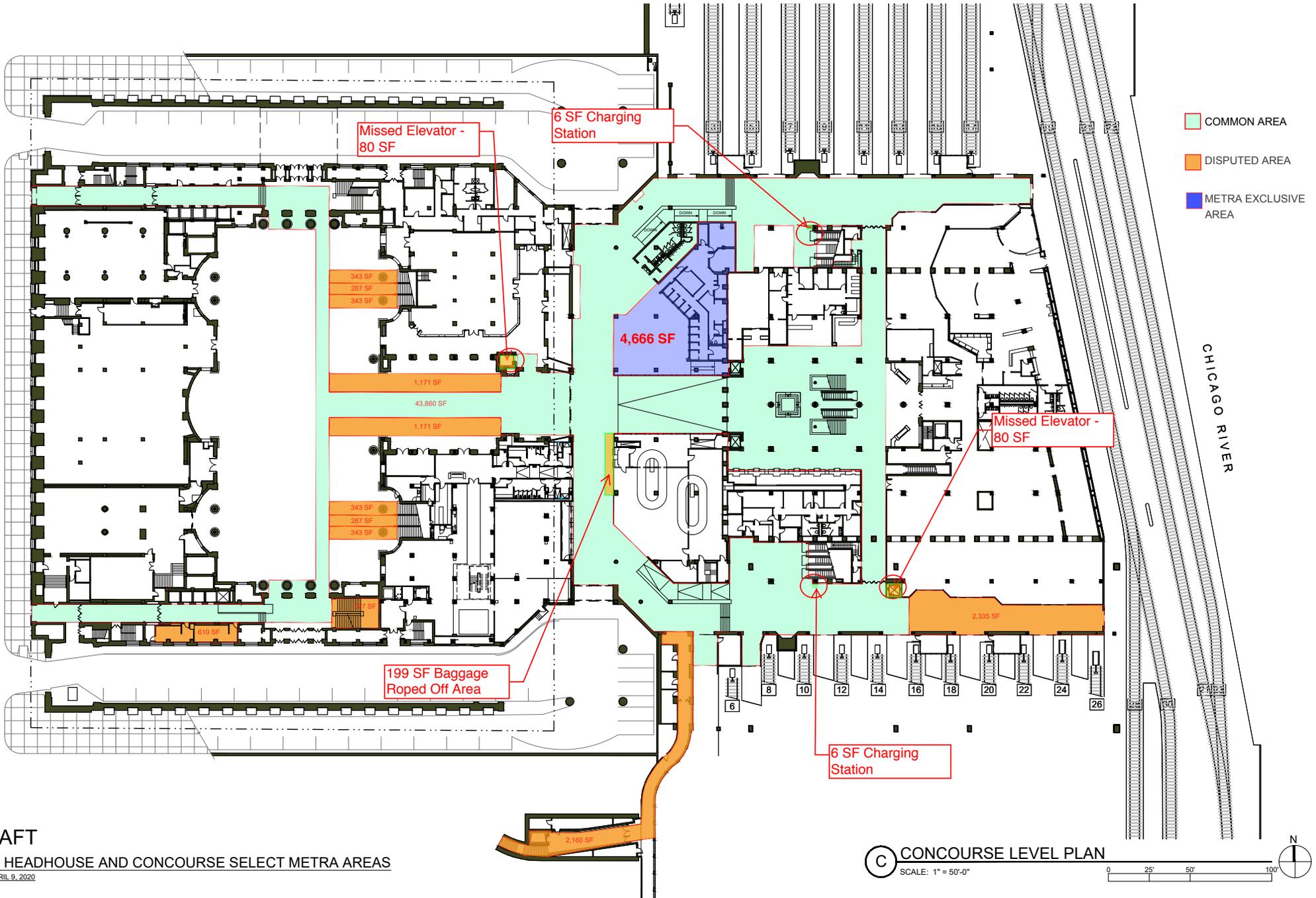
Station	Line	Weekday Outbound Boardings					Weekday Inbound Alightings				
		AM Peak	Midday	PM Peak	Evening	TOTAL	AM Peak	Midday	PM Peak	Evening	TOTAL
<b>Chicago Union Station</b>											
BNSF		630	2,696	20,434	2,855	26,615	23,633	1,606	1,074	229	26,542
Heritage		--	52	1,170	--	1,222	1,317	--	--	--	1,317
Milw-N		635	812	7,457	1,168	10,072	7,718	1,317	904	178	10,117
Milw-W		184	842	8,466	818	10,310	8,575	1,143	498	112	10,328
North Central Service		79	273	2,174	246	2,772	2,463	189	90	5	2,747
SouthWest Service		<u>33</u>	<u>364</u>	<u>3,738</u>	<u>368</u>	<u>4,503</u>	<u>4,019</u>	<u>398</u>	<u>77</u>	<u>20</u>	<u>4,514</u>
Sub-Total		1,561	5,039	43,439	5,455	55,494	47,725	4,653	2,643	544	55,565
<b>LaSalle Street Station</b>											
Rock Island		95	1,298	10,646	617	12,656	11,875	875	217	53	13,020
<b>Ogilvie Transportation Center</b>											
UP-N		636	1,017	9,671	1,242	12,566	10,573	1,275	892	184	12,924
UP-NW		403	1,275	13,309	1,408	16,395	14,189	1,671	522	173	16,555
UP-W		<u>300</u>	<u>907</u>	<u>11,058</u>	<u>1,186</u>	<u>13,451</u>	<u>10,838</u>	<u>1,139</u>	<u>479</u>	<u>185</u>	<u>12,641</u>
Sub-Total		1,339	3,199	34,038	3,836	42,412	35,600	4,085	1,893	542	42,120
<b>Millennium Station at Randolph Street</b>											
Electric		313	1,331	7,325	829	9,798	7,244	1,295	603	168	9,310
<b>Van Buren Street Station</b>											
Electric		57	340	2,487	247	3,131	3,290	397	142	52	3,881
<b>Total</b>		3,365	11,207	97,935	10,984	123,491	105,734	11,305	5,498	1,359	123,896



- COMMON AREA
- DISPUTED AREA
- METRA EXCLUSIVE AREA

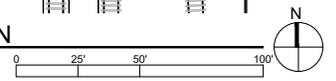
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 CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
 REV: APRIL 9, 2020

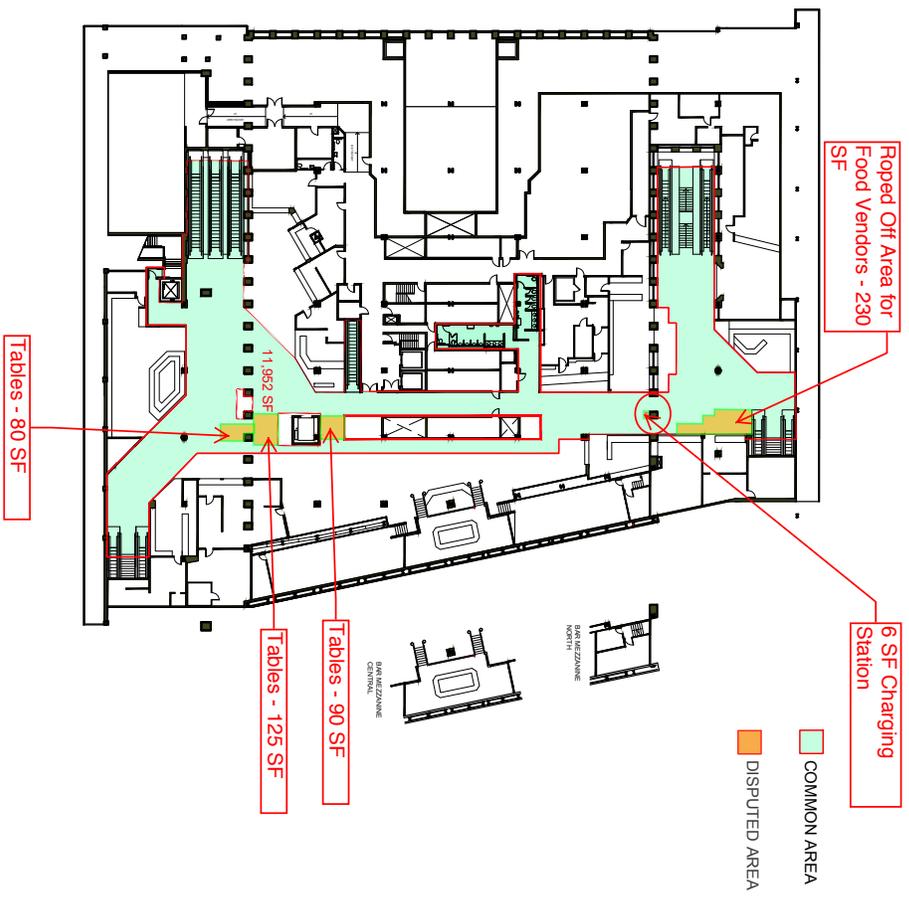
B **BASMENT PLAN**  
 SCALE: 1" = 50'-0"



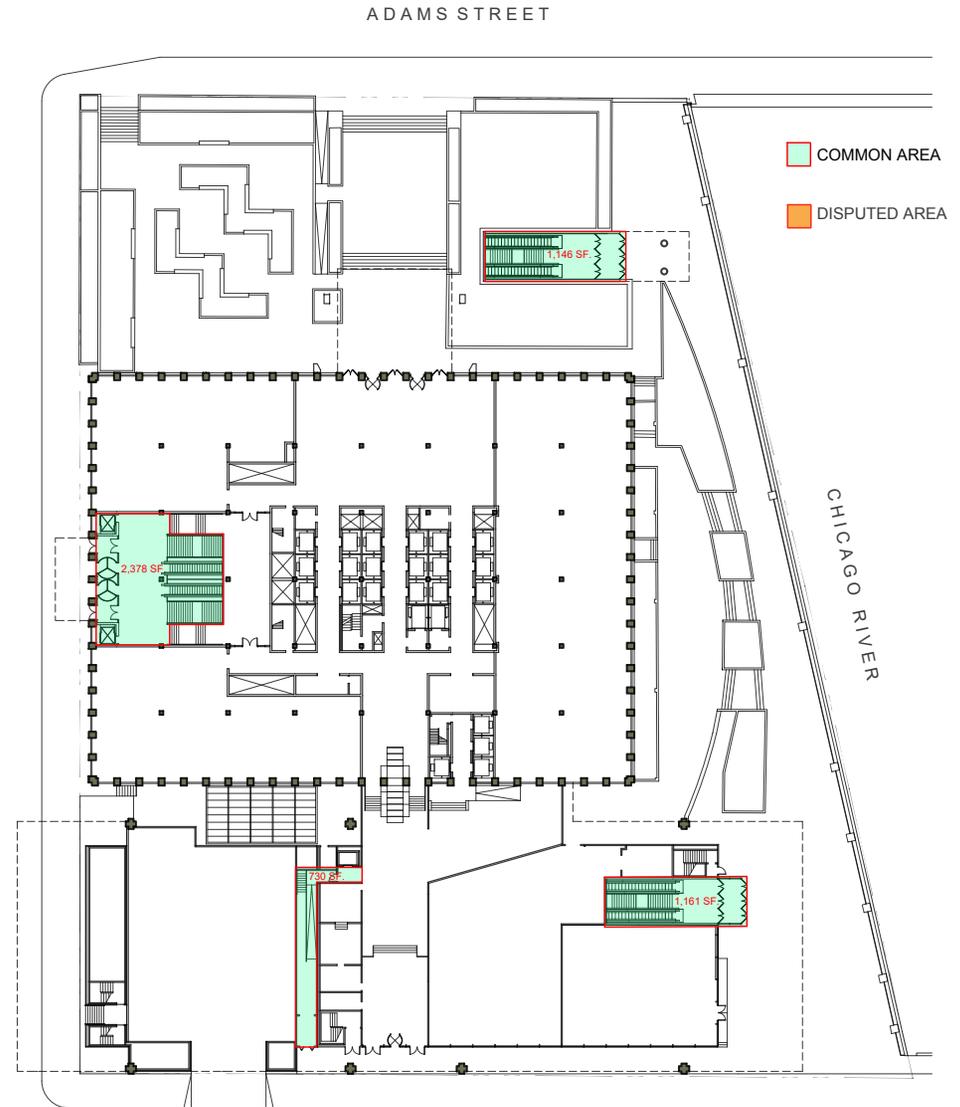
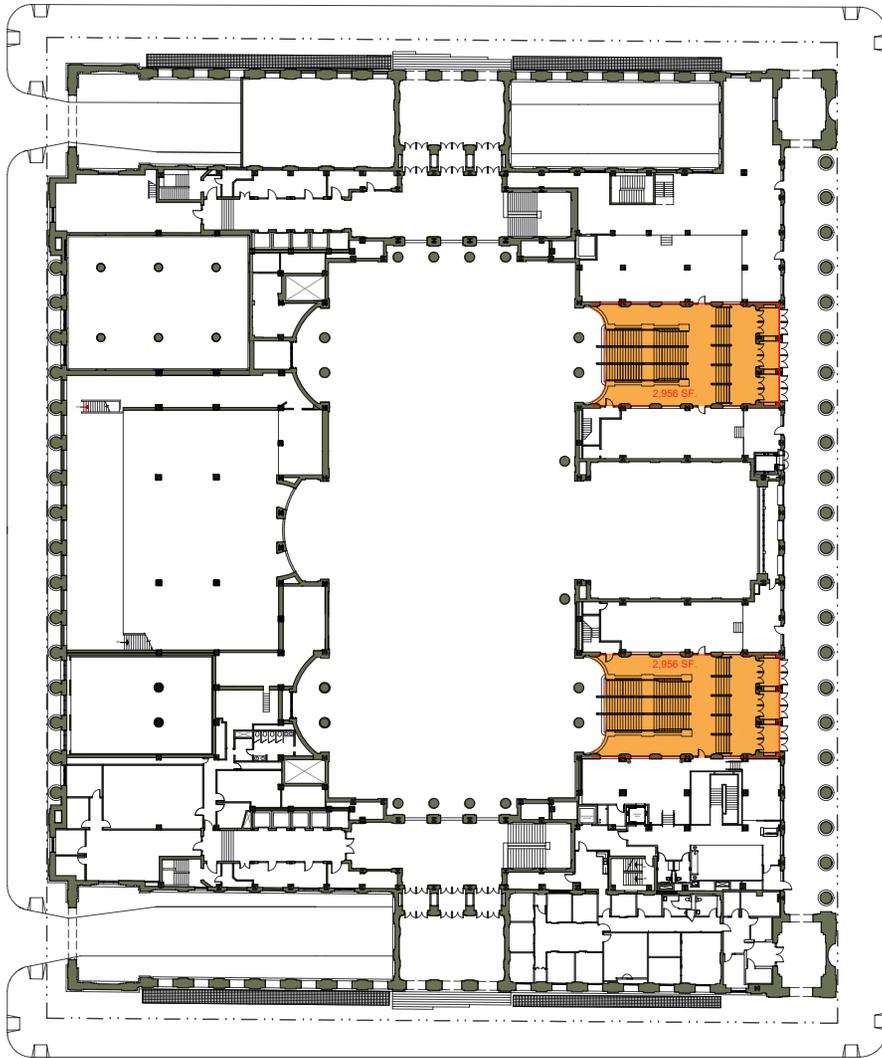
**DRAFT**  
 CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
 REV: APRIL 9, 2020

**C CONCOURSE LEVEL PLAN**  
 SCALE: 1" = 50'-0"





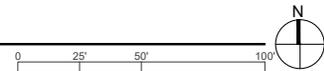
F MEZZANINE FOODCOURT PLAN  
 SCALE: 1" = 50'-0"



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 CUS HEADHOUSE AND CONCOURSE SELECT METRA AREAS  
 REV: APRIL 9, 2020

STREET LEVEL PLAN

SCALE: 1" = 50'-0"



# CONSOLIDATED FINANCIAL STATEMENTS

National Railroad Passenger Corporation and Subsidiaries (Amtrak)

Years Ended September 30, 2016 and 2015

With Report of Independent Auditors



# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Financial Statements

Years Ended September 30, 2016 and 2015

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## Report of Independent Auditors

The Board of Directors and Stockholders  
National Railroad Passenger Corporation

We have audited the accompanying consolidated financial statements of National Railroad Passenger Corporation and subsidiaries (Amtrak or the Company), which comprise the consolidated balance sheets as of September 30, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, changes in capitalization, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Railroad Passenger Corporation and subsidiaries at September 30, 2016 and 2015, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

## **Federal Government Funding**

As explained in Notes 1 and 2 in the accompanying consolidated financial statements, the Company has a history of operating losses and is dependent upon substantial Federal Government subsidies to sustain its operations and maintain its underlying infrastructure. As further explained in Note 2 to the consolidated financial statements, the Company is receiving Federal Government funding under the Continuing Appropriations Act, 2017 and the Further Continuing Appropriations Act, 2017. The Company expects to receive additional interim Federal Government funding under Congressional continuing resolutions for fiscal year 2017 until the formal appropriations bill is signed into law. There are currently no Federal Government subsidies appropriated by law for any period subsequent to April 28, 2017. Without the receipt of Federal Government funding, Amtrak will not be able to continue in its current form and significant operating changes, restructurings, or bankruptcy might occur. Our opinion is not modified with respect to this matter.

*Ernst + Young LLP*

January 27, 2017

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets

*(In Thousands of Dollars, Except Share Data)*

	September 30,	
	2016	2015
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents, including restricted cash of \$7,966 and \$4,978 as of September 30, 2016 and 2015, respectively	\$ 760,454	\$ 528,006
Accounts receivable, net of allowances of \$5,352 and \$5,067 as of September 30, 2016 and 2015, respectively	294,548	308,875
Materials and supplies, net of allowances of \$27,653 and \$27,782 as of September 30, 2016 and 2015, respectively	255,095	272,689
Prepaid expenses	37,730	27,721
Other current assets	306,342	36,653
<b>Total current assets</b>	<b>1,654,169</b>	<b>1,173,944</b>
<b>Property and equipment:</b>		
Locomotives	2,127,329	1,944,706
Passenger cars and other rolling stock	3,247,105	3,168,946
Right-of-way and other properties	12,694,726	12,124,468
Construction-in-progress	1,713,510	1,410,974
Leasehold improvements	572,610	556,327
Property and equipment, gross	20,355,280	19,205,421
Less: Accumulated depreciation and amortization	(8,026,218)	(7,502,347)
<b>Total property and equipment, net</b>	<b>12,329,062</b>	<b>11,703,074</b>
<b>Other assets, deposits, and deferred charges:</b>		
Notes receivable on sale-leasebacks	55,833	55,210
Deferred charges, deposits, and other	45,160	362,356
<b>Total other assets, deposits, and deferred charges</b>	<b>100,993</b>	<b>417,566</b>
<b>Total assets</b>	<b>\$ 14,084,224</b>	<b>\$ 13,294,584</b>

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets (continued)

*(In Thousands of Dollars, Except Share Data)*

	September 30,	
	2016	2015
<b>Liabilities and capitalization</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 579,686	\$ 380,505
Accrued expenses and other current liabilities	1,011,063	629,847
Deferred ticket revenue	143,565	146,197
Current maturities of long-term debt and capital lease obligations	216,182	120,609
<b>Total current liabilities</b>	<b>1,950,496</b>	<b>1,277,158</b>
<b>Long-term debt and capital lease obligations:</b>		
Capital lease obligations	664,099	617,089
Other long-term debt	291,020	502,822
<b>Total long-term debt and capital lease obligations</b>	<b>955,119</b>	<b>1,119,911</b>
<b>Other liabilities and deferred credits:</b>		
Deferred state capital payments	1,557,909	1,323,929
Casualty reserves	148,745	440,708
Deferred gain on sale-leasebacks	44,686	49,521
Postretirement employee benefits obligation	781,073	863,817
Environmental reserve	42,609	46,290
Deferred income taxes	51,049	49,222
Other liabilities	123,474	132,404
<b>Total other liabilities and deferred credits</b>	<b>2,749,545</b>	<b>2,905,891</b>
<b>Total liabilities</b>	<b>5,655,160</b>	<b>5,302,960</b>
<b>Commitments and contingencies (Note 10)</b>		
<b>Capitalization:</b>		
Preferred stock - \$100 par, 109,396,994 shares authorized, issued and outstanding at September 30, 2016 and 2015	10,939,699	10,939,699
Common stock - \$10 par, 10,000,000 shares authorized, 9,385,694 issued and outstanding at September 30, 2016 and 2015	93,857	93,857
Other paid-in capital	31,203,808	29,672,867
Accumulated deficit	(33,665,346)	(32,584,857)
Accumulated other comprehensive loss	(142,954)	(129,942)
<b>Total capitalization</b>	<b>8,429,064</b>	<b>7,991,624</b>
<b>Total liabilities and capitalization</b>	<b>\$ 14,084,224</b>	<b>\$ 13,294,584</b>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Operations

(In Thousands of Dollars)

	Year Ended September 30,	
	2016	2015
<b>Revenues:</b>		
Passenger related	\$ 2,495,410	\$ 2,478,740
Commuter	120,767	122,671
Other	624,381	609,612
Total revenues	<u>3,240,558</u>	<u>3,211,023</u>
<b>Expenses:</b>		
Salaries, wages and benefits	2,087,609	2,136,564
Train operations	300,176	251,855
Fuel, power and utilities	230,369	283,320
Materials	157,943	182,601
Facility, communication and office related	174,936	198,323
Advertising and sales	104,438	95,214
Casualty and other claims	72,848	90,336
Depreciation and amortization	813,403	747,797
Other	468,625	485,950
Indirect cost capitalized to property and equipment	(149,079)	(139,353)
Total expenses	<u>4,261,268</u>	<u>4,332,607</u>
Loss before other (income) and expense	<u>1,020,710</u>	<u>1,121,584</u>
Other (income) and expense:		
Interest income	(4,376)	(2,259)
Interest expense	65,943	66,116
Other income, net	(3,615)	(1,751)
Other expense, net	57,952	62,106
Loss before income taxes	<u>1,078,662</u>	<u>1,183,690</u>
Income tax expense	1,827	48,996
Net loss	<u>\$ 1,080,489</u>	<u>\$ 1,232,686</u>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Comprehensive Loss

(In Thousands of Dollars)

	Year Ended September 30,	
	2016	2015
Net loss	\$ 1,080,489	\$ 1,232,686
Other comprehensive loss:		
Pension and other postretirement benefit items:		
Net (gain) loss arising during the period	(64,086)	19,820
Prior service credit during the period related to plan amendment	—	(402,854)
Amortization of actuarial loss	(53,331)	(51,849)
Amortization of prior service credit	130,429	75,976
Total pension and other postretirement benefit items	13,012	(358,907)
Comprehensive loss	\$ 1,093,501	\$ 873,779

See accompanying notes.

## National Railroad Passenger Corporation and Subsidiaries (Amtrak)

### Consolidated Statements of Changes in Capitalization

*(In Thousands of Dollars)*

	Preferred Stock	Common Stock	Other Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of September 30, 2014	\$ 10,939,699	\$ 93,857	\$ 28,209,068	\$ (31,352,171)	\$ (488,849)	\$ 7,401,604
Federal paid-in capital	—	—	1,463,799	—	—	1,463,799
Net loss	—	—	—	(1,232,686)	—	(1,232,686)
Total pension and other postretirement benefit items	—	—	—	—	358,907	358,907
Balance as of September 30, 2015	10,939,699	93,857	29,672,867	(32,584,857)	(129,942)	7,991,624
Federal paid-in capital	—	—	1,530,941	—	—	1,530,941
Net loss	—	—	—	(1,080,489)	—	(1,080,489)
Total pension and other postretirement benefit items	—	—	—	—	(13,012)	(13,012)
Balance as of September 30, 2016	<u>\$ 10,939,699</u>	<u>\$ 93,857</u>	<u>\$ 31,203,808</u>	<u>\$ (33,665,346)</u>	<u>\$ (142,954)</u>	<u>\$ 8,429,064</u>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Cash Flows

(In Thousands of Dollars)

	Year Ended September 30,	
	2016	2015
<b>Cash flows from operating activities</b>		
Net loss	\$ (1,080,489)	\$ (1,232,686)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	813,403	747,797
Deferred income taxes	1,827	48,996
Gain on sale of/recovery on property and equipment	(4,093)	(9,979)
Other	4,615	5,619
Changes in assets and liabilities:		
Accounts receivable	6,246	(35,842)
Materials and supplies	15,814	(6,098)
Prepaid expenses	(10,009)	(12,325)
Other current assets	(269,689)	7,566
Other assets, deposits and deferred charges	316,573	(287,106)
Accounts payable, deferred ticket revenue, accrued expenses and other current liabilities	577,433	111,301
Deferred state capital payments	(63,253)	(53,754)
Other liabilities and deferred credits	(400,331)	306,832
Net cash used in operating activities	<u>(91,953)</u>	<u>(409,679)</u>
<b>Cash flows from investing activities</b>		
Purchases and refurbishments of property and equipment	(1,446,634)	(1,209,961)
Insurance proceeds attributable to casualty losses related to property and equipment	9,336	96,162
Proceeds from disposals of property and equipment	2,744	1,475
Net cash used in investing activities	<u>(1,434,554)</u>	<u>(1,112,324)</u>
<b>Cash flows from financing activities</b>		
Proceeds from federal paid-in capital	1,530,941	1,463,799
Proceeds from state capital payments	297,233	187,091
Repayments of debt and capital lease obligations	(114,897)	(121,299)
Proceeds from issuance of debt	45,678	91,228
Net cash provided by financing activities	<u>1,758,955</u>	<u>1,620,819</u>
Net change in cash and cash equivalents, including restricted cash	232,448	98,816
Beginning balance of cash and cash equivalents, including restricted cash	528,006	429,190
Ending balance of cash and cash equivalents, including restricted cash	<u>\$ 760,454</u>	<u>\$ 528,006</u>
<b>Supplemental disclosure of cash payments</b>		
Interest paid, net of amount capitalized	\$ 69,936	\$ 73,081

See accompanying notes.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements**

Years Ended September 30, 2016 and 2015

### **1. Nature of Operations**

The National Railroad Passenger Corporation (Amtrak or the Company) was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. The United States government (the Federal Government) through the Secretary of the United States Department of Transportation (the DOT) owns all issued and outstanding preferred stock. Amtrak's principal business is to provide rail passenger transportation service in the major intercity travel markets of the United States. The Company also operates commuter rail operations on behalf of certain states and transit agencies, provides equipment and right-of-way maintenance services, and has leasing operations.

The Company has a history of recurring operating losses and is dependent on subsidies from the Federal Government to operate the national passenger rail system and maintain the underlying infrastructure. These subsidies are usually received through annual appropriations. Appropriated funds for Amtrak are generally provided to the DOT, which through its agency the Federal Railroad Administration (the FRA) provides those funds to Amtrak pursuant to annual grant agreements. Amtrak's ability to continue operating in its current form is dependent upon the continued receipt of subsidies from the Federal Government. The DOT, formerly through the FRA, and now through the National Surface Transportation and Innovative Finance Bureau of the Federal Government (also referred to as the Build America Bureau), also provides financing to Amtrak through the Railroad Rehabilitation and Infrastructure Financing (RRIF) Program.

See Notes 2, 4, 5, 6 and 7 for additional information about Amtrak and its relationship with the Federal Government.

### **2. Annual Funding**

On December 4, 2015, the President signed as Public Law 114-94, the Fixing America's Surface Transportation Act (the FAST Act). Title XI-Rail of the FAST Act, cited as the Passenger Rail Reform and Investment Act of 2015 (PRRIA 2015), authorizes funding to the Secretary of the DOT (the Secretary) for annual grants to Amtrak totaling \$8.1 billion for fiscal years (FY) 2016 through 2020. PRRIA 2015 directs \$2.6 billion of this support to Amtrak's Northeast Corridor (NEC) and \$5.5 billion to Amtrak's National Network as defined in the FAST Act, and it authorizes an additional \$2.2 billion for other rail grant programs in which Amtrak may participate. Although PRRIA 2015 provides that this structure, which separates funding for the NEC and the National Network, would begin for Amtrak's FY2016, the FY2016 Appropriations Law was drafted before the FAST Act was enacted, which deferred the implementation until FY2017. Accordingly, for FY2016, Amtrak received a capital and debt service grant and an operating grant, consistent with past practice.

The FAST Act funding authorizations supersede those within the Passenger Rail Investment and Improvement Act of 2008 (PRIIA 2008), which was enacted on October 16, 2008 as Public Law 110-432. PRIIA 2008 authorized the appropriation of funds totaling \$9.8 billion for FY2009 through FY2013 to be used by the Secretary for annual operating and capital grants to Amtrak. Some of the requirements in PRIIA 2008 continue to apply to Amtrak.

Pursuant to appropriations under PRIIA 2008 and subsequent continuing resolutions (CRs) and annual appropriations through Amtrak's FY2016, the terms of Amtrak's annual operating grant generally provide

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 2. Annual Funding (continued)

funding for the associated fiscal year while the terms of the annual capital and debt service assistance grant generally provide that such funds can be retained until expended, generally expected to be by December 31 of the subsequent year. Pursuant to certain requirements in the FAST Act, the Continuing Appropriations Act, 2017 along with the Further Continuing and Security Assistance Appropriations Act, 2017 provided FY2017 funding for Amtrak's National Network and NEC through April 28, 2017. There are currently no federal funds appropriated for the Company for any period subsequent to April 28, 2017. Without such subsidies, Amtrak will not be able to continue to operate in its current form and significant operating changes, restructuring or bankruptcy may occur. Such changes or restructuring would likely result in asset impairments. The Company ultimately expects it will receive sufficient funds in the form of CRs or other appropriations legislation to support its operations for the foreseeable future.

PRRIA 2015 mandates reforms for Amtrak and its grant programs. Requirements include the development of five-year plans for business lines and assets to be used as the basis for Amtrak's annual grants, separate financial reporting for the National Network and the NEC, and a process for transferring funds between the two accounts. Beginning in FY2017, rather than providing annual grants for Amtrak's capital and operating needs, the authorized funds are provided for activities associated with Amtrak's National Network and NEC. Amtrak is the sole eligible entity for these grant funds and payments are to be advanced with 50% provided at the beginning of each fiscal year and 25% paid in each of the following two quarters. PRRIA 2015 directs the formation of committees and, where applicable, requires Amtrak to work in partnership with stakeholders including representatives of transit, state and Federal rail transportation authorities to plan, implement, and fund certain rail programs. There are also competitive and partnership grant programs authorized to which Amtrak may apply: for FY2016 through FY2020, a total of \$1.1 billion is authorized for rail infrastructure and safety improvements, \$1.0 billion for Federal-State partnership grants for State-of-Good Repair projects, and \$100 million for rail restoration and enhancement grants. No funds were received through these programs in FY2016.

The table below provides information on funding for the Company's fiscal years ended September 30, 2017, 2016 and 2015 under CRs and the Consolidated Appropriations Act or Consolidated and Further Continuing Appropriations Act (collectively, Full Year Funding) related to those years (dollars in millions):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 2. Annual Funding (continued)

	FY2017	FY2016	FY2015
Enactment dates for CRs	September 29, 2016 December 12, 2016	<b>September 30, 2015</b>	September 19, 2014
Public Law numbers for CRs	114-223 114-254	<b>114-53</b>	113-164
Enactment date for Full Year Funding	N/A <sup>1</sup>	<b>December 18, 2015</b>	December 16, 2014
Public Law number for Full Year Funding	N/A <sup>1</sup>	<b>114-113</b>	113-235
Appropriated capital and debt service funds		\$ <b>1,101.5</b>	\$ 1,140.0
Appropriated operating service funds		<b>288.5</b>	250.0
Appropriated for National Network	\$ 664.6		
Appropriated for NEC	135.2		
<b>Total funds appropriated</b>	<b>799.8</b>	<b>1,390.0</b>	1,390.0
FRA authorized withholdings	(8.0)	<b>(10.5)</b>	(10.7)
<b>Total appropriated funds designated for Amtrak</b>	<b>\$ 791.8</b> <sup>2</sup>	<b>\$ 1,379.5</b>	\$ 1,379.3
<b>Funds received by Amtrak:</b>			
In FY2015			\$ 1,084.4
In FY2016		\$ <b>1,069.6</b>	294.9
In FY2017, as of January 27, 2017	\$ 263.9	<b>123.3</b>	—
<b>Total funds received to date</b>	<b>\$ 263.9</b>	<b>\$ 1,192.9</b>	\$ 1,379.3

<sup>1</sup> FY2017 Full Year Funding is not yet in place.

<sup>2</sup> Funding appropriated through April 28, 2017.

### 3. Basis of Presentation and Summary of Significant Accounting Policies

#### Method of Accounting

The accompanying consolidated financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Principles of Consolidation

The Consolidated Financial Statements reflect the consolidated operations of Amtrak and its four subsidiaries, Chicago Union Station Company (CUS), Passenger Railroad Insurance, Limited (PRIL), Penn Station Leasing, LLC (PSL) and Washington Terminal Company (WTC). All significant intercompany balances and transactions have been eliminated.

CUS was incorporated on July 3, 1913 as the Union Station Company, for the purpose of constructing, operating and maintaining a new railroad terminal in the City of Chicago. The name was officially changed to Chicago Union Station Company on May 7, 1915. Amtrak acquired 50% stock ownership interest in CUS in 1976 as part of the conveyance of the NEC and off-Corridor properties. Amtrak purchased the remaining 50% stock ownership in 1984. CUS's business is comprised of the following segments: provision of right-

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **3. Basis of Presentation and Summary of Significant Accounting Policies (continued)**

of-way and station access and use of intercity and commuter services; and lease and licensing of station space for retail services, display advertising, special events and other commercial uses.

PRIL was incorporated on December 18, 1996 under the laws of Bermuda to provide excess liability and property insurance coverage to Amtrak. In addition, PRIL also provides insurance and reinsurance coverage to third parties performing work on Amtrak property.

PSL was formed on April 17, 2001 to acquire and lease back to Amtrak the real property and improvements located in New York, commonly known as Penn Station.

WTC was formed on December 6, 1901 and is comprised of buildings and rail yard adjacent to Washington Union Station. WTC provides switching services for passenger trains using the station or passing through the area.

#### **Cash and Cash Equivalents**

All short-term investments with original maturities of 90 days or less are considered cash and cash equivalents. These consist of bank deposits and money market fund investments. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits.

Restricted cash and cash equivalents consist primarily of funds received that are restricted for specific purposes or cash set aside and restricted for specific payments. Restricted cash and cash equivalents consists of a money market fund held in trust restricted from withdrawals based upon certain collateral requirements and funds restricted for certain operations of the Amtrak Police Department.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable in the Consolidated Balance Sheets include billed and unbilled accounts receivable. Billed accounts receivable represent amounts for which invoices have been sent to customers. These accounts receivable are recorded at the invoiced amount and do not bear interest. Unbilled accounts receivable represent amounts recognized as revenue for which invoices have not yet been sent to customers but for which services and work have been performed. The Company recorded \$101.4 million and \$121.1 million of unbilled accounts receivable as of September 30, 2016 and 2015, respectively.

The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's billed accounts receivable. To determine its allowance for doubtful accounts, the Company evaluates historical loss experience and the characteristics of current accounts, as well as general economic conditions and trends. Uncollectible billed accounts receivables are applied against the allowance.

#### **Materials and Supplies**

Materials and supplies, which are stated at weighted-average cost, net of allowance for shrinkage and obsolescence, consist primarily of items for repairs and maintenance of property and equipment. The allowance for shrinkage and obsolescence is recorded based on specific identification and expected usage rates.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

#### Property, Equipment, and Depreciation

Except as described below, property and equipment owned by the Company are carried at cost and depreciated using the group method of depreciation (group method) in which a single composite depreciation rate is applied to the gross investment in a particular class of property or equipment, despite differences in the service life or salvage value of individual property units within the same class. This excludes computer equipment and software, which are stated at cost and are individually depreciated on a straight-line basis over their estimated useful lives, which are generally three to ten years. Properties held under capital leases and leasehold improvements are depreciated over the shorter of their estimated useful lives or their respective lease terms, and the related depreciation expense is reported within “Depreciation and amortization” in the Consolidated Statements of Operations. Land is carried at cost.

For assets depreciated under the group method, upon normal sale or retirement, the cost less the net salvage value is applied to “Accumulated depreciation” in the Consolidated Balance Sheets and no gain or loss is recognized. Gains or losses on the disposal of land and accelerated depreciation related to significant premature retirements of assets under the group method are recorded in the Consolidated Statements of Operations at the time of occurrence. During FY2016, in connection with the delivery of new electric locomotives for use in the NEC, the Company removed from active service older electric locomotives. The Company concluded that the locomotives would not be returned to active service and, as a result, \$29.3 million in additional depreciation expense was recorded in FY2016. There were no significant premature retirements of depreciable property or disposals of land for which gains or losses were recorded in FY2015.

Amtrak periodically engages an outside civil engineering firm with expertise in railroad property usage to conduct a study to evaluate depreciation rates for assets subject to the group method. In addition to the adjustment to group depreciation rates because of periodic depreciation studies, certain other events might occur that could affect Amtrak’s estimates and assumptions related to depreciation. Unforeseen changes in operations or technology could substantially alter assumptions regarding Amtrak’s ability to realize the return on its investment in operating assets and, therefore, affect the amounts of current and future depreciation expense. Because group method depreciation expense is a function of analytical studies made of property and equipment, subsequent studies could result in different estimates of useful lives and net salvage values. If future group method depreciation studies yield results indicating that assets have shorter lives because of obsolescence, physical condition, changes in technology, or changes in net salvage values, the depreciation expense for assets under the group method could increase. Likewise, if future studies indicate that assets have longer lives, the depreciation expense for assets under the group method could decrease.

Construction-in-progress is stated at cost and includes direct costs of construction and interest expense capitalized during the period of construction of major facilities, locomotives, and passenger cars. Construction-in-progress is transferred to property and equipment when substantially all the activities necessary to prepare such assets for their intended use are completed, at which time depreciation commences. When constructed assets are funded through long-term debt, capitalized interest is recorded as part of the asset to which it relates and is depreciated over the asset’s useful life. Total interest cost incurred by the Company was \$66.4 million and \$72.6 million for FY2016 and FY2015, respectively, of which interest cost capitalized on construction projects was \$0.5 million and \$6.5 million for FY2016 and FY2015, respectively.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The useful lives of locomotives, passenger cars, and other rolling stock assets for depreciation purposes range up to 40 years. Right-of-way and other properties (excluding land) are depreciated using useful lives ranging up to 105 years. Within other properties is other equipment including computers, office equipment, and maintenance equipment which are depreciated using useful lives ranging from three to 40 years. Expenditures that significantly increase asset values or extend useful lives are capitalized, including major overhauls. Repair and maintenance expenditures, including preventive maintenance, are charged to operating expense when the work is performed. The cost of internally developed software is capitalized and amortized over its estimated useful life, which is generally five to ten years.

The Company accounts for asset retirement obligations (AROs) in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 410, *Asset Retirement and Environmental Obligations*. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset. In accordance with FASB ASC Topic 410, the Company recognizes the fair value of any liability for conditional AROs, including environmental remediation liabilities, in the period in which it is incurred, which is generally upon acquisition, construction, or development and/or through the normal operation of the asset, if sufficient information exists with which Amtrak can reasonably estimate the fair value of the obligation. Amtrak capitalizes the cost by increasing the carrying amount of the related long-lived asset. The capitalized cost is depreciated over the useful life of the related asset and upon settlement of the liability Amtrak either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The asset retirement costs capitalized were \$10.0 million and \$9.3 million as of September 30, 2016 and 2015, respectively, and were included in "Right-of-way and other properties" in the Consolidated Balance Sheets.

#### Indirect Cost Capitalized to Property and Equipment

Capitalized overhead cost represents the indirect support expenses related to specific geographic regions and departments that are involved in particular capital projects. These indirect costs, which include fringe benefits allocable to direct labor, are capitalized along with the direct costs of labor, material, and other direct costs. Amtrak's overhead rates are updated at the end of each fiscal year based upon the actual activity and costs incurred during the fiscal year.

#### Impairment of Long-Lived Assets

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate that their carrying amounts may not be recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows. If impairment indicators are present, the assets are evaluated for sale or other disposition, and their carrying amounts are reduced to fair value based on discounted cash flows or other estimates of fair value.

In performing its impairment analysis, the Company assumes future Federal Government subsidies at levels consistent with the historical funding levels discussed in Note 2. The Company believes funding at historical levels is the best estimate to be used of the future. At this approximate level of funding, the Company determined that no indicators of impairment existed as of September 30, 2016. If future Federal Government funding drops below historical levels, substantial impairment may occur as discussed in Note 2.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

On October 29, 2012, Super Storm Sandy (Sandy) came ashore in the Northeast and mid-Atlantic region of the United States. Amtrak sustained damage to tunnels and other structures in New York and New Jersey. The Company determined that there was no impairment to the tunnels, but certain infrastructure assets would need to be replaced sooner than previously anticipated. Accordingly, the Company assigned unique group depreciation rates to these assets. As a result, depreciation expense totaling \$193.1 million is being accelerated over the remaining life of these assets. The acceleration of depreciation expense increased the Company's net loss by \$30.4 million and \$31.7 million in FY2016 and FY2015, respectively. See Note 10 for additional information on Sandy.

#### Casualty Losses and Claims

Provision is made for Amtrak's portion of the estimated actuarial liability for unsettled casualty and other claims. Personal injury liability and ultimate loss projections are undiscounted and estimated using standard actuarial methodologies. These actuarial estimates include an estimate for unasserted claims. As of September 30, 2016 and 2015, the reserve for casualty losses and claims was \$477.2 million and \$498.3 million, respectively. Of the total amount reserved as of September 30, 2016 and 2015, the estimated current claims liability included in "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets was \$328.5 million and \$57.6 million, respectively. The balance of the reserve as of both September 30, 2016 and 2015 is included in "Casualty reserves" in the Consolidated Balance Sheets. The total reserve balances include the Company's best estimate of the liability for passenger and employee claims incurred related to the derailment of Amtrak's Train #188, which occurred on May 12, 2015 (the Train #188 Derailment). See Note 10 for additional information on the Train #188 derailment.

#### Revenue Recognition

"Passenger related" revenue in the Consolidated Statements of Operations includes ticket revenue, state contribution revenue associated with requested service performed by Amtrak, and food and beverage revenue as follows (in millions):

	Year Ended September 30,	
	2016	2015
Ticket	\$ 2,136.1	\$ 2,123.8
State contribution	227.0	222.8
Food and beverage	132.3	132.1
Total passenger related revenue	<u>\$ 2,495.4</u>	<u>\$ 2,478.7</u>

These revenues are recognized as operating revenues when the related services are performed. Amounts received for tickets that have been sold but not used are reflected as "Deferred ticket revenue" in the Consolidated Balance Sheets.

"Commuter" revenue includes the revenues earned under contractual arrangements to operate various commuter rail services for a cost-based fee. These revenues are recognized when the related services are performed.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

“Other” revenue, for FY2016 and FY2015, includes (i) revenue from reimbursable engineering and capital improvement activities (these revenues are generally recognized as the associated costs are incurred); (ii) other transportation revenue from use of Amtrak-owned tracks and other services (these revenues are generally recognized when the related services are performed); (iii) commercial development revenue from retail, parking, advertising, real property leases/easements/sales, and access fees (these revenues are generally recognized as the services are performed); (iv) amortization of state funds used to acquire depreciable assets (such payments are deferred when received and amortized over the estimated life of the related assets purchased with the funds, and the unamortized amounts are included in “Deferred state capital payments” in the Consolidated Balance Sheets); and (v) freight access fee revenue from the use of Amtrak-owned tracks by freight railroad companies and other gains.

The components of other revenue are as follows (in millions):

	Year Ended September 30,	
	2016	2015
Reimbursable	\$ 252.0	\$ 269.9
Other transportation	166.4	146.6
Commercial development	84.2	79.9
Amortization of state capital payments	63.3	53.8
Freight access fees and other	58.5	59.4
Total other revenue	<u>\$ 624.4</u>	<u>\$ 609.6</u>

### Advertising Expenses

The Company records advertising expenses as incurred and reports these amounts in “Advertising and sales” in the Consolidated Statements of Operations. Advertising expenses were \$46.6 million and \$37.2 million for FY2016 and FY2015, respectively.

### Income Taxes

The Company accounts for its income taxes in accordance with FASB ASC Topic 740, *Income Taxes*, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Management evaluates its potential exposures from tax positions taken that have been or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. Management considers the possibility of alternative outcomes based upon historical experience, previous actions by taxing authorities (e.g., actions taken in other jurisdictions), and advice from tax experts. The Company has evaluated income tax positions taken in prior years and believes that all positions are more likely than not to be sustained in an audit.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Pursuant to the provisions of Title 49 of the United States Code, Section 24301, Amtrak is exempt from all state and local taxes, including income and franchise taxes that are directly levied against the Company. Accordingly, there is no provision for state and local income or franchise taxes recorded in the consolidated financial statements for FY2016 and FY2015 (see Note 9).

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclose contingent assets and liabilities at the date of the financial statements, and report amounts of revenues and expenses during the reporting period. The Company bases these estimates on historical experience, the current economic environment, and various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates. Some of the more significant estimates include: allowance for doubtful accounts and obsolescence of material and supplies, estimated useful lives of property and equipment, calculation of accelerated depreciation related to Sandy, recoverability of long-lived assets, estimates of wrecked and damaged equipment, estimates of casualty reserves, pension and other postretirement employee benefits expense and obligations (including expected return on plan assets, discount rates, and health care cost trend rates), estimated costs for retroactive wages for union employees, estimated costs of asset retirement obligations, valuation allowance for deferred tax assets and environmental reserves.

#### Comprehensive Loss

Amtrak reports a comprehensive loss in the Consolidated Statements of Comprehensive Loss. Comprehensive loss is defined as changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. As of September 30, 2016 and 2015, "Accumulated other comprehensive loss" consists of adjustments for pension and other postretirement liabilities.

#### Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The ASU provides guidance on eight specific cash flow items, including classification of proceeds from the settlement of insurance claims, with the objective of reducing the existing diversity in practice. The ASU is effective for the Company for the fiscal year ending September 30, 2020, with early adoption permitted. The ASU must be adopted retrospectively to each prior period presented unless it is impractical to do so. The Company early adopted the ASU during FY2016. The adoption of the guidance resulted in reclassification of \$73.0 million in insurance proceeds received from operating activities to investing activities in FY2015 and treatment of \$1.4 million in insurance proceeds as operating activities instead of investing activities in FY2016.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for the Company for the fiscal year ending September 30, 2020, with early adoption permitted. The ASU must be adopted retrospectively to each prior period presented. The Company early adopted the ASU during FY2016. The adoption of the guidance did not have a significant impact on the Company's consolidated statements of cash flows.

#### Recently Issued but Not Yet Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes previous revenue recognition guidance. The new standard requires that a company recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods and services. Companies will need to use more judgment and estimates than under the guidance currently in effect, including estimating the amount of variable revenue to recognize over each identified performance obligation. Additional disclosures will be required to help users of financial statements understand the nature, amount and timing of revenue and cash flows arising from the contracts. In August 2015, the FASB issued a deferral of the effective date of this pronouncement. The new standard will become effective for the Company beginning with the fiscal year ending September 30, 2020, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The guidance will be effective for the Company beginning with the fiscal year ending September 30, 2017, with early adoption permitted. As the Company expects to continue to receive funding from the Federal Government, Amtrak does not expect the adoption of this ASU to have a significant impact on its consolidated statements of financial condition or results of operations.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU enhances the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The guidance addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments, including eliminating the requirement to disclose the fair value of financial instruments measured at amortized cost for non-public business entities. This ASU is effective for the Company beginning with the fiscal year ending September 30, 2019. The Company may adopt the ASU earlier as of the fiscal year ending September 30, 2018. The adoption of this ASU will eliminate fair value disclosure on the Company's debt instruments, but it will not have an impact on the Company's consolidated statements of financial condition or results of operations.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU was issued to increase transparency and comparability among companies by requiring most leases to be included in the balance sheet and by expanding disclosures on leasing arrangements. This ASU is effective for the Company beginning with the fiscal year ending September 30, 2021, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance. As the Company is and will continue to be involved in multiple leasing arrangements whereby the Company is either the lessee or the lessor, the adoption of the ASU is expected to have a significant impact on the Company's consolidated financial statements and disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU provides guidance for accounting for credit losses on certain types of financial instruments, modifies the impairment model for available-for-sale debt securities, and provides a simplified model for purchased financial assets with credit deterioration. This ASU is effective for the Company beginning with the fiscal year ending September 30, 2022, with early adoption permitted beginning with the Company's fiscal year ending September 30, 2020. The Company carries long term receivables which are evaluated for credit losses periodically. The adoption of the ASU is not expected to have a material effect on Amtrak's consolidated financial statement presentation or disclosures.

### 4. Accounting and Reporting for Federal Payments

Certain funds are provided to Amtrak during the year through federal payments. These federal payments, which are recorded when received in "Other paid-in capital" in the Consolidated Balance Sheets and Consolidated Statements of Changes in Capitalization, totaled \$1.5 billion per year in each of FY2016 and FY2015.

Note 2 provides information on the Company's annual funding. Additional federal funding received by the Company, all of which was recorded within "Other paid-in capital" when received, is described below.

In accordance with the Disaster Relief Appropriations Act, 2013 (Public Law No. 113-2, January 29, 2013), Amtrak was provided with a grant of \$30.2 million for damages incurred following Sandy on October 29, 2012, all of which had been received as of September 30, 2015, and with grants totaling \$235.0 million for the Hudson Yards Concrete Encasement Project, of which Amtrak has cumulatively received \$219.1 million and \$177.8 million as of September 30, 2016 and 2015, respectively.

Since 2005, the Department of Homeland Security has awarded Amtrak a total of \$170.0 million in annual grants from the Intercity Passenger Rail Grants Program, American Recovery and Reinvestment Act Rail and Transit Security Grant Program, and other security grants. Funding is provided on a reimbursable basis. Amtrak has cumulatively received \$156.8 million and \$147.8 million as of September 30, 2016 and 2015, respectively.

In May 2011, the DOT awarded Amtrak \$449.9 million in American Recovery and Reinvestment Act of 2009 High Speed Intercity Passenger Rail funding to upgrade its rail infrastructure to support more frequent and faster high-speed rail service, and to improve reliability of current service between New York and Washington. The funding supports the project to upgrade electrical power, signal systems, and track and overhead catenary wires between Trenton and New Brunswick, New Jersey — one of the busiest segments of the NEC and

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **4. Accounting and Reporting for Federal Payments (continued)**

where the densest concentration of Acela Express high-speed rail operations occurs. Funding is provided on a reimbursable basis. As of September 30, 2016 and 2015, Amtrak cumulatively received \$333.7 million and \$240.5 million, respectively.

Additional appropriations are made to directly fund operations of Amtrak's Office of Inspector General (OIG). \$24.5 million was appropriated in FY2016 to be spent by September 30, 2016. Amtrak and the OIG entered into a services agreement on January 8, 2010, whereby Amtrak would continue to provide accounting and financial management services for the OIG. Amtrak is reimbursed for expenses incurred upon the submission of invoices to the OIG. As of September 30, 2016, Amtrak received \$20.5 million.

"Other paid-in capital", included in the Consolidated Balance Sheets and Statements of Changes in Capitalization, also includes the effects of certain funding received from the Federal Government for the acquisition of and improvements to property and equipment. In exchange for this funding, Amtrak issued two promissory notes to the United States of America. The first note has a balance of \$4.0 billion as of September 30, 2016 and 2015, was issued in 1976 and matures on December 31, 2975, and is secured by the real and personal property of Amtrak, WTC, CUS, and PRIL. The second note has a balance of \$1.1 billion as of September 30, 2016 and 2015, was issued in 1983 and matures on November 1, 2082, with successive 99-year automatic renewal terms, if the note has not been paid at maturity or accelerated in accordance with its terms, and is secured by all rolling stock owned by Amtrak. Neither of the notes bears interest, unless prepaid, which Amtrak does not intend to do. The Federal Government is entitled to repayment and interest in the event Amtrak ceases operations, is acquired by another entity, or seeks relief under bankruptcy or insolvency laws. The amount due to the Federal Government on the first note may be accelerated by enactment of federal law or upon the occurrence of an event of default under the leases and mortgage entered into by Amtrak and PSL on June 20, 2001 (see Penn Station mortgage in Note 6), or upon the occurrence of various actions concerning an Amtrak bankruptcy, reorganization, or assignment for the benefit of creditors.

### **5. 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 Secretary 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. As of September 30, 2016 and 2015, 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 for the benefit of the Federal Government. The Amtrak Reform and Accountability Act of 1997 (the Act) resulted in significant modifications to Amtrak's capital structure. The Act abolished the voting rights and the liquidation preference of the preferred stockholder and abolished the requirement that additional preferred stock be issued by Amtrak in exchange for federal grants received. At the time of enactment of the Act, the minimum undeclared cumulative preferred dividend in arrears for all series issued and currently outstanding approximated \$5.8 billion and ranged between \$0.02 and \$97.08 per share. Each share of preferred stock is convertible into ten shares of common stock at the option of the preferred stockholder.

As of September 30, 2016 and 2015, 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, who acquired their stock

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 5. Preferred and Common Stock (continued)

from four railroads whose intercity rail passenger operations Amtrak assumed in 1971, have voting rights for amendments to Amtrak's Articles of Incorporation proposed by the Board of Directors and for certain other extraordinary events. The Act also required Amtrak to redeem at fair market value the shares of common stock outstanding as of December 2, 1997, by the end of FY2002. In an effort to comply with the Act, Amtrak made an offer to the stockholders to redeem the stock for cash at a price of \$0.03 per share. By a letter, dated November 2, 2000, counsel for the four common stockholders responded to Amtrak and rejected the offer. See Note 10 for information related to a lawsuit filed by one of the common stockholders.

### 6. Mortgages and Debt

Total mortgages and debt is recorded at amortized cost in the Consolidated Balance Sheets and consists of the following (in thousands):

	September 30, 2016		September 30, 2015	
	Current	Long-Term	Current	Long-Term
Mortgage obligations:				
Penn Station mortgage	\$ 64,290	\$ —	\$ 27,405	\$ 64,290
High speed maintenance facilities	7,883	46,897	7,397	54,780
Frequency converter facility	46,825	88,290	1,740	135,115
Subtotal	118,998	135,187	36,542	254,185
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	1,817	33,604	1,774	35,421
Term Loan A	18,164	72,746	17,672	90,911
Term Loan B	6,461	49,750	6,248	56,211
2011 RRIF Loan <sup>1</sup>	—	—	2,455	69,255
Principal amount of mortgages and debt	145,440	291,287	64,691	505,983
Less unamortized discount	(125)	(267)	(328)	(3,161)
Total mortgages and debt	\$ 145,315	\$ 291,020	\$ 64,363	\$ 502,822

<sup>1</sup> Debt component of 2011 RRIF Loan obligation (see below and Note 7).

### Letters of Credit

The Company has an unsecured commercial letter of credit of \$2.5 million that supports the issuance of auto fleet insurance. As of September 30, 2016 and 2015, there were no draws against this letter of credit.

### Revolving Credit Facility

On July 26, 2016, Amtrak entered into a Credit Agreement with three lenders for a \$100 million unsecured revolving facility. Borrowings under the facility will be used to enhance Amtrak's liquidity. The facility will expire on July 26, 2021. Borrowings under the facility have an interest rate based on the interest rate option selected by Amtrak. The Company may select (a) the base rate option, which is a variable rate equal to the highest of (i) the Federal Funds Open Rate plus 0.5%, (ii) the Prime Rate, and (iii) the Daily London Interbank Offered Rate (LIBOR) plus 1.0%, plus in all cases an applicable margin based on the Company's Standard & Poor's and Moody's ratings (Credit Ratings); or (b) the LIBOR rate option, which is equal to the LIBOR

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

rate for the applicable period plus a margin based on the Company's Credit Ratings. Amtrak must pay a commitment fee on any undrawn portion of the revolving credit facility commitment ranging between 8.5 and 25 basis points based on Amtrak's Credit Ratings. Under the facility, Amtrak is subject to restrictive covenants and financial covenants that require the Company and its subsidiaries to maintain certain financial ratios on a consolidated basis. As of September 30, 2016, the Company has not made any draws under the facility.

#### Mortgage Obligations

##### *Penn Station Mortgage*

In June 2001, PSL mortgaged a substantial portion of improvements located at Penn Station in New York, New York for \$300.0 million at a fixed rate of interest of 9.25% per annum, which increased to 9.50% effective October 2002. Approximately \$34.3 million was deposited into escrow for the benefit of the lender and is recorded in "Other current assets" in the Consolidated Balance Sheet as of September 30, 2016 as the mortgage will mature in June 2017. The deposit was recorded in "Deferred charges, deposits, and other" as of September 30, 2015. The mortgage loan is not insured or guaranteed by any governmental entity, private mortgage or other insurer, trustee, or any other person.

##### *High Speed Maintenance Facilities*

On October 30, 2012, Amtrak purchased the equity ownership interests related to leveraged lease agreements under which Amtrak leases three Acela maintenance facilities. As a result of the buyout, Amtrak no longer makes lease payments relating to the equity interest, but continues to make payments servicing the leveraged lease debt. Amtrak's obligations are collateralized by a pledge of Amtrak's interests in the maintenance facilities.

##### *Frequency Converter Facility*

During FY2001, the Pennsylvania Economic Development Financing Authority (PEDFA) completed two issues, Series A and Series B, of exempt facilities revenue bonds, the net proceeds of which were used to finance part of the costs associated with Amtrak's construction of a frequency converter facility (the Facility). Amtrak procured the bond proceeds of each issue through a structured financing arrangement with PEDFA. Under this arrangement, Amtrak leased the Facility to PEDFA until November 2041, under a long-term ground lease, in exchange for the total net proceeds. Simultaneously, Amtrak leased the Facility back from PEDFA through June 2033, with an option to extend this term through November 2041. PEDFA also has the right to extend Amtrak's leaseback term through November 2041.

On February 15, 2012, the Series B bonds were reissued to a commercial bank for a period of five years. The interest rate was converted to a tax-effected fraction of the one-month LIBOR plus 0.65% per annum, which was an effective rate of 0.80% and 0.58% as of September 30, 2016 and 2015, respectively. The LIBOR-based interest rate will continue unless or until converted to another interest rate mode by Amtrak.

On March 31, 2012, PEDFA issued \$95.1 million of PEDFA exempt facilities revenue refunding bonds (Series A 2012) to refund Series A of 2001 with varying maturities between November 1, 2013 and 2041. The interest rates on the Series A 2012 bonds range from 3.0% to 5.0% (yields ranging from 1.1% to 4.7%).

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

Amtrak's obligations in connection with the Series A Bonds and the Series B Bonds are collateralized by a pledge of Amtrak's interest in the Facility. In addition, Amtrak guaranteed all principal and interest payments by PEDFA on the Series A and Series B bonds.

#### **PEDFA 30<sup>th</sup> St. Garage Revenue Bonds**

On January 7, 2003, PEDFA issued \$50.0 million of Revenue Bonds (the 2003 PEDFA Garage Bonds) for the purpose of financing the construction and other related costs of a parking garage located at the 30<sup>th</sup> Street Station in Philadelphia, Pennsylvania (30<sup>th</sup> Street Station Garage).

On November 2, 2012, at Amtrak's request, PEDFA issued \$42.0 million of Revenue Bonds (the 2012 PEDFA Garage Bonds) to refinance the 2003 PEDFA Garage Bonds. At the date of issuance, the 2012 PEDFA Garage Bonds were remarketed to a commercial bank that agreed to hold them for a period of seven years. The 2012 PEDFA Garage Bonds mature in 20 years, with mandatory purchase by Amtrak at par plus accrued interest at the end of the seventh year unless an extension agreement is executed with the commercial bank that holds them. Interest accrues at a variable one month LIBOR rate. On November 2, 2012, Amtrak also entered into an interest rate swap agreement to manage the interest cost and risk associated with the 2012 PEDFA Garage Bonds. As a result, the effective interest rate on the 2012 PEDFA Garage Bonds is 2.39%.

Amtrak's obligations with regard to the 2012 PEDFA Garage Bonds are collateralized by a pledge of Amtrak's interests in the 30<sup>th</sup> Street Station Garage.

#### **Term Loan A and Term Loan B**

On November 27, 2013, the Company entered into a \$130.0 million credit facility with PNC National Bank, N.A. (the Bridge Loan). On June 19, 2014, the Company converted the Bridge Loan into a \$200.0 million long-term loan, secured by certain of the Company's P-42 diesel locomotives, of which \$130.0 million was financed with PNC Equipment Finance, LLC (Term Loan A) and \$70.0 million was financed with RBS Asset Finance Inc. (Term Loan B). Under the terms of the agreement for Term Loan A, the Company incurs interest at a rate of LIBOR plus 1.0%. At the time that Term Loan A was entered into, the Company entered into an interest rate swap agreement, the impact of which made the effective interest rate on Term Loan A 2.76%. Under the agreement for Term Loan B, the Company incurs interest at a rate of 3.36%. Term Loan A and Term Loan B will mature on June 20, 2021 and June 20, 2024, respectively.

#### **2011 RRIF Loan**

On June 21, 2011, the Company entered into a \$562.9 million RRIF Loan financing agreement with the FRA (the 2011 RRIF Loan) and a related Master Lease Agreement with Wells Fargo Bank Northwest (Owner Trustee), to finance the purchase of 70 new electric locomotives, related spare parts, and improvements to existing maintenance facilities to service the new locomotives. Amtrak's obligations are collateralized by the locomotives, spare parts, and certain facilities expected to be constructed with loan proceeds. The Owner Trustee's role in the Master Lease Agreement is as a trustee for the benefit of the FRA. Amtrak began repaying the FRA advances (plus interest thereon) via quarterly lease payments under the Master Lease Agreement, beginning on September 15, 2014. Upon acceptance of each locomotive, the associated portion of the obligation under the 2011 RRIF Loan converted to a capital lease for accounting purposes. As of September 30, 2016, all locomotives had been delivered and accepted and, accordingly, the entire balance payable under

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

the 2011 RRIF Loan at September 30, 2016 of \$465.0 million is recorded as a capital lease obligation as of that date. As of September 30, 2015, the total outstanding balance under the 2011 RRIF Loan was \$429.9 million, of which \$71.7 million was classified as a debt obligation and \$358.2 million was classified as a capital lease obligation. See Note 7.

During the years ended September 30, 2016 and 2015, the Company received new advances under the 2011 RRIF Loan of \$47.2 million and \$94.8 million, respectively. All advances under the 2011 RRIF Loan bear interest at an interest rate of 4.04% per annum.

Amtrak pays a 4.424% credit risk premium on all amounts advanced under the 2011 RRIF Loan. As of September 30, 2016 and 2015, the Company had paid cumulative credit risk premiums of \$20.7 million and \$18.6 million, respectively. The credit risk premium is recorded as a reduction of the outstanding balance of the 2011 RRIF Loan.

Subsequent to September 30, 2016, the Company repaid all outstanding obligations under the 2011 RRIF Loan with the proceeds of a new debt offering. See Note 13.

### 2016 RRIF Loan

On August 16, 2016, the Company entered into a \$2.45 billion financing agreement with the Federal Government under the RRIF Loan program (the 2016 RRIF Loan), to finance the purchase of 28 Next Generation High-Speed Trainsets (the Trainsets), related spare parts, and improvements to existing facilities and properties. Amtrak's obligations under the 2016 RRIF Loan are collateralized by the Trainsets, spare parts, Amtrak's right to construct and receive delivery of the Trainsets and spare parts, and the debt service reserve account required under the financing agreement. See Note 10 for a description of the contracts issued to a vendor for the construction and delivery of the Trainsets and related spare parts and services.

By June 15, 2021, the Company will be required to fund and maintain a restricted debt service reserve account equal, over time, to increasing percentages of the projected first year debt service payments to support future debt service. Delivery of the Trainsets is expected to occur between 2021 and 2022. The Company is not required to begin making repayments on borrowings under the 2016 RRIF Loan until September 15, 2022.

All borrowings under the 2016 RRIF Loan will bear interest at a rate of 2.23% per annum. The Company expects to capitalize interest incurred during the construction period of the Trainsets as part of Construction-in-progress in the Consolidated Balance Sheets. The Company will also pay a credit risk premium of 5.80% for all amounts borrowed under the 2016 RRIF Loan. The credit risk premiums paid will be recorded as a reduction of the outstanding balance of the 2016 RRIF Loan. The amortization of the credit risk premium will be recognized as interest expense and during the construction period will be capitalized as part of Construction-in-progress.

As of September 30, 2016, no amounts had been borrowed under the 2016 RRIF Loan.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

#### Interest Rates

The annual weighted-average interest rates for all interest-bearing borrowings (inclusive of the impact of any interest rate swaps) are shown below:

	September 30,	
	2016	2015
Mortgage obligations	5.61 %	5.96 %
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	2.39	2.39
Term loans	2.99	2.98
2011 RRIF Loan	4.04	4.04

The overall weighted-average interest rate on all interest-bearing borrowings (inclusive of the impact of any interest rate swaps) is 4.5% and 4.6% per annum at September 30, 2016 and 2015, respectively.

#### Scheduled Mortgages and Debt Maturities

On September 30, 2016, scheduled maturities of mortgages and debt are (in thousands):

Year Ending September 30,	
2017	\$ 145,440
2018	39,481
2019	43,055
2020	44,771
2021	36,355
Thereafter	127,625
Principal amount of mortgages and debt	436,727
Less unamortized discount	(392)
Total mortgages and debt	<u>\$ 436,335</u>

Amtrak is subject to various covenants and restrictions under its borrowing arrangements. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default with other debt and may have a material adverse effect on the Company. As of September 30, 2016, the Company had satisfied all of its covenant obligations.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements

Amtrak leases equipment, primarily passenger cars and locomotives, and related maintenance infrastructure under capital leasing arrangements. Amtrak has entered into various lease transactions in which the lease structure contains variable interest entities (VIEs). These VIEs were created solely for the purpose of doing lease transactions and have no other activities, assets or liabilities outside of the lease transactions. In some of the arrangements, Amtrak has the option to purchase some or all of the assets at a fixed price, thereby creating variable interests for Amtrak in the VIEs.

Amtrak maintains and operates the assets based on contractual obligations within the lease arrangements, which set specific guidelines consistent with industry standards. As such, Amtrak has no control over activities that could materially impact the fair value of the leased assets. Amtrak does not hold the power to direct the activities of the VIEs and, therefore, does not control the ongoing activities that have a significant impact on the economic performance of the VIEs. Additionally, Amtrak does not have the obligation to absorb losses, or the right to receive benefits of the VIEs.

As of September 30, 2016 and 2015, the gross amount of assets recorded under capital leases was \$1.9 billion and \$1.7 billion, respectively, with accumulated amortization of \$0.8 billion as of September 30 of both years.

Amtrak is subject to various covenants and restrictions under its leasing arrangements. Amtrak has given guarantees or entered into reimbursement agreements in connection with certain of these lease transactions. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default to other Amtrak indebtedness, and may have a material adverse effect on the Company (see Note 6).

#### 2011 RRIF Loan

As of September 30, 2016, all 70 of the new electric locomotives had been delivered to the Amtrak Equipment Trust 2011 (Trust) for the 2011 RRIF Loan and leased to Amtrak. Prior to the repayment of the 2011 RRIF Loan described in Note 13, the Trustee of such Trust maintained title to the locomotives and administered the 2011 RRIF Loan.

As of September 30, 2016, the entire outstanding balance under the 2011 RRIF Loan of \$465.0 million was classified as a capital lease obligation and was recorded net of unamortized credit risk premium of \$18.6 million. The unamortized credit risk premium balance was being amortized over the term of the 2011 RRIF Loan using the effective interest method. See additional disclosure regarding the 2011 RRIF Loan in Note 6 and Note 13.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements (continued)

#### Future Minimum Lease Payments

As of September 30, 2016, future minimum lease payments under capital leases are (in thousands):

Year ending September 30,	
2017	\$ 116,110
2018	95,578
2019	96,807
2020	92,002
2021	87,630
Thereafter	603,643
Total minimum lease payments	1,091,770
Less: discounted to current period amount at interest rates ranging from 4.5% to 9.1%	(356,804)
Present value of minimum lease payments at September 30, 2016	<u>\$ 734,966</u>

The current portion of capital lease obligations as of September 30, 2016 and 2015, was \$70.9 million and \$56.2 million, respectively, and is presented in “Current maturities of long-term debt and capital lease obligations” in the Consolidated Balance Sheets.

#### Operating Leases

As of September 30, 2016, Amtrak is obligated for the following minimum rental payments under operating lease agreements (in thousands):

Year ending September 30,	
2017	\$ 17,164
2018	14,666
2019	11,202
2020	8,692
2021	7,600
Thereafter	28,836
Total	<u>\$ 88,160</u>

Rent expense for FY2016 and FY2015 was \$52.6 million and \$52.0 million, respectively.

Amtrak leases offices, operating areas, stations and other terminal space. These leases often contain renewal options to enable the Company to retain the use of facilities. Some of the leases contain escalation clauses that increase the rents based on a fixed or variable rate, such as an inflation factor index. Under certain leases, the Company is obligated to pay additional amounts based on the facility’s operating expenses.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 8. Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. FASB ASC Topic 820 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.).
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The estimated fair value of Amtrak's financial instruments is as follows (in thousands):

	September 30, 2016		September 30, 2015	
	Principal Amount	Fair Value	Principal Amount	Fair Value
Mortgage obligations	\$ 254,185	\$ 287,287	\$ 290,727	\$ 319,876
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	35,421	33,297	37,195	32,402
Term Loan A	90,910	92,588	108,583	108,920
Term Loan B	56,211	58,746	62,459	63,354
2011 RRIF Loan (debt component)	—	—	71,710	72,428
Total	\$ 436,727	\$ 471,918	\$ 570,674	\$ 596,980

The estimated fair values of the financial instruments listed above are based upon discounted cash flow analyses using interest rates available to Amtrak at September 30, 2016 and 2015, for debt with the same remaining maturities.

For cash and cash equivalents, including restricted cash and cash equivalents; accounts receivable; accounts payable; and accrued expenses and other current liabilities, the carrying amounts approximate fair value given the short-term nature of the financial instruments.

### 9. Income Taxes

The Company recorded \$1.8 million and \$49.0 million of income tax expense for the years ended September 30, 2016 and 2015, respectively. In both years, income tax expense resulted from net deferred tax liabilities that arise in periods subsequent to the expiration of the Company's existing net operating losses calculated in accordance with the requirements of FASB ASC 740, *Income Taxes*.

A reconciliation of the expected amount computed by applying the U.S. federal statutory income tax rate of 35% to Amtrak's pretax loss to Amtrak's actual effective income tax rate for FY2016 and FY2015 is as follows:

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 9. Income Taxes (continued)

	Year ended September 30,	
	2016	2015
U.S. federal statutory income tax rate	35.0 %	35.0 %
Book/tax basis difference	(31.2)	(25.3)
Federal operating grants	(10.9)	(7.4)
Valuation allowance	4.4	2.8
Adjustments to OCI	0.5	(10.7)
Other	2.0	1.5
Effective income tax rate	<u>(0.2) %</u>	<u>(4.1) %</u>

Deferred income tax assets and liabilities were comprised of the following (in thousands):

	September 30,	
	2016	2015
Deferred tax assets:		
Net operating loss carryforward	\$ 2,633,165	\$ 2,563,366
Pension and other postretirement employee benefits	302,538	331,436
Capital leases	100,666	117,842
Claims reserves	73,038	73,237
Accrued vacation and other compensation accruals	65,153	39,515
Other accruals	32,405	32,575
Deferred gain on sale leaseback	15,640	17,332
Insurance recoveries	12,179	15,554
Inventory reserve	9,679	9,724
Bad debt reserve	1,873	1,773
Capitalized software	209	223
Capital loss (rate security)	—	3,229
Gross deferred tax assets	<u>3,246,545</u>	<u>3,205,806</u>
Less: valuation allowance	(47,676)	(103,469)
Net deferred tax assets	<u>3,198,869</u>	<u>3,102,337</u>
Deferred tax liabilities:		
Fixed assets	(3,248,541)	(3,150,061)
Deferred rent	(1,377)	(1,498)
Gross deferred tax liabilities	<u>(3,249,918)</u>	<u>(3,151,559)</u>
Net deferred tax liability	<u>\$ (51,049)</u>	<u>\$ (49,222)</u>

Amtrak has recorded valuation allowances against net deferred tax assets as it is more likely than not that the results of future operations will not generate sufficient taxable income to realize deferred tax assets. In the current year, the valuation allowance decreased by \$55.8 million.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 9. Income Taxes (continued)

Net operating loss carryforwards were \$7.5 billion and \$7.3 billion as of September 30, 2016 and 2015, respectively. The carryforwards at September 30, 2016, will expire in various years from 2018 through 2036.

### 10. Commitments and Contingencies

#### Financial Assistance

Amtrak receives significant financial assistance from the Federal Government in the form of grants and entitlements. The right to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances because of these audits become a liability of the Company. The Company does not believe that the liabilities that may result from such audits for periods through September 30, 2016, would have a material effect on its financial position or the results of operations.

#### Commitments

Amtrak has various purchase commitments related to capital improvements pertaining to the ordinary conduct of business. In addition, Amtrak has entered into various agreements with states, cities, and other local transportation authorities and private companies pursuant to which Amtrak is required to fund various railroad facility and infrastructure improvements, and to fund the remanufacture and supply of railroad passenger equipment. Such commitments are not in excess of expected requirements and are not reasonably likely to result in performance penalties or payments that would have a material adverse effect on the Company's liquidity.

On August 8, 2016, the Company entered into a Purchase Agreement with a contractor for the acquisition of 28 Trainsets, to replace the Company's current *Acela Express* equipment which runs on the NEC. The base price of the contract is \$1.4 billion. Financing for the contract was obtained under the 2016 RRIF Loan (see Note 6). The Company issued a Notice to Proceed (NTP) to the contractor on August 16, 2016. The Company will make payments to the contractor pursuant to an approved payment schedule upon the contractor's successful completion of certain tasks (milestones) during the contract. As of September 30, 2016, Amtrak has received a letter of credit from the contractor representing 10% of the contract value for which Amtrak is the beneficiary. Additional letters of credit will be issued during the construction period. As of September 30, 2016, the Company has incurred \$152.6 million in project related costs. Also on August 8, 2016, the Company entered into a technical support and spares supply agreement with the same contractor to provide technical support, spares and other related services for the fifteen year period commencing upon acceptance of the first Trainset, expected in 2021. The base price for the technical support and spares supply agreement is \$637.6 million. As of September 30, 2016, the Company has incurred \$4.3 million in cost related to this agreement.

On September 28, 2010, the Company entered into a six-year contract with a contractor to purchase 70 new electric locomotives and certain spare parts, all of which were delivered as of September 30, 2016. All obligations under the purchase agreement, with the exception of \$23.4 million in retainage, which is not yet due, have been paid to the contractor as of September 30, 2016. On September 12, 2014, the Company entered into a 15-year contract with the same contractor to provide materials and engineering technical support for

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

the new electric locomotives. The Company is paying the contractor \$7.1 million per year plus a variable amount based on total mileage of the fleet each year.

On August 3, 2010, the Company entered into a four-year contract with a contractor to purchase 130 new long-distance single level cars. The Company issued an NTP to the contractor on September 7, 2010. As of September 30, 2016, the base price of the contract with change orders is \$299.5 million. The Company makes payments to the contractor pursuant to an approved payment schedule upon the contractor's successful completion of certain tasks (milestones), e.g. design, fabrication, testing and manufacturing of the cars, during the contract. As of September 30, 2016, the Company has incurred \$198.1 million in project-related costs. Deliveries of the cars started in December 2014. As of September 30, 2016, the Company has taken delivery of 70 cars. The contractor's most recent delivery schedule shows delivery of the final cars in September 2018.

Most of the rights-of-way over which Amtrak operates are owned by other railroads. Amtrak operates over such rights-of-way under agreements with these railroads. The terms of the agreements range up to twenty years, although they may remain in effect longer if neither party seeks to renegotiate. Payments to these railroads vary based on levels of usage and performance. The total amount incurred by Amtrak for operations over the right-of-way during FY2016 and FY2015 totaled \$155.7 million and \$106.6 million, respectively, and are included in "Train operations" in the Consolidated Statements of Operations.

### Risk of Liability and Insurance

The Amtrak Reform and Accountability Act of 1997 limited the amount railroad passengers may recover from a single accident to an aggregate of \$200.0 million. In December 2015, the FAST Act increased the limit to \$295.0 million for the Train #188 Derailment (see below for additional disclosures on the derailment). The FAST Act also required the DOT Secretary to calculate a revised claim limit for all other railroad passenger claims from a single incident based on the consumer price index since December 2, 1997. On January 11, 2016, the DOT Secretary issued its calculation setting the new limit at \$294.3 million effective February 11, 2016. The FAST Act requires this to be adjusted every five years after the date of the FAST Act's enactment, so this new claim limit will remain effective through 2020. As non-passenger liability is not limited and there is also a need to insure in the event of multiple occurrences per policy period, Amtrak purchases excess liability insurance limits beyond the statutory cap.

Amtrak operates a majority of its passenger rail service on tracks owned by freight railroads. Amtrak indemnifies these railroads for certain liabilities that arise as a result of its operations on freight tracks. Its indemnity generally applies to bodily injury and property damage claims made by its employees, passengers, and third parties struck by its trains, and for damage to its equipment. The freight railroads generally indemnify Amtrak for bodily injury and property damage claims made by freight railroad employees and third parties, and for damage to freight railroad equipment, lading, and property.

Amtrak maintains various insurance policies to cover its liability to employees and other parties for injury or damage resulting from accidents, to cover Amtrak's loss resulting from damage to Amtrak property and to insure against catastrophic events. Losses within the self-insured retentions and deductibles under these policies are self-insured by Amtrak.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

#### Super Storm Sandy

As of September 30, 2016, Amtrak has submitted insurance claims related to losses occasioned following Sandy totaling \$1.1 billion, of which \$125.0 million has been received by the Company to date. Of this amount, \$95.0 million was received during FY2015 and \$30 million was received prior to FY2015. Of the amount received, \$34.7 million is recorded in “Other liabilities” on the Consolidated Balance Sheet as of September 30, 2016; and \$11.8 million and \$15.7 million was recognized in the Consolidated Statement of Operations in FY2016 and FY2015, respectively, as a reduction to “Other” expenses to offset expenditures incurred in those years. The remainder of the claim and all future claims will not be recognized by Amtrak until further confirmation of the assessed damages is agreed to by the insurers or additional cash is received.

On September 17, 2014, the Company filed a lawsuit in the United States District Court for the Southern District of New York regarding insurance claims for losses following Sandy. The complaint sought declaratory relief and alleged that in connection with outstanding claims for losses following Sandy the insurance carrier defendants breached more than 25 first-party all-risk property insurance policies that defendants sold to the Company in 2011. The lawsuit proceeded on an expedited schedule and the trial was scheduled to commence on July 14, 2015.

On June 24, 2015, the judge ruled in the insurers’ favor on their pending summary judgment motions, finding that: (a) the inundation of property in the aftermath of Sandy falls within the definition of flood in the insurance policies; (b) no ensuing loss was suffered; and (c) Amtrak’s losses arose from a single occurrence. The order then dismissed the excess liability insurers on the grounds that Amtrak’s insurance claim would not allow recovery from excess liability insurers whose exposure is only to claims that exceed the \$125 million sub-limit for flood set forth in the various policies.

On July 2, 2015, the judge dismissed the lawsuit based on a settlement reached between Amtrak and those insurers providing coverage for liability amounts of \$125 million or less.

On July 23, 2015, Amtrak appealed the June 24, 2015 decision dismissing the excess liability insurers to the United States Court of Appeals for the Second Circuit.

Amtrak had appealed three aspects of the lower court’s decision, arguing: (1) that the inundation of the tunnels was not a “flood” as that term is defined in the insurers’ policies; (2) that the corrosion of the benchwalls and trackbed in Amtrak’s tunnels was “ensuing loss” following the flood and thus fell under the policies’ “ensuing loss” clause rather than the policies’ \$125 million flood sublimit; and (3) that the court had prematurely decided that the excess insurers could never be liable for further coverage if Amtrak became required to demolish and reconstruct undamaged portions of the benchwalls and trackbeds in order to be in full legal and regulatory compliance (for example with the Americans with Disabilities Act (ADA) or the fire code) and thereby wrongfully denied Amtrak an additional \$125 million in coverage under the policies’ “Demolition and Increased Cost of Construction” (DICC) clause.

On August 31, 2016, the United States Court of Appeals for the Second Circuit issued a decision that granted in part Amtrak’s appeal from a judgment of the District Court for the Southern District of New York regarding insurance coverage for its losses following Sandy. The Court of Appeals had ruled that Amtrak’s coverage was capped at a \$125 million flood sublimit and remanded the case to the District Court for a determination of whether Amtrak is entitled to recover an additional \$125 million based on the DICC clause.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

On November 30, 2016, the District Court judge stayed the lawsuit, requiring the parties to provide status updates every six months. In the event that Amtrak does not file a claim under the DICC clause before December 1, 2018, the lawsuit would be dismissed without prejudice.

#### Train #188 Derailment

On May 12, 2015, Amtrak Northeast Regional Train #188 from Washington, D.C. bound for New York City derailed on a 50 mph curve along the NEC in the Port Richmond neighborhood of Philadelphia, Pennsylvania. Eight people were killed and over 200 were injured.

The Company has no obligation for passenger claims beyond the \$295.0 million limit contained within the FAST Act and the amount of passenger and employee liability claims in excess of its \$20.0 million liability insurance self-insured retention amount are expected to be covered by insurance. As of September 30, 2016, the Company has accrued its best estimate of its liabilities. The liability recorded reflects the Company's analysis of the impact of a settlement program for passenger liability claims resulting from the Train #188 Derailment (the Program) announced by the United States District Court with jurisdiction over this matter. The Program provides for the establishment of a pool of \$265 million less certain deductions to be determined by the court after consultation with Amtrak and the Plaintiff's Management Committee (PMC). The court, with the guidance of two independent Special Masters appointed by the court, will evaluate and determine the apportionment of total compensatory damages among the pool of participants in the Program, and the Company will not be involved in that process. The court order requires plaintiffs who have filed lawsuits to declare whether they intend to participate in the Program by a date certain or pursue their claim separately. As a result of the Program, the Company expects to fully resolve its obligations related to the Train #188 Derailment during its fiscal year ending September 30, 2017, and, accordingly, has recorded the entire estimated liability within "Accrued expenses and other current liabilities" on the Company's Consolidated Balance Sheet as of September 30, 2016. An insurance recovery receivable was recorded within "Other current assets" and represents the Company's best estimate of insurance proceeds it believes is highly probable of recovery.

In addition, Amtrak suffered property damage in the incident. The estimated replacement cost of property damaged is \$57.6 million. In October 2016, the Company reached settlement with its property insurers for a total payment of \$40.8 million (\$50.8 million total agreed upon loss less \$10.0 million self-insured retention amount). As of September 30, 2016, the Company had received insurance proceeds of \$25.5 million, of which \$15.5 million was received in FY2016 and \$10.0 million was received in FY2015. The remaining proceeds were received subsequent to September 30, 2016. In FY2015, Amtrak recorded insurance recoveries of \$18.7 million based on estimated losses recognized related to capitalized assets and expenses incurred in FY2015, of which \$4.5 million was recorded as an increase in Accumulated Depreciation related to damaged assets and \$14.2 million was recorded as a reduction of "Other" expenses related to losses recognized on leased assets and cost incurred. In FY2016, Amtrak recognized \$6.8 million as a recovery of business interruption losses in "Other expenses" on the Consolidated Statement of Operations.

#### Labor Agreements

Excluding employees within Amtrak's OIG, approximately 85% of Amtrak's labor force is covered by labor agreements. Under the Railway Labor Act, labor contracts never expire but are instead opened periodically

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

for renegotiation. Although there are no timeframes for negotiations to be completed, it is likely there could be retroactive wage increases in settlements, consistent with prior agreements. As of September 30, 2016, Amtrak was still negotiating labor contracts with all of its unionized workforce.

The Company has accrued \$44.0 million and \$5.1 million within “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets as of September 30, 2016 and 2015, respectively, which represents its best estimate for retroactive wage increases resulting from settlements of such agreements for services through those dates.

### Legal Proceedings

In May 2008, American Premier Underwriters, Inc. (APU), corporate successor to Penn Central and owner of 55.8% of Amtrak’s common stock, filed a lawsuit in federal court in Cincinnati, Ohio, asserting that Amtrak “eroded” the value of its common stock. APU sought \$52.0 million plus 40 years of interest. Under the Rail Passenger Service Act of 1970, APU was permitted to have Amtrak assume APU’s responsibility to operate intercity passenger rail service in return for paying Amtrak one-half of APU’s 1969 passenger service losses. APU took advantage of that opportunity, entered into a 1971 agreement with Amtrak, paid \$52.0 million as required, and chose to receive Amtrak common stock at par value (rather than tax deductions of equal value). APU’s claims were litigated in arbitration proceedings and before the federal court. In an order dated June 21, 2011, the federal court granted Amtrak’s motion to dismiss APU’s lawsuit. In a second order dated September 13, 2011, the court also denied APU’s motion to alter the court’s judgment for Amtrak. APU filed an appeal to the U.S. Court of Appeals for the Sixth Circuit. The Sixth Circuit affirmed the District Court’s dismissal of APU’s complaint except for one procedural due process claim that was remanded to the District Court. On remand, the District Court granted Amtrak’s motion to dismiss the case, for a second time, and also dismissed APU’s subsequent motion to reconsider or alter that decision. APU appealed the second dismissal on June 29, 2015. On October 5, 2016, the Sixth Circuit affirmed the lower court’s decision dismissing all claims.

Amtrak is involved in various other litigation and arbitration proceedings in the normal course of business, including but not limited to several distinct tort, contract, eminent domain and civil rights claims. The outcome of these matters cannot be predicted with certainty. When management concludes that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in management’s opinion, recorded liabilities, where applicable, are adequate to cover the future payment of such liabilities and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to Amtrak’s results of operations in a particular year. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments are known.

### Americans with Disabilities Act Compliance

Under the ADA, stations in the intercity rail transportation system served by Amtrak were required to be readily accessible to and usable by individuals with disabilities no later than July 26, 2010, 42 U.S.C. §12162 (e). This requirement applies to all components of a station used by the general public, including passenger

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

platforms, designated waiting areas, ticketing areas, restrooms, and in some cases, concession areas. The Company has developed a plan to bring the station components for which it is legally responsible into ADA compliance. This plan is regularly updated and adjusted based on new information and external factors, such as direction the Company receives from the FRA and other government agencies. On June 9, 2015, the Department of Justice (DOJ) provided Amtrak with a Letter of Findings and Conclusions regarding ADA compliance at Amtrak. DOJ has indicated, both in its Letter of Findings and in its communications with Amtrak's counsel, that DOJ intends to work cooperatively with Amtrak to negotiate a settlement or consent decree. Amtrak is working to obtain sufficient funding to achieve full ADA compliance of all station components for which it is responsible under the ADA. The extent of these estimated costs and effects of non-compliance on operations cannot be determined at this time. Further, the nature of all expenditures that will be incurred, and the effect on operating results, have not yet been fully analyzed. Accordingly, the accompanying financial statements do not reflect the costs of Amtrak becoming fully compliant with the ADA. As of September 30, 2016, Amtrak has spent a total of \$380.5 million on ADA-related projects. Approximately \$38.0 million and \$31.6 million of the expenditures were incurred during FY2016 and FY2015, respectively.

#### Positive Train Control

In 2008, Congress enacted the Rail Safety Improvement Act. The legislation included a mandate that all Class I railroads and each railroad hosting intercity or commuter rail passenger service have Positive Train Control (PTC) systems installed and operating by December 31, 2015, provided, however, that a Class I railroad is only required to install PTC on routes where there are five million or more gross tons of railroad traffic per year and the presence of either passenger trains or poison by inhalation hazardous materials. The FRA rules for PTC provide for exceptions to these PTC requirements, which are subject to FRA approval, on rail lines hosting passenger trains on which freight traffic volumes, and the number of passenger trains operated, do not exceed limits specified in the rule. In October 2015, Congress passed the Surface Transportation Extension Act of 2015, which included a three-year extension of the PTC deadline. Amtrak is working with federal authorities and commuter and freight railroads to ensure Amtrak trains are compliant with PTC systems adopted for use by host railroads. Additional funding to fully comply with PTC requirements is necessary and will be requested. Compliance with PTC requirements on the host railroads outside of the NEC could result in significant costs to Amtrak. Amtrak's contribution to PTC installation and maintenance on host railroad property has not yet been defined. Accordingly, the accompanying financial statements do not reflect an estimated liability for the cost of Amtrak becoming fully compliant with PTC.

The NEC rail line owned or controlled by the Company between Boston and Washington was fully PTC compliant by the original December 31, 2015 deadline, except for a few miles where technical issues are being resolved. Although all other Amtrak owned and/or operated rail lines, and Amtrak owned and controlled locomotives, are expected to be in compliance with the PTC requirements by December 31, 2018, it is possible that Amtrak service could be disrupted in areas on host railroads where PTC has not yet been fully implemented by the deadline. However, the possible impact of any such disruption cannot be estimated at this time. There is a provision in the Surface Transportation Extension Act of 2015 allowing railroads making sufficient progress installing PTC to seek an additional extension to December 31, 2020. As of September 30, 2016, Amtrak has spent \$179.8 million for PTC-related projects on Amtrak owned or controlled rail lines and

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

equipment. Approximately \$18.2 million and \$28.9 million of the expenditures were incurred during FY2016 and FY2015, respectively.

Certain host railroads over which Amtrak operates its passenger trains have asserted material claims against Amtrak to recover costs of PTC installation and maintenance, and other host railroads may assert claims in the future. Amtrak is in the process of analyzing the documents provided to date by the host railroads and evaluating the likelihood that Amtrak would be responsible for certain of the costs incurred by the host railroads in connection with their implementation of PTC on host railroad owned property. Amtrak believes that it will not be responsible for all costs claimed to date by the host railroads, and is evaluating the claims to ensure that all exemptions have been obtained and that the claimed costs are required to be paid by Amtrak pursuant to the terms of the operating agreements in place between Amtrak and its host railroads, and by statute.

As of September 30, 2016, Amtrak has accrued its best estimate of the liability associated with PTC installation related to host railroad PTC implementation for the incurred amounts determined to be both probable and reasonably estimable. Amtrak anticipates that additional accruals, which may be material, could be recorded in the future once the Company completes its analysis of those claims and its negotiations with the hosts. Accordingly, Amtrak believes that it is reasonably possible that it may incur additional material liability in excess of the amount recognized to date but such amounts cannot be estimated at this time. Accruals for amounts to be paid to these railroads will be reflected in the periods in which such liability becomes probable and estimable. In addition, Amtrak believes that it may be eligible to recover some of the amounts to be paid to the host railroads from the state agencies for which Amtrak has agreements to provide service; however, Amtrak has not recorded any amounts related to this potential recovery.

### 11. Environmental Matters

The Company is subject to extensive and complex federal and state environmental laws and regulations that 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. Amtrak's policy is to accrue estimated liabilities and capitalize such remediation costs if they extend the life, increase the capacity or improve the safety or efficiency of the property; mitigate or prevent environmental contamination that has not occurred but may result from future operations; are incurred in preparing the property for sale; or are incurred on property acquired with existing environmental conditions, and to expense other remediation costs. The liability is periodically adjusted based on Amtrak's present estimate of the costs it will incur related to these sites and/or actual expenditures made. Some of the Company's real estate properties may have the presence of environmentally regulated wastes or materials. If these properties undergo excavations, major renovations or are demolished, certain environmental regulations that are in place may specify the manner in which the wastes or materials must be assessed, handled, and disposed. The Company has identified a number of locations for which excavations and major renovations are planned and liabilities have been recorded. In the future, the Company may plan other excavations, demolitions, major renovations or other construction activities that affect similar wastes or materials.

Although a potential liability exists for the removal or remediation of environmentally regulated materials, sufficient information is not available currently to estimate the liability, as the range of time over which the

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 11. Environmental Matters (continued)

Company may settle these obligations is unknown or cannot be reasonably estimated at this time. Although the Company believes it has appropriately recorded current and long-term reserves for known and estimable future environmental costs, it could incur significant costs that exceed reserves or require unanticipated cash expenditures as a result of any of the foregoing. Based upon information currently available, the Company believes its environmental reserves are adequate to fund remedial actions to comply with present laws and regulations, and that the ultimate liability for these matters, if any, will not materially affect its overall financial condition, results of operations, or liquidity. As of September 30, 2016 and 2015, the environmental reserve was \$66.9 million and \$57.6 million, respectively. These reserves for estimated future environmental costs are undiscounted and include future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs. The current portion of the reserve was \$24.3 million and \$11.3 million as of September 30, 2016 and 2015, respectively, and is reported in “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets. Of the reserve, \$49.6 million and \$40.8 million, included in “Right-of-way and other properties” in the Consolidated Balance Sheets as of September 30, 2016 and 2015, respectively, relates to estimated future capital expenditures for environmental remediation.

Amtrak has not recorded any receivables for recoveries from other parties or from insurance recoveries; the amounts included in “Environmental Reserve” in the Consolidated Balance Sheets reflect only Amtrak’s estimate of its portion of the gross liability. In those instances where Amtrak has received a buyout of third-party liabilities, the amounts are recorded as credits against capital expenses, and therefore are not viewed as receivables. The ultimate liability for environmental remediation is difficult to determine with certainty due to, among other factors, the number of potentially responsible parties, site-specific cost sharing arrangements, the degree and types of contamination, potentially unidentified contamination, developing remediation technology, and evolving statutory and regulatory standards related to environmental matters.

In April 2016, the Company discovered polychlorinated biphenyl (PCB) contaminates in one of the railway stations it owns in areas not previously identified as having PCBs. The Company accrued \$6.9 million as of September 30, 2015 as its best estimate of the costs to complete the first phase of the clean-up for Amtrak owned property. In addition, the Company had accrued \$3.5 million as of September 30, 2015 for clean-up cost on property adjacent to Amtrak owned property. During FY2016, the Company accrued an additional \$10.8 million upon further investigation to complete the first and second phases of the clean-up of Amtrak owned property as well as the property adjacent to Amtrak owned property. The Company incurred \$5.0 million and \$3.7 million in costs in FY2016 and FY2015, respectively. It is probable that there will be a third phase of the clean-up, but those costs cannot yet be estimated and accordingly have not been accrued. The Company will accrue such costs at the time they become estimable.

Amtrak’s management and legal counsel believe that additional future remedial actions for known environmental matters will not have a material adverse effect on the Company’s results of operations or financial condition.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **12. Postretirement Employee Benefits**

Amtrak has a qualified non-contributory defined benefit retirement plan (the Retirement Income Plan) whose assets are held in trust covering certain nonunion employees and certain union employees who at one time held nonunion positions. Prior to FY2016, the Retirement Income Plan was closed to new entrants and frozen for future benefit accruals. Amtrak provides medical benefits to its qualifying retirees and life insurance to some retirees in limited circumstances under its postretirement benefits program.

On August 10, 2016, the Retirement Income Plan was amended to permit retirees with vested balances greater than \$1,000 and who are not actively receiving benefits from the plan to receive a lump sum payment equal to the actuarial equivalent of the retiree's accrued benefit or an actuarial equivalent immediate annuity in the applicable normal annuity form under the plan. An eligible retiree could make the election between October 3 and November 18, 2016. In December 2016 and January 2017, the Company made settlement payments totaling \$21.9 million. As a result of the settlement, in FY2017, the projected benefit obligation will be reduced by \$22.7 million, and the Company will reclassify \$5.4 million related net loss from "Accumulated other comprehensive loss" on its Consolidated Balance Sheet to "Salaries, wages and benefits" expense on the Consolidated Statement of Operations.

### **Obligations and Funded Status**

The liability of the Company's pension benefits under its Retirement Income Plan, as well as other postretirement benefits plans, as of September 30, 2016 and 2015 was as follows (in thousands):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Reconciliation of projected benefit obligation:				
Obligation at October 1	\$ 479,630	\$ 517,485	\$ 869,177	\$ 1,214,456
Service cost	—	13,849	19,763	30,455
Interest cost	20,760	21,702	34,128	45,882
Actuarial loss (gain)	15,875	9,948	(74,127)	30,475
Employee contributions	—	—	2,641	2,656
Benefit payments	(20,476)	(18,806)	(56,834)	(51,893)
Gain due to curtailment/plan amendment	—	(64,548)	—	(402,854)
Obligation at September 30	<u>\$ 495,789</u>	<u>\$ 479,630</u>	<u>\$ 794,748</u>	<u>\$ 869,177</u>

#### Reconciliation of fair value of plan assets:

Plan assets at October 1	\$ 399,264	\$ 418,122	\$ —	\$ —
Actual gain (loss) on plan assets	35,013	(12,627)	—	—
Employer contributions	14,000	14,000	54,192	49,238
Participant contributions	—	—	2,641	2,656
Medicare Part D subsidy	—	—	91	825
Benefit payments, net	(22,135)	(20,231)	(56,924)	(52,719)
Plan assets at September 30	<u>\$ 426,142</u>	<u>\$ 399,264</u>	<u>\$ —</u>	<u>\$ —</u>

#### Funded status:

Net liability recognized in Consolidated Balance Sheets	<u>\$ (69,647)</u>	<u>\$ (80,366)</u>	<u>\$ (794,748)</u>	<u>\$ (869,177)</u>
Accumulated benefit obligation at September 30	<u>\$ (495,789)</u>	<u>\$ (479,630)</u>	<u>\$ (794,748)</u>	<u>\$ (869,177)</u>

Pension and other postretirement benefit amounts recognized in the Consolidated Balance Sheets as of September 30, 2016 and 2015 are as follows (in thousands):

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Current liabilities	\$ 23,558	\$ 22,263	\$ 59,764	\$ 63,463
Non-current liabilities	46,089	58,103	734,984	805,714
Net amount recognized	<u>\$ 69,647</u>	<u>\$ 80,366</u>	<u>\$ 794,748</u>	<u>\$ 869,177</u>

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

Pension and other postretirement benefit amounts recognized in accumulated other comprehensive loss in FY2016 and FY2015 are as follows (in thousands):

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Net loss	\$ 139,489	\$ 132,703	\$ 339,378	\$ 463,580
Prior service cost	—	—	(335,912)	(466,341)
Net amount recognized	\$ 139,489	\$ 132,703	\$ 3,466	\$ (2,761)

### Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost for the plans for FY2016 and FY2015 (in thousands):

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Service cost	\$ 760	\$ 14,299	\$ 19,763	\$ 30,455
Interest cost	20,760	21,702	34,128	45,882
Expected return on plan assets	(28,281)	(30,343)	—	—
AOCI reclassification adjustment <sup>1</sup> :				
Amortization of prior service credit	—	—	(130,429)	(75,976)
Amortization of net loss	3,255	6,758	50,076	45,091
Net periodic benefit (income) cost	\$ (3,506)	\$ 12,416	\$ (26,462)	\$ 45,452

<sup>1</sup> Reclassifications from Accumulated Other Comprehensive Income (AOCI) were recorded within “Salaries, wages, and benefits” expense in the Consolidated Statements of Operations.

The estimated net loss for the Retirement Income Plan that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year is \$3.6 million.

The estimated net loss and prior service cost for the other postretirement plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year are \$36.9 million and a credit of \$130.5 million, respectively.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### Plan Assets

The Company's pension plan asset allocation at September 30, 2016 and 2015, and initial target allocation for 2017, are as follows:

	Plan Assets		
	2017	2016	2015
Long-term fixed income securities	40.0 %	36.5 %	17.6 %
Domestic equity securities	33.0	32.6	31.1
Global asset allocation funds	21.0	20.6	32.9
Real estate investment trust	6.0	6.6	6.4
Money market funds	—	4.2	0.9
Derivatives	—	0.2	—
Common/collective trust	—	—	7.2
Other <sup>1</sup>	—	(0.7)	3.9
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

<sup>1</sup> Other consisted of receivables and payables related to unsettled transactions as of September 30, 2016 and cash being held in a noninterest-bearing trustee account as of September 30, 2015.

The long-term objective for assets held by the Retirement Income Plan is to generate investment returns that, in combination with funding contributions from the Company, provide adequate assets to meet all current and future benefit obligations of the Retirement Income Plan. The investment objectives seek to reduce funded status volatility as the Retirement Income Plan's funded status increases and ultimately would position the Retirement Income Plan to be in a position to defease the pension liability. Over the long term, it is anticipated that asset-liability management strategy will be the key determinant of the returns generated by the pension assets and the associated volatility of returns and funded status. In particular, the level of the "return-seeking portfolio" (which includes domestic and international equity, global investment grade bonds, high yield bonds, bank loans, emerging market debt and real estate) and the structure of the long-term fixed income portfolio (primarily longer duration investment grade fixed income securities denominated in U.S dollars) are the key elements of the asset-liability strategy for the pension investment program. The Retirement Income Plan's strategic allocation policy is based on the Plan's current funded status. The Retirement Income Plan's return requirements and risk tolerance will change over time. As a result of the Retirement Income Plan's asset allocation strategies, there are no significant concentrations of risk within the portfolio of investments.

The accounting guidance on fair value measurements specifies a fair value hierarchy based on the ability to observe inputs used in valuation techniques (Level 1, 2 and 3 - see Note 8). The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy. The Company does not intend to sell any of its investments in funds at an amount different from net asset value (NAV) per share as of September 30, 2016, nor does the Company have any unfunded commitments related to these funds.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### *Fixed Income Securities*

This investment category consists of Agency backed bonds, U.S. government securities, Corporate bonds, Government bonds, Municipal bonds, Asset-backed securities and Mortgage-backed securities (government and corporate). These assets are valued based on a compilation of primarily observable market information or a broker quote in a non-active market. These assets are classified as Level 2 investments.

#### *Domestic Equity Securities*

This investment category consists of common stock issued by U.S. corporations and American Depository Receipts (ADRs) issued by U.S. banks. Common stock and ADRs are traded actively on exchanges and price quotes for these shares are readily available.

The Vanguard Total Stock Market Index fund (fair value of \$138.6 million as of September 30, 2016) seeks to closely track the performance of the Center for Research and Security Prices US Total Market Index, which is considered a gauge of small-, mid-, and large-cap growth and value stocks regularly traded on the New York Stock Exchange and NASDAQ.

In FY2015, the category included the Vanguard Russell 1000 Growth Index fund and the Vanguard Russell 1000 Value Index fund. In FY2016, the two funds were liquidated and reinvested into the Vanguard Total Stock Market Index Fund.

The Vanguard Russell 1000 Growth Index fund (fair value of \$48.3 million as of September 30, 2015) seeks to closely track the Russell 1000 Growth Index, which is considered a gauge of large-cap growth U.S. stock returns.

The Vanguard Russell 1000 Value Index fund (fair value of \$47.4 million as of September 30, 2015) seeks to closely track the Russell 1000 Value Index, which is considered a gauge of large-cap value U.S. stock returns.

All investments in this category are classified as Level 1 investments.

#### *Global Asset Allocation Funds*

At September 30, 2016, investments in this category consisted of the PIMCO Diversified Income Fund (PIMCO DIF, which was acquired during FY2016) and the Vanguard FTSE All World ex-US Index fund (Vanguard INTL). In FY2015, this category consisted of the BlackRock Global Allocation fund (BlackRock), PIMCO All Asset Institutional fund (PIMCO), and Vanguard INTL. During FY2016, the assets of BlackRock and PIMCO were liquidated to fund other investments, including PIMCO DIF.

The Vanguard INTL investment (fair value of \$67.8 million and \$38.9 million as of September 30, 2016 and 2015, respectively) seeks to track the performance of a benchmark index that measures the investment return of stocks of companies located in developed and emerging markets around the world, excluding the United States.

The PIMCO DIF investment (fair value of \$20.1 million as of September 30, 2016) actively manages a portfolio that invests across a broad universe of fixed income instruments in the global credit markets.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

The BlackRock investment (fair value of \$48.9 million as of September 30, 2015) seeks to provide high total investment return. It invests in domestic and foreign equities, debt securities and money market instruments.

The PIMCO investment (fair value of \$43.6 million as of September 30, 2015) seeks maximum real return, consistent with preservation of real capital and prudent investment management. It targets solid real (after inflation) returns from a global opportunity of traditional and alternative asset classes.

All funds in this category are actively traded; price quotes for these shares are readily available; and these assets are classified as Level 1 investments.

#### *Real Estate Investment Trust*

This category consists of an investment in the Morgan Stanley Prime Property fund. The fair value of the investments in the Prime Property Fund has been estimated using the NAV of the Plan's ownership interest (units) in the partner's capital. The investment in the Prime Property Fund can be redeemed on a quarterly basis but with no guarantee that cash will be available at any particular time to fund the redemption request. If the cash is not available, the redemption will be deferred at the discretion of the fund manager until sufficient cash is available. There were no unfunded withdrawal requests as of September 30, 2016 or September 30, 2015. Investments in real estate investment funds are classified as Level 2 assets.

#### *Money Market Funds*

Money market funds generally transact subscription and redemption activity at a \$1.00 stable NAV. However, on a daily basis the fund's NAV is calculated using the amortized cost (not market value) of the securities held in the fund. Investments in the money market funds can be redeemed on a daily basis. There were no unfunded withdrawal requests as of September 30, 2016 or September 30, 2015. Investments in money market funds are classified as Level 2 assets. Amtrak's category of investments in money market funds consists of the JPMorgan 100% U.S. Treasury Securities Money Market Fund. Management obtained and reviewed JP Morgan's Money Market Funds Annual Report and reviewed the investment valuation for JPMorgan 100% U.S. Treasury Securities Money Market Fund in the significant accounting policies section of the report, which states that, "Each Fund has elected to use the amortized cost method of valuation pursuant to Rule 2a-7 under the 1940 Act provided that certain conditions are met, including that the Fund's Board of Trustees continues to believe that the amortized cost valuation method fairly reflects the market based NAV per share of the Fund."

#### *Derivatives*

This investment category consists of short U.S. treasury futures to shorten the duration of the underlying long-term fixed income portfolio. The investment fair value represents the value of the derivative exposure. The Company's derivative investment is a Level 2 investment.

#### *Common/Collective Trust*

In FY2015, this category consisted of an investment in the Loomis Sayles Multi Sector Credit Fund (the Loomis Sayles Fund) and the Eaton Vance Parametric Fund (the Eaton Vance Fund). During FY2016, this category was liquidated to fund other categories, including Fixed Income Securities and Derivatives.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

The Loomis Sayles Fund (fair value of \$19.6 million as of September 30, 2015) seeks to generate solid long-term risk-adjusted investment performance with significant allocations to non-U.S. dollar and emerging market debt securities. Securities rated below BBB- are limited to 20-50% of the portfolio. The units are not traded on a recognized stock exchange and the value of the Loomis units is determined daily by calculating NAV. The investments in the Loomis Sayles Fund are redeemable any day the Loomis Sayles Fund is open for business.

The Eaton Vance Fund (fair value of \$9.2 million as of September 30, 2015) seeks long-term capital appreciation and normally invests at least 80% of its net assets in equity securities of companies located in emerging market countries. It intends to invest primarily in securities of companies located in countries included in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index. The units are not traded on a recognized stock exchange and the value of the Eaton units is determined daily by calculating NAV. The investments in the Eaton Vance Fund are redeemable any day the Eaton Vance Fund is open for business.

All investments in this category are classified as Level 2 investments.

The following table represents the fair values of the Company's pension assets by level within the fair value hierarchy as of September 30, 2016 and 2015 (in thousands):

	Total	Level 1	Level 2	Level 3
<b>September 30, 2016</b>				
U.S. government securities	\$ 9,578	\$ —	\$ 9,578	\$ —
Corporate bonds	127,083	—	127,083	—
Government bonds	6,644	—	6,644	—
Municipal bonds	12,032	—	12,032	—
Asset-backed securities	101	—	101	—
Total fixed income	<u>155,438</u>	<u>—</u>	<u>155,438</u>	<u>—</u>
Large cap	122,471	122,471	—	—
Mid cap	13,370	13,370	—	—
Small cap	2,795	2,795	—	—
Total equity securities	<u>138,636</u>	<u>138,636</u>	<u>—</u>	<u>—</u>
Money market funds	17,981	—	17,981	—
Real estate investment trust	28,067	—	28,067	—
Global asset allocation funds	87,938	87,938	—	—
Derivatives	974	—	974	—
Total fair value investments	<u>429,034</u>	<u>\$ 226,574</u>	<u>\$ 202,460</u>	<u>\$ —</u>
Other <sup>1</sup>	(2,892)			
Total plan assets	<u>\$ 426,142</u>			

<sup>1</sup> Other primarily consisted of receivables and payables related to unsettled transactions.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	Total	Level 1	Level 2	Level 3
<b>September 30, 2015</b>				
Agency bonds	\$ 127	\$ —	\$ 127	\$ —
U.S. government securities	3,958	—	3,958	—
Corporate bonds	20,438	—	20,438	—
Government bonds	821	—	821	—
Municipal bonds	3,297	—	3,297	—
Asset-backed securities	12,862	—	12,862	—
Mortgage-backed securities (government)	21,314	—	21,314	—
Mortgage-backed securities (corporate)	7,519	—	7,519	—
Total fixed income	<u>70,336</u>	<u>—</u>	<u>70,336</u>	<u>—</u>
Large cap	104,054	104,054	—	—
Mid cap	19,072	19,072	—	—
Small cap	917	917	—	—
Total equity securities	<u>124,043</u>	<u>124,043</u>	<u>—</u>	<u>—</u>
Money market funds	3,593	—	3,593	—
Real estate investment trust	25,525	—	25,525	—
Global asset allocation funds	131,467	131,467	—	—
Common/collective trust	28,776	—	28,776	—
Total fair value investments	<u>383,740</u>	<u>\$ 255,510</u>	<u>\$ 128,230</u>	<u>\$ —</u>
Other <sup>1</sup>	15,498			
Total plan assets	<u>\$ 399,238</u>			

<sup>1</sup> Other consisted of cash being held in a non-interest bearing trustee account.

### Rate of Return

Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. These include historical rates of return over the past three-, five- and ten-year periods as well as projected long-term rates of return obtained from pension investment consultants.

In the short term, there may be fluctuations of positive and negative yields year over year, but over the long term, the return is expected to be approximately 7.25%.

### Estimated Future Benefit Payments

Based upon the assumptions used to measure the pension and other postretirement benefit obligations as of September 30, 2016, including pension and other postretirement benefits attributable to estimated future employee service, Amtrak expects that pension benefits and other postretirement benefits to be paid over the next ten years will be as follows (in thousands):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	Pension Benefits	Other Benefits
Year ending September 30,		
2017	\$ 23,558	\$ 59,764
2018	24,757	61,432
2019	25,916	61,542
2020	27,036	62,171
2021	27,828	60,659
2022-2026	143,401	282,274

#### Contributions

In FY2017, Amtrak expects to contribute \$14.0 million to the defined benefit plan and \$59.8 million towards other postretirement benefits.

#### Assumptions

Weighted-average assumptions used to determine benefit obligations as of September 30, 2016 and 2015 are as follows:

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Discount rate	3.74 %	4.43 %	3.44-3.50 %	3.99-4.17 %

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2016 and 2015 are as follows:

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Discount rate	4.43 %	4.08-4.57 %	3.99-4.17 %	4.24-4.57 %
Expected long-term return on assets	7.25 %	7.25 %	N/A	N/A
Rate of compensation increase	N/A <sup>1</sup>	4.20 %	N/A	N/A

<sup>1</sup> As a result of changes to the Retirement Income Plan in FY2015, no additional benefit is earned for services provided after FY2015. Accordingly, there is no longer the need to assume any future compensation increase.

Assumed health care cost trend rates are as follows:

	September 30,	
	2016	2015
Health care cost trend rate assumed for next year	7.25-8.25 %	7.50-8.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2030	2029

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

Assumed health care cost trend rates have a significant effect on the amounts reported for the other defined benefit post retirement plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on the Other Benefits plans (in thousands):

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total of service and interest cost component	\$ 5,433	\$ (4,790)
Effect on postretirement benefit obligation	46,193	(40,848)

### Prescription Drug Benefits

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Medicare Act) was signed into law. The Medicare Act introduced a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Amtrak elected to record an estimate of the effects of the Medicare Act in accounting for its postretirement benefit plans and provide disclosures required by ASC Topic 715, *Compensation - Retirement Benefits*. Amtrak's accumulated pension benefit obligation for its other benefits is reduced by \$2.0 million and \$1.9 million for FY2016 and FY2015, respectively, for this prescription drug benefit.

### 401(k) Savings Plan

Amtrak provides a 401(k) savings plan for nonunion employees. Under the plan, Amtrak matches a portion of employee contributions up to seven percent of the participant's salary, subject to applicable limitations. Prior to July 1, 2015, the maximum employer contribution was five percent. Amtrak's expenses under this plan were \$17.8 million and \$13.8 million for FY2016 and FY2015, respectively.

Additionally, Amtrak provides a 401(k) saving plan for union employees. Amtrak does not match any portion of the employee contributions under this plan.

### 13. Subsequent Events

#### Retirement Income Plan Amendment

In December 2016 and January 2017, the Company made settlement payments to eligible retirees who elected to receive a lump sum payment equivalent to the retiree's accrued benefit under the Company's Retirement Income Plan (see Note 12).

#### Bonds Issuance

On December 6, 2016, the Company issued \$365.0 million of 3.60% secured senior notes due November 15, 2033 and \$135.0 million of 3.81% unsecured senior notes due November 15, 2031. The Company's obligations in connection with the secured senior notes are collateralized by 68 electric locomotives. Principal and interest on these senior notes are due semi-annually on May 15 and November 15 of each year beginning on May 15, 2017. The proceeds of the senior notes were first applied toward the repayment in full of the remaining obligations under the 2011 RRIF Loan, which permitted Amtrak to terminate the lease and purchase any or

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **13. Subsequent Events (continued)**

all of the locomotives at any time during the lease term by paying the remaining obligation specified in the lease, and the remaining proceeds may be used for other eligible expenses.

#### **Management's Evaluation**

The Company has evaluated subsequent events through January 27, 2017, which is the date the financial statements were available to be issued. There were no other events that require adjustments to or disclosure in the Company's financial statements for FY2016.



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Amtrak and all train names are service marks of the National Railroad Passenger Corporation.

# CONSOLIDATED FINANCIAL STATEMENTS

National Railroad Passenger Corporation and Subsidiaries (Amtrak)

Years Ended September 30, 2017 and 2016

With Report of Independent Auditors



# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Financial Statements

Years Ended September 30, 2017 and 2016

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## Report of Independent Auditors

The Board of Directors and Stockholders  
National Railroad Passenger Corporation

We have audited the accompanying consolidated financial statements of National Railroad Passenger Corporation and subsidiaries (Amtrak or the Company), which comprise the consolidated balance sheets as of September 30, 2017 and 2016, and the related consolidated statements of operations, comprehensive loss, changes in capitalization and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Railroad Passenger Corporation and subsidiaries at September 30, 2017 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

## **Federal Government Funding**

As explained in Notes 1 and 2 in the accompanying consolidated financial statements, the Company has a history of operating losses and is dependent upon substantial Federal Government subsidies to sustain its operations and maintain its underlying infrastructure. As further explained in Note 2 to the consolidated financial statements, the Company is receiving Federal Government funding under the Continuing Appropriations Acts, 2018. The Company expects to receive additional interim Federal Government funding under Congressional continuing resolutions for fiscal year 2018 until the formal appropriations bill is signed into law. There are currently no Federal Government subsidies appropriated by law for any period subsequent to February 8, 2018. Without the receipt of Federal Government funding, Amtrak will not be able to continue in its current form and significant operating changes, restructurings, or bankruptcy might occur. Our opinion is not modified with respect to this matter.

*Ernst + Young LLP*

January 26, 2018

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets

*(In Thousands of Dollars, Except Share Data)*

	September 30,	
	2017	2016
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents, including restricted cash of \$8,435 and \$7,966 as of September 30, 2017 and 2016, respectively	\$ 1,101,694	\$ 760,454
Accounts receivable, net of allowances of \$7,296 and \$5,352 as of September 30, 2017 and 2016, respectively	336,361	294,548
Materials and supplies, net of allowances of \$28,476 and \$27,653 as of September 30, 2017 and 2016, respectively	269,221	255,095
Prepaid expenses	54,345	37,547
Other current assets	36,932	306,342
<b>Total current assets</b>	<b>1,798,553</b>	<b>1,653,986</b>
<b>Property and equipment:</b>		
Locomotives	2,045,794	2,127,329
Passenger cars and other rolling stock	3,312,883	3,247,105
Right-of-way and other properties	13,522,441	12,694,726
Construction-in-progress	2,262,063	1,713,510
Leasehold improvements	616,188	572,610
Property and equipment, gross	21,759,369	20,355,280
Less: Accumulated depreciation and amortization	(8,410,751)	(8,026,218)
<b>Total property and equipment, net</b>	<b>13,348,618</b>	<b>12,329,062</b>
<b>Other assets, deposits, and deferred charges:</b>		
Notes receivable on sale-leasebacks	56,397	55,833
Deferred charges, deposits, and other	48,978	43,544
<b>Total other assets, deposits, and deferred charges</b>	<b>105,375</b>	<b>99,377</b>
<b>Total assets</b>	<b>\$ 15,252,546</b>	<b>\$ 14,082,425</b>

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets (continued)

*(In Thousands of Dollars, Except Share Data)*

	September 30,	
	2017	2016
<b>Liabilities and capitalization</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 471,944	\$ 579,686
Accrued expenses and other current liabilities	877,032	1,011,063
Deferred ticket revenue	150,456	143,565
Current maturities of long-term debt and capital lease obligations	136,170	215,999
<b>Total current liabilities</b>	<b>1,635,602</b>	<b>1,950,313</b>
<b>Long-term debt and capital lease obligations:</b>		
Capital lease obligations	189,704	664,099
Other long-term debt	863,041	289,404
<b>Total long-term debt and capital lease obligations</b>	<b>1,052,745</b>	<b>953,503</b>
<b>Other liabilities and deferred credits:</b>		
Deferred state capital payments	2,062,908	1,557,909
Casualty reserves	149,266	148,745
Deferred gain on sale-leasebacks	39,852	44,686
Postretirement employee benefits obligation	655,400	781,073
Environmental reserve	116,017	42,609
Deferred income taxes	53,159	51,049
Other liabilities	113,134	123,474
<b>Total other liabilities and deferred credits</b>	<b>3,189,736</b>	<b>2,749,545</b>
<b>Total liabilities</b>	<b>5,878,083</b>	<b>5,653,361</b>
<b>Commitments and contingencies (Note 10)</b>		
<b>Capitalization:</b>		
Preferred stock - \$100 par, 109,396,994 shares authorized, issued and outstanding at September 30, 2017 and 2016	10,939,699	10,939,699
Common stock - \$10 par, 10,000,000 shares authorized, 9,385,694 issued and outstanding at September 30, 2017 and 2016	93,857	93,857
Other paid-in capital	33,091,896	31,203,808
Accumulated deficit	(34,634,057)	(33,665,346)
Accumulated other comprehensive loss	(116,932)	(142,954)
<b>Total capitalization</b>	<b>9,374,463</b>	<b>8,429,064</b>
<b>Total liabilities and capitalization</b>	<b>\$ 15,252,546</b>	<b>\$ 14,082,425</b>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Operations

(In Thousands of Dollars)

	Year Ended September 30,	
	2017	2016
<b>Revenues:</b>		
Passenger related	\$ 2,543,899	\$ 2,495,410
Other	761,806	745,148
<b>Total revenues</b>	<b>3,305,705</b>	<b>3,240,558</b>
<b>Expenses:</b>		
Salaries, wages and benefits	2,084,564	2,087,609
Train operations	287,559	300,176
Fuel, power and utilities	239,742	230,369
Materials	165,347	157,943
Facility, communication and office related	179,939	174,936
Advertising and sales	106,949	104,438
Casualty and other claims	70,686	72,848
Depreciation and amortization	767,013	813,403
Other	454,442	468,625
Indirect cost capitalized to property and equipment	(145,846)	(149,079)
<b>Total expenses</b>	<b>4,210,395</b>	<b>4,261,268</b>
<b>Loss before other (income) and expense</b>	<b>904,690</b>	<b>1,020,710</b>
<b>Other (income) and expense:</b>		
Interest income	(9,055)	(4,376)
Interest expense	53,956	65,943
Loss on early extinguishment of debt	18,682	—
Other income, net	(1,672)	(3,615)
Other expense, net	61,911	57,952
<b>Loss before income taxes</b>	<b>966,601</b>	<b>1,078,662</b>
Income tax expense	2,110	1,827
<b>Net loss</b>	<b>\$ 968,711</b>	<b>\$ 1,080,489</b>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Comprehensive Loss

(In Thousands of Dollars)

	Year Ended September 30,	
	2017	2016
Net loss	\$ 968,711	\$ 1,080,489
Other comprehensive loss:		
Pension and other postretirement benefit items:		
Net gain arising during the period	(111,411)	(64,086)
Amortization of actuarial loss	(39,699)	(53,331)
Amortization of prior service credit	130,496	130,429
Settlement loss	(5,408)	—
Total pension and other postretirement benefit items	(26,022)	13,012
Comprehensive loss	\$ 942,689	\$ 1,093,501

See accompanying notes.

## National Railroad Passenger Corporation and Subsidiaries (Amtrak)

### Consolidated Statements of Changes in Capitalization

*(In Thousands of Dollars)*

	Preferred Stock	Common Stock	Other Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of September 30, 2015	\$ 10,939,699	\$ 93,857	\$ 29,672,867	\$ (32,584,857)	\$ (129,942)	\$ 7,991,624
Federal paid-in capital	—	—	1,530,941	—	—	1,530,941
Net loss	—	—	—	(1,080,489)	—	(1,080,489)
Total pension and other postretirement benefit items	—	—	—	—	(13,012)	(13,012)
Balance as of September 30, 2016	10,939,699	93,857	31,203,808	(33,665,346)	(142,954)	8,429,064
Federal paid-in capital	—	—	1,888,088	—	—	1,888,088
Net loss	—	—	—	(968,711)	—	(968,711)
Total pension and other postretirement benefit items	—	—	—	—	26,022	26,022
Balance as of September 30, 2017	<u>\$ 10,939,699</u>	<u>\$ 93,857</u>	<u>\$ 33,091,896</u>	<u>\$ (34,634,057)</u>	<u>\$ (116,932)</u>	<u>\$ 9,374,463</u>

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Cash Flows

(In Thousands of Dollars)

	Year Ended September 30,	
	2017	2016
<b>Cash flows from operating activities</b>		
Net loss	\$ (968,711)	\$ (1,080,489)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	767,013	813,403
Deferred income taxes	2,110	1,827
Gain on sale of/recovery on property and equipment	(4,038)	(4,093)
Loss on early extinguishment of debt	18,682	—
Other	6,421	4,615
Changes in assets and liabilities:		
Accounts receivable	(47,078)	6,246
Materials and supplies	(16,030)	15,814
Prepaid expenses	(16,798)	(10,009)
Other current assets	269,410	(269,689)
Other assets, deposits and deferred charges	(5,998)	316,573
Accounts payable, deferred ticket revenue, accrued expenses and other current liabilities	(244,415)	577,433
Deferred state capital payments	(83,685)	(63,253)
Other liabilities and deferred credits	(32,746)	(400,331)
Net cash used in operating activities	<u>(355,863)</u>	<u>(91,953)</u>
<b>Cash flows from investing activities</b>		
Purchases and refurbishments of property and equipment	(1,586,398)	(1,446,634)
Insurance proceeds attributable to casualty losses related to property and equipment	10,523	9,336
Proceeds from disposals of property and equipment	1,452	2,744
Net cash used in investing activities	<u>(1,574,423)</u>	<u>(1,434,554)</u>
<b>Cash flows from financing activities</b>		
Proceeds from federal paid-in capital	1,888,088	1,530,941
Proceeds from state capital payments	382,974	297,233
Repayments of debt and capital lease obligations	(624,651)	(114,897)
Proceeds from issuance of debt	625,115	45,678
Net cash provided by financing activities	<u>2,271,526</u>	<u>1,758,955</u>
Net change in cash and cash equivalents, including restricted cash	<u>341,240</u>	<u>232,448</u>
Beginning balance of cash and cash equivalents, including restricted cash	760,454	528,006
Ending balance of cash and cash equivalents, including restricted cash	<u>\$ 1,101,694</u>	<u>\$ 760,454</u>
<b>Supplemental disclosure of cash payments</b>		
Interest paid, net of amount capitalized	\$ 56,721	\$ 69,936
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Other non-cash changes in property, includes accruals of amounts due for purchases	215,129	—
Debt and capital lease reduction through use of escrow deposits	34,770	—

See accompanying notes.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements**

Years Ended September 30, 2017 and 2016

### **1. Nature of Operations**

The National Railroad Passenger Corporation (Amtrak or the Company) was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. The United States government (the Federal Government) through the Secretary of the United States Department of Transportation (the DOT) owns all issued and outstanding preferred stock. Amtrak's principal business is to provide rail passenger transportation service in the major intercity travel markets of the United States. The Company also operates commuter rail operations on behalf of certain states and transit agencies, provides equipment and right-of-way maintenance services, and has leasing operations.

The Company has a history of recurring operating losses and is dependent on subsidies from the Federal Government to operate the national passenger rail system and maintain the underlying infrastructure. These subsidies are usually received through annual appropriations. Appropriated funds for Amtrak are generally provided to the DOT, which through its agency the Federal Railroad Administration (the FRA) provides those funds to Amtrak pursuant to annual grant agreements. Amtrak's ability to continue operating in its current form is dependent upon the continued receipt of subsidies from the Federal Government. The DOT, formerly through the FRA, and now through the National Surface Transportation and Innovative Finance Bureau of the Federal Government (also referred to as the Build America Bureau), also provides financing to Amtrak through the Railroad Rehabilitation and Infrastructure Financing (RRIF) Program.

See Notes 2, 4, 5, and 6 for additional information about Amtrak and its relationship with the Federal Government.

### **2. Annual Funding**

On December 4, 2015, the President signed as Public Law 114-94, the Fixing America's Surface Transportation Act (the FAST Act). Title XI-Rail of the FAST Act, cited as the Passenger Rail Reform and Investment Act of 2015 (PRRIA 2015), authorizes funding to the Secretary of the DOT (the Secretary) for annual grants to Amtrak totaling \$8.1 billion for fiscal years (FY) 2016 through 2020. PRRIA 2015 directs \$2.6 billion of this support to Amtrak's Northeast Corridor (NEC) and \$5.5 billion to Amtrak's National Network as defined in the FAST Act, and it authorizes an additional \$2.2 billion for other rail grant programs in which Amtrak may participate. Although PRRIA 2015 provides that this structure, which separates funding for the NEC and the National Network, would begin for Amtrak's FY2016, the FY2016 Appropriations Law was drafted before the FAST Act was enacted, which deferred the implementation until FY2017. Accordingly, FY2017 was the first year that Amtrak received its funding in accordance with the FAST Act structure (i.e. an NEC grant and a National Network grant).

The Company was provided funding for FY2018 through the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56), the making further Continuing Appropriations for Fiscal Year 2018, and for Other Purposes Act (Public Law 115-90), the Further Additional Continuing Appropriations Act, 2018 (Public Law 115-96) and the Extension of Continuing Appropriations Act, 2018 (Public Law 115-120), which was signed into law on January 22, 2018 to extend funding through February 8, 2018 (collectively, the Continuing Appropriations Acts, 2018). There are currently no federal funds appropriated for the Company for any period subsequent to February 8, 2018. Without such subsidies, Amtrak will not be able to continue to operate in its current form and significant

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **2. Annual Funding (continued)**

operating changes, restructuring or bankruptcy may occur. Such changes or restructuring would likely result in asset impairments. The Company ultimately expects it will receive sufficient funds in the form of continuing resolutions (CRs) or other appropriations legislation to support its operations for the foreseeable future.

PRRIA 2015 mandates reforms for Amtrak and its grant programs. Requirements include the development of five-year plans for business lines and assets to be used as the basis for Amtrak's annual grants, separate financial reporting for the National Network and the NEC, and a process for transferring funds between the two accounts. Amtrak is the sole eligible entity for grant funds made pursuant to PRRIA 2015 and payments are advanced with 50% provided at the beginning of each fiscal year and 25% paid in each of the following two quarters. PRRIA 2015 directs the formation of committees and, where applicable, requires Amtrak to work in partnership with stakeholders including representatives of transit, state and federal rail transportation authorities to plan, implement, and fund certain rail programs. There are also competitive and partnership grant programs authorized to which Amtrak may apply: for FY2016 through FY2020, a total of \$1.1 billion is authorized for rail infrastructure and safety improvements, \$1.0 billion for Federal-State partnership grants for State-of-Good Repair projects, and \$100 million for rail restoration and enhancement grants. No funds were received through these programs in FY2016 or FY2017.

The table below provides information on funding for the Company's fiscal years ended September 30, 2018, 2017 and 2016 under CRs and the Consolidated Appropriations Act or Consolidated and Further Continuing Appropriations Act (collectively, Full Year Funding) related to those years (dollars in millions):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 2. Annual Funding (continued)

	FY2018	FY2017	FY2016
Enactment dates for CRs	September 8, 2017 December 8, 2017 December 22, 2017 January 22, 2018	September 29, 2016 December 10, 2016 April 28, 2017	September 30, 2015
Public Law numbers for CRs	115-56 115-90 115-96 115-120	114-223 114-254 115-30	114-53
Enactment date for Full Year Funding	N/A	May 5, 2017	December 18, 2015
Public Law number for Full Year Funding	N/A	115-31	114-113
Appropriated capital and debt service funds			\$ 1,101.5
Appropriated operating service funds			288.5
Appropriated for National Network	\$ 416.0	\$ 1,167.0	
Appropriated for NEC	116.9	328.0	
<b>Total funds appropriated</b>	<u>532.9</u>	<u>1,495.0</u>	<u>1,390.0</u>
FRA authorized withholdings	(5.2)	(14.5)	(8.5) <sup>3</sup>
<b>Total appropriated funds designated for Amtrak</b>	<u>\$ 527.7</u> <sup>2</sup>	<u>\$ 1,480.5</u>	<u>\$ 1,381.5</u> <sup>3</sup>
<b>Funds received by Amtrak:</b>			
In FY2016			\$ 1,069.6
In FY2017		\$ 1,480.5	252.2
In FY2018, as of January 26, 2018	\$ 447.2	—	59.7
<b>Total funds received to date</b>	<u>\$ 447.2</u>	<u>\$ 1,480.5</u>	<u>\$ 1,381.5</u>

<sup>1</sup> FY2018 Full Year Funding is not yet in place.

<sup>2</sup> Funding appropriated through February 8, 2018.

<sup>3</sup> Reflects a \$2.0 million reduction of FRA withholding for FY2016 in FY2017.

### 3. Basis of Presentation and Summary of Significant Accounting Policies

#### Method of Accounting

The accompanying consolidated financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Principles of Consolidation

The Consolidated Financial Statements reflect the consolidated operations of Amtrak and its subsidiaries, Chicago Union Station Company (CUS) (prior to its May 11, 2017 merger into the Company), Passenger Railroad Insurance, Limited (PRIL), Penn Station Leasing, LLC (PSL) and Washington Terminal Company (WTC). All intercompany balances and transactions have been eliminated.

CUS was incorporated on July 3, 1913 as the Union Station Company, for the purpose of constructing, operating and maintaining a new railroad terminal in the City of Chicago. The name was officially changed to Chicago Union Station Company on May 7, 1915. Amtrak acquired 50% stock ownership interest in CUS

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **3. Basis of Presentation and Summary of Significant Accounting Policies (continued)**

in 1976 as part of the conveyance of the NEC and off-Corridor properties. Amtrak purchased the remaining 50% stock ownership in 1984. CUS's business is comprised of the following segments: provision of right-of-way and station access and use of intercity and commuter services; and lease and licensing of station space for retail services, display advertising, special events and other commercial uses. On May 11, 2017, CUS was merged into Amtrak.

PRIL was incorporated on December 18, 1996 under the laws of Bermuda to provide excess liability and property insurance coverage to Amtrak. In addition, PRIL also provides insurance and reinsurance coverage to third parties performing work on Amtrak property.

PSL was formed on April 17, 2001 to acquire and lease back to Amtrak the real property and improvements located in New York, commonly known as Penn Station. On June 14, 2017, Amtrak made the final mortgage payment for Penn Station. Amtrak expects to dissolve PSL in FY2018.

WTC was formed on December 6, 1901 and is comprised of buildings and rail yard adjacent to Washington Union Station. WTC provides switching services for passenger trains using the station or passing through the area.

#### **Cash and Cash Equivalents**

All short-term investments with original maturities of 90 days or less are considered cash and cash equivalents. These consist of bank deposits and money market fund investments. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits.

Restricted cash and cash equivalents consist primarily of funds received that are restricted for specific purposes or cash set aside and restricted for specific payments. Restricted cash and cash equivalents consists of a money market fund held in trust restricted from withdrawals based upon certain collateral requirements and funds restricted for certain operations of the Amtrak Police Department.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable in the Consolidated Balance Sheets include billed and unbilled accounts receivable. Billed accounts receivable represent amounts for which invoices have been sent to customers. These accounts receivable are recorded at the invoiced amount. Unbilled accounts receivable represent amounts recognized as revenue for which invoices have not yet been sent to customers but for which services and work have been performed. The Company recorded \$68.4 million and \$101.4 million of unbilled accounts receivable as of September 30, 2017 and 2016, respectively.

The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's billed accounts receivable. To determine its allowance for doubtful accounts, the Company evaluates historical loss experience and the characteristics of current accounts, as well as general economic conditions and trends. Uncollectible billed accounts receivable is applied against the allowance.

#### **Materials and Supplies**

Materials and supplies, which are stated at weighted-average cost, net of allowance for shrinkage and obsolescence, consist primarily of items for repairs and maintenance of property and equipment. The

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

allowance for shrinkage and obsolescence is recorded based on specific identification and expected usage rates.

#### Property, Equipment, and Depreciation

Except as described below, property and equipment owned by the Company are carried at cost and depreciated using the group method of depreciation (group method) in which a single composite depreciation rate is applied to the gross investment in a particular class of property or equipment, despite differences in the service life or salvage value of individual property units within the same class. This excludes computer equipment and software, which are stated at cost and are individually depreciated on a straight-line basis over their estimated useful lives, which are generally three to ten years. Properties held under capital leases and leasehold improvements are depreciated over the shorter of their estimated useful lives or their respective lease terms, and the related depreciation expense is reported within "Depreciation and amortization" in the Consolidated Statements of Operations. Land is carried at cost.

For assets depreciated under the group method, upon normal sale or retirement, the cost less the net salvage value is applied to "Accumulated depreciation" in the Consolidated Balance Sheets and no gain or loss is recognized. Gains or losses on the disposal of land and accelerated depreciation related to significant premature retirements of assets under the group method are recorded in the Consolidated Statements of Operations at the time of occurrence. During FY2016, in connection with the delivery of new electric locomotives for use in the NEC, the Company removed from active service older electric locomotives. The Company concluded that the locomotives would not be returned to active service and, as a result, \$29.3 million in additional depreciation expense was recorded in FY2016. There were no significant premature retirements of depreciable property or disposals of land for which gains or losses were recorded in FY2017.

Amtrak periodically engages an outside civil engineering firm with expertise in railroad property usage to conduct a study to evaluate depreciation rates for assets subject to the group method. In addition to the adjustment to group depreciation rates because of periodic depreciation studies, certain other events might occur that could affect Amtrak's estimates and assumptions related to depreciation. Unforeseen changes in operations or technology could substantially alter assumptions regarding Amtrak's ability to realize the return on its investment in operating assets and, therefore, affect the amounts of current and future depreciation expense. Because group method depreciation expense is a function of analytical studies made of property and equipment, subsequent studies could result in different estimates of useful lives and net salvage values. If future group method depreciation studies yield results indicating that assets have shorter lives because of obsolescence, physical condition, changes in technology, or changes in net salvage values, the depreciation expense for assets under the group method could increase. Likewise, if future studies indicate that assets have longer lives, the depreciation expense for assets under the group method could decrease.

Construction-in-progress is stated at cost and includes direct costs of construction and interest expense capitalized during the period of construction of major facilities, locomotives, and passenger cars. Construction-in-progress is transferred to property and equipment when substantially all the activities necessary to prepare such assets for their intended use are completed, at which time depreciation commences. When constructed assets are funded through long-term debt, capitalized interest is recorded as part of the asset to which it relates and is depreciated over the asset's useful life. Total interest cost incurred by the

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Company was \$59.4 million and \$66.4 million for FY2017 and FY2016, respectively, of which interest cost capitalized on construction projects was \$5.4 million and \$0.5 million for FY2017 and FY2016, respectively.

The useful lives of locomotives, passenger cars, and other rolling stock assets for depreciation purposes range up to 40 years. Right-of-way and other properties (excluding land) are depreciated using useful lives ranging up to 105 years. Within other properties is other equipment including computers, office equipment, and maintenance equipment which are depreciated using useful lives ranging from three to 40 years. Expenditures that significantly increase asset values or extend useful lives are capitalized, including major overhauls. Repair and maintenance expenditures, including preventive maintenance, are charged to operating expense when the work is performed. The cost of internally developed software is capitalized and amortized over its estimated useful life, which is generally five to ten years.

The Company accounts for asset retirement obligations (AROs) in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 410, *Asset Retirement and Environmental Obligations*. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset. In accordance with FASB ASC Topic 410, the Company recognizes the fair value of any liability for conditional AROs, including environmental remediation liabilities, in the period in which it is incurred, which is generally upon acquisition, construction, or development and/or through the normal operation of the asset, if sufficient information exists with which Amtrak can reasonably estimate the fair value of the obligation. Amtrak capitalizes the cost by increasing the carrying amount of the related long-lived asset. The capitalized cost is depreciated over the useful life of the related asset and upon settlement of the liability Amtrak either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The asset retirement costs capitalized were \$10.1 million and \$10.0 million as of September 30, 2017 and 2016, respectively, and were included in "Right-of-way and other properties" in the Consolidated Balance Sheets.

#### Nonreciprocal Transfer of Asset

On February 17, 2010, Amtrak entered into a preliminary memorandum of understanding with two developers to redevelop a building adjacent to Penn Station to accommodate a combination of transportation, public, commercial and other facilities including the creation of the new Daniel Patrick Moynihan Station. One of the developers is responsible for securing public and private partners to assist in the financing of the project. Amtrak owns and uses Penn Station as a major transportation hub for Amtrak's Northeast Corridor service. In addition, Amtrak has ownership of the subsurface and train shed areas below the building.

The project is divided into two phases. In June 2017, the first phase of the development was completed and placed into service. Substantially all cost of the first phase work was paid for by one of the developers using federal and state funding grants. The title of certain improvements in the first phase was transferred to Amtrak in June 2017. In accordance with FASB ASC Topic 845, *Nonmonetary Transactions*, Amtrak recognized an asset of \$244.6 million at acceptance, which is the estimated fair market value of the transferred improvements. At the same time, a deferred gain of \$240.4 million was recorded, which will be amortized over the life of the asset using the straight-line method. For FY2017, a total of \$1.5 million was amortized and recognized in operating revenue.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **3. Basis of Presentation and Summary of Significant Accounting Policies (continued)**

#### **Indirect Cost Capitalized to Property and Equipment**

Capitalized overhead cost represents the indirect support expenses related to specific geographic regions and departments that are involved in particular capital projects. These indirect costs, which include fringe benefits allocable to direct labor, are capitalized along with the direct costs of labor, material, and other direct costs. Amtrak's overhead rates are updated at the end of each fiscal year based upon the actual activity and costs incurred during the fiscal year.

#### **Impairment of Long-Lived Assets**

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate that their carrying amounts may not be recoverable. Initial assessments of recoverability are based on an estimate of undiscounted future net cash flows. If impairment indicators are present, the assets are evaluated for sale or other disposition, and their carrying amounts are reduced to fair value based on discounted cash flows or other estimates of fair value.

In performing its impairment analysis, the Company assumes future Federal Government subsidies at levels consistent with the historical funding levels discussed in Note 2. The Company believes funding at historical levels is the best estimate to be used of the future. At this approximate level of funding, the Company determined that no indicators of impairment existed as of September 30, 2017. If future Federal Government funding drops below historical levels, substantial impairment may occur as discussed in Note 2.

On October 29, 2012, Super Storm Sandy (Sandy) came ashore in the Northeast and mid-Atlantic region of the United States. Amtrak sustained damage to tunnels and other structures in New York and New Jersey. The Company determined that there was no impairment to the tunnels, but certain infrastructure assets would need to be replaced sooner than previously anticipated. Accordingly, the Company assigned unique group depreciation rates to these assets. As a result, depreciation expense totaling \$193.1 million is being accelerated over the remaining life of these assets. In FY2017, the Company determined the repairs will take longer for certain properties than previously expected, resulting in an extension of the remaining life of those assets. The acceleration of depreciation expense increased the Company's net loss by \$11.7 million and \$30.4 million in FY2017 and FY2016, respectively.

#### **Casualty Losses and Claims**

Provision is made for Amtrak's estimated actuarial liability for unsettled casualty and other claims. Personal injury liability and ultimate loss projections are undiscounted and estimated using standard actuarial methodologies. These actuarial estimates include an estimate for unasserted claims. As of September 30, 2017 and 2016, the reserve for casualty losses and claims was \$201.0 million and \$477.2 million, respectively. The reserve balance as of September 30, 2016 included the Company's best estimates of the liability for passenger and employee claims incurred related to the derailment of Amtrak's Train No. 188, which occurred on May 12, 2015 (the Train No. 188 Derailment). With the exception of one employee claim, all Train No. 188 derailment claims were settled and released by September 30, 2017. See Note 10 for additional information on the Train No. 188 Derailment. Of the total amount reserved as of September 30, 2017 and 2016, the estimated current claims liability included in "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets was \$51.8 million and \$328.5 million, respectively. The balance of the reserve

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

as of both September 30, 2017 and 2016 is included in “Casualty reserves” in the Consolidated Balance Sheets.

#### Revenue Recognition

“Passenger related” revenue in the Consolidated Statements of Operations includes ticket revenue, state contribution revenue associated with requested service performed by Amtrak, and food and beverage revenue as follows (in millions):

	Year Ended September 30,	
	2017	2016
Ticket	\$ 2,180.8	\$ 2,136.1
State contribution	224.0	227.0
Food and beverage	139.1	132.3
Total passenger related revenue	<u>\$ 2,543.9</u>	<u>\$ 2,495.4</u>

These revenues are recognized as operating revenues when the related services are performed. Amounts received for tickets that have been sold but not used are reflected as “Deferred ticket revenue” in the Consolidated Balance Sheets.

“Other” revenue, for FY2017 and FY2016, includes (i) revenue from reimbursable engineering and capital improvement activities (these revenues are generally recognized as the associated costs are incurred); (ii) other transportation revenue from use of Amtrak-owned tracks and other services (these revenues are generally recognized when the related services are performed); (iii) revenue earned under contractual arrangements to operate various commuter rail services for a cost-based fee (these revenues are recognized when the related services are performed); (iv) amortization of state funds used to acquire depreciable assets (such payments are deferred when received and amortized over the estimated life of the related assets purchased with the funds, and the unamortized amounts are included in “Deferred state capital payments” in the Consolidated Balance Sheets); (v) commercial development revenue from retail, parking, advertising, real property leases/easements/sales, and access fees (these revenues are generally recognized as the services are performed); and (vi) freight access fee revenue from the use of Amtrak-owned tracks by freight railroad companies and other gains.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The components of other revenue are as follows (in millions):

	Year Ended September 30,	
	2017	2016
Reimbursable	\$ 231.6	\$ 252.0
Other transportation	181.6	166.4
Commuter	121.2	120.8
Amortization of state capital payments	83.7	63.3
Commercial development	83.4	84.2
Freight access fees and other	60.3	58.5
Total other revenue	<u>\$ 761.8</u>	<u>\$ 745.2</u>

#### Advertising Expenses

The Company records advertising expenses as incurred and reports these amounts in “Advertising and sales” in the Consolidated Statements of Operations. Advertising expenses were \$46.0 million and \$46.6 million for FY2017 and FY2016, respectively.

#### Income Taxes

The Company accounts for its income taxes in accordance with FASB ASC Topic 740, *Income Taxes*, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Management evaluates its potential exposures from tax positions taken that have been or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. Management considers the possibility of alternative outcomes based upon historical experience, previous actions by taxing authorities (e.g., actions taken in other jurisdictions), and advice from tax experts. The Company has evaluated income tax positions taken in prior years and believes that all positions are more likely than not to be sustained in an audit.

Pursuant to the provisions of Title 49 of the United States Code, Section 24301, Amtrak is exempt from all state and local taxes, including income and franchise taxes that are directly levied against the Company. Accordingly, there is no provision for state and local income or franchise taxes recorded in the consolidated financial statements for FY2017 and FY2016 (see Note 9).

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclose contingent assets and liabilities at the date of the financial statements, and report amounts of revenues and expenses during the reporting period. The Company bases these estimates on historical experience, the current economic environment, and various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates. Some of the more significant estimates include: allowance for doubtful accounts and obsolescence of material and supplies, estimated useful lives of property and equipment, calculation of accelerated depreciation related to Sandy, recoverability of long-lived assets, estimates of wrecked and damaged equipment, estimates of casualty reserves, pension and other postretirement employee benefits expense and obligations (including expected return on plan assets, discount rates, and health care cost trend rates), estimated costs for retroactive wages for union employees, estimated costs of asset retirement obligations, valuation allowance for deferred tax assets, estimated future valuation of certain assets in connection with the Company's tax planning strategy and environmental reserves.

#### Comprehensive Loss

Amtrak reports a comprehensive loss in the Consolidated Statements of Comprehensive Loss. Comprehensive loss is defined as changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. As of September 30, 2017 and 2016, "Accumulated other comprehensive loss" consists of adjustments for pension and other postretirement liabilities.

#### Recently Adopted Accounting Pronouncements

In August 2014, the FASB issued Accounting Standards Updates (ASU) No. 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The guidance is effective for the Company beginning with FY2017. As the Company expects to continue to receive funding from the Federal Government, the adoption of this ASU did not have an impact on its consolidated financial statements or disclosures.

In April 2015, the FASB issued ASU No. 2015-03, *Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). Under the new guidance, the debt issuance costs related to a recognized debt liability will be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability. The amortization of debt issuance costs will continue to be included in interest expense. The guidance, which is required to be applied retrospectively, was adopted by the Company in FY2017 and prior year balances have been reclassified accordingly. The adoption of the ASU did not have a material impact on its consolidated financial statements.

#### Recently Issued but Not Yet Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes previous revenue recognition guidance. The new standard requires that a company recognize

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods and services. Companies will need to use more judgment and estimates than under the guidance currently in effect, including estimating the amount of variable revenue to recognize over each identified performance obligation. Additional disclosures will be required to help users of financial statements understand the nature, amount and timing of revenue and cash flows arising from the contracts. The new standard will become effective for the Company beginning with the fiscal year ending September 30, 2020, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU was issued to increase transparency and comparability among companies by requiring most leases to be included in the balance sheet and by expanding disclosures on leasing arrangements. This ASU is effective for the Company beginning with the fiscal year ending September 30, 2021, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance. As the Company is and will continue to be involved in multiple leasing arrangements whereby the Company is either the lessee or the lessor, the adoption of the ASU is expected to have a significant impact on the Company's consolidated financial statements and disclosures.

In March 2017, the FASB issued ASU 2017-07, *Compensation—Retirement benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, to require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost as defined are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed. The amendments in this ASU also allow only the service cost component to be eligible for capitalization when applicable. The ASU will be effective for Amtrak beginning with the fiscal year ending September 30, 2020 and must be applied retrospectively for pension cost reporting and prospectively for the potential capitalization of service cost. The ASU allows a practical expedient that permits an employer to use the amounts disclosed in its pension and other postretirement benefit plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. Disclosure that the practical expedient was used is required. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 4. Accounting and Reporting for Federal Payments

Certain funds are provided to Amtrak during the year through federal payments. These federal payments, which are recorded when received in “Other paid-in capital” in the Consolidated Balance Sheets and Consolidated Statements of Changes in Capitalization, totaled \$1.9 billion and \$1.5 billion for FY2017 and FY2016, respectively.

Note 2 provides information on the Company’s annual funding. Additional federal funding received by the Company, all of which was recorded within “Other paid-in capital” when received, is described below.

In accordance with the Disaster Relief Appropriations Act, 2013 (Public Law No. 113-2, January 29, 2013), Amtrak was provided with grants totaling \$235.0 million for the Hudson Yards Concrete Encasement Project, of which Amtrak has cumulatively received \$231.4 million and \$219.1 million as of September 30, 2017 and 2016, respectively.

Since 2005, the Department of Homeland Security has awarded Amtrak a total of \$170.0 million in annual grants from the Intercity Passenger Rail Grants Program, American Recovery and Reinvestment Act Rail and Transit Security Grant Program, and other security grants. Funding is provided on a reimbursable basis. Amtrak has cumulatively received \$164.9 million and \$156.8 million as of September 30, 2017 and 2016, respectively.

In May 2011, the DOT awarded Amtrak \$449.9 million in American Recovery and Reinvestment Act of 2009 High Speed Intercity Passenger Rail funding to upgrade its rail infrastructure to support more frequent and faster high-speed rail service, and to improve reliability of current service between New York and Washington. The funding supports the project to upgrade electrical power, signal systems, and track and overhead catenary wires between Trenton and New Brunswick, New Jersey — one of the busiest segments of the NEC and where the densest concentration of Acela Express high-speed rail operations occurs. Funding is provided on a reimbursable basis. As of September 30, 2017 and 2016, Amtrak cumulatively received \$440.9 million and \$333.7 million, respectively.

Additional appropriations are made to directly fund operations of Amtrak’s Office of Inspector General (OIG). \$23.3 million was appropriated in FY2017 to be spent by September 30, 2017. Amtrak and the OIG entered into a service agreement on January 8, 2010, whereby Amtrak would continue to provide accounting and financial management services for the OIG. Amtrak is reimbursed for expenses incurred upon the submission of invoices to the OIG. During FY2017, Amtrak received \$21.8 million.

“Other paid-in capital”, included in the Consolidated Balance Sheets and Statements of Changes in Capitalization, also includes the effects of certain funding received from the Federal Government for the acquisition of and improvements to property and equipment. In exchange for this funding, Amtrak issued two promissory notes to the United States of America. The first note has a balance of \$4.0 billion as of September 30, 2017 and 2016, was issued in 1976 and matures on December 31, 2975, and is secured by the real and personal property of Amtrak, WTC and PRIL. The second note has a balance of \$1.1 billion as of September 30, 2017 and 2016, was issued in 1983 and matures on November 1, 2082, with successive 99-year automatic renewal terms, if the note has not been paid at maturity or accelerated in accordance with its terms, and is secured by all rolling stock owned by Amtrak. Neither of the notes bears interest, unless prepaid, which Amtrak does not intend to do. The Federal Government is entitled to repayment and interest in the event Amtrak ceases operations, is acquired by another entity, or seeks relief under bankruptcy or insolvency

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **4. Accounting and Reporting for Federal Payments (continued)**

laws. The amount due to the Federal Government on the first note may be accelerated by enactment of federal law or upon the occurrence of various actions concerning an Amtrak bankruptcy, reorganization, or assignment for the benefit of creditors.

### **5. 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 Secretary 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. As of September 30, 2017 and 2016, 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 for the benefit of the Federal Government. The Amtrak Reform and Accountability Act of 1997 (the Act) resulted in significant modifications to Amtrak's capital structure. The Act abolished the voting rights and the liquidation preference of the preferred stockholder and abolished the requirement that additional preferred stock be issued by Amtrak in exchange for federal grants received. At the time of enactment of the Act, the minimum undeclared cumulative preferred dividend in arrears for all series issued and currently outstanding approximated \$5.8 billion and ranged between \$0.02 and \$97.08 per share. Each share of preferred stock is convertible into ten shares of common stock at the option of the preferred stockholder.

As of September 30, 2017 and 2016, 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, who acquired their stock from four railroads whose intercity rail passenger operations Amtrak assumed in 1971, have voting rights for amendments to Amtrak's Articles of Incorporation proposed by the Board of Directors and for certain other extraordinary events. The Act also required Amtrak to redeem at fair market value the shares of common stock outstanding as of December 2, 1997, by the end of FY2002. As required by the Act, Amtrak made an offer to the stockholders to redeem the stock for cash at a price of \$0.03 per share and by a letter, dated November 2, 2000, counsel for the four common stockholders rejected the offer. A subsequent lawsuit by the common stockholders to enforce the common stock redemption was dismissed by the federal courts.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt

Total mortgages and debt is recorded at amortized cost in the Consolidated Balance Sheets and consists of the following (in thousands):

	September 30, 2017		September 30, 2016	
	Current	Long-Term	Current	Long-Term
Mortgage obligations:				
Penn Station mortgage	\$ —	\$ —	\$ 64,290	\$ —
High speed maintenance facilities	10,349	36,548	7,883	46,897
Frequency converter facility	10,920	117,870	46,825	88,290
Subtotal	21,269	154,418	118,998	135,187
Senior notes:				
Secured senior notes	25,500	331,680	— <sup>1</sup>	— <sup>1</sup>
Unsecured senior notes	16,000	119,000	— <sup>1</sup>	— <sup>1</sup>
Subtotal	41,500	450,680	— <sup>1</sup>	— <sup>1</sup>
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	1,861	31,743	1,817	33,604
Term Loan A	18,671	54,075	18,164	72,746
Term Loan B	6,681	43,070	6,461	49,750
2016 RRIF loan	—	140,327	—	—
Principal amount of mortgages and debt	89,982	874,313	145,440	291,287
Less unamortized discount/premium/ issuance cost	(577)	(11,272)	(308) <sup>2</sup>	(1,883) <sup>2</sup>
Total mortgages and debt	\$ 89,405	\$ 863,041	\$ 145,132	\$ 289,404

<sup>1</sup> Debt obligation entered into in FY2017.

<sup>2</sup> Reflects adoption of ASU 2015-03.

### Letters of Credit

The Company has an unsecured commercial letter of credit of \$2.5 million that supports the issuance of auto fleet insurance. As of September 30, 2017 and 2016, there were no draws against this letter of credit.

### Commercial Paper

In February 2017, the Company completed an offering permitting it to borrow up to \$360 million in the commercial paper (CP) market. CP borrowings are backed by a direct-pay letter of credit issued by the dealer bank in the transaction. The Company may use the program to fund certain costs of the Next Generation High-Speed Trainsets project (see Note 10) at a lower interest rate and to defer for a period of time the payment of the credit risk premium for borrowings under the 2016 RRIF Loan. During FY2017, the Company borrowed and subsequently paid off \$217 million of CP notes and there are no CP notes outstanding as of September 30, 2017. The CP program was terminated on January 5, 2018.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

#### Revolving Credit Facility

On July 26, 2016, Amtrak entered into a Credit Agreement with three lenders for a \$100 million unsecured revolving credit facility. Borrowings under the facility will be used to enhance Amtrak's liquidity. The facility will expire on July 26, 2021. Borrowings under the facility have an interest rate based on the interest rate option selected by Amtrak. The Company may select (a) the base rate option, which is a variable rate equal to the highest of (i) the Federal Funds Open Rate plus 0.5%, (ii) the Prime Rate, and (iii) the Daily London Interbank Offered Rate (LIBOR) plus 1.0%, plus in all cases an applicable margin based on the Company's Standard & Poor's and Moody's ratings (Credit Ratings); or (b) the LIBOR rate option, which is equal to the LIBOR rate for the applicable period plus a margin based on the Company's Credit Ratings. Amtrak must pay a commitment fee on any undrawn portion of the revolving credit facility ranging between 8.5 and 25 basis points based on Amtrak's Credit Ratings. Under the facility, Amtrak is subject to restrictive covenants and financial covenants that require the Company and its subsidiaries to maintain certain financial ratios on a consolidated basis. As of September 30, 2017 and 2016, the Company has not made any draws under the facility.

#### Mortgage Obligations

##### *Penn Station Mortgage*

In June 2001, PSL mortgaged a substantial portion of improvements located at Penn Station in New York, New York for \$300.0 million at a fixed interest rate of 9.25% per annum, which increased to 9.50% effective October 2002. Approximately \$34.3 million was deposited into escrow for the benefit of the lender and was recorded in "Other current assets" in the Consolidated Balance Sheet as of September 30, 2016. The mortgage was fully paid off when it matured in June 2017 and the escrow deposit was released accordingly.

##### *High Speed Maintenance Facilities*

On October 30, 2012, Amtrak purchased the equity ownership interests related to leveraged lease agreements under which Amtrak leases three Acela maintenance facilities. As a result of the buyout, Amtrak no longer makes lease payments relating to the equity interest, but continues to make payments servicing the leveraged lease debt. Amtrak's obligations are collateralized by a pledge of Amtrak's interests in the maintenance facilities.

##### *Frequency Converter Facility*

During FY2001, the Pennsylvania Economic Development Financing Authority (PEDFA) completed two issues, Series A and Series B, of exempt facilities revenue bonds, the net proceeds of which were used to finance part of the costs associated with Amtrak's construction of a frequency converter facility (the Facility). Amtrak procured the bond proceeds of each issue through a structured financing arrangement with PEDFA. Under this arrangement, Amtrak leased the Facility to PEDFA until November 2041, under a long-term ground lease, in exchange for the total net proceeds. Simultaneously, Amtrak leased the Facility back from PEDFA through June 2033, with an option to extend this term through November 2041. PEDFA also has the right to extend Amtrak's leaseback term through November 2041.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

On March 31, 2012, PEDFA issued \$95.1 million of PEDFA exempt facilities revenue refunding bonds (Series A 2012 bonds) to refund Series A of 2001 with varying maturities between November 1, 2013 and 2041. The interest rates on the Series A 2012 bonds range from 3.0% to 5.0% (yields ranging from 1.1% to 4.7%).

On February 15, 2012, the Series B bonds were reissued to a commercial bank for a period of five years (Series B 2012 bonds). The Series B 2012 Bonds continued to have a November 2041 maturity date, but the bond documents provided for a mandatory redemption on February 15, 2017. The interest rate was converted to a tax-effected fraction of the sum of one-month LIBOR plus the applicable spread (based on Amtrak's credit rating) per annum, which was an effective rate of 0.80% as of September 30, 2016.

On February 15, 2017, at the Company's direction, PEDFA issued \$45 million of PEDFA exempt facilities revenue refunding bonds (Series B 2017 bonds) to redeem the Series B 2012 bonds. The Series B 2017 bonds were issued to the same commercial bank for another period of five years with an interest rate of a tax-effected fraction of the sum of three-month LIBOR plus the applicable spread based on the Company's credit rating, which was an effective rate of 2.0% as of September 30, 2017. The Series B 2017 bonds will be repaid in equal quarterly payments of \$2.25 million over a five-year period, with the first payment made on May 15, 2017.

Amtrak's obligations in connection with the Series A Bonds and the Series B Bonds are cross-collateralized by a pledge of Amtrak's interest in the Facility. In addition, Amtrak guaranteed all principal and interest payments by PEDFA on the Series A and Series B bonds.

### 2011 RRIF Loan

On June 21, 2011, the Company entered into a \$562.9 million RRIF Loan financing agreement with the FRA (the 2011 RRIF Loan) and a related Master Lease Agreement with Wells Fargo Bank Northwest (Owner Trustee), to finance the purchase of 70 new electric locomotives, related spare parts, and improvements to existing maintenance facilities to service the new locomotives. Upon acceptance of each locomotive, the associated portion of the obligation under the 2011 RRIF Loan converted to a capital lease for accounting purposes. As of September 30, 2016, all locomotives had been delivered and accepted and, accordingly, the entire balance payable under the 2011 RRIF Loan at September 30, 2016 of \$465.0 million was recorded as a capital lease obligation as of that date. The 2011 RRIF Loan was fully paid off in FY2017 with the proceeds from the issuance of the Senior Notes (see below). In connection with the payoff of the 2011 RRIF Loan, the Company recorded a loss on extinguishment of debt of \$18.7 million.

### Senior Notes

On December 6, 2016, the Company issued 3.60% senior secured notes for \$365 million due November 15, 2033 and 3.81% senior unsecured notes for \$135 million due November 15, 2031 (the Notes). The proceeds from the Notes were used to pay off the outstanding 2011 RRIF Loan capital lease obligation and other related project costs. The secured notes are secured by locomotives acquired under the 2011 RRIF Loan. The Company is repaying the Notes in semi-annual installments beginning in May of 2017 and continuing each May 15 and November 15 thereafter to and including November 15, 2033 for the senior secured notes and November 15, 2031 for the senior unsecured notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

#### **PEDFA 30<sup>th</sup> St. Garage Revenue Bonds**

On January 7, 2003, PEDFA issued \$50.0 million of Revenue Bonds (the 2003 PEDFA Garage Bonds) for the purpose of financing the construction and other related costs of a parking garage located at the 30<sup>th</sup> Street Station in Philadelphia, Pennsylvania (30<sup>th</sup> Street Station Garage).

On November 2, 2012, at Amtrak's request, PEDFA issued \$42.0 million of Revenue Bonds (the 2012 PEDFA Garage Bonds) to refinance the 2003 PEDFA Garage Bonds. At the date of issuance, the 2012 PEDFA Garage Bonds were remarketed to a commercial bank that agreed to hold them for a period of seven years. The 2012 PEDFA Garage Bonds mature in 20 years, with mandatory purchase by Amtrak at par plus accrued interest at the end of the seventh year unless an extension agreement is executed with the commercial bank that holds them. Interest accrues at a variable one month LIBOR rate. On November 2, 2012, Amtrak also entered into an interest rate swap agreement to manage the interest rate risk associated with the 2012 PEDFA Garage Bonds. As a result, the effective interest rate on the 2012 PEDFA Garage Bonds is 2.39%.

Amtrak's obligations with regard to the 2012 PEDFA Garage Bonds are collateralized by a pledge of Amtrak's interests in the 30<sup>th</sup> Street Station Garage.

#### **Term Loan A and Term Loan B**

On November 27, 2013, the Company entered into a \$130.0 million credit facility with PNC National Bank, N.A. (the Bridge Loan). On June 19, 2014, the Company converted the Bridge Loan into a \$200.0 million long-term loan, secured by certain of the Company's P-42 diesel locomotives, of which \$130.0 million was financed with PNC Equipment Finance, LLC (Term Loan A) and \$70.0 million was financed with RBS Asset Finance Inc. (Term Loan B). Under the terms of the agreement for Term Loan A, the Company incurs interest at a rate of LIBOR plus 1.0%. At the time that Term Loan A was entered into, the Company entered into an interest rate swap agreement, the impact of which made the effective interest rate on Term Loan A 2.76%. Under the agreement for Term Loan B, the Company incurs interest at a rate of 3.36%. Term Loan A and Term Loan B will mature on June 20, 2021 and June 20, 2024, respectively.

#### **2016 RRIF Loan**

On August 16, 2016, the Company entered into a \$2.45 billion financing agreement with the Federal Government under the RRIF Loan program to finance the acquisition of 28 Next Generation High-Speed Trainsets (the Trainsets), related spare parts, and improvements to existing facilities and properties (the 2016 RRIF Loan). Amtrak's obligations under the 2016 RRIF Loan are collateralized by a pledge of the Trainsets, spare parts, and the debt service reserve account required under the financing agreement. See Note 10 for a description of the contracts issued to a vendor for the construction and delivery of the Trainsets and related services.

Starting June 15, 2021, the Company will be required to fund and maintain a restricted debt service reserve account equal, over time, to increasing percentages of the projected first year debt service payments to support future debt service. Delivery of the Trainsets is expected to occur between December 2020 and March 2022. Amtrak is not required to begin making repayments on borrowings under the 2016 RRIF Loan until September 15, 2022.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

All borrowings under the 2016 RRIF Loan bear interest at a rate of 2.23% per annum. The Company is capitalizing interest incurred during the construction period of the Trainsets as part of Construction-in-progress in the Consolidated Balance Sheets. The Company also pays a credit risk premium of 5.80% for all amounts borrowed under the 2016 RRIF Loan. The amortization of the credit risk premium is recognized as interest expense and during the construction period is being capitalized as part of Construction-in-progress.

During FY2017, Amtrak drew \$137.5 million under the 2016 RRIF Loan, paid \$8.0 million in credit risk premiums and incurred interest cost of \$3.3 million, all of which was capitalized into Construction-in-progress. No amounts were borrowed prior to FY2017 and no amounts were repaid during FY2017.

#### Interest Rates

The annual weighted-average interest rates for all interest-bearing borrowings (inclusive of the impact of any interest rate swaps) are shown below:

	September 30,	
	2017	2016
Mortgage obligations	4.51 %	5.61 %
Senior notes	3.66	— <sup>1</sup>
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	2.39	2.39
Term loans	3.00	2.99
2016 RRIF Loan	2.23	—
2011 RRIF Loan	N/A	4.04

<sup>1</sup> Debt obligation entered into in FY2017.

The overall weighted-average interest rate on all interest-bearing borrowings (inclusive of the impact of any interest rate swaps) is 3.5% and 4.5% per annum at September 30, 2017 and 2016, respectively.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Mortgages and Debt (continued)

#### Scheduled Mortgages and Debt Maturities

On September 30, 2017, scheduled maturities of mortgages and debt are (in thousands):

Year Ending September 30,	
2018	\$ 89,982
2019	95,055
2020	92,824
2021	56,355
2022	29,603
Thereafter	600,476
Principal amount of mortgages and debt	964,295
Less unamortized discount/premium/issuance cost	(11,849)
Total mortgages and debt	<u>\$ 952,446</u>

Amtrak is subject to various covenants and restrictions under its borrowing arrangements. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default with other debt and may have a material adverse effect on the Company. As of September 30, 2017, the Company had satisfied all of its debt covenant obligations.

### 7. Leasing Arrangements

Amtrak leases equipment, primarily passenger cars and locomotives, and related maintenance infrastructure under capital leasing arrangements. Amtrak has entered into various lease transactions in which the lease structure contains variable interest entities (VIEs). These VIEs were created solely for the purpose of doing lease transactions and have no other activities, assets or liabilities outside of the lease transactions. In some of the arrangements, Amtrak has the option to purchase some or all of the assets at a fixed price, thereby creating variable interests for Amtrak in the VIEs.

Amtrak maintains and operates the assets based on contractual obligations within the lease arrangements, which set specific guidelines consistent with industry standards. As such, Amtrak has no control over activities that could materially impact the fair value of the leased assets. Amtrak does not hold the power to direct the activities of the VIEs and, therefore, does not control the ongoing activities that have a significant impact on the economic performance of the VIEs. Additionally, Amtrak does not have the obligation to absorb losses, or the right to receive benefits of the VIEs.

As of September 30, 2017 and 2016, the gross amount of assets recorded under capital leases was \$1.3 billion and \$1.9 billion, respectively, with accumulated amortization of \$0.8 billion as of September 30 of both years.

Amtrak is subject to various covenants and restrictions under its leasing arrangements. Amtrak has given guarantees or entered into reimbursement agreements in connection with certain of these lease transactions. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default to other Amtrak indebtedness, and may have a material adverse effect on the Company (see Note 6).

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements (continued)

#### Future Minimum Lease Payments

As of September 30, 2017, future minimum lease payments under capital leases are (in thousands):

Year ending September 30,	
2018	\$ 64,827
2019	65,665
2020	60,863
2021	56,490
2022	33,310
Thereafter	16,742
Total minimum lease payments	<u>297,897</u>
Less: discounted to current period amount at interest rates ranging from 5.0% to 9.1%	(61,428)
Present value of minimum lease payments at September 30, 2017	<u>\$ 236,469</u>

The current portion of capital lease obligations as of September 30, 2017 and 2016, was \$46.8 million and \$70.9 million, respectively, and is presented in “Current maturities of long-term debt and capital lease obligations” in the Consolidated Balance Sheets.

#### Operating Leases

As of September 30, 2017, Amtrak is obligated for the following minimum rental payments under operating lease agreements (in thousands):

Year ending September 30,	
2018	\$ 17,390
2019	15,825
2020	13,363
2021	12,254
2022	11,832
Thereafter	48,516
Total	<u>\$ 119,180</u>

Rent expense for FY2017 and FY2016 was \$53.1 million and \$52.6 million, respectively.

Amtrak leases offices, operating areas, stations and other terminal space. These leases often contain renewal options to enable the Company to retain the use of facilities. Some of the leases contain escalation clauses that increase the rents based on a fixed or variable rate, such as an inflation factor index. Under certain leases, the Company is obligated to pay additional amounts based on the facility’s operating expenses.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 8. Fair Value Measurements

The estimated fair value of Amtrak's financial instruments, which were measured at amortized cost on the Company's Consolidated Balance Sheet, is as follows (in thousands):

	September 30, 2017		September 30, 2016	
	Principal Amount	Fair Value	Principal Amount	Fair Value
Mortgage obligations	\$ 175,687	\$ 188,548	\$ 254,185	\$ 287,287
Senior Notes	492,180	507,526	— <sup>1</sup>	— <sup>1</sup>
PEDFA 30 <sup>th</sup> St. Garage Revenue Bonds	33,604	34,005	35,421	33,297
Term Loan A	72,746	73,511	90,910	92,588
Term Loan B	49,751	51,116	56,211	58,746
2016 RRIF Loan	140,327	127,532	—	—
<b>Total</b>	<b>\$ 964,295</b>	<b>\$ 982,238</b>	<b>\$ 436,727</b>	<b>\$ 471,918</b>

<sup>1</sup> Debt obligation entered into in FY2017.

The estimated fair values of the financial instruments listed above are based upon discounted cash flow analyses using interest rates available to Amtrak at September 30, 2017 and 2016, for debt with the same remaining maturities.

For cash and cash equivalents, including restricted cash and cash equivalents; accounts receivable; accounts payable; and accrued expenses and other current liabilities, the carrying amounts approximate fair value given the short-term nature of the financial instruments.

### 9. Income Taxes

The Company recorded \$2.1 million and \$1.8 million of income tax expense for the years ended September 30, 2017 and 2016, respectively. In both years, income tax expense resulted from net deferred tax liabilities (DTLs) that arise in periods subsequent to the expiration of the Company's existing net operating losses (NOLs) calculated in accordance with the requirements of FASB ASC 740, *Income Taxes*.

A reconciliation of the expected amount computed by applying the U.S. federal statutory income tax rate of 35% to Amtrak's pretax loss to Amtrak's actual effective income tax rate for FY2017 and FY2016 is as follows:

	Year ended September 30,	
	2017	2016
U.S. federal statutory income tax rate	35.0 %	35.0 %
Valuation allowance	(35.1)	4.4
Book/tax basis difference	(1.2)	(31.2)
Adjustments to OCI	(0.9)	0.5
Federal operating grants	—	(10.9)
Other	2.0	2.0
<b>Effective income tax rate</b>	<b>(0.2) %</b>	<b>(0.2) %</b>

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 9. Income Taxes (continued)

The increase in the valuation allowance from FY2016 to FY2017 was due to a change in the tax treatment of federal grants and in tax depreciation on fixed assets acquired using federal grants.

Deferred income tax assets and liabilities were comprised of the following (in thousands):

	September 30,	
	2017	2016
Deferred tax assets:		
Net operating loss carryforward	\$ 2,827,329	\$ 2,633,165
Pension and other postretirement employee benefits	253,079	302,538
Accrued vacation and other compensation accruals	87,982	65,153
Capital leases	82,452	100,666
Claims reserves	67,394	73,038
Other accruals	34,641	32,405
Deferred gain on sale leaseback	13,948	15,640
Insurance recoveries	10,098	12,179
Inventory reserve	9,967	9,679
Bad debt reserve	2,554	1,873
Capitalized software	196	209
Gross deferred tax assets	3,389,640	3,246,545
Less: valuation allowance	(386,798)	(47,676)
Net deferred tax assets	3,002,842	3,198,869
Deferred tax liabilities:		
Fixed assets	(3,054,745)	(3,248,541)
Deferred rent	(1,256)	(1,377)
Gross deferred tax liabilities	(3,056,001)	(3,249,918)
Net deferred tax liability	\$ (53,159)	\$ (51,049)

Amtrak has recorded valuation allowances against net deferred tax assets as it is more likely than not that the results of future operations will not generate sufficient taxable income to realize deferred tax assets. In the current year, the valuation allowance increased by \$339.1 million.

NOL carryforwards were \$8.1 billion and \$7.5 billion as of September 30, 2017 and 2016, respectively. The carryforwards at September 30, 2017, will expire in various years from 2018 through 2037.

The Company is subject to examination by the Internal Revenue Service and other tax authorities in states in which it operates. The tax years still subject to examination are FY2014 and forward.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies

#### Financial Assistance

Amtrak receives significant financial assistance from the Federal Government in the form of grants and entitlements. The right to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances because of these audits become a liability of the Company. The Company does not believe that the liabilities that may result from such audits for periods through September 30, 2017, would have a material effect on its financial position or the results of operations.

#### Commitments

Amtrak has various purchase commitments related to capital improvements pertaining to the ordinary conduct of business. In addition, Amtrak has entered into various agreements with states, cities, and other local transportation authorities and private companies pursuant to which Amtrak is required to fund various railroad facility and infrastructure improvements, and to fund the remanufacture and supply of railroad passenger equipment. Such commitments are not in excess of expected requirements and are not reasonably likely to result in performance penalties or payments that would have a material adverse effect on the Company's liquidity.

On August 8, 2016, the Company entered into a Purchase Agreement with a contractor for the acquisition of 28 Trainsets, to replace the Company's current *Acela Express* equipment which runs on the NEC (the Next-Generation High-Speed Trainsets Project). The base price of the contract is \$1.4 billion. Financing for the contract was obtained under the 2016 RRIF Loan (see Note 6). The Company issued a Notice to Proceed (NTP) to the contractor on August 16, 2016. The Company will make payments to the contractor pursuant to an approved payment schedule upon the contractor's successful completion of certain tasks (milestones) during the contract. As of September 30, 2017, Amtrak has received letters of credit for a total of \$434.9 million for which Amtrak is the beneficiary. Additional letters of credit will be issued during the construction period. As of September 30, 2017, the Company has incurred \$541.8 million in project related costs. Also on August 8, 2016, the Company entered into a technical support and spares supply agreement with the same contractor to provide technical support, spares and other related services for the fifteen-year period commencing upon acceptance of the first Trainset, expected in 2020. The base price for the technical support and spares supply agreement is \$637.6 million. As of September 30, 2017, the Company has incurred \$13.9 million in cost related to the agreement.

On August 3, 2010, the Company entered into a contract with a contractor to purchase 130 new long-distance single level cars. The Company issued an NTP to the contractor on September 7, 2010. As of September 30, 2017, the base price of the contract with change orders is \$299.5 million. The Company makes payments to the contractor pursuant to an approved payment schedule upon the contractor's successful completion of certain tasks (milestones), e.g. design, fabrication, testing and manufacturing of the cars, during the contract. As of September 30, 2017, the Company has incurred \$214.4 million in project-related costs. Deliveries of the cars started in December 2014. As of September 30, 2017, the Company has taken delivery of 78 cars. The contractor's most recent delivery schedule shows delivery of the final cars in December 2020.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

Most of the rights-of-way over which Amtrak operates are owned by other railroads. Amtrak operates over such rights-of-way under agreements with these railroads. The terms of the agreements range up to twenty years, although they may remain in effect longer if neither party seeks to renegotiate. Payments to these railroads vary based on levels of usage and performance. The total amount incurred by Amtrak for operations over the right-of-way during FY2017 and FY2016 totaled \$141.9 million and \$155.7 million, respectively, and are included in “Train operations” in the Consolidated Statements of Operations.

### Risk of Liability and Insurance

The Amtrak Reform and Accountability Act of 1997 limited the amount railroad passengers may recover from a single accident to an aggregate of \$200.0 million. In December 2015, the FAST Act increased the limit to \$295.0 million for the Train No. 188 Derailment (see below for additional disclosures on the derailment). The FAST Act also required the DOT Secretary to calculate a revised claim limit for all other railroad passenger claims from a single incident based on the consumer price index since December 2, 1997. On January 11, 2016, the DOT Secretary issued its calculation setting the new limit at \$294.3 million effective February 11, 2016. The FAST Act requires this to be adjusted every five years after the date of the FAST Act’s enactment, so this new claim limit will remain effective through 2020. As non-passenger liability is not limited and there is also a need to insure in the event of multiple occurrences per policy period, Amtrak purchases excess liability insurance limits beyond the statutory cap.

Amtrak operates a majority of its passenger rail service on tracks owned by freight railroads. Amtrak indemnifies these railroads for certain liabilities that arise as a result of its operations on freight tracks. Its indemnity generally applies to bodily injury and property damage claims made by its employees, passengers, and third parties struck by its trains, and for damage to its equipment. The freight railroads generally indemnify Amtrak for bodily injury and property damage claims made by freight railroad employees and third parties, and for damage to freight railroad equipment, lading, and property.

Amtrak maintains various insurance policies to cover its liability to employees and other parties for injury or damage resulting from accidents, to cover Amtrak’s loss resulting from damage to Amtrak property and to insure against catastrophic events. Losses within the self-insured retentions and deductibles under these policies are self-insured by Amtrak.

### Train No. 188 Derailment

On May 12, 2015, Amtrak Northeast Regional Train No. 188 from Washington, D.C. bound for New York City derailed on a 50-mph curve along the NEC in the Port Richmond neighborhood of Philadelphia, Pennsylvania. Eight people were killed and over 200 were injured.

The court with jurisdiction over this matter (the Court) announced a settlement program for passenger liability claims resulting from the Train No. 188 Derailment (the Program). The Program provided for the establishment of a pool of \$265 million less certain deductions determined by the Court after consultation with Amtrak and the Plaintiff’s Management Committee (PMC). The Court order required plaintiffs who had filed lawsuits to declare whether they intended to participate in the Program by a certain date or pursue their claim separately. All plaintiffs elected to participate in the Program.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

On July 31, 2017, the Court issued an order settling the Program and all claims under the Program were dismissed. As a result of the settlement, and subsequent disbursement of funds to the plaintiffs, the Company relieved the liability and receivable related to the passenger claims under the settlement. The Company paid out amounts in excess of its self-insured retention amount and as of September 30, 2017, recorded an insurance recovery receivable related to amounts paid by the Company that are covered under its liability insurance policies but weren't covered under the Program. Subsequent to September 30, 2017, the full amount recorded was collected.

In addition, Amtrak suffered property damage in the incident. The estimated replacement cost of property damaged is \$57.6 million. In October 2016, the Company reached settlement with its property insurers for a total payment of \$40.8 million (\$50.8 million total agreed upon loss less \$10.0 million self-insured retention amount). As of September 30, 2016, the Company had received insurance proceeds of \$25.5 million, and the Company received the remaining proceeds in FY2017. \$15.8 million received in FY2017 and \$6.8 million received in FY2016 were recorded as a recovery of business interruption losses in "Other expenses" in the Company's Consolidated Statements of Operations.

### Labor Agreements

Excluding employees within Amtrak's OIG, approximately 84% of Amtrak's labor force is covered by labor agreements. Under the Railway Labor Act, labor contracts never expire but are instead opened periodically for renegotiation. Although there are no timeframes for negotiations to be completed, it is likely there could be retroactive wage increases in settlements, consistent with prior agreements. As of September 30, 2017, Amtrak was still negotiating labor contracts with all of its unionized workforce.

The Company has accrued \$125.9 million and \$44.0 million within "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets as of September 30, 2017 and 2016, respectively, which represents its best estimate for retroactive wage increases resulting from settlements of such agreements for services through those dates.

### Legal Proceedings

Amtrak is involved in various litigation and arbitration proceedings in the normal course of business, including but not limited to several distinct tort, contract, eminent domain and civil rights claims. The outcome of these matters cannot be predicted with certainty. When management concludes that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in management's opinion, recorded liabilities, where applicable, are adequate to cover the future payment of such liabilities and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to Amtrak's results of operations in a particular year. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments are known.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **10. Commitments and Contingencies (continued)**

#### **Americans with Disabilities Act Compliance**

Under the Americans with Disabilities Act (ADA), stations in the intercity rail transportation system served by Amtrak were required to be readily accessible to and usable by individuals with disabilities no later than July 26, 2010, 42 U.S.C. §12162(e). This requirement applies to all components of a station used by the general public, including passenger platforms, designated waiting areas, ticketing areas, restrooms, and in some cases, concession areas. The Company has developed a plan to bring the station components for which it is legally responsible into ADA compliance. This plan is regularly updated and adjusted based on new information and external factors, such as direction the Company receives from the FRA and other government agencies. On June 9, 2015, the Department of Justice (DOJ) provided Amtrak with a Letter of Findings and Conclusions regarding ADA compliance at Amtrak. DOJ has indicated, both in its Letter of Findings and in its communications with Amtrak's counsel, that DOJ intends to work cooperatively with Amtrak to negotiate a settlement or consent decree. Amtrak is working to obtain sufficient funding to achieve full ADA compliance of all station components for which it is responsible under the ADA. The extent of these estimated costs and effects of non-compliance on operations cannot be determined at this time. Further, the nature of all expenditures that will be incurred, and the effect on operating results, have not yet been fully analyzed. Accordingly, the accompanying financial statements do not reflect the costs of Amtrak becoming fully compliant with the ADA. As of September 30, 2017, Amtrak has spent a total of \$424.9 million on ADA-related projects. Approximately \$44.4 million and \$38.0 million of the expenditures were incurred during FY2017 and FY2016, respectively.

#### **Positive Train Control**

In 2008, Congress enacted the Rail Safety Improvement Act. The legislation included a mandate that all Class I railroads and each railroad hosting intercity or commuter rail passenger service have Positive Train Control (PTC) systems installed and operating by December 31, 2015, provided, however, that a Class I railroad is only required to install PTC on routes where there are five million or more gross tons of railroad traffic per year and the presence of either passenger trains or poison by inhalation hazardous materials. PTC is a system of functional requirements for monitoring and controlling train movements and is a type of train protection system. The FRA rules for PTC provide for exceptions to these PTC requirements, which are subject to FRA approval, on rail lines hosting passenger trains on which freight traffic volumes, and the number of passenger trains operated, do not exceed limits specified in the rule. In October 2015, Congress passed the Surface Transportation Extension Act of 2015, which included a three-year extension of the PTC deadline. Amtrak is working with federal authorities and commuter and freight railroads to ensure Amtrak trains are compliant with PTC systems adopted for use by host railroads. Additional funding to fully comply with PTC requirements is necessary and will be requested. Compliance with PTC requirements on the host railroads outside of the NEC could result in significant costs to Amtrak. Amtrak's contribution to PTC installation and maintenance on host railroad property has not yet been defined. Accordingly, the accompanying financial statements do not reflect an estimated liability for the cost of Amtrak becoming fully compliant with PTC.

The NEC rail line owned or controlled by the Company between Boston and Washington was fully PTC compliant by the original December 31, 2015 deadline, except for a few miles where technical issues are being resolved. Although all other Amtrak owned and/or operated rail lines, and Amtrak owned and controlled locomotives, are expected to be in compliance with the PTC requirements by December 31, 2018, it is possible

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

that Amtrak service could be disrupted in areas on host railroads where PTC has not yet been fully implemented by the deadline. However, the possible impact of any such disruption cannot be estimated at this time. There is a provision in the Surface Transportation Extension Act of 2015 allowing railroads making sufficient progress installing PTC to seek an additional extension to December 31, 2020. As of September 30, 2017, Amtrak has spent \$196.5 million for PTC-related projects on Amtrak owned or controlled rail lines and equipment. Approximately \$16.7 million and \$18.2 million of the expenditures were incurred during FY2017 and FY2016, respectively.

Certain host railroads over which Amtrak operates its passenger trains have asserted material claims against Amtrak to recover costs of PTC installation and maintenance, and other host railroads may assert claims in the future. They may also assert future claims to recover from Amtrak certain PTC maintenance costs. The Company is in the process of analyzing the documents provided to date by the host railroads and evaluating the likelihood that Amtrak would be responsible for certain of the costs incurred by the host railroads in connection with their implementation of PTC on host railroad owned property. Amtrak believes that it may not be responsible for all costs claimed to date by the host railroads, and is evaluating the claims to ensure that all exemptions have been obtained and that the claimed costs are required to be paid by Amtrak pursuant to the terms of the operating agreements in place between Amtrak and its host railroads, and by statute.

As of September 30, 2017, Amtrak has accrued its best estimate of the liability associated with PTC installation related to host railroad PTC implementation for the incurred amounts determined to be both probable and reasonably estimable. Amtrak anticipates that additional accruals, which may be material, could be recorded in the future once the Company completes its analysis of those claims and its negotiations with the hosts. Accordingly, Amtrak believes that it is reasonably possible that it may incur additional material liability in excess of the amount recognized to date but such amounts cannot be estimated at this time. Accruals for amounts to be paid to these railroads will be reflected in the periods in which such liability becomes probable and estimable. In addition, Amtrak believes that it may be eligible to recover some of the amounts to be paid to the host railroads from the state agencies for which Amtrak has agreements to provide service; however, Amtrak has not recorded any amounts related to this potential recovery.

### 11. Environmental Matters

The Company is subject to extensive and complex federal and state environmental laws and regulations that 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. Amtrak's policy is to accrue estimated liabilities and capitalize such remediation costs if they extend the life, increase the capacity or improve the safety or efficiency of the property; mitigate or prevent environmental contamination that has not occurred but may result from future operations; are incurred in preparing the property for sale; or are incurred on property acquired with existing environmental conditions, and to expense other remediation costs. The liability is periodically adjusted based on Amtrak's present estimate of the costs it will incur related to these sites and/or actual expenditures made. Some of the Company's real estate properties may have the presence of environmentally regulated wastes or materials. If these properties undergo excavations, major renovations or are demolished, certain environmental regulations that are in place may specify the manner in which the wastes or materials must be assessed, handled, and disposed. The Company has identified a number of locations for which excavations and major renovations are planned

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 11. Environmental Matters (continued)

and liabilities have been recorded. In the future, the Company may plan other excavations, demolitions, major renovations or other construction activities that affect similar wastes or materials.

Although a potential liability exists for the removal or remediation of environmentally regulated materials, sufficient information is not available currently to estimate the liability, as the range of time over which the Company may settle these obligations is unknown or cannot be reasonably estimated at this time. Although the Company believes it has appropriately recorded current and long-term reserves for known and estimable future environmental costs, it could incur significant costs that exceed reserves or require unanticipated cash expenditures as a result of any of the foregoing. Based upon information currently available, the Company believes its environmental reserves are adequate to fund remedial actions to comply with present laws and regulations, and that the ultimate liability for these matters, if any, will not materially affect its overall financial condition, results of operations, or liquidity. As of September 30, 2017 and 2016, the environmental reserve was \$135.5 million and \$66.9 million, respectively. These reserves for estimated future environmental costs are undiscounted and include future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs. The current portion of the reserve was \$19.5 million and \$24.3 million as of September 30, 2017 and 2016, respectively, and is reported in “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets. Of the reserve, \$110.1 million and \$49.6 million, included in “Right-of-way and other properties” in the Consolidated Balance Sheets as of September 30, 2017 and 2016, respectively, relates to estimated future capital expenditures for environmental remediation.

The amounts included in “Environmental Reserve” in the Consolidated Balance Sheets reflect only Amtrak’s estimate of its portion of the gross liability. The ultimate liability for environmental remediation is difficult to determine with certainty due to, among other factors, the number of potentially responsible parties, site-specific cost sharing arrangements, the degree and types of contamination, potentially unidentified contamination, developing remediation technology, and evolving statutory and regulatory standards related to environmental matters. In addition, for certain known sites, the ultimate liability cannot be estimated until the results of the remedial investigation phase are known.

Amtrak’s management and legal counsel believe that additional future remedial actions for known environmental matters will not have a material adverse effect on the Company’s results of operations or financial condition.

### 12. Postretirement Employee Benefits

Amtrak has a qualified non-contributory defined benefit retirement plan (the Retirement Income Plan) whose assets are held in trust covering certain nonunion employees and certain union employees who at one time held nonunion positions. Prior to FY2016, the Retirement Income Plan was closed to new entrants and frozen for future benefit accruals. Amtrak provides medical benefits to its qualifying retirees and life insurance to some retirees in limited circumstances under its postretirement benefits program.

On August 10, 2016, the Retirement Income Plan was amended to permit retirees with vested balances greater than \$1,000 and who are not actively receiving benefits from the plan to receive a lump sum payment equal to the actuarial equivalent of the retiree’s accrued benefit or an actuarial equivalent immediate annuity in the applicable normal annuity form under the plan. In December 2016 and January 2017, the Company made settlement payments totaling \$21.9 million. As a result of the settlement, in FY2017 the projected benefit

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

obligation was reduced by \$22.7 million, and the Company reclassified \$5.4 million related net loss from "Accumulated other comprehensive loss" on its Consolidated Balance Sheet to "Salaries, wages and benefits" expense on the Consolidated Statement of Operations.

#### Obligations and Funded Status

The liability of the Company's pension benefits under its Retirement Income Plan, as well as other postretirement benefits plans, as of September 30, 2017 and 2016 was as follows (in thousands):

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Reconciliation of projected benefit obligation:				
Obligation at October 1	\$ 495,789	\$ 479,630	\$ 794,748	\$ 869,177
Service cost	—	—	17,447	19,763
Interest cost	18,374	20,760	26,542	34,128
Actuarial (gain) loss	(5,220)	15,875	(92,823)	(74,127)
Employee contributions	—	—	2,797	2,641
Benefit payments	(43,827)	(20,476)	(54,489)	(56,834)
Obligation at September 30	<u>\$ 465,116</u>	<u>\$ 495,789</u>	<u>\$ 694,222</u>	<u>\$ 794,748</u>
Reconciliation of fair value of plan assets:				
Plan assets at October 1	\$ 426,142	\$ 399,264	\$ —	\$ —
Actual gain on plan assets	42,084	35,013	—	—
Employer contributions	14,000	14,000	51,692	54,192
Participant contributions	—	—	2,797	2,641
Medicare Part D subsidy	—	—	74	91
Benefit payments, net	(45,971)	(22,135)	(54,563)	(56,924)
Plan assets at September 30	<u>\$ 436,255</u>	<u>\$ 426,142</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status:				
Net liability recognized in Consolidated Balance Sheets	<u>\$ (28,861)</u>	<u>\$ (69,647)</u>	<u>\$ (694,222)</u>	<u>\$ (794,748)</u>
Accumulated benefit obligation at September 30	<u>\$ (465,116)</u>	<u>\$ (495,789)</u>	<u>\$ (694,222)</u>	<u>\$ (794,748)</u>

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

Pension and other postretirement benefit amounts recognized in the Consolidated Balance Sheets as of September 30, 2017 and 2016 are as follows (in thousands):

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Current liabilities	\$ 14,000	\$ 23,558	\$ 53,683	\$ 59,764
Non-current liabilities	14,861	46,089	640,539	734,984
Net amount recognized	\$ 28,861	\$ 69,647	\$ 694,222	\$ 794,748

Pension and other postretirement benefit amounts recognized in accumulated other comprehensive loss in FY2017 and FY2016 are as follows (in thousands):

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Net loss	\$ 112,697	\$ 139,489	\$ 209,652	\$ 339,378
Prior service cost	—	—	(205,416)	(335,912)
Net amount recognized	\$ 112,697	\$ 139,489	\$ 4,236	\$ 3,466

### Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost for the plans for FY2017 and FY2016 (in thousands):

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Service cost	\$ 1,370	\$ 760	\$ 17,447	\$ 19,763
Interest cost	18,374	20,760	26,542	34,128
Expected return on plan assets	(27,942)	(28,281)	—	—
AOCI reclassification adjustment <sup>1</sup> :				
Amortization of prior service credit	—	—	(130,496)	(130,429)
Amortization of net loss	2,796	3,255	36,903	50,076
Settlement loss	5,408	—	—	—
Net periodic benefit cost (income)	\$ 6	\$ (3,506)	\$ (49,604)	\$ (26,462)

<sup>1</sup> Reclassifications from Accumulated Other Comprehensive Income (AOCI) were recorded within “Salaries, wages, and benefits” expense in the Consolidated Statements of Operations.

The estimated net loss for the Retirement Income Plan that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year is \$2.8 million.

The estimated net loss and prior service cost for the other postretirement plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year are \$25.7 million and a credit of \$131.5 million, respectively.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### Plan Assets

The Company's pension plan asset allocation at September 30, 2017 and 2016, and initial target allocation for 2018, are as follows:

	Plan Assets		
	2018	2017	2016
Long-term fixed income securities	70.0 %	<b>66.3 %</b>	36.5 %
Domestic equity securities	14.0	<b>15.0</b>	32.6
Global asset allocation funds	11.0	<b>11.6</b>	20.6
Real estate investment trust	5.0	<b>5.4</b>	6.6
Money market funds	—	<b>1.9</b>	4.2
Derivatives	—	—	0.2
Other <sup>1</sup>	—	<b>(0.2)</b>	(0.7)
Total	100.0 %	<b>100.0 %</b>	100.0 %

<sup>1</sup> Other consisted of receivables and payables related to unsettled transactions.

The long-term objective for assets held by the Retirement Income Plan is to generate investment returns that, in combination with funding contributions from the Company, provide adequate assets to meet all current and future benefit obligations of the Retirement Income Plan. The investment objectives seek to reduce funded status volatility as the Retirement Income Plan's funded status increases and ultimately would position the Retirement Income Plan to be in a position to defease the pension liability. Over the long term, it is anticipated that asset-liability management strategy will be the key determinant of the returns generated by the pension assets and the associated volatility of returns and funded status. In particular, the level of the "return-seeking portfolio" (which includes domestic and international equity, global investment grade bonds, high yield bonds, bank loans, emerging market debt and real estate) and the structure of the long-term fixed income portfolio" (primarily longer duration investment grade fixed income securities denominated in U.S dollars) are the key elements of the asset-liability strategy for the pension investment program. The Retirement Income Plan's strategic allocation policy is based on the Retirement Income Plan's current funded status. The Retirement Income Plan's return requirements and risk tolerance will change over time. As a result of the Retirement Income Plan's asset allocation strategies, there are no significant concentrations of risk within the portfolio of investments.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. FASB ASC Topic 820 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.).
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy. The Company does not intend to sell any of its investments in funds at an amount different from net asset value (NAV) per share as of September 30, 2017, nor does the Company have any unfunded commitments related to these funds.

#### *Fixed Income Securities*

This investment category consists of U.S. government securities, corporate bonds, government bonds and municipal bonds. These assets are valued based on a compilation of primarily observable market information or a broker quote in a non-active market. These assets are classified as Level 2 investments.

#### *Domestic Equity Securities*

This investment category consists of common stock issued by U.S. corporations and American Depository Receipts (ADRs) issued by U.S. banks. Common stock and ADRs are traded actively on exchanges and price quotes for these shares are readily available.

The Vanguard Total Stock Market Index fund (fair value of \$65.4 million and \$138.6 million as of September 30, 2017 and 2016, respectively) seeks to closely track the performance of the Center for Research and Security Prices US Total Market Index, which is considered a gauge of small-, mid-, and large-cap growth and value stocks regularly traded on the New York Stock Exchange and NASDAQ.

This investment is classified as a Level 1 investment.

#### *Global Asset Allocation Funds*

At September 30, 2017 and 2016, investments in this category consisted of the Vanguard FTSE All World ex-US Index fund (Vanguard INTL) and the PIMCO Diversified Income Fund (PIMCO DIF).

The Vanguard INTL investment (fair value of \$34.4 million and \$67.8 million as of September 30, 2017 and 2016, respectively) seeks to track the performance of a benchmark index that measures the investment return of stocks of companies located in developed and emerging markets around the world, excluding the United States.

The PIMCO DIF investment (fair value of \$16.1 million and \$20.1 million as of September 30, 2017 and 2016, respectively) actively manages a portfolio that invests across a broad universe of fixed income instruments in the global credit markets.

Both funds in this category are actively traded; price quotes for these shares are readily available; and these assets are classified as Level 1 investments.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### *Real Estate Investment Trust*

This category consists of an investment in the Morgan Stanley Prime Property fund. The fair value of the investments in the Prime Property Fund has been estimated using the NAV of the Plan's ownership interest (units) in the partner's capital. The investment in the Prime Property Fund can be redeemed on a quarterly basis but with no guarantee that cash will be available at any particular time to fund the redemption request. If the cash is not available, the redemption will be deferred at the discretion of the fund manager until sufficient cash is available. There were no unfunded withdrawal requests as of September 30, 2017 or September 30, 2016. Investments in real estate investment funds are classified as Level 2 investments.

#### *Money Market Funds*

Money market funds generally transact subscription and redemption activity at a \$1.00 stable NAV. However, on a daily basis the fund's NAV is calculated using the amortized cost (not market value) of the securities held in the fund. Investments in the money market funds can be redeemed on a daily basis. There were no unfunded withdrawal requests as of September 30, 2017 or September 30, 2016. Investments in money market funds are classified as Level 2 assets. Amtrak's category of investments in money market funds consists of the JPMorgan 100% U.S. Treasury Securities Money Market Fund, which is consistent with significant accounting policy section of the JP Morgan's Money Market Funds Annual Report that states for the investment valuation for JPMorgan 100% U.S. Treasury Securities Money Market Fund that, "Each Fund has elected to use the amortized cost method of valuation pursuant to Rule 2a-7 under the 1940 Act provided that certain conditions are met, including that the Fund's Board of Trustees continues to believe that the amortized cost valuation method fairly reflects the market based NAV per share of the Fund."

#### *Derivatives*

At September 30, 2016, this investment category consisted of short U.S. treasury futures to shorten the duration of the underlying long-term fixed income portfolio and was classified as a Level 2 investment. The Company exited out of its derivative positions in FY2017 and does not have any outstanding positions as of September 30, 2017. The investment fair value as of September 30, 2016 was \$1.0 million which represented the value of the derivative exposure.

## National Railroad Passenger Corporation and Subsidiaries (Amtrak)

### Notes to Consolidated Financial Statements (continued)

#### 12. Postretirement Employee Benefits (continued)

The following table represents the fair values of the Company's pension assets by level within the fair value hierarchy as of September 30, 2017 and 2016 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>September 30, 2017</b>				
U.S. government securities	\$ 10,173	\$ —	\$ 10,173	\$ —
Corporate bonds	239,014	—	239,014	—
Government bonds	19,897	—	19,897	—
Municipal bonds	20,543	—	20,543	—
Total fixed income	<u>289,627</u>	<u>—</u>	<u>289,627</u>	<u>—</u>
Large cap	58,611	58,611	—	—
Mid cap	5,676	5,676	—	—
Small cap	1,100	1,100	—	—
Total equity securities	<u>65,387</u>	<u>65,387</u>	<u>—</u>	<u>—</u>
Money market funds	8,147	—	8,147	—
Real estate investment trust	23,463	—	23,463	—
Global asset allocation funds	50,514	50,514	—	—
Total fair value investments	<u>437,138</u>	<u>\$ 115,901</u>	<u>\$ 321,237</u>	<u>\$ —</u>
Other <sup>1</sup>	(883)			
Total plan assets	<u>\$ 436,255</u>			

<sup>1</sup> Other primarily consisted of receivables and payables related to unsettled transactions.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	Total	Level 1	Level 2	Level 3
<b>September 30, 2016</b>				
U.S. government securities	\$ 9,578	\$ —	\$ 9,578	\$ —
Corporate bonds	127,083	—	127,083	—
Government bonds	6,644	—	6,644	—
Municipal bonds	12,032	—	12,032	—
Asset-backed securities	101	—	101	—
Total fixed income	<u>155,438</u>	<u>—</u>	<u>155,438</u>	<u>—</u>
Large cap	122,471	122,471	—	—
Mid cap	13,370	13,370	—	—
Small cap	2,795	2,795	—	—
Total equity securities	<u>138,636</u>	<u>138,636</u>	<u>—</u>	<u>—</u>
Money market funds	17,981	—	17,981	—
Real estate investment trust	28,067	—	28,067	—
Global asset allocation funds	87,938	87,938	—	—
Derivatives	974	—	974	—
Total fair value investments	<u>429,034</u>	<u>\$ 226,574</u>	<u>\$ 202,460</u>	<u>\$ —</u>
Other <sup>1</sup>	(2,892)			
Total plan assets	<u>\$ 426,142</u>			

<sup>1</sup> Other primarily consisted of receivables and payables related to unsettled transactions.

### Rate of Return

Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. These include historical rates of return over the past three-, five- and ten-year periods as well as projected long-term rates of return obtained from pension investment consultants.

In the short term, there may be fluctuations of positive and negative yields year over year, but over the long term, the return is expected to be approximately 6.25%.

### Estimated Future Benefit Payments

Based upon the assumptions used to measure the pension and other postretirement benefit obligations as of September 30, 2017, including pension and other postretirement benefits attributable to estimated future employee service, Amtrak expects that pension benefits and other postretirement benefits to be paid over the next ten years will be as follows (in thousands):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	Pension Benefits	Other Benefits
Year ending September 30,		
2018	\$ 24,672	\$ 53,683
2019	25,715	54,083
2020	26,427	54,267
2021	27,052	52,741
2022	27,471	50,467
2023-2027	139,322	245,880

#### Contributions

In FY2018, Amtrak expects to contribute \$14.0 million to the defined benefit plan and \$53.7 million towards other postretirement benefits.

#### Assumptions

Weighted-average assumptions used to determine benefit obligations as of September 30, 2017 and 2016 are as follows:

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Discount rate	3.86 %	3.74 %	3.68-3.70 %	3.44-3.50 %

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2017 and 2016 are as follows:

	Pension Benefits		Other Benefits	
	2017	2016	2017	2016
Discount rate	3.74-4.29 %	4.43 %	3.44-3.50 %	3.99-4.17 %
Expected long-term return on assets	7.00 %	7.25 %	N/A	N/A

Assumed health care cost trend rates are as follows:

	September 30,	
	2017	2016
Health care cost trend rate assumed for next year	7.71-8.89 %	7.25-8.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2026	2026

Assumed health care cost trend rates have a significant effect on the amounts reported for the other defined benefit post retirement plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on the Other Benefits plans (in thousands):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

	1% Increase	1% Decrease
Effect on total of service and interest cost component	\$ 4,418	\$ (3,737)
Effect on postretirement benefit obligation	43,575	(38,182)

### Prescription Drug Benefits

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Medicare Act) was signed into law. The Medicare Act introduced a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Amtrak elected to record an estimate of the effects of the Medicare Act in accounting for its postretirement benefit plans and provide disclosures required by ASC Topic 715, *Compensation - Retirement Benefits*. Amtrak's accumulated pension benefit obligation for its other benefits is reduced by \$1.1 million and \$2.0 million for FY2017 and FY2016, respectively, for this prescription drug benefit.

### 401(k) Savings Plans

Amtrak provides a 401(k) savings plan for nonunion employees. Under the plan, Amtrak matches a portion of employee contributions up to seven percent of the participant's salary, subject to applicable limitations. Amtrak's expenses under this plan were \$18.4 million and \$17.8 million for FY2017 and FY2016, respectively.

Additionally, Amtrak provides a 401(k) saving plan for union employees. Amtrak does not match any portion of the employee contributions under this plan.

### 13. Subsequent Events

#### Train No. 501 Derailment

On December 18, 2017, Amtrak Train No. 501, traveling from Seattle, WA to Portland, OR, derailed in the area of DuPont, WA. There were 77 passengers, five Amtrak employees and a technician on board. Three passengers were killed and many were injured. A number of lawsuits on behalf of passengers, employees and motorists have been filed and more are anticipated. The severity of the incident will result in property damages that will exceed the Company's property insurance deductible of \$0.1 million and passenger, employee and motorist claims that will likely exceed the Company's excess liability insurance self-insured retention of \$20.0 million. The Company's property and excess liability insurers have been placed on notice of claims arising from the derailment. Any amounts in excess of the property insurance deductible or self-insured retention amounts are expected to be covered by insurance. The cause of the incident is still under investigation.

#### Tax Cuts and Jobs Act

On December 22, 2017, the Tax Cuts and Jobs Act (the Tax Bill) was signed into law by President Trump. While the Company is still evaluating the impact of the Tax Bill, a number of its provisions will impact the

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 13. Subsequent Events (continued)

amount and treatment of Amtrak's future NOLs as well as its recorded DTL. Specific provisions that are expected to impact the Company are as follows:

- NOLs arising in the Company's FY2018 and beyond will now be carried forward indefinitely and NOL deductions for losses arising in FY2018 and beyond will be limited to 80% of taxable income.
- The Tax Bill's reduction in the maximum federal corporate income tax from 35% to 21% beginning January 1, 2018 is expected to reduce the Company's recorded DTL. The Company's estimate is that its DTL will be reduced by approximately \$20 million in FY2018 associated with the decreased tax rate.
- The Tax Bill limits net interest expense deductions to 30% of earnings before interest, taxes, depreciation and amortization through 2021 and of earnings before interest and taxes thereafter. This change is expected to reduce or eliminate the Company's ability to claim tax deductions for future net interest expense.
- The Tax Bill contains a section on Insurance Reforms which may change how the Company's PRIL subsidiary computes its reserves for income tax reporting purposes. The Company is still evaluating the potential impact of this section.

### Management's Evaluation

The Company has evaluated subsequent events through January 26, 2018, which is the date the financial statements were available to be issued. There were no other events that require adjustments to or disclosure in the Company's financial statements for FY2017.