

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	04/09/12	Open	Information	03/30/12

Subject: Regional Governance Initiative for San Joaquin Intercity Rail Service and potential "Early Investments" in Regional Rail associated with the High Speed Rail program

ISSUE

An update on the Regional Rail activities in the Central Valley/Sacramento region.

- 1). The Board will be apprised of Regional Governance issues and discussion presently underway for the San Joaquin Intercity Rail Service; and
- 2). The Board will be apprised of broader Regional Rail "Early Investments" being considered as part of the CA High Speed Rail program re-orientation and upcoming Revised Business Plan.

RECOMMENDED ACTION

Information Item Only

FISCAL IMPACT

None as a result of this report.

DISCUSSION

The purpose of this Issue Paper is to update the Board on recent and on-going Regional Rail issues presently under discussion.

First, a Regional Governance Initiative (RGI) for the San Joaquin Rail Service (the "San Joaquins") is being considered by the California State Legislature. Management of the San Joaquins presently resides within the Caltrans Division of Rail. Legislation (AB 1779) has been introduced by Assembly member Galgiani proposing the formation of a new 11-member JPA with 1 member from each identified agency, including the Sacramento Regional Transit District (RT), to oversee this Sacramento/Bay Area to Bakersfield passenger rail service in the future. RT is also being considered as one of several possible entities to provide day-to-day management of this regional service if/when a JPA is formed. AB 1779 would require the JPA to be formed no later than December 31, 2013. The Transportation Subcommittee of the State Assembly will be holding a hearing on the AB 1779 on April 18, 2012. Attachment 1 illustrates the San Joaquin Route and the affected/candidate counties.

Second, the California High Speed Rail Authority's (CHSRA) Business Plan's focus is being reoriented to upgrade and use existing rail corridors where possible as an interim "blended approach" strategy. One element of this approach under discussion with the CHSRA, the Governor and the leadership of the State Legislature is an "early investment" of a portion of the

Approved:

Presented:

Final 4/2/12

General Manager/CEO

Principal Planner

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\$9.95B Proposition 1A funds approved by voters in 2008 on rail improvements towards achieving the HSR goal of the Proposition. Approximately \$1B+ is proposed to be spent on track and electrification upgrades in Southern California (Palmdale to LA Union Station) and approximately \$500M of Prop 1A funds matched by local funds is proposed to be spent on track and electrification upgrades on the Caltrain (San Jose to San Francisco) corridor.

An additional \$1B+ of early investments is now being discussed with the CHSRA and Legislative representatives by regional rail entities' management in the Central Valley, including the Capitol Corridor, the Altamont Commuter Express (ACE) and the San Joaquins. RT management and staff, in collaboration with SACOG, are involved in this discussion and in developing candidate projects for "early investments" in the Capitol Corridor and San Joaquins corridor. Once review and local concurrence on the candidate projects are completed, these early investments will be forwarded to the CHSRA and the Legislative representatives for potential inclusion into this "blended program" for HSR in California. The Legislature will be requested in next calendar year to advance the "early investments" statewide through the sale of Proposition 1A bonds. CHSRA's goal is to have all or most of the "early investment" projects implemented by the end of 2018.

1. The San Joaquins RGI

The San Joaquins have the 5th highest ridership (almost 1 million riders annually) in the nation and they presently operate between Sacramento and Bakersfield (2 trains plus 4 bus connections to/from Stockton) and between Oakland and Bakersfield (4 trains) on a daily basis. Figure 1 illustrates the regional rail services in California. The San Joaquins are managed day-to-day by Caltrans Division of Rail and operated by Amtrak. In the 18 years of service since its inception, the San Joaquins have expanded from 4 trains to 6 trains per day.

In comparison, the Capitol Corridor JPA was formed in 1997 and has a 16-member Governing Board comprised of two representatives from each of the eight counties in the JPA; the day-to-day management is provided by BART. Since 1997, the Capitol Corridor has expanded from 4 trains to 16 trains per day. In FY10/11, ridership exceeded 1.7M passengers making the Capitol Corridor the 2nd highest passenger line in the nation. In FY 10/11, the ridership reflected a 16% increase over the previous fiscal year and the farebox recovery was 48% with an on-time performance of 95%. Attachment 2 illustrates the Capitol Corridor and the other regional rail lines in California.

The Central Valley Rail Working Group (CVRWG) is an ad-hoc committee comprised of various Central Valley agencies, including RT, with an interest in the San Joaquins. The CVRWG has been meeting on a regular basis for several years with the purpose of discussing improvements, funding options, having a consistent High Speed Rail (HSR) perspective and interface, and other matters.

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In the fall of 2011, state legislation was introduced to allow the Los Angeles to San Diego (LOSSAN) corridor to form its own JPA for the Pacific Surfliner service. Discussions within the CVRWG focused on the implications on the San Joaquins and opportunities, if any, to try and join the LOSSAN effort. The concern for the CVRWG was (and remains) if the LOSSAN forms its own JPA, this would leave the San Joaquins as the only rail operation remaining within the control and oversight of Caltrans. The draft State Rail Plan is proposing only 3 additional trains for the San Joaquins through 2032. And the Governor’s draft budget is proposing to further reduce Caltrans Division of Rail staffing.

The CVRWG concluded that forming a JPA for the San Joaquins could provide for more local control and oversight, more active and effective advocacy on behalf of the San Joaquins, a stronger negotiating position with the freight railroads, and provide for better coordination and leverage with regional, commuter, and HSR services – when compared to oversight by Caltrans which, in many aspects, cannot legally accomplish these tasks.

AB 1779 (Galgiani) was introduced as a “spot bill” with draft bill language and was provided to the Legislative Counsel by March 16, 2012. Specific language has been drafted and is now being reviewed by local agencies; a hearing before the Assembly Transportation Committee will be held on April 16, 2012 beginning at 1:30 PM. The proposed legislation is “permissive” and does not mandate joining the JPA to oversee the San Joaquins. A minimum of 6 member agencies are required for the JPA to take effect and the deadline for formation of the JPA is December 31, 2013. Attachment 1 illustrates the San Joaquin Route and the affected/candidate counties.

An expanded CVRWG, consisting of representation from all potential member-Counties between Sacramento and Bakersfield, met on March 9, 2012 to discuss the options, review the draft bill language, and discuss the next steps for the legislation. The expanded CVRWG expressed interest in pursuing JPA-forming legislation further but no commitments were made. The next meeting of the CVRWG is scheduled for April 20, 2012.

In addition to the overview and update, there are three key components of the proposed JPA worth noting.

A. Proposed Membership/Coverage of the San Joaquin Intercity JPA

AB 1779 proposes a JPA Board of not more than 11 members with membership based on agencies having a regional transit or rail operation mission or a county-wide transportation function. The proposed 11-member JPA Board would be comprised of one member from each of the following agencies; each agency would also designate an Alternate member.

One member from the RT Board of Directors for the County of Sacramento; plus one member each from the Governing Boards of the following agencies: the San Joaquin Regional Rail Commission (SJRRRC is responsible for the ACE rail service into the Bay Area) and that person

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must be a resident of San Joaquin County; the Stanislaus Council of Governments; the Merced County Association of Governments; the Madera County Transportation Commission; the Fresno Council of Governments; the Kings County Association of Governments; the Tulare County Association of Governments; the Kern (County) Council of Governments; plus one member of either a Contra Costa County regional transportation planning authority or of a Board of Directors of a rail service that serves Contra Costa County (e.g., BART) and the member resides within Contra Costa County; and finally one member of either an Alameda County regional transportation planning authority or of a Board of Directors of a rail service that serves Alameda County (e.g., BART) and the member resides within Alameda County. If formed, the JPA would have a maximum total of 11 individuals.

AB 1779 allows for the formation of the JPA when at least 6 of the 11 jurisdictions identified elect to appoint a member to serve on the proposed San Joaquin Intercity Rail JPA Board. Membership on the Board is “permissive” and not “mandatory” for the identified agencies. Only those jurisdictions that appoint a member to serve on the Board prior to December 31, 2013 will become member-agencies of the proposed JPA Board (as the legislation is currently drafted).

B. Potential Day-to-Day Management of the San Joaquin Intercity Rail Service

Similar to the Capitol Corridor, the proposed JPA would provide policy-level authority and guidance for the service. Three entities have been identified as possible day-to-day management for the service – RT, the San Joaquin Regional Rail Commission (SJRRRC) or a new and independent agency to be formed. (In the example of the Capitol Corridor, this management effort has been successfully performed by BART and Operations performed by Amtrak.)

Further study and discussion is underway to determine which entity would be best suited to provide the day-to-day management of the San Joaquins should a JPA be formed. Amtrak would likely continue to operate the actual service or potentially some other entity through a competitive re-bid when the timing is appropriate.

C. Funding

Funding for the San Joaquins comes from passenger fares and from a variety of state and federal sources presently. In the near-term with a JPA, the funding would likely remain similar to today. State funding is a state General Fund budgetary issue subject to economic and policy changes irrespective of whether Caltrans Division of Rail or a newly-formed JPA is implemented. One funding benefit of the JPA would be its ability to independently lobby for funds at the state and federal level which Caltrans cannot do. However, a potential drawback and risk of the JPA would be a *non-mandatory* risk that local funds would need to be re-allocated to provide service – or service would need to be reduced – should state or local funding levels decrease. However, if the San Joaquins remain within Caltrans’ management and oversight, they are subject to similar risks should state or federal funding be reduced.

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Next Steps

The Next Steps of this effort are:

- On-going briefings led by the San Joaquin Regional Rail Commission staff (including Mr. Dan Leavitt who is a contract employee and previously served as the Deputy Director for Planning of the CA HSR Authority) with the various candidate agency Boards;
- Assembly Transportation Committee hearing on April 16th beginning at 1:30 PM
- Consideration of whether RT would be a “Sponsor” identified on the Bill vs. being identified as “Supporting” AB 1779
- Development of a Business Case and draft JPA Agreement;
- On-going CVRWG meeting(s) in April and beyond;
- On-going Regional Governance Initiative meeting(s) in May and beyond;
- Monitoring the advancement of the AB 1779 through the legislative process; and
- RT Board updates on a regular basis as the discussion and process evolves.

2. “Early Investments” for a Blended Approach for High Speed Rail

The California High Speed Rail Authority (CHSRA) Business Plan and focus has undergone changes and re-orientation in the past several months since release of the Draft Business Plan in the fall of 2011. Among those changes are a re-orientation to using a “Blended Approach” to implement High(er) Speed Rail in California sooner and with less investment than the “\$100 Billion” Year of Expenditure Dollars (YOES\$’s) figure identified in the draft Revised Business Plan with the full HSR program constructed. This interim strategy would begin implementation with the construction of the \$2.7B Initial Construction Section (ICS) in the Central Valley and would use to a greater extent existing rail corridors and facilities upgraded for higher operating speeds than can be achieved today. Operating speeds would increase from the maximum 76 MPH operating speed on segments of the regional rail systems today to a maximum 110-125 MPH with these “early investments”. The CHSRA intends to request authorization this calendar year to fund the ICS through the issuance of Proposition 1A-authorized binds to match federal funding.

“Early Investments” have been discussed and identified in Southern California on the Palmdale to Los Angeles Union Station section and for the Caltrain corridor (San Jose to San Francisco). These investments generally consist of track upgrades, positive train control, station improvements and railway electrification. In each corridor, the investments being proposed are \$1B+. The funding would come from a combination of Proposition 1A (the Safe, Reliable High-Speed Passenger Train Bond Act) which was approved by voters in 2008 and the required match from federal and/or local sources.

In the “Central Valley” which for the purposes of this discussion includes the Capitol Corridor, the Altamont Commuter Express (ACE) from Stockton to San Jose, and the San Joaquins, the managing agencies have been meeting to also develop a list of “early investments” that would

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improve upon the existing rail infrastructure to increase the operating speeds and reduce travel times. Such a strategy would achieve the Proposition 1A goal of a “1-seat ride from the Sacramento and Bay Area to Los Angeles Union Station.

A preliminary list of possible improvements is being developed in collaboration with SACOG, RT, and the regional rail entities management. This list will be forwarded to the Legislature and the CHSRA for review/discussion and eventual inclusion as part of this Blended Approach strategy for the state. The investments being discussed could approach an estimated \$2B in cost in total.

At the time of this Issue Paper preparation, some of the “early investment” candidate projects in the Central Valley corridor might include:

- Improvements to the UPRR corridor between Stockton and Sacramento potentially including a 3rd track where necessary and a major Intermodal facility at 65th Street that would link to RT’s LRT. (Note that the linkage from 65th Street to the Sacramento Intermodal Transit Facility (SITF) along the UPRR is extremely costly and problematic due to the operational need for a 3rd track and the implications of this on East Sacramento residents, the American River Parkway, Midtown residents and the Blue Diamond facility. As such, this extension to the SITF is not considered to be a feasible “early implementation” opportunity – especially when compared to the 65th Street available land, industrial character, and strong RT transit link allowing it to serve as an interim intermodal terminus and remain a future intermodal station when the HSR reaches the SITF.)
- Possible Positive Train Control for the entire Capitol Corridor and a 3rd Track from Sacramento to Roseville (now under environmental study), as well as other track improvements and linkages in the Bay Area to provide sufficient capacity for a minimum “1 hour headways” during the early morning to late evening period, as well as increased operating speeds to the 110-120 MPH range.
- Possible improvements to ACE including track improvements, station upgrades and the implementation of the “Tidewater Connection” (between Tracy and the UPRR/BNSF rail lines that generally parallel SR99) which would directly connect the Altamont Corridor to the San Joaquin Corridor going south and the Niles Junction connections in the Bay Area. These connections would provide for a “1 seat” rail connection from the Bay Area to southern San Joaquin County, Modesto and places south for both ACE and the San Joaquins. This direct connection would save approximately 90 minutes of travel time between the Bay Area and the southern San Joaquin Valley when compared to the service today which operates via Martinez and Stockton to/from the Bay Area.

Authorization for the issuance of Proposition 1A-bonds to fund projects in this “Early Investment” strategy is proposed for the 2012-2013 legislative year with completion of all/most projects by 2018. RT management and staff, along with SACOG, are involved in this process. RT

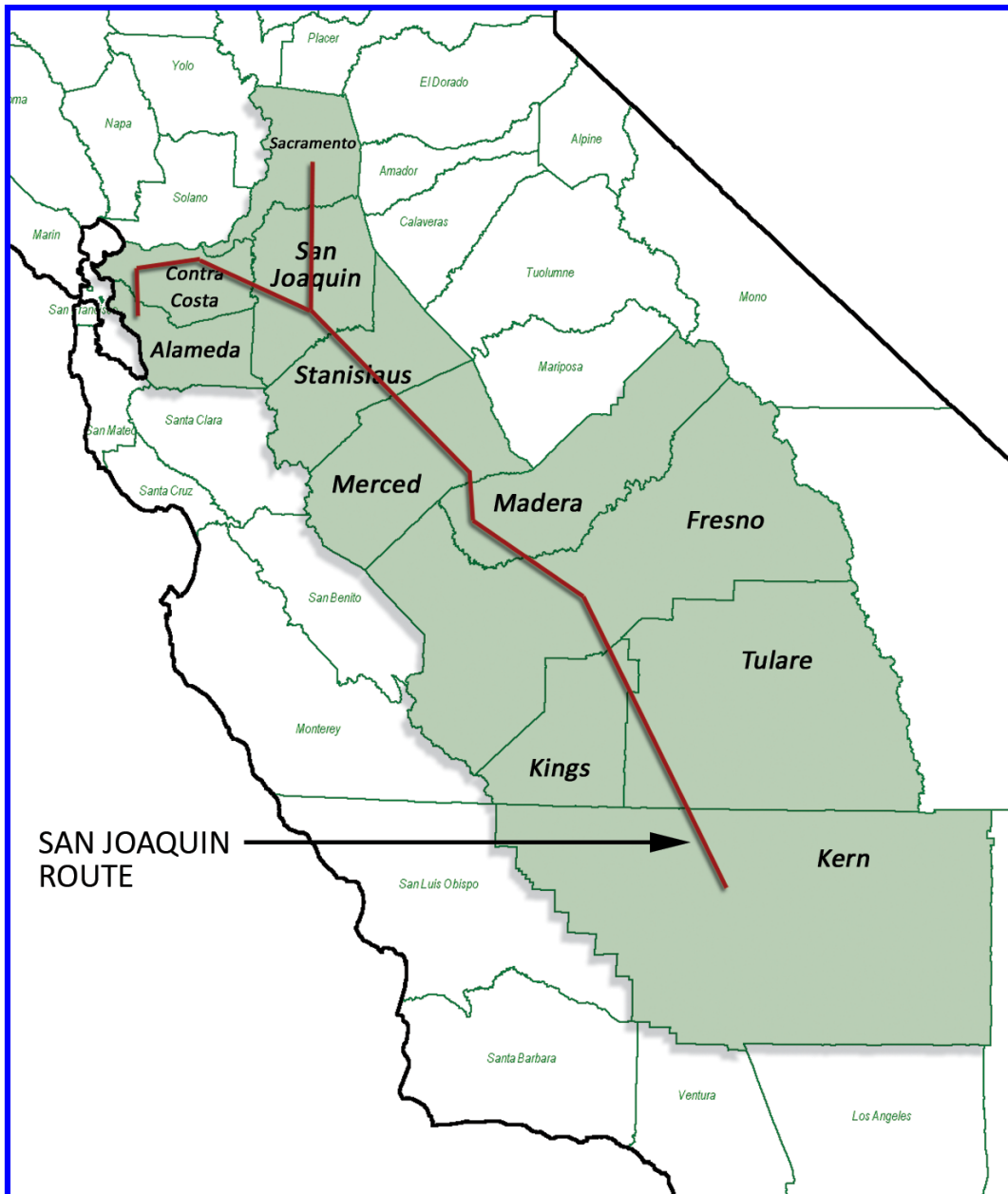
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management will keep the Board apprised of developments as they occur and the "Blended Strategy" becomes more fully defined by this process and refined with the CHSRA.

Attachment 1 – The San Joaquin Regional Rail System



Attachment 2 – Regional Rail Systems in California



Note: Altamont Commuter Express (ACE), Caltrain (San Jose to San Francisco) and Los Angeles-area (Metrolink, Etc.) Regional Rail Networks not shown on Figure above.

**Regional Governance Issue
For San Joaquin Intercity Rail
Service
and
Potential “Early Investments”
in Central Valley High Speed
Rail**

April 9, 2012

Purpose of this Update

- Update Board Regarding Potential San Joaquin Regional Rail JPA Formation
 - Recent Activities and Potential Membership in JPA
 - Potential Role(s) for Regional Transit
- Update on Central Valley “Early Investments” for HSR Upgrades
 - Potential Benefits to RT

Regional Rail Systems in CA



Proposed San Joaquin JPA

- AB1779 (Galgiani)
- 11-member Board composed of COGs, RTPAs and (Regional) Transit Providers
- Sacramento Regional Transit
- Board Membership is “Permissive” not “Mandatory” and Requires at least 6 Agencies to form by 12/31/13

Potential Threats and Opportunities

Potentially Without San Joaquin JPA

- Surfliner in So. CA
- Only Regional Rail Remaining within Caltrans
- Potential Loss of Focus
- Lack of Advocacy

Potentially with a JPA

- More Local Integration and Oversight
- Enhanced Ability to Advocate for Funding & Improvements
- Stronger Negotiations with RR's, HSR and Others

Regional Transit Roles

- Potential JPA Board Member
- Potential Day-to-Day Manager of Service if so Desired and Agreed-To
- Contract Out Operations

San Joaquin Rail System



Early Investments in HSR

- A “Blended Approach” ~ Maximize Use of Improved Existing Services
- Southern CA and Caltrain Corridors - \$1B Each in Identified Investments
- Opportunity for Central Valley
 - Capitol Corridor
 - Altamont Commuter Express (ACE)
 - “San Joaquins”

Benefits of “Early Investment” and “Blended Approach” for HSR

- Upgrade and Utilize Existing Passenger Rail Corridors in State
- Still Develop Initial Construction Section (ICS) in Central Valley
- Significant Cost and Time Savings Overall to Implement
- High(er) Operating Speeds 110 MPH+

Potential Early Investments

- 65th Street Intermodal Facility and Additional Track on UPRR
- Positive Train Control and Improvements on Capitol Corridor – Hourly Service and Higher Speeds
- New Track in Sections Between Bay Area and Central Valley – Save 90 Mins
- “1 Seat Ride” to Los Angeles Union Station

Regional Rail Systems in CA

