

**NATIONAL RAILROAD PASSENGER CORPORATION**

**BOARD OF DIRECTORS**

**MINUTES OF MEETING**

**July 20, 2022**

The Board of Directors (Board) of the National Railroad Passenger Corporation (Amtrak or Corporation) held a duly noticed meeting on Wednesday, July 20, 2022 at Amtrak headquarters, 1 Massachusetts Avenue, NW Washington, DC. Board members participating in the meeting were Anthony Coscia (Board Chairman), Jeff Moreland (Vice-Chairman), Bert DiClemente, Tom Carper, Chris Boall, Yvonne Burke, and Stephen Gardner (Chief Executive Officer, non-voting) also participated in the meeting.

Paul Nissenbaum (FRA Associate Administrator) participated in the meeting.

Roger Harris (President), Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), Tracie Winbigler (Executive Vice President, Chief Financial Officer), Steve Predmore (Executive Vice President, Chief Safety Officer), Scot Naparstek (Senior Advisor), Gerry Williams (Executive Vice President, Service Delivery & Operations), Christian Zacariassen (Executive Vice President, Digital Technology & Innovation), Dennis Newman (Executive Vice President, Strategy, Planning & Accessibility), Qiana Spain (Executive Vice President, Chief Human Resources Officer), and Laura Mason (Executive Vice President, Capital Delivery) participated in the regular session of the meeting.

Justin Meko (Vice President, Operational Safety), Mary Carlson-Bis (Senior Director, Preparedness), Andrea Gansen (Vice President, Labor Relations), William Herrmann (Vice President, Managing Deputy General Counsel & Assistant Corporate Secretary) and Whitney Jordan (Associate General Counsel) also attended the meeting.

The minutes were recorded by Ms. Acheson and Mr. Herrmann. The meeting was convened by Mr. Coscia in executive session at 3:00 p.m.

**APPROVAL OF THE MINUTES**

Following discussion, upon motion made by Mr. Moreland and seconded by Mr. Beall, the Board voted to approve the minutes of its May 18, 2022, meetings.

(7-0)

Following discussion, upon motion made by Mr. DiClemente and seconded by Mr. Carper, the Board voted to approve the minutes of its May 19, 2022, meeting.

(7-0)

**AUDIT & FINANCE COMMITTEE REPORT**

Mr. Moreland provided the Audit & Finance Committee report and led a discussion about the approval of work associated with the B&P Tunnel project. Following discussion, upon motion made by Mr. Coscia and seconded by Mr. Carper, the Board voted to adopt the following resolutions:

**WHEREAS**, National Railroad Passenger Corporation (Amtrak) policy requires the Board of Directors (Board) to approve any capital project where the life of project (LOP) costs will exceed [REDACTED], upon a recommendation from the Audit & Finance Committee of the Board (AFC); and

**WHEREAS**, Amtrak owns the existing B&P Tunnel located along the Northeast Corridor (NEC) which is used for Regional and Acela intercity passenger trains, Maryland Commuter passenger trains, and Norfolk Southern Railway freight trains; and

**WHEREAS**, The existing B&P Tunnel is approaching the end of its useful life, is not in a state of good repair, and lacks adequate fire/life safety systems, presenting significant risks to Amtrak; and

**WHEREAS**, Amtrak desires to replace the existing tunnel and related infrastructure to in order to deliver critical rail infrastructure capacity improvement, remove a 30-mph

chokepoint between Baltimore, MD and Washington, D.C and eliminate a single point of failure that could sever the Northeast Corridor (the B&P Tunnel Replacement Project or Project); and

**WHEREAS**, The Board has previously approved capital spending to advance the preliminary design and planning for the B&P Tunnel Replacement Project; and

**WHEREAS**, Management has presented the Audit & Finance Committee the scope and financials relating to final design and construction of the B&P Tunnel Replacement Project based on an estimated LOP cost of [REDACTED] (Project Cost), and relating to Management commitments for [REDACTED] over the next 18 months, to immediately commence major key construction contracts for the Project, including without limitation, entering into and/or modifying contracts for program management, design, early works and major construction (collectively, the Project CY 2023 Approvals); and

**WHEREAS**, Management will return to the Board in CY 2024 with details on spend information for the balance of the program costs [REDACTED], when those elements of the B&P Tunnel Replacement Project are further developed (the Outstanding Project Costs Analysis); and

**WHEREAS**, Management requests that the Audit & Finance Committee recommend the Board approve the Project Costs for the Project, including the Project CY 2023 Approvals, provided that Management returns to the Board in CY 2024 with the Outstanding Project Costs Analysis (collectively, the Project LOP Approvals); and

**WHEREAS**, The Audit & Finance Committee has determined that it is advisable and in the best interests of the Corporation to commit to the Project Costs and the Audit & Finance Committee recommends the Board approve the Project Costs and the other Project LOP Approvals; therefore, be it

**RESOLVED**, That the Board authorizes and approves the funding of the Project Costs and the other B&P Tunnel Project LOP Approvals; and

**FURTHER RESOLVED**, That the Board authorizes each of the Chief Executive Officer, President, the EVP Capital Delivery, the EVP Chief Financial Officer, and each subordinate officer or officers as any of the above may designate (Authorized Officers), be, and each of them hereby is, each acting singly, authorized and empowered, in the name and on behalf of Amtrak

to take any and all actions consistent with this resolution and to make execute and deliver in the name and on behalf of Amtrak all instruments, agreements, certifications and all other documents as may be required or contemplated by the foregoing, containing such terms as Authorized Officers deem necessary and advisable in order to effectuate the foregoing transaction; and

**FURTHER RESOLVED**, That any and all lawful actions taken on Amtrak's behalf within the scope of the foregoing be and are hereby ratified, confirmed, and approved.

(6-0-1) Mr. Nissenbaum abstained.

Mr. Moreland also described the Penn Station Reconstruction project and Management's request to authorize funding of the project preliminary design through its completion. Following discussion, upon motion made by Mr. Carper and seconded by Mr. Moreland, the Board voted to adopt the following resolution:

**WHEREAS**, National Railroad Passenger Corporation (Amtrak or Corporation) owns New York Penn Station (Penn Station) and operates from it during the time Moynihan Train Hall is closed overnight, both located in New York, New York (Stations); and

**WHEREAS**, Amtrak is implementing a program of projects that will deliver critical rail infrastructure improvements between Newark, New Jersey and the Stations along Amtrak's Northeast Corridor (Gateway Program); and

**WHEREAS**, Penn Station is the busiest railroad station in North America, and requires an overhaul to transform the customer experience, improve passenger circulation and accessibility, address substandard conditions, and restore it to a status of a world class transportation facility; and

**WHEREAS**, Amtrak, the State of New York, and State of New Jersey support the renovation of Penn Station in conjunction with the Gateway Program (Project); and

**WHEREAS**, The Board of Directors (Board) approved [REDACTED] to fund Amtrak's portion of the Penn Station Master Plan work in Amtrak's fiscal year 2021 Capital Plan; and

**WHEREAS**, Amtrak, the Metropolitan Transportation Authority (MTA), and NJ TRANSIT developed a joint Master Plan for Penn Station; and

**WHEREAS**, In furtherance of the Project, the MTA is partnering with Amtrak and NJ TRANSIT to advance the preliminary engineering and design of the Project (Project Preliminary Design); and

**WHEREAS**, Amtrak, the MTA and NJ TRANSIT are negotiating the terms of an agreement which sets forth the parties' rights and responsibilities for managing and supporting the design process and for funding the design phase of the Project, with the expectation that each party will contribute one third of the total project costs; and

**WHEREAS**, Management requests that the Board authorize funding of the Project Preliminary Design through its completion by committing to an estimated total cost of [REDACTED] (Project Costs); therefore be it

**RESOLVED**, That the Board authorizes and approves the funding of the Project's Preliminary Design phase in an amount not to exceed the Project Costs; and

**FURTHER RESOLVED**, That the Board authorizes the Chief Executive Officer, the President, the Executive Vice President, Capital Delivery, and such subordinate officer or officers as any of the above may be designated (Authorized Officer), be, and each of them hereby is, each acting singly, authorized and empowered, in the name of and behalf of Amtrak, to take any and all actions consistent with the resolution and to make, execute and deliver in the name and of behalf of Amtrak all instruments, agreements, certifications and all other documents as may be required or contemplated by the foregoing containing such terms as Authorized Officers deem necessary and advisable in order to effectuate the foregoing transaction; and

**FURTHER RESOLVED**, That any and all lawful actions taken on the Corporation's behalf within the scope of the foregoing be and hereby ratified, confirmed and approved.

(6-0-1) Mr. Nissenbaum abstained.

Mr. Moreland concluded with a full overview of the Committee's agenda.

#### **PERSONNEL & COMPENSATION COMMITTEE REPORT**

Mr. DiClemente provided the Personnel & Compensation Committee report and led a discussion about the proposed adjustment to the

Long-Term Incentive target adjustments for 2021 LTI Plan and target setting for the 2022 LTI Plan. Following discussion, upon motion made by Mr. Carper and seconded by Mr. DiClemente, the Board voted to adopt the following resolution:

**WHEREAS**, The Board of Directors has authorized Management to create a Long-Term Incentive Plan that rewards senior level management employees for achieving annual financial and organizational performance goals; and

**WHEREAS**, Management has recommended for the Long-Term Incentive ("LTI") target adjustments for 2021 LTI Plan (2021 - 2023 Fiscal Year ("FY")) and target setting for the 2022 LTI Plan (2022 - 2024 Fiscal Year) as described in the Executive Summary; and

**WHEREAS**, The Board has considered the proposed threshold, target, and superior metrics and agrees that the recommendations set forth in the Executive Summary are appropriate long-term performance measures for Amtrak and should be adopted as set forth in the Executive Summary for the FY 2021 and FY 2022 LTI Plan; therefore, be it

**RESOLVED**, That the Board authorizes the CEO to adopt the target adjustments for the 2021 LTI Plan and target setting for the 2022 LTI Plan goal as described in the Executive Summary.

(7-0)

Mr. DiClemente also described Management's request to authorize adjustments to the STI and LTI target ranges in the FY 2023 plans. Following discussion, upon motion made by Mr. Carper and seconded by Mr. DiClemente, the Board voted to adopt the following resolution:

**WHEREAS**, The Board of Directors has authorized Management to create a Short-Term Incentive ("STI") Plan and a Long-Term Incentive ("LTI") Plan that rewards senior level management employees for achieving annual financial and organizational performance goals; and

**WHEREAS**, To increase competitiveness and flexibility in compensating Executive roles, Management has recommended greater flexibility for incentive plan targets for certain Executives (Vice Presidents "VP", Assistant Vice Presidents "AVP") as described in the Executive Summary; and

**WHEREAS**, The Board has considered the proposed adjustments to the STI and LTI target ranges and agrees that the recommendations set forth in the Executive Summary are appropriate to drive a deeper culture of pay for performance, increase retentive rewards that build a robust pipeline of internal Amtrak talent, and retain executives key to company growth and performance; therefore, be it

**RESOLVED**, That the Board authorizes the CEO to adopt the FY 2023 STI and LTI target ranges as described in the Executive Summary.

(7-0)

Mr. DiClemente also described Management's request to authorize adjustments to the threshold payout and the pool of eligible employees for the FY 2023 Short-Term Incentive Plan and a Long-Term Incentive Plan. The Board agreed to modify the recommendation to set the CEO STI at [REDACTED] and the LTI at [REDACTED] and the President STI at [REDACTED] and the LTI at [REDACTED]. Following discussion, upon motion made by Ms. Burke and seconded by Mr. Carper, the Board voted to adopt the following resolutions incorporating the CEO and President STI and LTI adjustments:

**WHEREAS**, The Board of Directors has authorized Management to create a Short-Term Incentive ("STI") Plan and a Long-Term Incentive ("LTI") Plan that rewards senior level management employees for achieving annual financial and organizational performance goals; and

**WHEREAS**, To increase competitiveness and flexibility in compensating Executive roles, Management has recommended adjustments to the threshold payout and the pool of eligible employees as described in the Executive Summary; and

**WHEREAS**, The Board has considered the proposed adjustments to the threshold payout and the pool of eligible employees and agrees that the recommendations set forth in the Executive Summary are appropriate to drive a deeper culture of pay for performance, increase retentive rewards that build a robust pipeline of internal Amtrak talent, and retain executives key to company growth and performance; therefore, be it

**RESOLVED**, That the Board authorizes the FY 2023 STI and LTI plans be adjusted for the CEO to [REDACTED] for STI and [REDACTED] for LTI and;

**FURTHER RESOLVED**, That the Board authorizes the FY 2023 STI and LTI plans be adjusted for the President to [REDACTED] for STI and [REDACTED] for LTI; and

**FURTHER RESOLVED**, That the Board authorizes the CEO to adopt the FY 2023 STI and LTI adjustments to the threshold payout and the pool of eligible employees as described in the Executive Summary for all other eligible employees.

(7-0)

Mr. DiClemente concluded with a full overview of the Committee's agenda.

**SAFETY & SECURITY REPORT**

Mr. Beall provided the Safety & Security Committee report and provided a full overview of the Committee's agenda.

**GOVERNMENT RELATIONS, LEGAL & CORPORATE GOVERNANCE COMMITTEE**

Mr. Coscia provided the Government Relations, Legal & Corporate Governance Committee report and provided a full overview of the Committee's agenda.

Having concluded the Committee reports, the Executive Session was adjourned, and the meeting was called to order in regular session at 5:30 pm and the Executive Leadership Team was invited to attend.

**PERFORMANCE OVERVIEW AND BUSINESS STRATEGY UPDATE**

Mr. Gardner reported through December Amtrak is on track to meet or exceed financial performance and CSI on target. Mr. Gardner described staffing shortages related to COVID-19 which impacted service while noted that there had also been a related reduction in demand which we expect to continue for some period. Mr. Gardner also noted that the organizational changes that had been discussed previously were being implemented.



**SAFETY AND SECURITY REPORT INCLUDING COVID-19 UPDATE**

Mr. Predmore, Mr. Meko, and Ms. Carlson-Bis provided a briefing of the Train 4 Missouri derailment including the Incident Response Team efforts to assist the passengers. Mr. Predmore also reviewed data related to crossing accidents.

**FINANCE REPORT**

Ms. Winbigler reported that June YTD loss was [REDACTED] better than plan and 15% better than last year due to [REDACTED] favorable Operating Revenue partially offset by [REDACTED] unfavorable Operating Expense. Revenue results were largely due to improved passenger revenue and higher Other Core Revenue. On the expense side, Ms. Winbigler reported that results were unfavorable primarily due to Train 4 derailment expense [REDACTED], fuel expense [REDACTED], (primarily rate driven), and expense related to write-offs and inventory reserves not included in the Plan [REDACTED]. Partially offsetting this unfavorability is [REDACTED] of favorability in variable expense lines, Facility costs, and Professional Fees & Data Processing expense.

**COMMERCIAL REPORT**

Mr. Harris reported continued good improvement in revenue and ridership. He noted that the third quarter of FY 2022 was characterized by strong growth across all service lines, resulting in ticket revenue coming in at almost [REDACTED] for the quarter, exceeding plan by over [REDACTED] [REDACTED]. He also noted that April and May came in positive to plan by [REDACTED] each, and June by [REDACTED] taking the YTD revenue for FY 2022 at the end of the June to [REDACTED], or [REDACTED] [REDACTED] ahead of plan. Versus the FY 2019 baseline, each of the three months recorded gains and June closed at [REDACTED] below 2019 revenue.

### CAPITAL DELIVERY REPORT

Ms. Mason provided the Directors with an update on hiring. She reported that since creating Capital Delivery in January, they hired or promoted three Vice Presidents, two Assistant Vice Presidents and five Senior Directors. She also updated the Board on high priority projects including Gateway, East River Tunnel Rehabilitation, B&P Tunnel Replacement as well as Penn Station NY (Reconstruction and Expansion).

### SERVICE DELIVERY & OPERATIONS REPORT

Mr. Williams noted that May results for OTP remained the same for June with some improvement for Acela. Mr. Williams also reported on incidents that resulted in delays and the efforts being taken to control those.

### STRATEGY, PLANNING & ACCESSIBILITY

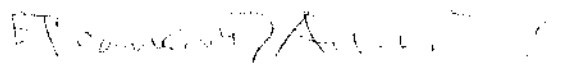
Mr. Newman updated the Board about the ongoing Gulf Coast proceeding at the Surface Transportation Board. He also reported that Amtrak had submitted a bid for the MARC Camden line consistent with what the Board approved at the previous meeting and would report on the outcome when announced. Mr. Newman also reported that Baltimore Penn Station was reaching the 60% design milestone and noted that costs were coming in higher than anticipated for construction estimates. Finally, Mr. Newman updated the Board about the pending Washington Union Station condemnation proceedings.

### HUMAN RESOURCES REPORT

Ms. Spain introduced Ms. Gansen who briefed the Board on the Presidential Emergency Board that was just announced for the freight railroads and discussed the potential impact on Amtrak's bargaining strategy.

**ADJOURNMENT**

There being no further business before the Board, the meeting adjourned at 6:40 p.m.



Eleanor D. Acheson  
Corporate Secretary



William Herrmann  
Assistant Corporate Secretary