U.S. Department of Transportation
Office of the Secretary of Transportation

The Inspector General

Office of Inspector General
Washington, D.C. 20590

January 18, 2007

The Honorable Patty Murray
Chairman
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable John W. Olver
Chairman
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Christopher "Kit" Bond
Ranking Member
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Joe Knollenberg
Ranking Member
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairmen Murray and Olver and Ranking Members Bond and Knollenberg:

This report presents (1) the baseline from which we will measure Amtrak's fiscal year (FY) 2007 operational reforms savings[1] and (2) our assessment of the savings Amtrak achieved from operational reforms in FY 2006.

The FY 2006 Appropriations Act, funding the Department of Transportation (DOT), required that the DOT Office of Inspector General (OIG), report quarterly to your Committees on the extent to which Amtrak achieved savings from operational reforms.[2] As of the date of this report, Congress had not taken final action on full-year FY 2007 appropriations for Amtrak. However, the House-

[1] Defined throughout as either net operating savings or a reduction in net operating losses.
[2] In accordance with the FY 2006 Appropriations Act, we issued quarterly reports in January, April, July, and October 2006. These reports are available at www.oig.dot.gov.

passed FY 2007 Appropriations Act funding the DOT[3] maintains this reporting requirement and as such our office will continue to monitor and measure savings from Amtrak's reform initiatives.

Summary

- We have set the FY 2007 operational reform savings baseline at $550 million. Amtrak proposes to achieve $61 million of this amount from FY 2007 operational reforms and $19 million from other savings. The remaining $470 million will need to come from a combination of the Federal appropriation for operating subsidies and further savings.

- In the near term, Amtrak needs to put substance to its poorly defined long distance service reform proposal. As a prerequisite to new Federal efforts to expand intercity passenger rail service, Amtrak must finalize and gain acceptance for its route restructuring, state services, and labor agreement reforms.

- To ensure continued improvements in Amtrak operating efficiency and to prevent deferral of needed capital expenditures, we recommend that the Congress continue to appropriate to Amtrak the FY 2007 operating grant separately from its capital and debt service grants.

- Amtrak can use $140 million of its FY 2006 $215 million cash balance to partially fund its FY 2007 capital requirement. Amtrak could reserve the remaining $75 million to protect against unforeseen events and to facilitate cash flows.

- Amtrak has implemented a new process to improve the management and reporting of its proposed FY 2007 operational reforms (see Enclosure 1).

- Amtrak's $61.3 million in savings from operational reforms in FY 2006 contributed to its better-than-expected financial performance. Amtrak's $433 million operating loss in FY 2006 was $52 million below its FY 2006 operating grant appropriation of $485 million and $153 million below its own FY 2006 projection of a $586 million operating loss.

[3] H.R. 5576, Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia and Independent Agencies Appropriations Act for FY 2007.

Structure of This Report

This report will: (1) establish the baseline from which we will measure savings from Amtrak's FY 2007 operational reforms based on Amtrak's proposed FY 2007 budget, (2) describe Amtrak's planned FY 2007 operational reforms, and (3) give the results of our review of Amtrak's FY 2006 operating performance at the corporate, business line, and operational reform levels.

FY 2007 Operational Reform Savings Baseline

Our FY 2006 quarterly reports introduced the concept of the operational reform savings baseline. This baseline incorporates the new operational reforms we will track and puts the savings from those operational reforms into the context of Amtrak's overall financial performance. To create the FY 2007 baseline, we assessed Amtrak's financial projections and subtracted our estimate of Amtrak's operating expenses (net of operational reform and other savings) from our estimate of Amtrak's revenues. This difference is the level of savings and subsidy Amtrak requires to make ends meet in FY 2007.

We are setting the FY 2007 operating subsidy baseline at $550 million. This baseline reflects anticipated operational reform savings of $61 million and other savings of $19 million. The remaining $470 million will need to come from a combination of a Federal operating subsidy and additional Amtrak savings. We recommend that Amtrak receive an FY 2007 operating grant of no more than $470 million, rather than the $485 million assumed in its FY 2007 budget. This recommendation is based on Amtrak's better-than-expected FY 2006 end-of-year headcount and FY 2006 expenses,[4] concerns regarding the methodology Amtrak uses in developing its budget estimates, and our view that Amtrak must continue to implement reforms to obtain operating efficiencies.

To ensure that both needed capital expenditures are not postponed and that needed operating efficiencies are implemented, any operating subsidy that the Congress provides to Amtrak should continue to be provided separately from Amtrak's capital and debt service grants. Additionally, Amtrak can apply at least $140 million of its better-than-expected FY 2006 cash carryover to fund its FY 2007 capital requirements,[5] thereby, directly reducing dollar-for-dollar the

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4 Amtrak overestimated its FY 2006 operating loss by $153 million or 26 percent. While some of this difference is due to factors beyond Amtrak's control, such as gas prices; and a modest amount of savings from operational reform, the magnitude of this difference raises serious concerns that Amtrak's budget forecasting inherently overestimates its Federal operating subsidy requirements.

5 We testified in March 2006 that Amtrak needed $600 million in capital in FY 2007 to continue towards its goal of a state-of-good repair. Amtrak's FY 2006 capital grant was $500 million.

amount Congress needs to appropriate for Amtrak's capital grant. Amtrak's FY 2007 debt service requirement is $295 million.[6]

Planned FY 2007 Operational Reforms (Strategic Reform Initiatives)[7]

Amtrak's FY 2007 budget is predicated on achieving $61 million in cost savings from operational reforms. The planned reforms and projected savings from those reforms are presented in Enclosure 1. Amtrak estimates that approximately 70 percent of these savings in FY 2007 will come from reducing costs of food and beverage service, improving the net operating performance of long distance trains, and increasing revenue by improving the quality of passenger service. The remaining savings will come from increasing sales and distribution efficiencies, enhancing reliability and efficiency of mechanical services, reducing overhead costs, implementing engineering efficiencies, optimizing network services, full cost recovery of services and assets, modernizing labor agreements, and improving oversight of management and reform.

We will monitor and measure the FY 2007 savings from the strategic reform initiatives described below.

- ***Reducing Costs and Improving Quality of Passenger Services***. This initiative consists of three programs. The Service Quality program entails placing service managers on long distance trains, implementing the NEC/Acela Service Improvement program, and developing new customer service metrics to enhance performance. The Food and Beverage Service program will focus on a 24 percent reduction in the food and beverage loss through the redesign of dining car service, rolling stock equipment modifications, restructuring of the Gate Gourmet commissary contract, and upgrading technologies used in revenue collection and point of sale processes. The Long Distance Product Development program will focus on improving net operating performance of sleeper service through crew optimization and adjustments to the mix of train cars and other equipment changes.

  Amtrak estimates total savings of $42.6 million from this initiative–$3.5 million from Service Quality improvements, $19.4 million from Food and Beverage Service, and $19.7 million from Long Distance Product Development.

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6 Under the current continuing resolution, Amtrak's operating subsidy is not separated from its capital and debt service appropriation. We are concerned that if the year-long continuing resolution took this form, Amtrak's focus on continued reform would be at risk as the Federal funds used to support Amtrak's operations would not be limited.

7 Amtrak calls its individual operating reforms "strategic reform initiatives." We have adopted Amtrak's terminology when discussing each reform separately.

- ***Increasing Sales and Distribution Efficiencies.*** This initiative consists of five programs within Amtrak's Marketing and Sales Department that focus on improving the efficiency of major sales and distribution channels. Amtrak expects its Station Efficiencies, E-Ticketing and Call Center Operations programs to yield $4.9 million in savings in FY 2007 by increasing the number of self-ticketing machines in stations and international sales, and reducing the cost of call center operations through a reduced wage structure. The Amtrak Board and CEO made the decision to not outsource call center operations for five years in exchange for labor concessions. The E-Commerce and Pricing programs that Amtrak plans to institute primarily are in the development phase and no savings are projected in FY 2007.

- ***Enhancing Reliability and Efficiency of Mechanical Services.*** This initiative focuses on improving the reliability and efficiency of Amtrak's Mechanical Department and materials management. Key components of the initiative are the implementation of Reliability Centered Maintenance, continued implementation of the Work Management System, increased use of Mechanical Productivity and Quality, and enhanced use of Mechanical Facilities and Materials Management Operations. According to Amtrak, FY 2007 total savings from this initiative are expected to be $6.0 million. The goal for the Reliability Centered Maintenance program is to reduce the out-of-service time trains spend in maintenance, and increase equipment reliability and availability. The initial phase of Reliability Centered Maintenance will be tested on the maintenance of Acela equipment.

- ***Improving Management Systems and Overhead Efficiencies.*** This is a cross-functional initiative to increase business efficiencies through two independent programs. The first program is the development of Management Information Systems designed to improve accuracy, timelines, and consistency of data and processes throughout the Amtrak system. This program is expected to incur an upfront capital cost of $0.8 million in FY 2007, but no savings are expected.

  The second program targets the reduction of overhead costs, through improved administrative and support efficiencies, and the reduction of costs for handling cash and credit card transactions. This fiscal year, on-board credit card terminals will be installed for customers to use, thereby increasing sales, reducing fraud, and enhancing customer experiences. Amtrak expects to save $4.5 million in overhead costs in FY 2007.

- ***Achieve Ongoing Efficiencies.*** This initiative focuses on achieving ongoing efficiencies within Amtrak's Operations Branch. The areas targeted for improvement are train operations, engineering, and safety. Improvements in these areas are expected to reduce train fuel consumption, increase productivity of the Engineering Department workforce, and reduce Federal Railroad Administration reportable illnesses and injuries. Amtrak expects this initiative to generate budget savings of $3.7 million in FY 2007.

- ***Optimizing Network Services and Use of Assets.*** The Amtrak Board and Amtrak management are in the process of evaluating network restructuring options, corridor development opportunities, and fleet and infrastructure investment needs. This effort is expected to net only $0.1 million in savings in FY 2007, because of the expected offsetting development costs. Amtrak estimates that this initiative will reduce its FY 2011 costs by $92 million compared to FY 2006.

- ***Ensuring Full Cost Recovery of Services and Assets.*** This initiative is expected to improve cost recovery from states for corridor services and from commuters on the Northeast Corridor by increasing the financial contribution from these users. It will also establish multi-year grant agreements with the Federal Railroad Administration on the long distance network. Because this initiative is in the planning stage, no savings are expected in FY 2007.

- ***Modernizing Labor Agreements.*** This initiative is aimed at reducing unit costs and increasing job flexibility by negotiating new labor agreements that will eliminate certain work rule and outsourcing restrictions. It also aims to align wages based on market demand. No savings from this initiative are expected in FY 2007.

Improving Oversight and Management of Reforms. Amtrak has launched a new Program Management Office within its Planning and Analysis Department to provide additional oversight and management of its strategic reform initiatives. The Program Management Office is tasked with developing a standardized project management approach in an effort to provide more reliable measurement of cost savings, better internal oversight, and enhanced tracking and reporting capabilities. As part of this overall initiative, Amtrak has developed a hierarchical structure of program and projects that specifically address and support the more broadly defined initiatives. Details of the Program Management Office framework of strategic reform initiatives are in Enclosure 1.

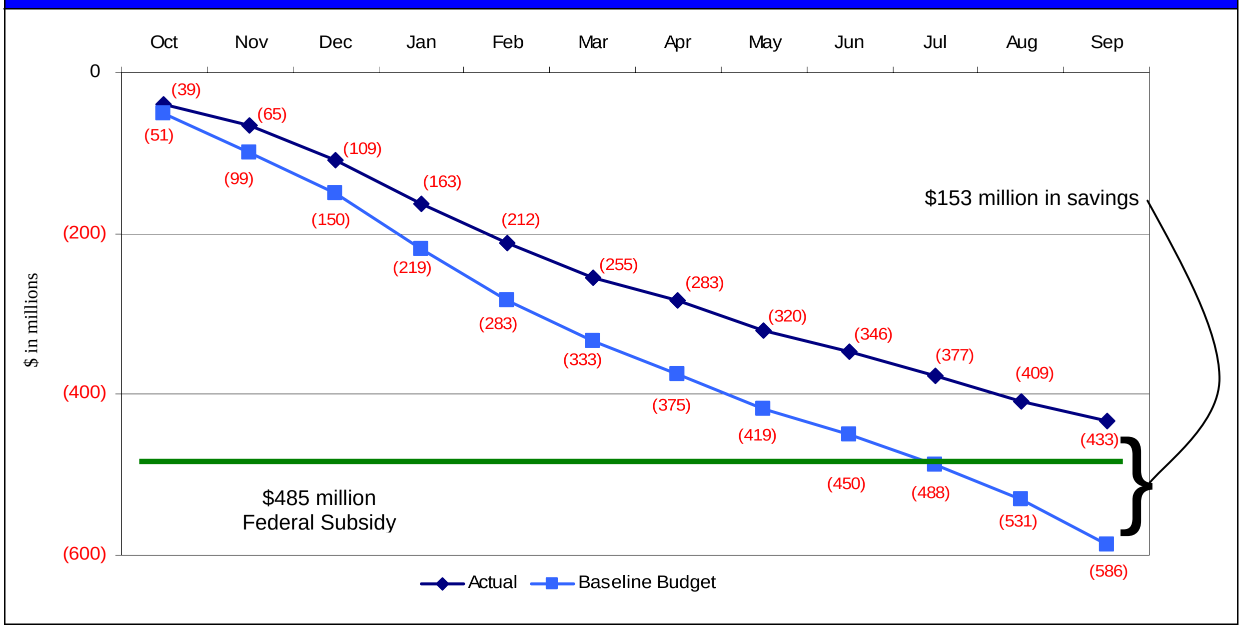
The Program Management Office is working with Amtrak's Finance Department to develop and maintain the appropriate links to Amtrak's financial systems for reliable estimating and reporting of cost savings. We expect to provide initial results of this integration in our April report. Combining efforts of the Program Management Office with the future development of a managerial cost accounting system, which supports avoidable and full-cost analysis capabilities[8] by business-line and route level activity, should equip Amtrak with better management tools for ensuring sustained reform down the road.

Amtrak's FY 2006 Performance

This section provides the results of our review of Amtrak's FY 2006 performance at the corporate, business line, and strategic reform initiative levels.

Corporate Level Results. Amtrak ended FY 2006 with an operating loss of $433 million, $52 million below the FY 2006 operating grant and $153 million below the $586 million loss it originally projected (see Figure 1).

Figure 1. Amtrak Operating Loss FY 2006



Amtrak's financial performance reflects savings (compared to budget estimates) of $106 million in revenues and $79 million from reduced labor costs, offset by net cost increases of $32 million in other expenses.

[8] Avoidable costs, such as fuel costs, are those that would not be incurred if a service was not provided. Full-cost methodology allocates all costs, including overhead, to Amtrak's functions.

The $106 million in additional operating revenues include $37 million from passenger-related revenues and $69 million from nonpassenger revenues. Sources of nonpassenger revenues include ancillary businesses (commuter, reimbursable, and commercial development), cost sharing revenues from transit agencies, and miscellaneous one-time revenues. The 11 percent increase in passenger revenues from FY 2005 was primarily the result of Amtrak's system-wide general fare increases and revenue management of the NEC Regional and Acela services. These two changes resulted in a 9.3 percent average ticket price increase in FY 2006. Additionally, although Amtrak projected a 1.8 percent decline in ridership as a result of the price increases, ridership actually grew 1.1 percent to 24.3 million riders–3 percent more than projected. Rising fuel costs no doubt contributed to the strength in ridership as more travelers opted to travel by train rather than drive.

Lower personnel costs contributed significantly to holding the line on Amtrak's total expenses. Specifically, salaries, wages, and benefits were $79 million lower than projected because Amtrak ended the year with 1,496 fewer employees than it planned for in its budget. None of this reduction resulted from layoffs. Rather, it reflects positions that were either vacant at the start of the year, planned new positions, or positions that became vacant during the year that Amtrak did not backfill. Amtrak's Engineering, Mechanical, and Transportation Departments primarily accounted for the lower number of employees.

Savings of $9 million were attributed to reduced corporate overhead expenses (that is, legal and other professional fees, data processing service, and maintenance of way services) and $5.8 million was attributed to lower casualty and other claims. These savings were offset by increases above what was projected for fuel and train power ($21.9 million), materials ($14.2 million), and all other net operating expenses ($10.7).

Amtrak ended FY 2006 with a $215.1 million cash balance, $76.7 million more cash than was available at the end of FY 2005, notwithstanding projections that cash reserves would decrease.

Business Line Results. As shown in Table 1, National Train System Operations (core)—*NEC, State-supported and other Corridors, and Long Distance Services*—business lines accounted for $110.2 million of the $153.1 million in net operating savings. Amtrak achieved additional savings of $42.9 million from its *Infrastructure Management, Ancillary* (commuter, reimbursable and commercial operations), and *Unallocated Systems* (overhead) business lines.

Table 1. Amtrak Net Profit/(Loss), Excluding Federal Operating Subsidies* FY 2006 ($ in Millions)

Business Line	Actual	Baseline	Actual vs. Baseline
National Train System Operations	($282.7)	($392.7)	$110.2
NEC	*239.4*	*191.9*	*47.5*
State Supported and Other Corridors	*(82.1)*	*(103)*	*20.9*
Long-Distance Service	*(439.8)*	*(481.6)*	*41.8*
Infrastructure Management	(54.5)	(73.4)	18.9
Ancillary Business	90.3	68.6	21.7
Unallocated System	(186.6)	(189.0)	2.3
Total	**($433.0)**	**($586.4)**	**$153.1**

* Amtrak reports these financials on an earnings before interest, taxes, depreciation and OPEBs (other post-employment benefits) basis.

FY 2006 Strategic Reform Initiatives

Amtrak achieved $61.3 million in savings from operational reforms in FY 2006. These reforms are presented by sub-baseline in Enclosure 2 and are summarized below.

- ***Food and Beverage Reform***. Amtrak achieved $4.8 million in operating savings from several modifications to its food and beverage service. It saved $3.9 million through its Simplified Dining program, which was fully implemented in May 2006 on all trains except the Auto Train and Empire Builder.[9] This program primarily relies on fully prepared food products that require only on-board heating in a convection or microwave oven and uses disposable dinnerware.

  Although this initiative incurred additional costs for food pre-preparation and packaging of meals, the significant labor savings produced a net benefit to the initiative. Amtrak also saved $937,500 by renegotiating the food supplier contract with Gate Gourmet.

  In addition, in early FY 2006, Amtrak (1) renegotiated contracts with its food vendors ($5.2 million savings); (2) eliminated food service on the Empire Corridor between New York, New York and Albany, New York,

[9] Amtrak plans to continue to offer its traditional diner class service on these two trains, maintaining this class of service.

which allowed it to close the Albany Commissary in July 2005 ($2.4 million savings); and (3) increased menu prices on its food and beverage service ($1.6 million savings).

- ***Train Operations.*** Under this initiative Amtrak increased productivity, improved crew management, and reduced the consumption of train fuel.
  - Improved labor productivity by reducing allowable overtime in Amtrak's Mechanical Division and reducing core straight time wages in Amtrak's Engineering Division by 4 percent resulted in approximately $4 million in savings.
  - Improved crew utilization in the NEC resulted in $5.4 million in labor cost savings.
  - Reduced consumption of train fuel through improved locomotive handling and utilization. Amtrak achieved better-than-expected fuel cost reduction of $3.6 million, based on a budgeted fuel cost of $1.83 per gallon. However, these were offset by an increase in the average price per gallon for fuel to $2.09 per gallon which resulted in core fuel costs that were $12.4 million higher than budgeted.

- ***Corporate Overhead.*** Overhead efficiencies implemented in FY 2006 included technology efficiencies, a reduction in outside legal fees, and energy management, which resulted in $5.6 million in savings. Of this amount, $3.3 million came from technology efficiencies such as reducing costs of third party information technology providers; lower software, storage, and communications costs; and increased management controls. Amtrak has reported that new management software has improved its ability to track and collect outside legal fees, resulting in $1.4 million in savings. Additional savings of $944,000 came from energy management efficiencies achieved through enhanced oversight of utility expenditures and new contracts. These savings also reflect contract savings from commuter traction power due to higher energy costs billed back to commuters.

- ***Long-Distance Train Service.*** As part of an initiative to reposition the Empire Builder service as a luxury service, Amtrak rolled out an enhanced service offering in August 2005. The enhanced service included refurbished sleeper, coach, and lounge cars; food and beverage upgrades; and a refocus on customer service, such as providing additional on-board personnel. In FY 2006, actual ticket revenue on the Empire Builder was 15.6 percent higher ($6.5 million) than in FY 2005 and 5.6 percent higher than budgeted ($2.6 million). However, the train still lost $41.9 million in FY 2006.

- ***NEC Revenue Management.*** In FY 2006, Amtrak began revenue management on NEC's Regional and Acela Services by implementing variable fares based on demand for tickets. Amtrak estimated that it increased revenues by $23.5 million through revenue management, $8.5 million more than was anticipated. However, it is difficult to separate out multiple pricing factors, and Amtrak assumes one-quarter to one-half of all revenue increases are due to revenue management.

Conclusion

Amtrak will be challenged in the near-term to provide substance to its long-distance service reform proposal for FY 2007, a substantial portion of which is currently undefined at this late date. Amtrak will also need to use FY 2007 to finalize plans and gain stakeholder acceptance for its proposed route restructuring, state services, and labor agreement reforms. These three reforms are a critical component of Amtrak's long-term financial plan. Any future Federal efforts to expand intercity passenger rail service should be contingent on Amtrak's ability to achieve these reforms and other operational efficiencies.

We will report on Amtrak's FY 2007 performance at corporate, business line, and strategic reform initiative levels in our upcoming quarterly reports to continue to put Amtrak's reform efforts in context. The FY 2007 quarterly reports on operating reform savings will provide Congress, the Department of Transportation, and the public with a comprehensive picture of Amtrak's efforts to improve the efficiency of intercity passenger rail service.

Under separate cover, we are transmitting copies of this letter to the Secretary of Transportation and the Chairman of the Board of Amtrak. If you have any questions concerning this letter, please call me at (202) 366-6767 or David Tornquist, Assistant Inspector General for Competition and Economic Analysis, at (202) 366-9970.

Sincerely,

Calvin L. Scovel III

Calvin L. Scovel III
Inspector General

Enclosures

Amtrak's Operational Reforms Description

Table 2. Amtrak's Proposed Operational Reforms

Strategic Reform Initiative and Program	Objective	FY 2007 Budgeted Savings ($ millions)	Estimated 5-Year Saving ($ millions)*
1. Reduce Costs & Improve Service Quality			
a. Service Quality	Focus management attention and drive accountability for train service performance, including, on-board service quality and on-time performance.	$3.5	$95
b. Food and Beverage Services	Enhance service flexibility by redesigning food services (for example, fully prepared meals, multi-purpose food service cars), improving equipment, and outsourcing.	$19.4	
c. Long Distance Product Development	Improve net operating performance of sleeper service.	$19.7	
2. Increase Sales and Distribution Efficiencies			
a. Station Efficiencies	Deploy more efficient communications and sales/distribution equipment and processes at stations.	$2.7	$41
b. E-ticketing	Develop enterprise systems and processes for e-ticketing.	$1.7	
c. E-Commerce	Build infrastructure to facilitate customer relationships and generate incremental revenue.	$0	
d. Pricing	Develop pricing mechanisms for responding to market conditions.	$0	
e. Call Center Operations	Improve cost effectiveness of call center operations through improved tools/processes and reduced labor costs.	$0.5	

Source: Amtrak Strategic Planning Department
* Incremental annual savings compared to FY 2006.

Table 2. Amtrak's Proposed Operational Reforms (cont.)			
Strategic Reform Initiative and Program	**Objective**	**FY 2007 Budgeted Savings ($ millions)**	**Estimated 5-Year Savings ($ millions)**
3. Enhance Reliability and Efficiency of Mechanical Services			
a. Reliability Centered Maintenance (RCM)	Implement RCM to reduce cycle time and increase equipment reliability and availability.	$3.1	$75
b. Work Management System (WMS)	Implement WMS in Mechanical Department to enable management accountability and effectiveness.	$0	
c. Mechanical Productivity and Quality	Improve Mechanical Department productivity and quality through improved metrics and monitoring.	$0	
d. Facilities Efficiencies	Optimize facility utilization by developing an outsourcing/insourcing strategy and consolidating and redesigning facilities.	$2.9	
e. Materials Management	Improve efficiency of materials management through new processes and tools.	$0	
4. Improve Management Systems and Overhead Efficiencies			
a. Management Information System	Modernize management information systems to improve accuracy, timeliness, and consistency of data and processes across the company.	$(0.8)	$36
b. Overhead Costs	Reduce overhead costs through better allocation, improved administrative and support function efficiency, and reduced cash handling and transaction costs.	$4.5	

Source: Amtrak Strategic Planning Department

Table 2. Amtrak's Proposed Operational Reforms (cont.)

Strategic Reform Initiative and Program	Objective	FY 2007 Budgeted Savings ($ millions)	Estimated 5-Year Savings ($ millions)
5. Achieve Ongoing Efficiencies			
a. Train Operations	Improve cost-effectiveness of train operations through better labor and crew utilization and resource allocation.	$0	$8
b. Engineering Efficiencies	Increase productivity of engineering workforce through implementation of engineering asset management and improved work management processes.	$3.7	
c. Safety	Reduce FRA reportable illnesses/ injuries rate.	$0	
6. Optimize Network Services and Use of Assets			
d. Routes and Services	Improve alignment of NEC, corridor, and long distance routes and services with market demand.	$0.6	$92
e. Asset Utilization	Improve fleet and infrastructure utilization through new service planning tools/processes and a collaborative infrastructure planning process.	$(0.5)	
7. Ensure Full Cost Recovery of Services and Assets			
a. State Corridors	Improve cost recovery from states for corridor services.	$0	TBD
b. NEC Access	Improve cost recovery from users of NEC.	$0	
c. Long Distance Network	Improve cost recovery for long distance network.	$0	
8. Modernize Labor Agreements			
a. Labor Contracts	Negotiate new labor agreements that increase workforce flexibility.	$0	TBD

Source: Amtrak Strategic Planning Department

Amtrak's FY 2006 Savings from Operational Reforms

Table 3 presents the FY 2006 estimated annual savings and actual savings, broken down by a framework of sub-baselines, from all operational reforms in FY 2006.

Table 3. Summary of Amtrak Savings by Sub-Baseline FY 2006 ($ in thousands)

Amtrak Net Operating Savings	Estimated Annual Benefit	Actual YTD Benefit	Variance +/-
Corporate Initiatives	**$19,118**	**$27,215**	**$8,097**
Food and Beverage	7,687	14,018	6,331
On-Board Services Labor	*7,919*	*9,325*	*1,406*
Commissary Labor and Support	*266*	*287*	*21*
Food and Beverage Stock Supplies (non-labor)	*(1,465)*	*2,799*	*4,264*
Food and Beverage Revenue	*967*	*1,607*	*640*
Train Operations	6,284	7,556	1,272
Labor Efficiencies	*5,228*	*3,992*	*(1,236)*
Fuel Conservation	*1,056*	*3,564*	*2,508*
Corporate Overhead	5,147	5,641	494
Law Department Efficiencies	*1,400*	*1,400*	*0*
Technology Efficiencies	*3,297*	*3,297*	*0*
Energy Management	*450*	*944*	*494*
Business Line Initiatives	**18,613**	**34,111**	**15,498**
Long Distance Train Service	2,600	5,223	2,623
Enhanced Service Offerings	*2,600*	*5,223*	*2,623*
NEC Operations	16,013	28,888	12,875
Fare and Revenue Management	*15,000*	*23,475*	*8,475*
Labor Efficiencies	*1,013*	*5,413*	*4,400*
Total	**$37,731**	**$61,326**	**$23,595**