



**First Amended  
Interagency Transfer Agreement  
Between  
STATE OF CALIFORNIA  
Department of Transportation  
And  
Los Angeles – San Diego – San Luis Obispo  
Rail Corridor Agency**

**Contract No. 75RLOSSAN2015ITA-A01  
LOSSAN Agreement No: L-08-0009**

**Dated June 30, 2018**

## TABLE OF CONTENTS

Preamble .....	1
Interagency Transfer Agreement.....	1
Recitals .....	1
Agreement.....	3
Article 1. Definitions.....	3
Article 2. Transfer of Responsibilities.....	7
Article 3. Term of the Agreement, Option to Renew.....	7
Article 4. Planned Service Improvements .....	8
Article 5. Statement of Cost Reductions and Efficiencies Realized During the Initial ITA.....	9
Article 6. Annual Business Plan and Level of Funding.....	9
Article 7. Responsibilities for the Service .....	12
Article 8. Operation of the Service .....	14
Article 9. Department as a Third-Party Beneficiary to Amtrak Contract; The LOSSAN Agency as an Agency of the State.....	15
Article 10. Uniform Performance Standards.....	16
Article 11. Force Majeure .....	16
Article 12. Liability and Indemnification; Insurance Requirements .....	16
Article 13. Funding Shortfalls; Deficit Financing; Reduction in Level of Passenger Rail Service in the Corridor.....	20
Article 14. No Guarantee of Funding .....	22
Article 15. Termination by Parties.....	22
Article 16. Dispute Resolution Process.....	23
Article 17. Audit and Inspection .....	25
Article 18. Successor Acts.....	25
Article 19. Successor and Assigns to the Parties.....	25
Article 20. Notices .....	26
Article 21. Amendment.....	26
Article 22. Representation and Warranties of the Parties.....	26
Article 23. Construction, Number, Gender and Captions .....	27
Article 24. Complete Agreement.....	28
Article 25. Partial Invalidity .....	28
Article 26. Conflicts Between the ITA and Supplemental Agreements.....	28
Article 27. Counterparts.....	28
Article 28. Governing Law .....	28

## LIST OF APPENDICES

<u>Appendix</u>	<u>Name</u>
A	Los Angeles – San Diego – San Luis Obispo Rail Corridor Description and Services to Provided
B	LOSSAN Rail Corridor Agency Annual Business Plan FY 2018-19 to FY 2019-20
C	Statement of Cost Reductions and Efficiencies Realized
D	California Department of Transportation Master Fund Transfer Agreement
E	Insurance Policies
F	Uniform Performance Standards
G	Transfer Agreement
H	Maintenance Agreement
I	Fiscal Years 2017-18 and 2018-19 Agreement for the Provision of Passenger Rail Service Between National Railroad Passenger Corporation and Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, October 1, 2017
J	Functions Assumed by the LOSSAN Agency
K	Functions Retained or Assumed by the Department

## **PREAMBLE**

This Interagency Transfer Agreement (ITA) is being entered into by the California Department of Transportation (Department) and the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) following the term of the initial ITA, July 1, 2015 – June 30, 2018 and recognizing significant benefits of local administrative oversight and management responsibility of the intercity passenger rail service known as the *Pacific Surfliner*. The State of California has recognized the benefits in regional management of intercity passenger rail services that are connected to local communities and transit systems. The State remains focused on making transportation investments that will weave our regional and intercity transportation assets together into an integrated system. These investments are grounded in investment in high speed rail services as developed and managed by the California High Speed Rail Authority as well as substantially increased funding for conventional intercity rail and transit systems. This Agreement respects the dual goals of local engagement and statewide integration and is structured to achieve benefits both locally and statewide; allowing California to provide greater transportation choices that effectively and efficiently support increased rail ridership and is a cornerstone of sustainable operations and practices.

## **INTERAGENCY TRANSFER AGREEMENT**

This Agreement is made and entered into as of the Effective Date in the State of California by and between the LOSSAN Agency, a joint powers authority (JPA) as amended pursuant to Senate Bill 1225 (Chapter 802, Statutes of 2012), and the State of California, acting by and through the Department, individually referred to as “Party” and collectively as the “Parties”, and subject to the approval of the California State Transportation Agency (CalSTA).

## **RECITALS**

This Agreement is made with reference to the following facts:

1. On September 29, 2012, the Governor signed into law Senate Bill (SB) 1225, also known as the Intercity Passenger Rail Act of 2012 (Act), authorizing the Department, with approval from the Secretary of Transportation, to enter into an ITA under which the LOSSAN Agency would assume responsibility for administration of the state-supported intercity passenger rail service for the corridor between San Diego, Los Angeles, and San Luis Obispo, commonly referred to as the Pacific Surfliner and referenced herein as the Service, through an amendment to the existing LOSSAN Joint Exercise of Powers Agreement (JPA). SB 1225 amends Sections 14031.8, 14070.2, 14070.4 and 14070.7 and pursuant to Article 5.2 (commencing with Section 14072) of Chapter 1 of Part 5 of Division 3 of Title 2 of the Government Code relating to transportation.
2. The following public agencies are authorized to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, and each has been designated by the Act and signed on to be the Member Agencies of the LOSSAN Agency:
  - Los Angeles County Metropolitan Transportation Authority (LACMTA)
  - North County Transit District (NCTD)
  - Orange County Transportation Authority (OCTA)



- Riverside County Transportation Commission (RCTC)
- San Diego Association of Governments (SANDAG)
- San Diego Metropolitan Transit System (MTS)
- San Luis Obispo Council of Governments (SLOCOG)
- Santa Barbara County Association of Governments (SBCAG)
- Ventura County Transportation Commission (VCTC)

EX-OFFICIO MEMBERS:

- National Railroad Passenger Corporation (Amtrak)
  - California Department of Transportation (Department)
  - California High-Speed Rail Authority (CHSRA)
  - Southern California Association of Governments (SCAG)
3. The LOSSAN rail corridor stretches 351 miles through the counties of San Diego, Orange, Los Angeles, Ventura, Santa Barbara, and San Luis Obispo. There are 38 stations along the corridor, 29 of which are currently served by the state-supported, Amtrak Pacific Surfliner intercity passenger rail service. The LOSSAN rail corridor is further described in **Appendix A**.
  4. The Secretary of CalSTA is responsible for the overall planning, coordination, and budgeting of Intercity Passenger Rail Service in the State of California.
  5. The Secretary of CalSTA has determined that continued local responsibility for intercity passenger rail service in the LOSSAN corridor will result in administrative or operating cost reductions and continued improvement to the Service.
  6. The Secretary of CalSTA shall establish, through an annual budget process, the level of state funding available for the operation of the Service.
  7. This Agreement provides for the LOSSAN Agency to retain the responsibility for administering the state-supported Service.
  8. The LOSSAN Agency will produce an Annual Business Plan (ABP) which serves as a two-year planning and budget document. The ABP will serve as the LOSSAN Agency's request for the necessary funds to provide the Service and the administration. The ABP will also describe the methods by which the LOSSAN Agency will administer such rail service and seek to increase the ridership in the LOSSAN corridor and will be submitted to the Secretary by April 1st of each year.
  9. In accordance with Section 14070.6 of the Government Code, the LOSSAN Agency may, continue to contract with the National Railroad Passenger Corporation (Amtrak) or through a competitive solicitation with other organizations not precluded by state or federal law to provide intercity passenger rail service, for the operation of the Service, and may contract with

rail corporations, other rail operators, and local agencies for the use of tracks and other facilities and for the provision of passenger services on terms and conditions as the Parties may agree. Any contract executed by the LOSSAN Agency to provide the operations of the Service, under the ægis of 14070.6, the Department is deemed to be a third-party beneficiary, and any such contract may not contain any provision or provisions that would negatively impact or conflict with any other contracts the Department has regarding intercity rail service or any plans CHSRA has or funds regarding high-speed rail, provided such CHSRA plans have been provided to the LOSSAN Agency by the Department

10. Consistent with the most recently approved ABP, and the state budget processes described herein, the Department shall develop a proposed yearly allocation which is consistent with and sufficient for agreed upon Service, and planned improvements to the Service as set forth in the most recently approved ABP.

## **AGREEMENT**

**NOW THEREFORE**, in consideration of the recitals and the rights, duties and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LOSSAN Agency and the Department hereby agree to the following:

### **ARTICLE 1. DEFINITIONS**

The terms defined in this Section 1.0 shall for all purposes of this ITA have the meanings specified herein.

- 1.1 “Act” refers to the Intercity Passenger Rail Act of 2012 (SB 1225) codified in Chapter 802 of the statutes of 2012 at Government Code Section 14070 et seq.
- 1.2 “Administration”, “Administering” or “Administered” shall refer to both the functional management and administration of the Pacific Surfliner service and related contracts as performed by the LOSSAN Agency.
- 1.3 “Agreement” shall mean this Interagency Transfer Agreement (ITA) and its Appendices whereby the Department transfers, as provided for in the Act and as set forth herein, responsibility for administering the Service to the LOSSAN Agency, including all applicable cost controls established hereunder or by statute.
- 1.4 “Annual Business Plan” or “ABP” shall mean the business plan submitted to the Secretary by April 1<sup>st</sup> of each year.
- 1.5 “BNSF Railway Company” or “BNSF” and “Union Pacific Railroad” or “UPRR” shall refer to the privately-owned Class I railroads over which the Service operates.
- 1.6 “California Department of Transportation” or “Caltrans” means the Department of Transportation of the State of California.
- 1.7 “California Transportation Commission” or “CTC” shall refer to the commission established in 1978 by Assembly Bill 402 (Chapter 1106, Statutes of 1977).
- 1.8 “CHSRA” shall mean the California High-Speed Rail Authority who is authorized to develop and manage the high-speed rail system in California.

- 1.9 “Cost Savings” shall have the meaning set forth in Section 5.5.
- 1.10 “Department” shall mean the State of California, acting by and through its Department of Transportation of the State of California or “Caltrans”, and any entity succeeding to the powers, authorities and responsibilities of the Department invoked by or under this ITA or the Supplemental Agreements.
- 1.11 “Effective Date” means the date set forth in Section 2.1.
- 1.12 “Efficiency and Cost Reduction Measures” means the proposed measures and initiatives outlined in the LOSSAN Agency’s ABP, which will be newly identified in each ABP and provide the justification for spending proposed Cost Savings on Service improvements.
- 1.13 “Excess Liability Insurance” means the policy of excess liability insurance which is described in Section 12.4(b)(ii) hereof and a copy of which is attached to this ITA as **Appendix E**.
- 1.14 “Expanded Service” has the meaning set forth in Section 13.3.
- 1.15 “Functions Assumed by LOSSAN Agency” means the statement of functions assumed by the LOSSAN Agency which is attached to this ITA as **Appendix J**.
- 1.16 “Functions Assumed or Retained by the Department” means the statement of functions assumed by the Department which is attached to this ITA as **Appendix K**.
- 1.17 “General Liability Insurance” means the general liability insurance policy coverage described in Section 12.4(b)(i), a copy of which is attached to this ITA as **Appendix E**.
- 1.18 “Governor” means the Governor of the State of California.
- 1.19 “High-Speed Rail” refers to the California high-speed rail system as developed and managed by the California High-Speed Rail Authority.
- 1.20 “Initial Interagency Transfer Agreement” refers to the first interagency transfer agreement between the Department and the LOSSAN Agency effective July 1, 2015.
- 1.21 “Interagency Transfer Agreement” refers to this agreement between the Department and the LOSSAN Agency to transfer the administrative responsibilities for the state-supported intercity passenger rail service operating on the LOSSAN rail corridor.
- 1.22 “Intercity Passenger Rail Services” shall mean transportation in the form of both traditional and High-Speed Rail through daily services between metropolitan areas, to rural areas of California, and to points beyond California’s borders.
- 1.23 “Intercity Rail Program” means the Service, the San Joaquin rail service and the Capitol Corridor rail service, all the feeder bus services related thereto and any future state-supported intercity passenger services.
- 1.24 “Legislature” means the State Legislature of the State of California.

- 1.25 “LOSSAN Agency” means the Los Angeles – San Diego - San Luis Obispo Rail Corridor Agency, the public agency created by and organized as a joint exercise of powers agency pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, which shall assume administrative responsibility for the State-supported Service as more fully provided in this ITA.
- 1.26 “LOSSAN Corridor”, “LOSSAN Rail Corridor”, or “Pacific Surfliner Corridor”, means the rail corridor which has its termini at San Diego and San Luis Obispo with intermediate stations located in San Diego County, Orange County, Los Angeles County, Ventura County, Santa Barbara County, and San Luis Obispo County.
- 1.27 “Maintenance Agreement” means that certain Maintenance Agreement between the Department and Amtrak for the maintenance of State-owned equipment dated November 20, 1994, a copy of which is attached to this ITA as **Appendix H**.
- 1.28 “Maintenance Transfer Date” shall be no later than July 1, 2015 and have the transfer of the maintenance obligations identified in Section 7.4.
- 1.29 “Managing Agency” shall mean the agency under contract with LOSSAN Agency to provide all necessary administrative, professional and technical support to LOSSAN Agency and for the oversight of the Pacific Surfliner Corridor, including performance of LOSSAN Agency’s obligations in the ITA.
- 1.30 “Master Fund Transfer Agreement” means that certain Standard Provisions of Intercity Rail Fund Transfer Agreement between the Department and the LOSSAN Agency covering allocations of State transportation, planning and development account funds herewith, a copy of which is attached to this ITA as **Appendix D**.
- 1.31 “Mechanical Staff” shall mean a representative of the Department or the LOSSAN Agency specifically designated to oversee the maintenance of State-owned equipment.
- 1.32 “Member Agencies” shall mean those public entity members of the LOSSAN Agency named in Recital 2 of this ITA, subject to future revision if any public entities withdraw and/or are added to the LOSSAN Agency.
- 1.33 “Minimum Service” as defined in the Act, shall mean the level of service operated by the LOSSAN Agency as of the effective date of this ITA, which shall in no case be less than the number of intercity round trips operated in the corridor and serving the end points served by the intercity rail corridor and further set forth in Section 13.2.
- 1.34 “Minor Capital Improvement Projects” means minor capital projects as defined in and authorized by California Government Code Section 14037.
- 1.35 “Operating Agreement” means that certain agreement for the provision of passenger rail service pursuant to Title 49 U.S.C. Section 24107 between the LOSSAN Agency and Amtrak and dated October 1, 2017, a copy of which is attached to this ITA as **Appendix I** and all subsequent agreement(s) for the operation of the Service during the term of this ITA.

- 1.36 “Operating Reserve Fund” shall mean the surplus funds retained by LOSSAN that represent the difference between the Department’s operating subsidy payments and the actual costs invoiced by the operator and will not exceed 12.5 percent of the immediate prior operating subsidy as is further described in Section 6.3.
- 1.37 “Operating Slots” shall mean the contractual ability to run regular passenger train(s) on a host railroad on a specific frequency.
- 1.38 “Retained Equipment” shall have the meaning set forth in Section 7.4(f).
- 1.39 “Secretary” shall mean the Secretary of the California State Transportation Agency (CalSTA). Unless the context otherwise requires, any reference to the Secretary includes CalSTA and its officers and employees.
- 1.40 “Service” shall, pursuant to the Act, mean, the State-supported administration, marketing, and operation and maintenance of rail and related services in the LOSSAN Corridor, including feeder bus services related thereto, as expanded, modified and developed by the LOSSAN Agency pursuant to this ITA or any amendment thereto, and shall not include the services operated or funded by the Member Agencies.
- 1.41 “Shared Use Agreements” shall refer to those agreements that exist between the Department and any railroad owner over which the Service operates.
- 1.42 “State” shall mean the State of California.
- 1.43 “Statement of Cost Reductions and Efficiencies Realized” refers to the statement in Article 5 and included in this ITA as **Appendix C**.
- 1.44 “State-owned Equipment” means the train sets (rail cars and locomotives) identified in this ITA.
- 1.45 “Supplemental Agreements” shall mean any written agreement between the Department and any other service provider, which is necessary for the LOSSAN Agency’s operation of the Service.
- 1.46 “Surplus Fund” have the meaning set forth in Section 6.3 hereof and shall mean the difference between the allocated amount for the operation of the Service and the aggregate amount of actual billings for the operation of the Service in the fiscal year by each respective passenger rail operating service provider.
- 1.47 “Term” has the meaning set forth in Section 3.1.
- 1.48 “Thruway Bus” shall mean all connecting state-supported, contracted operated bus service for which the LOSSAN Agency assumes administrative responsibility, a description thereof is included in **Appendix A**.
- 1.49 “Track and Signal Improvements” shall mean the capital improvements to the track and signal infrastructure of the Pacific Surfliner Corridor.
- 1.50 “Transfer Agreement” means the Transfer/Maintenance Agreement between the Department and Amtrak for the Transfer and Operations of State Provided Rail

Equipment dated June 2, 1995 and amended July 1, 1998, a copy of which is attached to this ITA as **Appendix G**.

- 1.51 “Uniform Performance Standards” means the standards, adopted by the Secretary, and referred to in Article 10 hereof, a copy of which are attached to this ITA as **Appendix F**.

## **ARTICLE 2. TRANSFER OF RESPONSIBILITIES**

- 2.1 The Department transferred the administrative responsibility for the Service to the LOSSAN Agency, effective July 1, 2015 (the “Effective Date”). Subject to the terms and conditions of the initial ITA, the LOSSAN Agency assumed responsibility and administration for the Service, and, as of the Effective Date, succeeded the Department’s powers, obligations and duties relative to such Service as provided in the initial ITA.
- 2.2 Except as otherwise provided for herein, the LOSSAN Agency will continue to retain the administration of the Service while this ITA is in effect.
- 2.3 The State agrees that the LOSSAN Agency may have its Mechanical Staff present at the site of rail equipment maintenance from and after the Effective Date to monitor maintenance on behalf of the LOSSAN Agency and the Department.

## **ARTICLE 3. TERM OF THE AGREEMENT, OPTION TO RENEW**

- 3.1 The effective date of the transfer of management and administrative duties to the LOSSAN Agency shall remain July 1, 2015. The term of this ITA, shall be for three years commencing July 1, 2018 and ceasing on the third anniversary date, June 30, 2021, with two four-year options for renewal.
- 3.2 As provided in Government Code Section 14070.2(b), the ITA between the Department and the LOSSAN Agency shall cover the initial three-year period but may be extended thereafter by mutual agreement on the same terms and conditions as stated herein. If either the LOSSAN Agency or the Department determines it does not wish to extend the agreement at the end of the initial term or a subsequent term, it shall notify the other party no less than 180 days prior to the termination date. Alternatively, the LOSSAN Agency and the Department may, by mutual agreement, modify this agreement upon renewal. If the Parties enter discussion to renew the agreement, they shall work in good faith to conclude a renewal agreement prior to expiration of the existing agreement. If the Parties fail to reach agreement prior to expiration of the existing agreement, the LOSSAN Agency shall continue to manage the Service for an additional 180 days funded by the Department, after which time, the administration of the service shall transfer back to the Department, absent renewal of that agreement within that 180-day period.

## ARTICLE 4. PLANNED SERVICE IMPROVEMENTS

- 4.1 The LOSSAN Corridorwide Strategic Implementation Plan (2012) specifies the improvements, enhancements and proposed expansions for the Service.
- 4.2 The LOSSAN Agency's annual business plans and transit and intercity rail capital program applications further describe planned improvements and expansions to the LOSSAN rail corridor and the Service.
- 4.3 The 2018 State Rail Plan identifies expansion of the number of daily trains as well as the areas served, and the Parties agree to work to accomplish this service level increase to the extent reasonably feasible, subject to the availability of necessary funding, trackage rights and equipment, infrastructure constraints and consistent with the requirements of other Intercity Rail Programs for operating funding, train sets and rail capacity during the term of this ITA, and also subject to remaining supportive of the development of high-speed rail services developed and managed by CHSRA. It is the intent of the Parties that the Department shall support the Service, provided such support does not prejudice the programs of the other Intercity Rail Programs or the investment in high-speed rail services developed and managed by CHSRA. It is also the intent of the foregoing that the Department shall support these other Intercity Rail Programs, provided such support does not disproportionately prejudice the programs of the Service.
- 4.4 The ABP shall identify the scope of operations and capital improvements, if any, to the Service for the identified State fiscal years and shall be the basis for projecting funding requirements for the performance of the Service by the LOSSAN Agency. The Department and the Secretary will receive, review, modify as required or deemed advisable and the Secretary shall approve on or before July 31<sup>st</sup> of each year, each ABP, and shall exercise reasonable efforts to secure from the Legislature the appropriation for the level of the Service agreed upon therein. Subject to Article 14 hereof, this Service will be operated to the extent that the Legislature appropriates necessary funds.
- 4.5 Funding for capital improvements to implement agreed upon enhanced levels of the Service may be obtained through available federal, state and local capital funding programs. To the extent that the LOSSAN Agency requests capital funding through state capital funding programs, the LOSSAN Agency shall submit the appropriate documentation which meets State requirements governing such programs for submittal in accordance with all applicable rules, regulations, policies, procedures and timetables of the California Transportation Commission or other applicable state bodies as they relate to such submittals. Anticipated changes in operating subsidy requirements resulting from the capital improvements shall be identified prior to programming such projects to enhance planning and to increase the likelihood of obtaining sufficient operating funds for the service improvements that result.

## ARTICLE 5. STATEMENT OF COST REDUCTIONS AND EFFICIENCIES REALIZED DURING THE INITIAL ITA

- 5.1 The Secretary has determined that the LOSSAN Agency has achieved significant efficiencies and cost reductions during the Initial ITA, July 1, 2015 through June 30, 2018, and continuance of the LOSSAN Agency's assumption of duties for the administration and marketing of the Service is in the best interest of the State and will result in further improvements. A statement summarizing these efficiencies and cost reductions is provided in **Appendix C**.

## ARTICLE 6. ANNUAL BUSINESS PLAN AND LEVEL OF FUNDING

- 6.1 On or before April 1<sup>st</sup> of each year in which this ITA, or any subsequent agreement regarding the Service, is in effect, the LOSSAN Agency shall develop and submit to the Secretary for review and approval, subject to any recommended modifications to be made on or before July 31<sup>st</sup>, as part of the LOSSAN Agency's ABP, the projected costs for the next two State fiscal years to administer the Service and for any planned improvements to the Service. The State's share of such annual projected costs, when approved by the Secretary, and sufficient for the level of the Service which, shall be no less than the existing level of service upon the executed date of this ITA, shall be submitted by the Department into the State budget process and shall, subject to the appropriation by the Legislature and, to the extent legally required, to programming by the CTC, be allocated to the LOSSAN Agency. In the event that the LOSSAN Agency does not agree with the amount provided in the Department's budget proposal for the Service, it shall be permitted to make its views known to the Governor through CalSTA and the Department of Finance during the state budget development process with consideration to the Governor's release of the budget proposal to the State Legislature and compliant with the requirements of budget development confidentiality.
- 6.2 The amount sought to be appropriated by the Legislature shall cover the State's share of all the LOSSAN Agency's and State costs to administer, manage, maintain, market and operate the Service, as set forth in SB 1225, including all planned service improvements as set forth in Article 4 and such other additions and extensions within the Pacific Surfliner Corridor to which the Department and the LOSSAN Agency may agree. Notwithstanding Article 13, in the event the Legislature does not appropriate funding for this ITA, the Parties will meet to discuss the best options to minimize unnecessary disruptions to the Service.
- 6.3 Each ABP shall be consistent with the provisions and requirements of this ITA and shall contain each of the requirements contained in the California Government Code Section 14070.4, subdivision (b), including, without limitation, provisions regarding the following matters.
- a. A report on recent and historical performance of the Service, an overall operating plan including proposed service enhancements to increase ridership and provide for increased traveler demands in the LOSSAN corridor for the upcoming year, short term and long term capital improvement programs, funding requirements for the upcoming State fiscal year, the estimated funding need for the following two fiscal year, and an action plan with specific performance goals and objectives.



- b. Documentation of Service improvements to provide the planned level of service, including operating plans for proposed service expansions and enhancements.
  - c. A clear delineation of how funding and accounting for State-sponsored Intercity Rail Program services shall be separate from locally sponsored services in the LOSSAN corridor. Any proposals to expand or modify the Service shall be accompanied by the identification of all associated costs and ridership projections.
  - d. The establishment of fares, operating strategies, capital improvements needed, and the marketing and operating strategies designed to meet the Uniform Performance Standards required by the Act.
  - e. Service amenities, food and beverage services, and commissary services.
  - f. LOSSAN Agency's proposed train performance goals.
  - g. Any proposed modifications or amendment to Performance Standards.
  - h. System Integration with the California High Speed Rail services, the services of other state supported intercity rail services and other passenger service operators on the LOSSAN corridor.
- 6.4 Should the ABP as approved by the Secretary include an estimated completion date or dates for any items of work identified therein, the LOSSAN Agency shall conform to those completion dates. In accordance with the provisions of the Master Fund Transfer Agreement, any failure to conform may constitute the basis for delaying or withholding payment for the work to the extent of the delay.
- 6.5 Methods the Department will use for its annual review of the ABP and annual proposal on funding and appropriations will include evaluation of the ABP to determine that it is an integrated program that provides all of the necessary components for producing the required intercity passenger rail services, including but not limited to, specific determinations that the ABP addresses:
- a. Cost levels for the provision of the proposed level of passenger rail service;
  - b. Route and schedule coordination with other Intercity Rail Programs and other passenger rail services, and with feeder bus services for such Intercity Rail Programs and other passenger rail services, including as appropriate, a comparison of proposed fares, schedules and service amenities with other competitive transportation modes within the LOSSAN corridor to ensure that the projected route performance is reasonable and achievable;
  - c. Compliance with Uniform Performance Standards as modified from time to time;
  - d. Non-violation of (i) the provisions of this ITA, (ii) Supplemental Agreements with respect to the Service and the State-Owned Equipment, and (iii) applicable law and regulations;
  - e. Reasonableness of the projections of ridership, revenues and funding needs using standard rail industry and financial evaluation tools and models;

- f. Identified and documented annual funding and appropriations requirements for each year of this ITA;
- g. Fiscal results of the prior year's operations; and
- h. Consistency with the CHSRA most recent business plan and any other CHSRA plans which have been developed by CHSRA and provided to the LOSSAN Agency by the Department.

Such review will also include a determination as to whether all necessary resources are available and have been included in the ABP, that key assumptions are reasonable and consistent, and that proposed levels of passenger rail and feeder bus service are sufficient to meet anticipated customer needs on a cost-effective basis.

- 6.6 If the budget allocation and the funds provided by the Department to the LOSSAN Agency in any State fiscal year for passenger rail service operations exceeds the level of actual billings from the LOSSAN Agency's contracting passenger rail operating service provider, the difference between the allocated amount for such operating services and the aggregate amount of actual billings for such services in the fiscal year by such passenger rail operating service provider shall be considered to be Surplus Funds. Such Surplus Funds shall be identified by the LOSSAN Agency and the Department shall be notified of its estimated amount no later than 60 days from receipt and following review and reconciliation by the LOSSAN Agency of a final invoice for the FY from the passenger rail operating service provider. Surplus Funds may be retained by the LOSSAN Agency in a separately identifiable Operating Reserve Fund intended solely to fund future variability in operating costs such as fuel, host railroad incentives, emergency service provision and other operating costs that may vary from the budgeted amount established at the start of each passenger rail service provider contract year. The maximum level of funds allowed to be retained in the Operating Reserve Fund, unless otherwise approved in writing by the Department, and conditioned upon approval by the Secretary, shall be 12.5% of the State subsidy level in the most recently completed Amtrak, or any subsequent passenger service operators, contract year. Amounts in excess of funding over the 12.5% of the State subsidy level for the most recently completed Amtrak, or any subsequent passenger service operator's contract year, shall be returned to the Department pursuant to the means specified in the Master Fund Transfer Agreement.
- 6.7 The Operating Reserve Fund shall be utilized ahead of any requests for additional budget allocations for cost fluctuations that occur during the course of the contract year related to carrying out the Service in the approved ABP.
- 6.8 Notwithstanding the foregoing, the LOSSAN Agency may use cost savings (Cost Savings) from operational improvements or efficiencies achieved by it or increases in Operating Revenues in excess of ABP projections and farebox recovery requirements specified in the Uniform Performance Standards, to provide for service improvements that increase ridership of the Service. Cost Savings are to be based on trackable management actions, including but not limited to proposals in the ABP or otherwise documented and quantified during the course of performance of the Service during the then fiscal year. Cost Savings prospectively quantified in an ABP based on management actions proposed for the future may be directly budgeted for targeted service improvements. Cost Savings based on management actions taken during the

regular administration of the Service shall be tracked, and the current fiscal year savings specifically identified for utilization in future year service improvements identified in the next ABP, allowing the funds to remain available for service improvement expenditure rather than be designated as Surplus Funds. Increases in operating revenues above those anticipated in the ABP forecast shall be available for service improvement expenditure only after the Operating Reserve Fund maximum level identified in Section 6.7 is achieved, and subject to their identification and budgeting in an approved ABP.

## **ARTICLE 7. RESPONSIBILITIES FOR THE SERVICE**

- 7.1 The respective duties, obligations and responsibilities of the LOSSAN Agency and the Department for the Service, unless otherwise specified, shall be the Effective Date of this ITA.
- 7.2 The LOSSAN Agency shall as of the effective dates applicable to such specific responsibilities as may be set forth herein and in the Appendices of this ITA, assume from the Department, the Department's functions, duties, obligations and responsibilities related to the Service, including but not limited to the specific functions and responsibilities set forth in **Appendix J**, attached hereto, and excluding those functions and responsibilities retained by the Department and set forth in **Appendix K**. The duties, obligations and responsibilities of the Department are identified in **Appendix K**.
- 7.3 Supplemental Agreements
- a. The effectiveness of this ITA is specifically contingent upon the approval and execution of the Supplemental Agreements, incorporated hereto as Appendices to this ITA, including but not limited to the Maintenance Agreement and Transfer Agreement. If the Parties to each of the Supplemental Agreements have not agreed upon and executed each of the Supplemental Agreements, neither party hereto shall have any further obligation or liability to the other party.
  - b. Subject to any maintenance or warranty administration responsibility retained by the Department, the LOSSAN Agency accepted responsibility on the Maintenance Transfer Date for administration of the delegated maintenance oversight for the rail cars and locomotives assigned to the Service and any other Intercity Rail Program with which the LOSSAN Agency shares tracks and rail cars. This includes leased equipment, the equipment designated and purchased by the Department for such Intercity Rail Program as will be (provided or set forth), and equipment utilized for such Intercity Rail Program that is or may be acquired following the execution of this ITA, which are used in the operation of the Service.
  - c. The State-owned Equipment is subject to the terms of the Maintenance Agreement and the Transfer Agreement. The Transfer Agreement and the Maintenance Agreement are for a term commencing on the Effective Date and continuing until terminated in accordance with the provisions thereof (**Appendices G and H**).
  - d. The Parties agree that the Operating Agreement, **Appendix I**, is intended to govern the operations of the Service between the LOSSAN Agency and Amtrak or any future passenger service operator.

## 7.4 Equipment

- a. With respect to the State-owned Equipment being transferred to the LOSSAN Agency for operation of the Service and maintenance supervision responsibility transferred to the LOSSAN Agency, it is the intent of the Parties that no other rights in any specifically identified units of the State-owned Equipment shall be transferred to the LOSSAN Agency. Rather, it is the intent of the Parties, and it is hereby agreed, that this ITA transfer to the LOSSAN Agency the right to operate within the LOSSAN corridor and, effective upon transfer of maintenance supervision responsibility, the obligation to provide oversight on maintenance of a number of units of each type of State-owned Equipment, either solely or in concert with equipment maintenance supervisory personnel from Amtrak as identified in the Equipment and Operating Agreements.
- b. The terms for transferring the State-owned Equipment and other equipment and property owned by the Department and required for the Service, including the number of units to be provided, liability coverages, maintenance and warranty responsibility and indemnification issues, are as set forth herein and will be in force as of the Effective Date of this ITA.

## 7.5 Network Integration and California High Speed Rail

- a. LOSSAN Agency acknowledges that the Department desires to improve rail and transit service and grow ridership by creating an integrated statewide rail and transit system with coordinated schedules and a common fare collection system. Creation of a better-integrated rail and transit system will create additional options for travelers and help the Department achieve its mobility, safety and greenhouse gas reduction goals for the statewide transportation system.
- b. The CHSRA is an integral component of the statewide integrated rail and transit system. Notwithstanding the foregoing, the LOSSAN Agency shall use best efforts in working with the CHSRA and any other rail and transit providers to improve the integration of the Service with other high-speed rail, traditional rail and transit services, including the Service operating as a feeder to high-speed rail service. The LOSSAN Agency shall use best efforts in working with CHSRA as CHSRA plans its service. In the event that the LOSSAN Agency fails to reach agreement with the CHSRA in the timeframe reasonably required to meet CHSRA needs and on terms related, but not limited to, scheduling, ticketing, cost sharing, service, and fare integration issues, the dispute, arising from such disagreement, shall be brought by either the LOSSAN Agency or the Department and resolved by the Secretary. The determination by the Secretary shall be final and binding.
- c. With respect to all equipment and facilities, including rail cars, rail equipment, buses and rail tracks and stations, used jointly by both the Service and any other Intercity Rail Program, all savings in operations attributable to such other Intercity Rail Program shall be allocated to such Intercity Rail Program. Likewise, effective as of the Maintenance Transfer Date, maintenance on any passenger rail equipment jointly used for the Service and another Intercity Rail Program, shall be equitably apportioned between such Intercity Rail Programs based upon total car

and locomotive miles traveled in service, or any other equitable cost sharing mechanisms agreed upon between the Department and JPAs.

- d. The LOSSAN Agency shall set fares for the Service; provided however that where the Service is directly contiguous with any part of any other Intercity Rail Program, through the Statewide Working Group identified in **Appendices J and K** the Parties will attempt to reach agreement on the fare structure for such contiguous areas. Failing such agreement, any dispute arising from disagreements between the members of the working group identified in **Appendices J and K** shall instead be resolved by the Secretary. The determination by the Secretary shall be final and binding upon the Parties.
- e. LOSSAN Agency and the Department agree to use their respective best efforts to minimize any negative impacts of such joint use and to maximize the efficient use of the equipment and facilities by taking, without limitation, the following steps: (i) maintenance and cleanliness standards shall be the same for any joint-use equipment or facilities and developed in a collaborative manner through the Statewide Working Group; (ii) assignment of equipment to individual trains shall be in accordance with a deployment plan agreed to by the Statewide Working Group identified in **Appendices J and K**.
- f. The Department and the LOSSAN Agency agree that future operating agreements between the LOSSAN Agency and any new operator (other than Amtrak) with respect to the Service (or connecting services to other intercity corridors), and any assignment of the Department's rights and obligations with respect to the Service and/or the State-owned Equipment under the Transfer Agreement or the Maintenance Agreement, pursuant to any new maintenance and/or transfer agreement between the LOSSAN Agency and any new operator shall be subject to review and approval by the Secretary or the Secretary's designee prior to its execution by the LOSSAN Agency, which approval shall not be unreasonably withheld.

- 7.6 Because Funding Agreement(s) for Capital Projects with the Host Railroad(s) and Local Agencies are currently in place, and the work to be performed has commenced under the supervision of the Department, the Parties agree that it is in their mutual best interest for the Department to continue as the public entity party to the Funding Agreement(s) and to continue to administer and supervise the project and funding agreement(s). The Department agrees to consult with the LOSSAN Agency regarding any change orders, amendments or modification of the scope of work to be performed which is sought or recommended by the Host Railroad(s) or Local Agencies, and to review and consider, and if it deems appropriate, to seek to effect any changes recommended by the LOSSAN Agency to the scope of work.

## **ARTICLE 8. OPERATION OF THE SERVICE**

- 8.1 The LOSSAN Agency shall maintain, through contracted forces or continued use of the Amtrak Operating Agreement, all stations, currently specified in the Operating Agreement, over which it has control or responsibility, including, but not limited to

restroom facilities, in good condition and repair, and in accordance with high standards of cleanliness (Public Utilities Code, Section 99317.8).

- 8.2 LOSSAN Agency will take over the administration of the feeder bus routes defined in **Appendix A**, which operate primarily in conjunction with the Service.
- 8.3 All costs of operation of the bus routes will be the responsibility of the LOSSAN Agency; all revenue credits for the bus portion of the trip generated from passenger tickets used for travel on these bus routes will be retained by the LOSSAN Agency for the Service.
- 8.4 The LOSSAN Agency may change schedules of Surfliner trains and may change the schedules of the connecting bus routes administered by the LOSSAN Agency, or may discontinue individual bus trips. The Parties agree that changes to the Service described above may result in potential adverse impacts upon the rail and bus services administered by other parties as a direct result of breaking or eliminating connections with such services. For changes that may impact interregional connectivity, the Parties agree to foster collaborative decision-making through active participation in the Statewide Working Group defined in **Appendices J and K**. In the event there is a dispute related to a proposed change to the Service by the LOSSAN Agency, the Parties shall comply with the informal dispute resolution outlined in Section 16.1.
- 8.5 The Parties shall also allow any Department administered feeder bus services to use Service facilities, and stations owned by the LOSSAN Agency, without any charge by the LOSSAN Agency to the Department or the operator. The LOSSAN Agency will not prohibit and will assist in the placement by the Department of signs and informational material designed to alert the public to the availability of Department administered feeder bus service. (For the purposes of this Section, "Department administered feeder bus service" includes any bus service funded pursuant to California Public Utilities Code, Section 99316).

## **ARTICLE 9. DEPARTMENT AS A THIRD-PARTY BENEFICIARY TO AMTRAK CONTRACT; THE LOSSAN AGENCY AS AN AGENCY OF THE STATE**

- 9.1 In accordance with the Act, the Department is deemed to be a third-party beneficiary of any contract for passenger rail services between the LOSSAN Agency and Amtrak (or any other passenger rail service provider under contract with the LOSSAN Agency pursuant to California Government Code Section 14070.6), for use of tracks and other facilities and for the provision of passenger services on such terms and conditions as the Parties may agree.
- 9.2 No such contract shall contain any provision which would have a materially detrimental effect on any other contract the Department may have regarding other Intercity Rail Programs and the California High-Speed Rail Program.
- 9.3 As provided in California Government Code Section 14070.4, the LOSSAN Agency is deemed to be an agency of the State of California for purposes related to providing passenger rail services. By executing this ITA, the LOSSAN Agency acknowledges and agrees that such provision does not render it an agent of the Department or CalSTA.

## ARTICLE 10. UNIFORM PERFORMANCE STANDARDS

- 10.1 **Appendix F** is the Uniform Performance Standards for the operation of the Service by the LOSSAN Agency. These Uniform Performance Standards are the final Uniform Performance Standards adopted by the Secretary in accordance with the Act as of June 30, 2014 and subject to revision following the first year.

## ARTICLE 11. FORCE MAJEURE

- 11.1 Each party will be excused from performance of its obligations where such non-performance is caused by any event beyond its reasonable control, such as any non-appealable order, rule or regulation of any federal or state governmental body, Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption, provided that the party excused hereunder shall use all reasonable efforts to minimize its non-performance and to overcome, remedy or remove such event in the shortest practical time.
- 11.2 Should a force majeure event occur, as provided in Section 11.1, which renders it impossible for a period of forty-five (45) or more consecutive days for either party to perform its obligations hereunder, the Parties agree to negotiate in good faith to amend the existing Business Plan or Business Plan Update to deal with such event and to seek additional sources of funding to continue the operation of the Service.

## ARTICLE 12. LIABILITY AND INDEMNIFICATION; INSURANCE REQUIREMENTS

- 12.1 Parties' Obligation to Indemnify

Liability, indemnification and insurance coverage for liability imposed for injury or damage to State, the LOSSAN Agency or any third party related to or arising out of obligation, responsibility or duty delegated to or assumed by the State or the LOSSAN Agency under this ITA shall be provided below.

a. Indemnification by LOSSAN Agency

- i. The LOSSAN Agency agrees to indemnify, defend and save harmless the State, the Department, its officers, agents and employees from any and all claims, suits or actions of every name, kind and description including but not limited to, contractual losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this ITA; from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the LOSSAN Agency in the performance of this ITA; or tortious or other theories or assertions of liability occurring by reason of anything done or omitted to be done by the LOSSAN Agency and/or its agents under this ITA. If any claim, action or proceeding shall at any time be brought against the State or Department asserting a liability for such injury, death, damage or loss, the State or Department shall promptly give notice to the LOSSAN Agency of such

claim, action or proceeding and the LOSSAN Agency shall thereafter provide all such information as the State or Department may from time to time request.

- ii. Provided that the LOSSAN Agency furnishes and maintains all of the insurance that it is contractually required to obtain under this ITA, then, in accordance with the present terms of the joint exercise of powers agreement pursuant to which the LOSSAN Agency has been organized, any indemnity obligation of the LOSSAN Agency hereunder shall not flow through to become obligations of any Member Agency of the LOSSAN Agency as a consequence of that Member Agency's status as a Member Agency of the LOSSAN Agency. In addition, no Member Agency shall have any liability or obligation for indemnification hereunder to the extent that its activities arise out of its obligations under this ITA, its appointment of a member to the LOSSAN Agency Board of Directors as its representative thereto, and its participation on the LOSSAN Agency Board of Directors or any committees thereof in Board and committee activities to the extent permitted by law and in the usual and customary manner. To the extent that the negligence of any Member Agency outside of the foregoing activities causes or contributes to a loss for which the State has been final adjudged jointly, or jointly and severally, liable with the Member Agency, the State may seek contribution and/or indemnification from that Member Agency to the extent permitted by applicable law.

b. Indemnification by Department

- i. The Department shall, to the extent permitted by law, indemnify, defend and hold harmless the LOSSAN Agency and the Managing Agency, its Member Agencies, officers, directors, employees and agents, from any and all claims, suits or actions of every name, kind and description including injury or damages occurring by reason of anything done or omitted to be done by the Department and/or its agents under this ITA.

12.2 The indemnifying party shall bear all expenses, costs and shall pay all settlements or final judgments arising out of any claim, action or proceeding involving the injury to and/or death of any person or damages to or any loss of property arising from any indemnification obligation of the indemnifying party under Section 12.1 above, including the costs of defense and settlement. Should a claim, action or proceeding of any nature be brought at any time against a party entitled to indemnification pursuant to Section 12.1 above, asserting liability on the part of the such party for such injury, death, damage or loss, the party entitled to such indemnification shall promptly provide notice to the indemnifying party of such claim, action or proceeding and shall tender the defense of such claim, action or proceeding to the indemnifying party which shall thereafter provide all such defense, indemnity and protections as are necessary under the provisions of this ITA. The party entitled to indemnification shall provide such additional information or assistance as is reasonably requested by the indemnifying party to assist in the defense, prosecution or settlement of any such claim, action or proceeding. The indemnifying party may engage counsel of its choice to defend the indemnified party subject to the indemnified party's consent, such consent not to be unreasonably withheld.



### 12.3 LOSSAN Agency Provided Insurance

- a. The LOSSAN Agency will name or cause to be named the State, Department and the Secretary as named insureds, and loss payees (pertaining to State-owned Equipment) to any policy of insurance purchased by the LOSSAN Agency and in any indemnity provision in any agreement between the LOSSAN Agency and Amtrak or any successor operator to Amtrak, UPRR, BNSF or any other railroad or entity controlled thereby or any successor thereto, feeder bus operators, or any other party the LOSSAN Agency has an agreement with, that involves or is related in any way to the administration, operation or maintenance of the Service by the LOSSAN Agency. The LOSSAN Agency will provide or cause to be provided to the State, copies of all applicable insurance policies and/or certifications and agreements containing indemnity provisions.
- b. Effective upon assumption by the LOSSAN Agency of operating or maintenance responsibility for the State-owned Equipment, the LOSSAN Agency will require that Amtrak or any subsequent operator continue to provide physical damage insurance for State-owned Equipment at the same or higher levels and at least the same terms and conditions as included in the Operating Agreement in effect on the date of execution of this ITA. Any change to this coverage shall require the prior written approval of the Department. Unless otherwise approved in writing by the Department, the insurance as referenced herein shall be written on an equipment replacement cost basis with a deductible not to exceed \$100,000 (to be paid by the State) per occurrence. The State and Department shall be named as additional insureds and the sole loss payee as respects to its interest in the State-owned Equipment entrusted to the LOSSAN Agency. The LOSSAN Agency shall cause the insurer to waive all rights of subrogation against the State and the Department. The LOSSAN Agency shall include the cost of securing all of the required insurance and any deductibles included in this ITA in the Annual Business Plan for submission to the Legislature for appropriation.

### 12.4 Department Provided Insurance

- a. Department will name or cause to be named the LOSSAN Agency and the Managing Agency and each Member Agency identified in Recital 2, as named insureds with respect to any policy of insurance purchased by the Department as of the Effective Date of this ITA and in any indemnity provision in any agreement between the Department and Amtrak or any successor operator, UPRR, BNSF or any successor thereto, feeder bus operators, or any other party the Department has an agreement with that involves or is related in any way to the administration, operation or maintenance of the Service or State-owned Equipment by the State. The Department will provide or cause to be provided to the LOSSAN Agency, copies of all applicable insurance policies and/or certifications and agreements containing indemnity provisions upon request.
- b. Commencing no later than the Effective Date, in addition to the primary insurance coverage provided by Amtrak, the Department will obtain and maintain in force the following additional insurance:
  - i. General Liability Insurance coverage for property damage and bodily injury in the amount of ten million dollars (\$10,000,000), with a deductible not to exceed

\$100,000 per occurrence covering the Services to be performed by the LOSSAN Agency and naming the State and the Secretary as additional insureds; the policy shall contain the coverages and exclusions contained in the policy.

- ii. Excess Liability Insurance coverage for property damage and personal injury in excess of the insurance provided for in subdivision (a) above, in the amount of one hundred forty million dollars (\$140,000,000), generally covering the Services to be performed by the LOSSAN Agency, and naming the State and the Secretary as additional insureds; the policy or policies shall contain substantially the same coverages and exclusions contained in the policy or policies which are attached to this ITA.

## 12.5 Insurance Premiums and Deductibles

- a. All premiums for the procurement and continuation of the insurance provided for in Section 12.3 and 12.4 of this Section and the incremental cost of adding the State and the Secretary as named insureds for these policies described above will be included in the ABP, to the extent that the State provides the estimated cost, for submission to the Legislature for appropriation. Subject to the deductible identified in the preceding sentence, any deductible obligation of the policy referenced in subdivision a. above will be included in the ABP for submission to the Legislature for appropriation.
- b. Any deductible obligation under the property damage policy for State-owned Equipment required to be maintained under the provisions of the Operating Agreement and referenced in Sections 12.3 and 12.4 above shall be the responsibility of the Department. The Department will provide funding to LOSSAN Agency on an as needed and as available basis to cover this obligation from other unencumbered Intercity Rail Program funds. In the event of an occurrence requiring the Department to fund the deductible amount or any portion thereof, the LOSSAN Agency will immediately notify the Secretary and the Department will take the necessary steps to seek to increase the funding of the current Master Fund Transfer Agreement with the LOSSAN Agency to include the specific loss up to the full \$100,000 deductible sum. To the extent that there is no available unobligated Intercity Rail Program funding, the deductible sum at issue will be covered by the LOSSAN Agency from budgeted rail funds already allocated to the LOSSAN Agency through the ABP process.

12.6 Except as may be purchased hereafter, the State does not maintain, nor does it intend to maintain or cause to be maintained during the course of this ITA, any insurance coverages for its indemnification obligations herein. The foregoing notwithstanding, the State reserves the right to purchase or cause to be purchased at any time during the term of this ITA or any extension thereof, insurance coverage for such indemnification obligations.

12.7 Pursuant to California Government Code Section 895.4, the foregoing Sections 12.1 through 12.9 constitute the entire agreement between the Parties hereto regarding indemnification for liabilities which may be incurred by either party under this ITA.

- 12.8 Any disputes under this Article 12 shall be resolved by arbitration pursuant to Article 16 hereof.
- 12.9 This Agreement, the Master Fund Transfer Agreement and (as respects the State's participation herein), the Transfer Agreement are solely intended to establish standards and controls governing the expenditure of State-provided funds and the use of State-owned Equipment for the Service to be operated and maintained by the LOSSAN Agency.

**ARTICLE 13. FUNDING SHORTFALLS; DEFICIT FINANCING; REDUCTION IN LEVEL OF PASSENGER RAIL SERVICE IN THE CORRIDOR**

- 13.1 Subject to funding appropriation by the Legislature and to the extent legally required the Parties agree that the level of Service to be funded by the Department is described in Section 6 above. Subject to the Minimum Service requirement described below, the LOSSAN Agency shall not be obligated to perform the Service for which funding is not available at the time the Service is to be provided.
- 13.2 Subject to funding appropriation by the Legislature and to the extent legally required and as required by the Act, the Parties agree that for not less than three years from the Effective Date of this ITA, the Minimum Level of service shall be maintained by the LOSSAN Agency and funded by the Department from operating subsidies made available for intercity rail services in the corridor and funds currently used by the Department for administration and marketing of the corridor, not to exceed the amount in the approved ABP. This minimum level of service for the Pacific Surfliner route with 12 daily round trips between San Diego and Los Angeles, of which five round trips extend north to Santa Barbara and Goleta with two of these round trips extending further north to San Luis Obispo, together with the associated feeder bus services described in Sections 8.1 through 8.4 with substantially the same number of train miles as was provided on the Effective Date of this ITA (hereinafter, "Minimum Service").
- 13.3 The Parties agree that other proposed service that goes beyond Minimum Service, whether called additional service, locally sponsored service, State sponsored service, enhanced service, or any other similarly descriptive term, shall hereinafter be referred to as "Expanded Service." Expanded Service shall only be operated by the LOSSAN Agency if sufficient funding is included in the ABP budget, to the extent required by law, is appropriated by the Legislature and programmed by the CTC, or otherwise is available for expenditure when the Expanded Service commences. Funding for Expanded Service may be provided by the State, any jurisdiction served by the Service, or any other available funding source. In the event the LOSSAN Agency determines that funds appropriated by the Legislature or otherwise available for Expanded Service will be insufficient to operate the Expanded Service during the State fiscal year, the LOSSAN Agency shall obtain any additional funds required or make adjustments to the level of Expanded Service to the extent necessary to operate at least Minimum Service with available funding.
- 13.4 In recognition of the obligations imposed by the Act on the LOSSAN Agency to operate the Minimum Service, and on the State to fund that Minimum Service, the Parties shall use their best efforts to include adequate funding in the proposed budget submitted to the Legislature. The ABP budget shall set forth a specific line item amount identified solely for the operation of the Minimum Service.

- 13.5 If there is a shortfall between the funding approved in the proposed budget contained in an ABP and the actual amount appropriated by the Legislature, or actually available from the State or any other funding source at the time the Service is to be provided, the LOSSAN Agency shall work with the operator to reduce the level of service to one that can be sustained by available funding during the fiscal year, but in no event less than the Minimum Service. If Minimum Service cannot be provided because the Legislature has not appropriated funds identified in the ABP sufficient to maintain Minimum Service, the LOSSAN Agency may terminate this ITA in accordance with Section 15.5 hereof.
- 13.6 If the level of funding described in Section 13.2 above is appropriated by the Legislature and, to the extent required by law, is programmed by the CTC, but additional funding is still needed to operate the Minimum Service without interruption, the following steps will be taken:
- a. To the extent feasible, and in cooperation with the operator, the LOSSAN Agency may adjust the level of passenger rail service for service other than the defined Minimum Service during the fiscal year, to the extent necessary to continue the uninterrupted operation of an amended form of the Service, but in no event less than the Minimum Service;
  - b. If additional funding is still required, the LOSSAN Agency will seek to obtain such additional funding from available sources. If, following good faith efforts by the Department and the LOSSAN Agency to obtain such supplemental funding, the LOSSAN Agency is unable to do so, the LOSSAN Agency shall continue to operate the Minimum Service for so long as it has funds available to provide such Minimum Service. Not less than thirty (30) days in advance of the date that the LOSSAN Agency anticipates that it will exhaust funds available to provide Minimum Service or amended Minimum Service, it shall notify the Department that it is terminating this ITA, which termination shall be effective sixty (60) days following the date anticipated for exhaustion of funds to maintain such Minimum Service or amended Minimum Service. In such event, and at least ninety (90) days (or such other notice period contained in any contract with a subsequent operator of termination of such contract) prior to the effective date of termination of this ITA, the LOSSAN Agency shall have notified Amtrak or any subsequent operator that it intends to terminate this ITA and shall have obtained the consent of Amtrak or any subsequent operator to continue the Service to the date of termination of this ITA, which Service shall be maintained for such period at a level to be agreed upon between the Department and Amtrak or such subsequent operator. In such event, the Department agrees to fund Minimum Service or such other service level as may be agreed upon between the Department and Amtrak or any subsequent operator, for such period and to compensate the LOSSAN Agency for administration of the Service for such period in the monthly amounts for each monthly period during which the Service is continued, equal to one twelfth (1/12) of the amount appropriated by the Legislature for the then-current State fiscal year for administration of the Service by the LOSSAN Agency. Such amount shall be paid in accordance with the provisions of the Master Fund Transfer Agreement.

## ARTICLE 14. NO GUARANTEE OF FUNDING

- 14.1 Notwithstanding any other provision of this ITA, the Department has no obligation or duty and no representation or warranty is made by the Department herein that any funding will be appropriated by the Legislature and, to the extent required, programmed by the CTC, to carry out the purposes of this ITA. The obligation of the Department is limited to preparing, supporting and submitting budgets and appropriation request through the Department of Finance on a timely basis, all as set forth in this ITA.

## ARTICLE 15. TERMINATION BY PARTIES

- 15.1 Notwithstanding any other provision of this ITA, either party may terminate this ITA without cause, by giving not less than one hundred eighty (180) days advance written notice to the other.
- 15.2 If a party terminates this ITA, the Parties agree to cooperate with each other to facilitate the transfer of responsibilities from the LOSSAN Agency to another entity or back to the Department with minimum disruption to passenger service and in the most cost-effective manner possible. To the extent reasonably feasible, the Parties shall endeavor to make the effective date of termination coincident with the beginning of the State's next fiscal year.
- 15.3 If there are any funds provided by the Department remaining unspent by the LOSSAN Agency as of the date of termination of this ITA, such funds shall be promptly released or reimbursed to the Department to be used by the Department to provide the Service or for transfer to a successor administering agency of the Service.
- 15.4 Section 15.1 notwithstanding, the Department may, in its sole discretion, terminate this ITA upon not less than thirty (30) days prior notice upon the occurrence of a material breach of any of the Supplemental Agreements, which material breach shall include, but not be limited to the following:
- a. LOSSAN Agency's refusal to perform any of the Services as required under the Supplemental Agreements when such refusal significantly disrupts operations in the LOSSAN Corridor and is not excused by any other provision of this ITA;
  - b. LOSSAN Agency's insolvency or inability to meet its obligations, the filing of an involuntary petition in bankruptcy, its making of an assignment for the benefit of creditors, filing a petition for an arrangement, composition of compromise with its creditors under any applicable laws or having a trustee, receiver, or other officer appointed to take charge of its assets;
  - c. LOSSAN Agency's failure to comply with any valid law, ordinance, rule, regulation or order of any legal entity or authority which failure has a material impact on the LOSSAN Agency's ability to perform this ITA;
  - d. The abolition, termination or other dissolution of the LOSSAN Agency ;

- e. The material breach of any other obligation, duty, responsibility, covenant or condition agreed to by the LOSSAN Agency pursuant to the Supplemental Agreements.
- 15.5 Section 15.1 notwithstanding, the LOSSAN Agency may, at its sole discretion, terminate this ITA upon not less than thirty (30) days prior notice upon the occurrence of a material breach of the ITA by the Department, which shall include, but not be limited to:
- a. The failure of the Legislature to appropriate sufficient funds to operate the Service at the Minimum Service levels;
  - b. The failure of the Department to make payments as required by this ITA or the Master Fund Transfer Agreement;
  - c. The material breach of any other obligation duty, responsibility, covenant or condition agreed to by the Department pursuant to this ITA.
- 15.6 Upon termination, the party electing to terminate shall notify the other party in writing stating the basis for termination. If termination is for cause, and the other party has taken effective action to remedy the default within the notice period, such termination shall not become effective.
- 15.7 Upon termination for cause, the Department shall have the right to enter into an agreement with another party for administration and/or operation of the Service. In the event of termination for cause, the terminating party shall also be entitled to unavoidable incremental allowable costs incurred and attributable to the termination, but, in the event of termination for cause by the Department, not for any operating costs for continuation of the Service which would otherwise have been incurred had the Department not exercised its right to terminate.
- 15.8 Except as set forth in this Article 15, no party shall have any liability or obligation to the other party by reason of termination of this ITA.
- 15.9 Any exercise of the Department's right to terminate this ITA shall be subject to the prior written approval of the Secretary.

## **ARTICLE 16. DISPUTE RESOLUTION PROCESS**

### **16.1 Informal Dispute Resolution**

Parties shall develop a mutually agreed upon issue resolution process, as described below, with a primary objective to ensure the Service stays on schedule and issues between the Parties are resolved in a timely manner. The Parties agree to the following:

- a. If the Parties are unable to reach agreement on any issue relating to either Parties' obligations pursuant to this ITA, the Parties agree to promptly follow the issue resolution process as outlined below:
  - i. The Department's project manager and the LOSSAN Agency's equivalent may initiate the process of informal dispute resolution by providing the other Party

with written notice of a dispute. The written notice shall provide a clear statement of the dispute and shall refer to the specific provisions of this ITA or Supplemental Agreements that pertain to the dispute. The Department's project manager and the LOSSAN Agency's equivalent shall meet and attempt to resolve the dispute within five days of the initial meeting. If the dispute is resolved, the Parties shall create and sign a short description of the facts and the resolution that was agreed upon by the Parties.

- ii. If the dispute is not resolved by the tenth day, the Department's senior project manager and the LOSSAN Agency's equivalent shall meet and review the dispute within five days. The Department's senior project manager and the LOSSAN Agency's equivalent manager shall attempt to resolve the dispute within ten days of their initial meeting. If the dispute is resolved, the Parties shall create and sign a short description of the facts and the resolution that was agreed upon by the Parties.
- iii. If the dispute is not resolved by the tenth day, the Department's Director or his designee and the LOSSAN Agency's equivalent manager shall meet and review the dispute within five days. The Department's Director or his designee and the LOSSAN Agency's equivalent manager shall attempt to resolve the dispute within ten days of the initial meeting. If the dispute is resolved, the Parties shall create and sign a short description of the facts and the resolution that was agreed upon by the Parties. If the dispute is not resolved by the tenth day by the Department's Director or his designee and the LOSSAN Agency's equivalent manager, the Parties shall submit the matter to the Secretary as specified in Section 16.1(b).

- b. All disputes must exhaust the informal dispute resolution process outlined in Section 16.1. For issues which have been identified in this ITA for resolution by the Secretary, the Parties shall submit a summary of the dispute to the Secretary for a final and binding resolution. For all other disputes, the Parties shall follow the arbitration process outlined in Section 16.2.

## 16.2 Arbitration

- a. Unless otherwise agreed to by the Parties, in the event of a dispute between the Parties which has not been satisfactorily resolved by those parties within sixty (60) days of the commencement of the dispute, said dispute shall be submitted to arbitration by a panel of three arbitrators who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. The panel of arbitrators shall consist of one arbitrator appointed by each of the disputants, the third arbitrator to be appointed by mutual consent of the other two arbitrators.
- b. The arbitration panel shall resolve the dispute in accordance with the terms of this ITA, and such resolution shall be final and binding upon the parties. Each party shall bear its own costs of arbitration, including reasonable attorney's fees. The cost of the third arbitrator shall be divided equally between the disputants. Any proceeding convened under this provision shall be conducted in the City of Sacramento, California. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Upon failure of a party to comply with an arbitration award issued pursuant to this Section, the other party may refer

the matter to a court of competent jurisdiction for enforcement of the award.

- c. Unless otherwise agreed by the disputants, only disputes regarding a disputant's rights and obligations arising under the terms of: (i) this ITA, (ii) the Supplemental Agreements, or (iii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration pursuant to Section 16.2.
- d. The foregoing notwithstanding, with respect to contract claims or disputes arising under this ITA or any appendix hereto which may be subject to the provision of California Public Contract Code Section 10240, such claims or disputes shall be resolved by arbitration conducted by a single arbitrator selected by the parties from the certified list created by the California Public Works Contract Arbitration Committee and in accordance with the requirements and procedures set forth in such Section 10240.

## **ARTICLE 17. AUDIT AND INSPECTION**

- 17.1 LOSSAN Agency grants to the Department and its designated representative, such audit and inspection rights and allows such person's access to and the right to copy such books and records as such persons may request from time to time in connection with performance of the Service and for the purposes of complying or verifying compliance with this ITA. The Department shall perform such audits and reviews of the financial statements and operations of the LOSSAN Agency and the Service as are specified herein and as are more fully set forth in the Master Fund Transfer Agreement. Such audits and reviews shall be conducted by Department staff, by an independent auditor selected by the Department, or any combination thereof.
- 17.2 The Department may conduct such reviews or audit of the operation or financial statements of the LOSSAN Agency at such other times and under such circumstances as Department may determine, upon reasonable notice to the LOSSAN Agency. Reviews and audits shall include the financial statements, documentation and the physical operations of the LOSSAN Agency. Auditors shall have access to the financial statements and supporting documents, including books and records of account, sufficient to form an opinion as to the financial condition and operations of the LOSSAN Agency. Costs incurred by the Department to perform such audits and reviews shall be borne by the Department. Costs incurred by the LOSSAN Agency's staff related to the performance of such reviews and the audits may not be invoiced to the Department but may be recovered through the LOSSAN Agency's indirect cost rate.
- 17.3 Further, LOSSAN Agency agrees to include a similar right of the State to audit records related to performance of the Service and for the purposes of complying or verifying compliance with this ITA.

## **ARTICLE 18. SUCCESSOR ACTS**

- 18.1 All statutes cited herein shall be deemed to include amendments to and successor statutes to the cited statutes as they presently exist.

## **ARTICLE 19. SUCCESSOR AND ASSIGNS TO THE PARTIES**



- 19.1 Neither this ITA nor any right, duty or obligation hereunder may be assigned, transferred, hypothecated or pledged by any party without the express written consent of the other party; provided, that unless otherwise expressly required herein, a party shall not be obligated to obtain the written consent of the other party with respect to any contract related to the Service for the provision of goods and/or services to the contracting party in the ordinary course of business.

## **ARTICLE 20. NOTICES**

- 20.1 Any notice which may be required under this ITA shall be in writing, shall be effective when received, and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below, or to such other addresses as may be specified in writing and given to the other party in accordance herewith.

If given to the Department:  
State of California  
Department of Transportation  
Division of Rail and Mass Transportation,  
P.O. Box 942874  
Sacramento, CA 994274-0001  
Attention: Rail Program Manager, MS 74

with a copy to:  
California State Transportation Agency  
915 Capitol Mall Suite 350 B  
Sacramento, CA 95814

If given to the LOSSAN Agency:  
LOSSAN Rail Corridor Agency  
600 S. Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Attention: Managing Director

## **ARTICLE 21. AMENDMENT**

- 21.1 This Agreement may not be changed, modified, or amended except in writing, signed by the parties hereto, and approved in advance in writing by the Secretary, and any attempt at oral modification of this ITA shall be void and of no effect.

## **ARTICLE 22. REPRESENTATION AND WARRANTIES OF THE PARTIES**

- 22.1 LOSSAN Agency hereby represents and warrants to the Department that:
- a. LOSSAN Agency is in good standing under applicable law, with all requisite power and authority to carry on the activities for which it has been organized and proposed to be conducted pursuant to this ITA.
  - b. LOSSAN Agency has the requisite power and authority to execute and deliver this ITA and to carry out its obligations hereunder. The execution and delivery of this

ITA by such entity, the performance by it of its obligations thereunder and the consummation of the transactions contemplated thereby have been duly authorized by the governing board of such entity and no other proceedings are necessary to authorize this ITA or to consummate the transactions contemplated thereby. The Agreements have been duly and validly executed and delivered by such entity and constitute valid and binding obligations of such entity, enforceable against it in accordance with their terms, except to the extent that such enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws now or hereinafter in effect relating to the creditor's rights and the remedy of specific enforcement and injunctive and other forms of equitable relief, and may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

- c. Neither the execution and delivery of this ITA and the performance of its obligations thereunder nor the consummation of the transactions contemplated thereby will (i) conflict with or result in a breach of any provision of any agreement among the Member Agencies; (ii) violate any writ, order, judgment, injunction, decrees, statute, rule or regulation of any court or governmental authority applicable to such entity or its property or assets.

22.2 The Department does hereby represent and warrant with respect to each of this ITA to the LOSSAN Agency that:

- a. It validly exists with all requisite power and authority to carry on the activities proposed to be conducted pursuant to this ITA.
- b. It has the requisite power and authority to execute and deliver this ITA and to carry out its obligations thereunder. The execution and delivery of this ITA, the performance by it of its obligations thereunder and the consummation of the transactions contemplated thereby have been duly authorized and no other proceedings are necessary to authorize this ITA or to consummate the transactions contemplated thereby. The agreements have been duly and validly executed and delivered by it and constitute valid and binding obligations, enforceable against it in accordance with their terms, except to the extent that such enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws now or hereinafter in effect relating to creditor's rights and other forms of equitable relief, and may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.
- c. Neither the execution and delivery of this ITA and the performance of its obligations thereunder nor the consummation of the transactions contemplated thereby will (i) conflict with or result in a breach of any other agreement; (ii) violate any writ, order, judgment, injunction, decree, statute, rule or regulation of any court or governmental authority applicable to such entity or its property or assets.

## **ARTICLE 23. CONSTRUCTION, NUMBER, GENDER AND CAPTIONS**

23.1 The Agreements have been executed in the State of California and shall be construed according to the law of said State. Numbers and gender as used therein shall be construed to include that number and/or gender which is appropriate in the context of

the text in which either is included. Captions are included therein for the purposes of ease of reading and identification. Neither gender, number nor captions used therein shall be construed to alter the plain meaning of the text in which any or all of them appear.

#### **ARTICLE 24. COMPLETE AGREEMENT**

- 24.1 This Agreement, including Appendices, constitutes the full and complete agreement of the parties, superseding and incorporating all prior oral and written agreements relating to the subject matter of this ITA.
- 24.2 All attached **Appendices A through K** are hereby incorporated and made an integral part of this ITA by this reference.

#### **ARTICLE 25. PARTIAL INVALIDITY**

- 25.1 If any part of this ITA is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this ITA and the remaining parts of this ITA shall be enforced as if such invalid, illegal or unenforceable part were not contained herein.

#### **ARTICLE 26. CONFLICTS BETWEEN THE ITA AND SUPPLEMENTAL AGREEMENTS**

- 26.1 To the extent that any provision of or requirement of this ITA may conflict with a provision or requirement of any Agreement between the parties hereto, or between a party hereto and any other party, which is attached to this ITA as an appendix, the priority of agreements shall be employed to resolve such conflict.

#### **ARTICLE 27. COUNTERPARTS**

- 27.1 This Agreement may be executed in one or more counterparts and may include multiple signature pages, all of which shall be deemed to be one instrument. Copies of this ITA may be used in lieu of the original.


#### **ARTICLE 28. GOVERNING LAW**

- 28.1 The Agreement shall be governed by and construed in accordance with the laws of the State of California.

**[signature page immediately follows]**

IN WITNESS WHEREOF, the parties have signed this ITA as of the date set forth above.


STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

By:   
Name: LAURIE BERMAN  
Title: Director

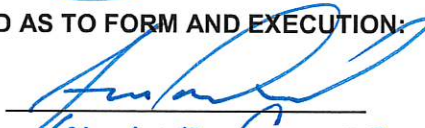
LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO  
RAIL CORRIDOR AGENCY

By:   
Name: JENNIFER L. BERGENER  
Title: Managing Director

APPROVED AS TO FORM AND EXECUTION:

Name:   
Title: Deputy Attorney

APPROVED AS TO FORM AND EXECUTION:

Name:   
Title: General Counsel

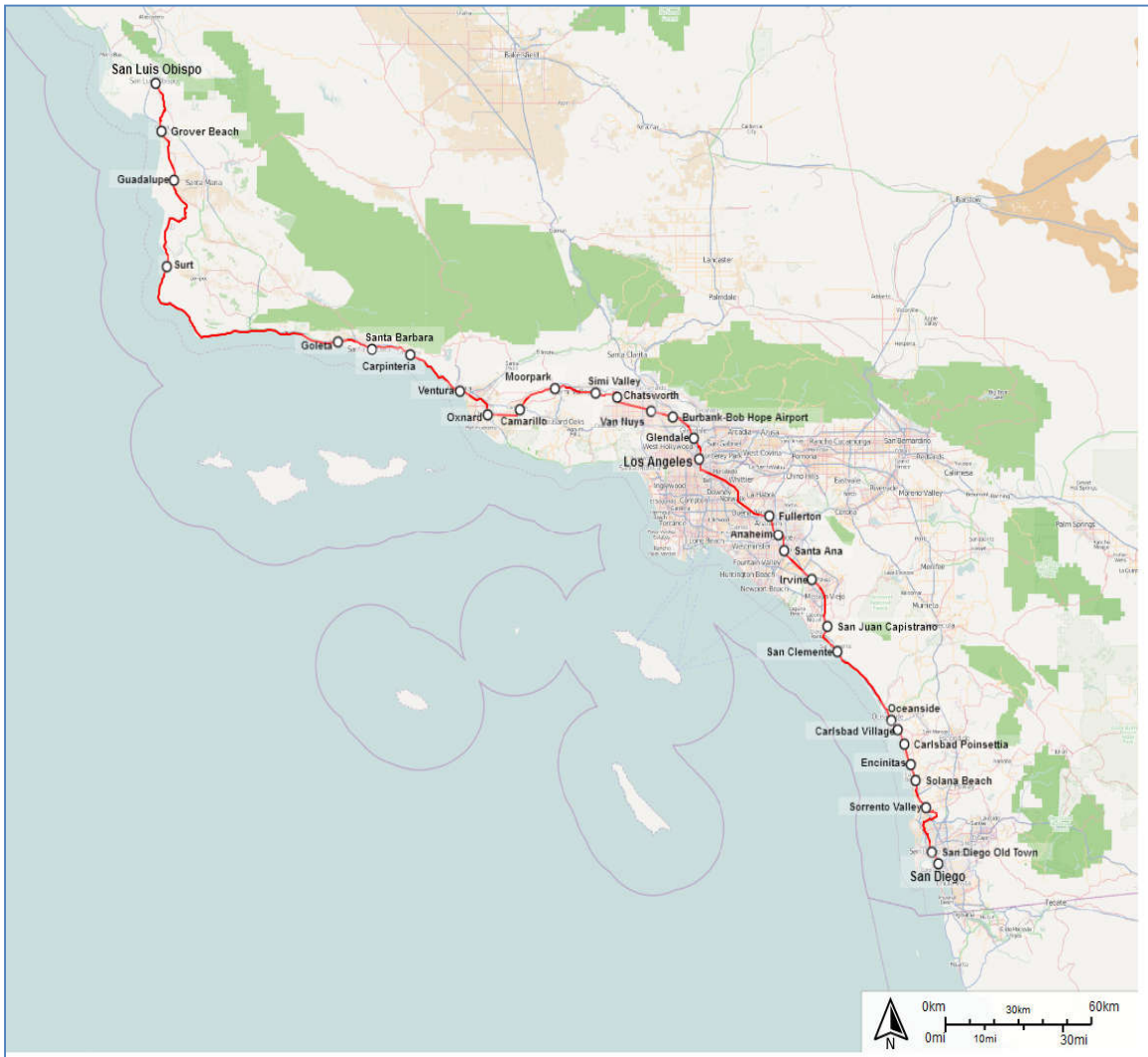
## **APPENDIX A**

### **LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR DESCRIPTION AND SERVICES PROVIDED**

## APPENDIX A

### LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR DESCRIPTION AND SERVICES PROVIDED

The Pacific Surfliner service operates over a 351-mile rail corridor that serves six counties: San Diego, Orange, Los Angeles, Ventura, Santa Barbara, and San Luis Obispo, and is commonly referred to as the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor. The LOSSAN rail corridor is made up of seven different right-of-way owners, including different passenger rail and freight operators. These include: Amtrak, COASTER, Metrolink, BNSF Railway, and the Union Pacific Railroad).



Station Served:

- San Luis Obispo
- Grover Beach
- Guadalupe / Santa Maria
- Lompoc-Surf
- Goleta
- Santa Barbara
- Carpinteria
- Ventura
- Oxnard
- Camarillo
- Moorpark
- Simi Valley
- Chatsworth
- Van Nuys
- Burbank-Bob Hope Airport
- Glendale
- Los Angeles Union Station
- Fullerton
- Anaheim
- Santa Ana
- Irvine
- San Juan Capistrano
- San Clemente Pier
- Oceanside
- Carlsbad Village
- Solana Beach
- Sorrento Valley
- Old Town San Diego
- Downtown San Diego

**ROUTE: San Luis Obispo/Santa Barbara to Los Angeles to San Diego**

Amtrak shall operate 12 daily Pacific Surfliner roundtrips between San Diego and Los Angeles. Of those 12 daily roundtrips, five daily roundtrips (the 700-series trains) extend north of Los Angeles to serve Santa Barbara and Goleta, with two of those roundtrips extending further north to serve San Luis Obispo.

Amtrak shall operate connecting bus service, “Thruway” that provides for bus connections that supplement the train service on the LOSSAN rail corridor by providing transportation to and from San Luis Obispo and points north and for all passengers making connections to Pacific Surfliner trains in Santa Barbara, including the three bus routes summarized below:

- **Route 4:** Los Angeles to Santa Barbara/Goleta, two daily one-way trips.
- **Route 17:** Santa Barbara to San Luis Obispo to Oakland, twelve daily one-way trips.
- **Route 39:** Fullerton to Palm Springs and Coachella Valley, four daily one-way trips.

**APPENDIX B**

**LOSSAN RAIL CORRIDOR AGENCY BUSINESS PLAN  
FY 2017-18 TO FY 2018-19**





# LOSSAN

RAIL CORRIDOR AGENCY  
BUSINESS PLAN

FY 2017-18 to FY 2018-19

PREPARED FOR CALIFORNIA STATE TRANSPORTATION AGENCY

UPDATED APRIL 2017



## Table of Contents

<b>Executive Summary</b>	<b>i</b>
<b>1. Introduction</b>	<b>1</b>
<b>2. Historical Performance of the Pacific Surfliner Service</b>	<b>6</b>
<b>3. Operating Plan and Strategies</b>	<b>12</b>
<b>4. Performance Standards and Metrics</b>	<b>22</b>
<b>5. Capital Improvements</b>	<b>29</b>
<b>6. Fare Policy</b>	<b>33</b>
<b>7. Network Integration and High-Speed Rail</b>	<b>38</b>
<b>8. Passenger Amenities</b>	<b>40</b>
<b>9. Equipment</b>	<b>44</b>
<b>10. Marketing</b>	<b>51</b>
<b>11. Annual Funding and Separation of Funding</b>	<b>60</b>
<b>12. Government Relations and Legislative Advocacy</b>	<b>65</b>
<b>13. Safety and Security</b>	<b>68</b>
<b>14. Emerging Corridors</b>	<b>73</b>
<b>Glossary of Terms</b>	<b>78</b>



## EXECUTIVE SUMMARY

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is a joint powers authority (JPA) formed in 1989 that works to increase ridership, revenue, capacity, reliability, coordination, and safety on the rail corridor between San Diego, Los Angeles, and San Luis Obispo. On September 29, 2012, Governor Jerry Brown signed SB 1225 (Chapter 802, Statutes of 2012), which authorizes the LOSSAN Agency to oversee the state-supported Pacific Surfliner intercity passenger rail service operating on the LOSSAN rail corridor, subject to approval of an interagency transfer agreement (ITA) with the State of California, which became effective on July 1, 2015.

The Pacific Surfliner travels along a 351-mile coastal rail corridor through six counties: San Diego, Orange, Los Angeles, Ventura, Santa Barbara, and San Luis Obispo, and is currently the second busiest intercity passenger rail corridor in the United States, and the busiest state-supported Amtrak route. The LOSSAN Agency is governed by a Board of Directors (Board) composed of 11 voting members representing rail owners, operators, and planning agencies along the LOSSAN rail corridor, as well as four non-voting, ex-officio members, as detailed below.

### *Member Agencies*

- San Diego Metropolitan Transit System
- San Diego Association of Governments
- North County Transit District (NCTD)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission
- Los Angeles County Metropolitan Transportation Authority
- Ventura County Transportation Commission
- Santa Barbara County Association of Governments
- San Luis Obispo Council of Governments

### *Ex-Officio Members*

- Amtrak
- California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT)
- California High-Speed Rail Authority
- Southern California Association of Governments

As required by SB 1225, and per the terms of the ITA, the LOSSAN Agency must submit an annual business plan by April 1 of each year to the Secretary of the California State Transportation Agency (CalSTA). The primary purpose of the business plan is to identify the major goals and objectives for the LOSSAN Agency's management of the Pacific Surfliner intercity passenger rail service, as well as the budget necessary to administer, market, and operate the Pacific Surfliner service during the upcoming two-year period. The business plan summarizes operations, service levels, budget, and capital improvements that have contributed to the success of the Pacific Surfliner service and identifies improvements to sustain and grow its success moving forward.

## Historical Performance of Pacific Surfliner Service

Since 1971, service on the Pacific Surfliner between Los Angeles and San Diego has increased from the original six daily trips to the current level of 24 daily trips, including the 12<sup>th</sup> daily roundtrip between Los Angeles and San Diego implemented in November 2016, the first service increase in more than a decade. The Pacific Surfliner is the busiest state-supported route in the entire Amtrak national system carrying 2.9 million passengers in federal fiscal year (FFY) 2015-16.

The state subsidy for Pacific Surfliner service has increased in recent years in part due to the increased costs absorbed by the state under the provisions of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Section 209. When PRIIA Section 209 was adopted by the federal government in 2008, it eliminated Amtrak's 30 percent financial contribution toward Pacific Surfliner operating costs and established additional capital equipment charges for the use of Amtrak-owned equipment that the state had not previously funded. The annual state subsidy increased from \$29.423 million in fiscal year (FY) 2012-13 to \$36.819 million in FY 2013-14, which was the first full year under PRIIA Section 209. In subsequent years, the state operating subsidy was budgeted at \$44.287 million for FY 2014-15, and was projected to be \$46.581 million for FY 2015-16. Operating costs for the Pacific Surfliner service are funded through the Public Transportation Account, which is funded primarily through the state sales tax on diesel fuel.

However, farebox recovery has shown significant improvement over the past two fiscal years, resulting in the actual state subsidy being significantly less than projections. Over the past decade, the Pacific Surfliner has consistently maintained a farebox recovery ratio of more than 50 percent, reaching 78.8 percent in FY 2015-16. Los Angeles, San Diego, Irvine, Oceanside and Solana Beach are the busiest stations of the Pacific Surfliner route, accounting for more than half of total Pacific Surfliner ridership.



## Operating Plan and Strategies

Amtrak operates 12 daily Pacific Surfliner roundtrips between San Diego and Los Angeles. Of those, five daily roundtrips (the 700-series trains) extend north of Los Angeles to Santa Barbara and Goleta, with two roundtrips extending further north to serve San Luis Obispo. Amtrak Thruway bus connections supplement the train service on the LOSSAN rail corridor. In FY 2015-16, approximately 4.3 percent of Pacific Surfliner riders made a portion of their journey on one of three Amtrak Thruway bus routes managed by the LOSSAN Agency.

The Pacific Surfliner serves 31 stations, 17 of which are between San Luis Obispo and Los Angeles, with the remaining 14 located south of Los Angeles in Orange and San Diego counties. Six daily Pacific Surfliner trains currently stop at four COASTER stations under the Rail 2 Rail Program with NCTD.

In FY 2016-17, the LOSSAN Agency worked with Amtrak and Caltrans DRMT to reinstate a 12th Pacific Surfliner round trip between Los Angeles and San Diego seven days a week, marking the first Pacific Surfliner service increase in more than a decade. The LOSSAN Agency also worked with Caltrans DRMT, Amtrak, Metrolink, NCTD, and BNSF Railway to implement Phase 1 of the “robust timetable” work conducted by SMA Consulting in June 2016. These coordinated schedule changes were intended to improve the overall reliability of all passenger rail services operating on the LOSSAN rail corridor.

In FY 2017-18 and 2018-19, the LOSSAN Agency will continue to work cooperatively with Caltrans DRMT to ensure sufficient state funding is provided to operate the Pacific Surfliner and Amtrak Thruway bus services, while exploring opportunities to enhance ridership, revenue, and OTP. The LOSSAN Agency is continuing to evaluate alternatives for retiming existing Pacific Surfliner trains north of Los Angeles to provide a weekday, peak-hour Pacific Surfliner service between Ventura and Santa Barbara counties. While there is no base service level increase anticipated in FY 2017-18, LOSSAN Agency staff will work with Amtrak and Caltrans DRMT to identify opportunities to implement an additional roundtrip from San Diego to Santa Barbara in FY 2018-19. In addition, the LOSSAN Agency will continue to pursue service expansions to accommodate seasonal and event-related travel demand.

During the next two FYs, the LOSSAN Agency plans to implement a number of strategies to further improve Pacific Surfliner service. Areas for improvement include: train monitoring, train and connecting bus schedule adjustments, improved connectivity with local transit services, equipment and crew utilization, response to service disruptions, and service planning.





**Performance Standards and Metrics**

As required by SB 1225, CalSTA has established a set of uniform performance standards (UPS) for the three state-supported intercity passenger rail corridors, including the Pacific Surfliner service, to control cost and improve efficiency. The proposed performance measures fall into three major categories (usage, cost efficiency, and service quality) and include: passenger miles, ridership, farebox recovery, cost per passenger mile, endpoint on-time performance, all-stations on-time performance (OTP), and operator responsible delays per 10,000 train miles.

In FY 2015-16, the Pacific Surfliner service saw positive growth in these metrics, with a 3.4 percent increase in ridership, a 4.6 percent increase in revenue, a 2.1 percent increase in passenger miles, and an 11.8 percent increase in farebox recovery, which averaged 78.8 percent. Endpoint on-time performance continued to lag behind the goal of 90 percent, averaging 78 percent in FY 2015-16.

**Capital Improvements**

Though much progress has been made over the years, many segments of the LOSSAN rail corridor are still limited by the lack of passing or second main tracks. There is currently more than \$5 billion in capital needs that have been identified on various portions of the LOSSAN rail corridor, including additional track capacity, station improvements, and signal and communications improvements.

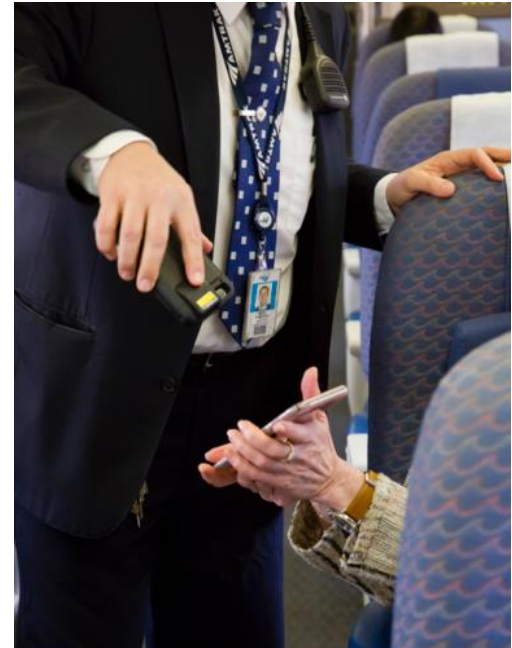
The LOSSAN Agency continues to coordinate with the member agencies and station owners in an effort to pursue funding opportunities that bring benefits to the larger corridor. As part of that effort, the LOSSAN Agency has worked to develop and maintain a list of capital projects, identifying those in both the planning and implementation phase, with special attention being given to identifying projects that have unfunded elements. An effort is being made to update this list annually through the LOSSAN Staff Working Group. While each member agency or host railroad is responsible for the implementation of its respective capital improvement programs, the LOSSAN Agency uses the list in both funding and legislative pursuits, with a focus on leveraging any existing funds to advance capital projects that benefit the entire LOSSAN rail corridor. This unified voice advocating for capital funding and key projects makes the LOSSAN Agency’s requests more compelling and competitive.



In addition to the major capital improvements planned for the LOSSAN rail corridor, the state annually allocates approximately \$500,000 to cover minor projects, such as station improvements, signage, and minor safety enhancements; and the California Office of Emergency Services makes approximately \$1.9 million per year available for safety and security projects. The LOSSAN Agency will work with member agencies to prepare a prioritized list of candidate projects for the state-funded minor projects program, and also seek joint capital funding opportunities through the Transit and Intercity Rail Capital Program and other grant programs.

**Fare Policy**

Pacific Surfliner trains currently offer travel in unreserved coach class and reserved business class. Fares are largely static year-round with the exception of slight increases on select holidays during peak travel periods. Amtrak also offers discounted multi-ride tickets, discounts for group travel, as well as a Rail 2 Rail Program that allows Metrolink and COASTER commuter rail pass holders to ride Pacific Surfliner trains at no additional cost, subject to certain restrictions. The last fare increase on the Pacific Surfliner service took place in June 2013.



Although no base fare increases are planned in FY 2017-18, a complete fare review and restructuring effort is currently underway. The restructuring effort is being undertaken to ensure ticket prices accurately reflect the market, and to assess areas of the existing fare structure with inconsistent discount methodologies.

The LOSSAN Agency will work with Amtrak and the state to develop a fare policy that ensures the Pacific Surfliner service is an attractive transportation option that is competitive with the automobile and other competing modes of transportation, while meeting the UPS set by the state, including ridership, revenue, and farebox recovery goals.

The LOSSAN Agency will also explore a variety of other opportunities to increase fare revenue without raising fares, while maintaining and expanding ridership, including promotion of transit transfers, partnerships with major destinations/attractions, enhanced loyalty programs, and development of special event trains.

**Network Integration and High-Speed Rail**

The Pacific Surfliner will play a key role in the larger statewide effort of integrating the three state-supported intercity passenger rail services with the future high-speed rail (HSR) system. State-supported intercity passenger rail and the HSR system will also be connected with transit and commuter rail systems throughout the state as the Pacific Surfliner service currently integrates with these systems.

The LOSSAN Agency is working in close coordination with CalSTA, Caltrans DRMT, transit and rail operators along the LOSSAN rail corridor, and other stakeholders on efforts to improve rail and transit service. This includes growing ridership by creating an integrated statewide passenger rail and transit network with coordinated schedules and common fare collection systems. The LOSSAN Agency has also been actively participating in the California State Rail Plan Stakeholder Advisory Committee, which provides input into the 2018 California State Rail Plan. The LOSSAN Agency will continue to participate in the development of the State Rail Plan and will submit a formal comment letter once the draft document is released for public review in April 2017.

The passenger rail services along the LOSSAN rail corridor act as a backbone for transportation throughout the California coastal region. As such, the LOSSAN rail corridor will provide critical connections and feeder/distributor service to support and compliment the HSR system. Integration between the LOSSAN rail corridor and HSR system will provide mutual benefits to each service and must be planned carefully to build upon the existing success of the Pacific Surfliner service.

**Passenger Amenities**

The Pacific Surfliner offers its passengers amenities to improve the overall travel experience. The LOSSAN Agency will carry out a number of strategies for enhancing passenger amenities. Key priorities for FY 2017-18 and FY 2018-19 include enhancements to both on-board and station amenities, including business class service, food and beverage offerings, joint promotions, e-newsletter, on-board information system, seating availability notifications, service disruption response, special event service, train status information, transit connectivity, Wi-Fi improvements and landing page, checked baggage and station improvements.





**Equipment**

The Pacific Surfliner fleet consists of nine train sets to operate 24 daily trains. Of the 49 bi-level cars that are dedicated to the Pacific Surfliner service, ten are owned by Caltrans DRMT, and the remaining 39 are owned by Amtrak. Caltrans DRMT has 15 new locomotives on order for the Pacific Surfliner service, expected to arrive beginning in 2019-20. The LOSSAN Agency is continuing discussions with Amtrak and Caltrans DRMT regarding options to lease additional equipment on a short-term basis prior to the arrival of new state-owned railcars in order to accommodate peak travel demand, which sometimes exceeds available seating capacity.

Amtrak staff is responsible for all maintenance activities related to the Pacific Surfliner service as part of the annual operating contract with the LOSSAN Agency. The LOSSAN Agency is responsible for administration and maintenance supervision of the Pacific Surfliner fleet, particularly the ten state-owned railcars.



**Marketing**

The proposed Pacific Surfliner marketing program for FY 2017-18 focuses on optimizing existing marketing efforts while building a strategic framework to support future Pacific Surfliner marketing initiatives to grow awareness, ridership and revenue. Building a strong foundation will promote strategic marketing programs that utilize cost-effective, data-driven tactics, while also promoting long-term efficiencies as the Pacific Surfliner marketing program matures.

The LOSSAN Agency’s initial efforts to create awareness and generate interest in the Pacific Surfliner service included a broad range of activities, from communicating critical rider information and establishing new social media channels to launching new service promotions and working to increase revenue related to key business objectives. The marketing plan for FY 2017-18 focuses on initiatives designed to build on these early accomplishments while laying the groundwork for future success and continuing to demonstrate return on marketing investments.

Marketing tactics will include traditional and digital advertising, as well as video, social media, email blasts, and a state-of-the-art, customer-oriented Web site. All marketing activities and expenditures will be measured to determine efficiency and effectiveness.

**Annual Funding and Separation of Funding**

The primary purpose of the business plan is to fulfill the requirement by SB 1225 to develop a two-year business plan on an annual basis to guide the allocation of funds necessary for the LOSSAN Agency to administer, operate, maintain equipment, and market the Pacific Surfliner service.

The total net State operating subsidy for FY 2017-18 is projected to be \$38,393,315, which includes the net operating subsidy as well as administrative and marketing funding. The current assumptions for the FFY 2017-18 operating budget include a modest increase in both ridership and revenue of 3 percent over the FFY 2016-17 budget. This yields a projected fare revenue of \$80,084,560. Total operating costs for the Pacific Surfliner service are projected to be \$112,973,201, an increase of \$2,215,161, or 2 percent over the FFY 2016-17 budget. Caltrans DRMT has executed an agreement with Amtrak to directly fund equipment capital charges for the Amtrak-owned railcars and locomotives used on the three state-supported rail corridors, effective October 2015. As a result, equipment capital charges are not included in the operating agreement between Amtrak and the LOSSAN Agency. After subtracting projected fare revenue of \$80,084,560, from total operating costs of \$112,973,201, the total FFY 2017-18 state operating subsidy payment is projected to be \$32,888,641. The FY 2017-18 budget also includes \$500,000 for minor projects, including station improvements, signage, and minor safety and security enhancements.

In addition to the operating payment to Amtrak, the state will also fund the administration and marketing of the Pacific Surfliner service. The FY 2017-18 administrative budget is proposed at \$3,004,674. This amount assumes staffing levels remain consistent with the FY 2016-17 budget. This amount also assumes administrative employee performance-based salary increases consistent with the managing agency's projected assumptions, as well as no changes from FY 2016-17 in insurance, legal, travel and professional services. The FY 2017-18 marketing budget is proposed to remain consistent with the FY 2016-17 amount of \$2,000,000. To ensure state funding for the Pacific Surfliner service is kept separate from funding for OCTA projects and programs, a separation of funding has been established within the LOSSAN managing agency.

### **Government Relations and Advocacy**

One of the benefits gained through local governance of the Pacific Surfliner service by the LOSSAN Agency is added flexibility in advocating for policies at the state and federal level to improve rail operations, increase funding for operations and capital needs, and allow better coordination and interoperability with connecting transit and rail services.

The annual legislative program adopted by the LOSSAN Board provides overall guidance to LOSSAN Agency advocacy activities, and staff will continue to provide regular legislative updates and bill analyses to the LOSSAN Board consistent with that program. The 2017 LOSSAN Legislative Program provides detail on legislative priorities, including:

- Identify and secure long-term and sustainable funding sources to support passenger rail operations and capital projects in the LOSSAN rail corridor, including securing federal funds made available by the reauthorization of a federal rail title and ensuring the eligibility for the LOSSAN Agency to compete for funding under the state's cap-and-trade program
- Support efforts to further enhance connectivity of regional rail and local transit services within the LOSSAN rail corridor
- Continue to study and advance infrastructure and service improvement projects/programs

In addition, the LOSSAN Agency will work closely with LOSSAN member agencies to pursue opportunities to retain state and federal advocacy services. This will allow the LOSSAN Agency to more effectively represent the interests of its member agencies in Sacramento and Washington, D.C., communicate policy goals and input to legislative and administrative offices, and receive regular updates on issues of importance to the LOSSAN Agency.

At the local level, LOSSAN Agency staff will continue to work with LOSSAN member agencies, local communities, and stakeholder organizations to build awareness of passenger rail services along the LOSSAN rail corridor, developing strategic partnerships to better evolve the services to meet local demands. Increased awareness of these services by local officials can then be leveraged to back consensus based operational improvements and policy activities.

### Safety and Security

Protecting the safety and security of passenger rail service is key to attracting and retaining riders, and ensuring efficient operation of passenger trains on the LOSSAN rail corridor. The goal of the LOSSAN Agency safety program is to instill a comprehensive safety culture that will govern all of the activities associated with the operations and maintenance of the service, while efficiently meeting operational performance goals. The Federal Railroad Administration (FRA) and the California Public Utilities Commission (CPUC) are responsible for overseeing general railroad safety along the LOSSAN rail corridor.

The LOSSAN Agency primarily serves in an oversight and coordination role with regard to safety and security aboard trains, relying on the extensive on-board safety and security programs and policies put in place by Amtrak. Pacific Surfliner passengers benefit from the Amtrak security program, specifically the services of the Amtrak Police Department. There are nine officers and one captain currently assigned to the Pacific Surfliner. As part of the FY 2017-18 budget, two additional Amtrak Patrol Officers are proposed to be added.





The LOSSAN Agency will continue to attend regularly scheduled safety meetings hosted by Amtrak for front-line employees to reiterate that safety is the first priority in delivering Pacific Surfliner service. Amtrak is responsible for all required reporting of safety data to federal, state, and local agencies, including FRA and CPUC. All cab cars and locomotives are equipped with a “forward facing” camera system to aid in accident investigation and soon may be equipped with “inward facing” cameras. As required by the FRA, installation of Positive Train Control (PTC) is progressing, with all Pacific Surfliner locomotives and cab cars expected to be fully compliant with PTC by the revised December 31, 2018 federal deadline.

The LOSSAN Agency will work with right-of-way owners and rail operators to enhance safety and response to incidents along the right-of-way. Public information efforts will include both traditional and social media to build awareness of rail safety.

### Emerging Corridors

In addition to administering the existing Pacific Surfliner rail service, the LOSSAN Agency will continue to work with member agencies to study and pursue expansion opportunities on emerging corridors that provide connectivity within southern California and beyond. Specifically, the LOSSAN Agency expects to focus on connectivity to the California HSR system, as well as the eastern communities throughout Riverside County and the Coachella Valley, and coastal communities up to San Luis Obispo and north to the San Francisco Bay Area. These connections will provide seamless travel opportunities by rail or bus throughout the region and state. Enhanced and emerging corridor rail service and system improvements will contribute to the success of the LOSSAN rail corridor, support future statewide HSR service and regional commuter rail operations, and provide connectivity with local transit systems.



## Chapter 1: Introduction

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency’s (Agency) annual business plan for fiscal year (FY) 2017-18 and FY 2018-19 identifies the Agency’s major goals and objectives for management of the Pacific Surfliner intercity passenger rail service, as well as the budget necessary to administer, market, and operate the Pacific Surfliner service during that two-year period.

Senate Bill (SB) 1225 (Chapter 802, Statutes of 2012), approved in September 2012, authorized the LOSSAN Agency to assume responsibility for managing the state-supported Pacific Surfliner service, subject to negotiation of an interagency transfer agreement (ITA) with the State of California, which was approved in June 2015 and took effect on July 1, 2015. Since that time, the LOSSAN Agency has implemented a number of initiatives aimed at improving the passenger experience on the Pacific Surfliner while also increasing ridership and revenue. The LOSSAN Agency looks forward to continuing to work with the state, Amtrak, and LOSSAN member agencies to ensure the Pacific Surfliner remains a safe, reliable, and cost-effective transportation alternative that is well-integrated with connecting transit services and the state’s other two intercity passenger rail corridors.

### Overview of the LOSSAN Rail Corridor

The Pacific Surfliner service operates over the 351-mile LOSSAN rail corridor through six counties in Southern California (San Diego, Orange, Los Angeles, Ventura, Santa Barbara, and San Luis Obispo). It is the busiest state-supported Amtrak operated intercity passenger rail service in the nation. The LOSSAN rail corridor is made up of seven different right-of-way (ROW) owners, including both public agencies and freight railroads (See Table 1.1 and Figure 1.1), and is used by five different passenger rail and freight operators (Amtrak, COASTER, Metrolink, BNSF Railway (BNSF), and Union Pacific Railroad (UPRR)).

**Table 1.1: LOSSAN Rail Corridor ROW Owners**

Owner	Route Miles
San Diego Metropolitan Transit System (SDMTS)	22
North County Transit District (NCTD)	38
Orange County Transportation Authority (OCTA)	42
BNSF	21
Los Angeles County Metropolitan Transportation Authority (Metro)	36
Ventura County Transportation Commission (VCTC)	16
UPRR	176
<b>Total</b>	<b>351</b>

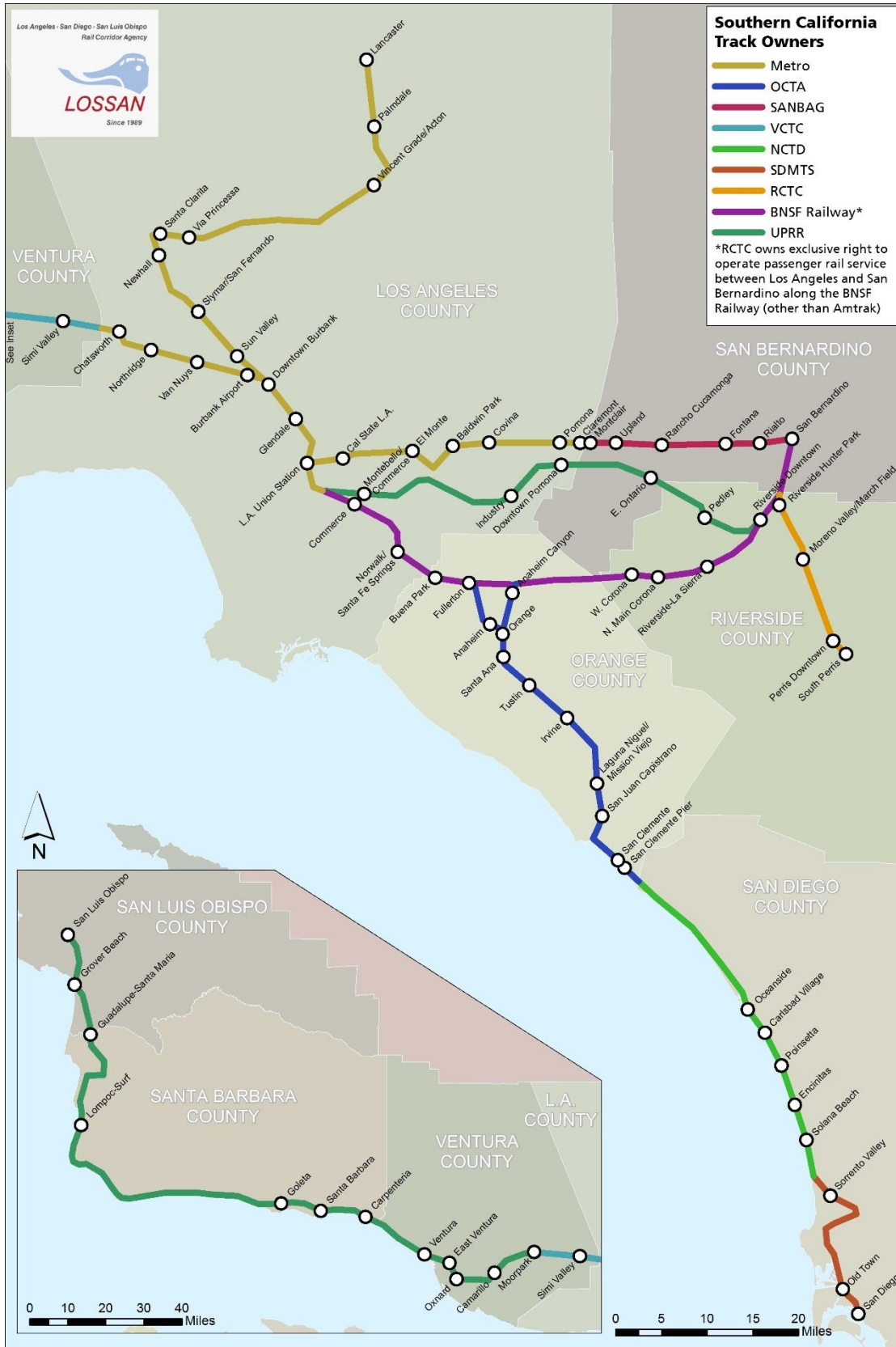
### Overview of the LOSSAN Agency

The LOSSAN Agency is a joint powers authority (JPA) originally formed in 1989 for the primary purpose of improving passenger rail service along the LOSSAN rail corridor. It strives to increase ridership, revenue, capacity, reliability, coordination, and safety on the rail line between San Diego, Los Angeles, and San Luis Obispo. The LOSSAN Agency is governed by an

11-member Board of Directors (Board) composed of officials representing rail owners, operators, and planning agencies along the LOSSAN rail corridor. The LOSSAN Board includes representatives from nine member agencies (Metro, NCTD, OCTA, Riverside County Transportation Commission (RCTC), San Diego Association of Governments (SANDAG), SDMTS, San Luis Obispo Council of Governments (SLOCOG), Santa Barbara County Association of Governments (SBCAG), and VCTC). Amtrak, the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT), the California High-Speed Rail Authority (CHSRA), and the Southern California Association of Governments (SCAG) are non-voting, ex-officio members of the LOSSAN Board.

OCTA was selected as the managing agency of the LOSSAN Agency in August 2013, following a competitive request for proposals. As the managing agency, OCTA provides all management and administrative support for the LOSSAN Agency, and was responsible for negotiating the ITA between the LOSSAN Agency and the state.

Figure 1.1: LOSSAN Rail Corridor ROW Owners



Consistent with the requirements of the ITA, the LOSSAN Agency must submit an annual business plan by April 1 of each year to the Secretary of the California State Transportation Agency (CalSTA). The LOSSAN Agency business plan must be reviewed and approved by the Secretary, and is used to develop an annual appropriation request to the state legislature. As required by SB 1225, the LOSSAN Agency business plan is consistent with the 2013 State Rail Plan developed by Caltrans DRMT and the CHSRA 2016 Business Plan adopted by the CHSRA Board in April 2016.

The ITA, consistent with the provisions of SB 1215, requires the LOSSAN Agency to maintain the existing Pacific Surfliner service and facilities, and to implement service expansions as warranted by ridership demand and available revenue. The ITA further provides that the state will continue to provide the funding necessary for service operations, administration, and marketing of the Pacific Surfliner trains to maintain at least existing service levels through the “initial-term”, July 1, 2015 – June 30, 2018. Caltrans DRMT also remains responsible for the development of the California State Rail Plan, and the coordination and integration between the three state-supported intercity passenger rail services, as outlined in the ITA.

### Agency Roles and Responsibilities

The following list provides a summary of the agencies involved in providing passenger rail service along the LOSSAN rail corridor, and those that the LOSSAN Agency will continue to coordinate with in managing the Pacific Surfliner service.

**LOSSAN Agency:** JPA legislatively permitted to assume administrative and oversight responsibility of the state-supported Pacific Surfliner intercity passenger rail service on the LOSSAN rail corridor effective July 1, 2015.

**LOSSAN Member Agencies:** The nine voting LOSSAN member agencies that previously provided financial support to the LOSSAN Agency prior to and through the Start-Up Term. The member agencies are key partners that provide important technical and policy input at both the Technical Advisory Committee (TAC) and Board level.

**CalSTA:** State office responsible for the funding and oversight of California’s three intercity rail corridors, as well as CHSRA.

**Caltrans DRMT:** This department within Caltrans that is responsible for development of the State Rail Plan, oversight of state-owned rail equipment, and overall funding and coordination of the three state-supported intercity rail corridors.

**Amtrak:** The contracted operator of the state-supported Pacific Surfliner service and owner of the majority of the rail cars, and all locomotives, utilized in providing Pacific Surfliner service.

**Capitol Corridor JPA (CCJPA):** Responsible for the operations and oversight of the Capitol Corridor passenger rail service between San Jose, Oakland, Sacramento, and Auburn. It was the first non-state agency to assume responsibility and oversight for state-supported passenger rail service in California in 1998.



**San Joaquin JPA (SJJPA):** Administers the state-supported San Joaquins intercity passenger rail service between Bakersfield, Stockton, Oakland, and Sacramento. The San Joaquin Regional Rail Commission has been selected as the managing agency for this rail corridor to act on behalf of the SJJPA, similar to OCTA's role on behalf of the LOSSAN Agency.

**OCTA:** Selected by the LOSSAN Board as the LOSSAN managing agency during the Start-Up Term, and for an initial three-year term beginning after execution of the ITA.

In addition to the agencies listed above, there are a number of stakeholders who will be engaged with the LOSSAN Agency on an ongoing basis. These stakeholders include rail operators such as Southern California Regional Rail Authority, NCTD, and the freight railroads, as well as ROW owners along the rail corridor and the CHSRA. A list of those additional stakeholders is provided below:

*Rail Operators*

Southern California Regional Rail Authority (Metrolink)  
NCTD  
BNSF Railway  
UPRR  
Amtrak

*ROW Owners*

BNSF Railway  
UPRR  
NCTD  
Metro  
OCTA  
VCTC  
SDMTS

*Regional Planning Agencies*

SANDAG  
SBCAG  
SLOCOG  
SCAG

*Others Key Stakeholders/Partners*

CHSRA  
Coast Rail Coordinating Council  
Coachella Valley Technical Advisory Committee  
Federal Railroad Administration  
Members of the California State Legislature  
Members of the United States Congress  
Pacific Surfliner station cities and local elected officials  
Rail Passenger Association of California and other transit/rail advocacy groups  
Current and prospective rail passengers

## Chapter 2: Historical Performance of the Pacific Surfliner Service

### Overview

California is home to three of the most successful state-supported intercity passenger rail services operated by Amtrak. Combined, the Pacific Surfliner, Capitol Corridor, and the San Joaquin intercity passenger rail services carry more than 5.6 million passengers each year (See Figure 2.1). These three routes represent three of the five busiest state-supported rail services in the entire Amtrak national system: Pacific Surfliner at No. 1 with 2.92 million passengers per year, the Capitol Corridor at No. 2 with 1.56 million passengers per year, and the San Joaquin Corridor at No. 5 with 1.12 million passengers per year.<sup>1</sup> California’s investment in intercity passenger rail service operations and capital projects over the past four decades has led the state to boast the highest Amtrak ridership of any state in the country, with nearly one in five Amtrak passengers traveling in California.

### History of Pacific Surfliner Service

In May 1971, Amtrak assumed operation of three daily roundtrips between Los Angeles and San Diego that had previously been operated by the Atchison, Topeka & Santa Fe railroad.

From 1971 through 2015, service between Los Angeles and San Diego increased from the original six daily trips to 23 daily Pacific Surfliner trips. In 2016, the LOSSAN Agency reinstated the 12<sup>th</sup> round trip between Los Angeles and San Diego, increasing the daily trips to 24, as detailed in Figure 2.2 and Table 2.1. Of the 24 daily Pacific Surfliner trains Amtrak currently operates between Los Angeles and San Diego, ten trains extend to Santa Barbara / Goleta and four continue to San Luis Obispo. The corridor is complimented by state-funded Amtrak Thruway buses, which provide scheduled connections to the Central Coast, Bay Area, Coachella Valley, and to the

**Figure 2.1: California Intercity Passenger Rail Routes**

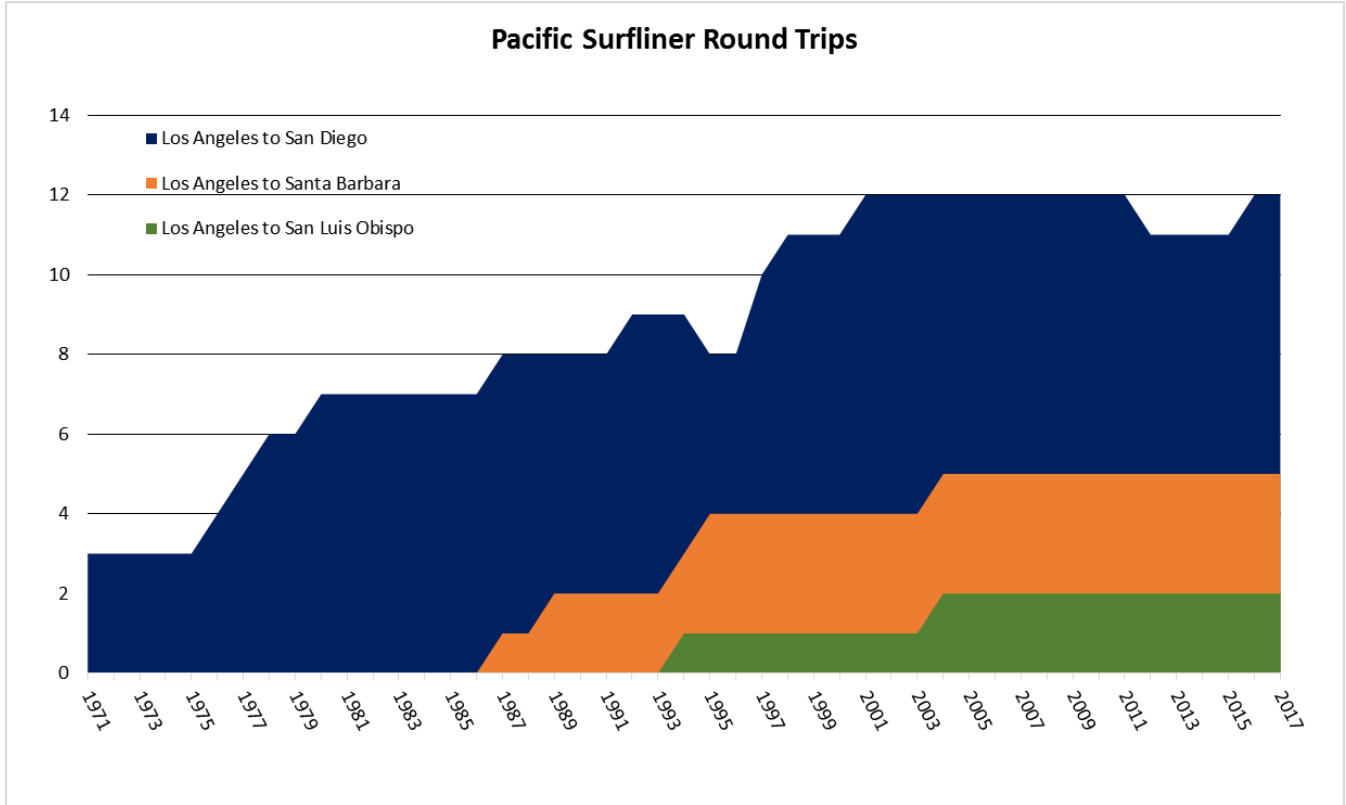


Source: Caltrans, 2015

<sup>1</sup> Amtrak Monthly Performance Report, September 2016

San Joaquin intercity rail corridor via Bakersfield. Two Amtrak long-distance trains (the Coast Starlight and Southwest Chief) also traverse portions of the LOSSAN rail corridor.

**Figure 2.2: Pacific Surfliner Service Growth**



Source: LOSSAN Agency, 2017

Pacific Surfliner Funding

The annual operating subsidy for Pacific Surfliner service was on an upward trend in part due to the increased costs absorbed by the state under the provisions of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Section 209. When PRIIA Section 209 was adopted by the federal government in 2008, it eliminated Amtrak’s 30 percent financial contribution toward Pacific Surfliner operating costs and established additional capital equipment charges for the use of Amtrak-owned equipment that the state had not previously funded.

As a result, the state operating subsidy increased from \$29.423 million in FY 2012-13 to \$36.819 million in FY 2013-14, which was the first full year under PRIIA Section 209. In subsequent years, the state operating subsidy was budgeted at \$44.287 million for FY 2014-15, and was projected to be \$46.581 million for FY 2015-16.

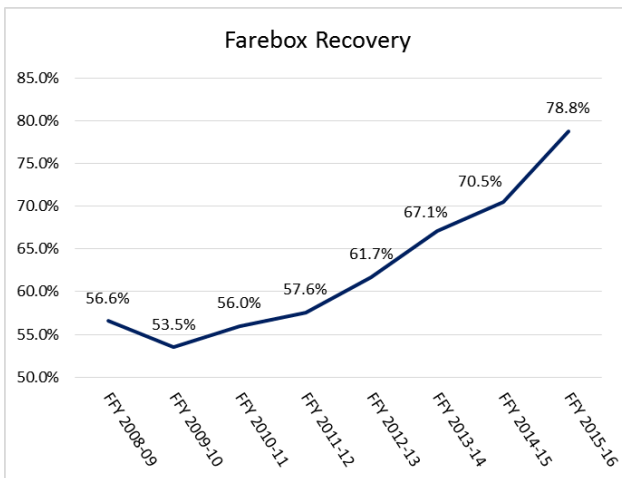
However, farebox recovery (Figure 2.3) has shown significant improvement over the last two fiscal years. The increased farebox recovery rate resulted in the actual state subsidy being significantly less than projections. A reconciliation of FY 2014-15 shows the state subsidy being \$28.583 million, while preliminary data for FY 2015-16 shows the actual state operating subsidy at \$21.431 million.

Historical Ridership and Revenue Performance<sup>2</sup>

Table 2.1 shows annual ridership and financial performance data from FY 1976-77 through FY 2015-16. Ridership and farebox recovery climbed steadily through the early 1990s with FY 1987-88 through FY 1992-93 experiencing particularly strong ridership growth and financial performance. The farebox recovery ratio was near or over 100 percent for these six consecutive years, and ridership peaked at 1.8 million in FY 1992-93.

A number of events occurred in the past that impacted fare box recovery on the Pacific Surfliner route. The addition of commuter rail service in Southern California along with the increased costs associated with additional state-supported service resulted in a reduction of overall farebox return.

**Figure 2.3: Farebox Recovery Trend FFY 2008-09 through FFY 2015-16**



Source: Amtrak, 2016

Since the early 2000s, ridership on the Pacific Surfliner service has increased significantly, offsetting the initial impacts of the introduction of commuter rail services. Ridership reached 2 million in FY 2002-03, and farebox recovery has exceeded 50 percent since FY 2000-01. Additionally, the introduction of the Rail 2 Rail program with Metrolink in September 2002, and in April 2008 with COASTER, was associated with another increase in ridership. Ridership peaked at nearly 3 million in Federal FY (FFY) 2015-16, with farebox recovery nearing 79 percent. This continues the overall trend of increase as shown in Figure 2.3

The Pacific Surfliner ridership declined each year between FY 2007-08 and FY 2009-10 as a result of the significant economic recession affecting the nation. By FY 2014-15, Pacific Surfliner ridership had recovered to FY 2007-08 ridership levels, even though fewer train trips were operated than the prior years during which ridership peaked. FY 2016-17 saw the reintroduction of the 12<sup>th</sup> roundtrip (RT) between Los Angeles and San Diego, and with it the highest annual ridership in the history of the service.

<sup>2</sup> California State Rail Plan, 2013

**Table 2.1: Pacific Surfliner Historic Operating Performance**

Fiscal Year	Daily Trips (Weekday/Weekend)	Ridership	Revenue	Expenses	Farebox Recovery	Service Notes
1976-77	8	607,976	\$ 598,140	\$ 1,662,714	36.0%	Fourth Los Angeles - San Diego RT added
1977-78	10	753,246	\$ 1,446,036	\$ 3,768,065	38.4%	Fifth Los Angeles - San Diego RT added
1978-79	12	967,316	\$ 2,203,403	\$ 4,333,602	50.8%	Sixth Los Angeles - San Diego RT added
1979-80	12	1,218,196	\$ 3,341,561	\$ 5,536,840	60.4%	
1980-81	14	1,238,135	\$ 4,032,480	\$ 6,572,539	61.4%	Seventh Los Angeles - San Diego RT added
1981-82	14	1,167,718	\$ 4,097,254	\$ 6,607,395	62.0%	
1982-83	14	1,131,146	\$ 4,094,750	\$ 6,928,334	59.1%	
1983-84	14	1,221,256	\$ 4,842,400	\$ 6,337,083	76.4%	
1984-85	14	1,240,003	\$ 5,410,502	\$ 6,411,308	84.4%	
1985-86	14	1,394,320	\$ 5,658,915	\$ 6,424,634	88.1%	
1986-87	14	1,461,003	\$ 6,072,523	\$ 6,510,113	93.3%	
1987-88	16	1,661,512	\$ 8,223,462	\$ 7,859,783	104.6%	Eighth Los Angeles - San Diego RT added
1988-89	16	1,717,539	\$ 11,458,084	\$ 10,563,459	108.5%	First extension to Santa Barbara added
1989-90	16	1,746,673	\$ 12,189,942	\$ 11,808,251	103.2%	
1990-91	16	1,791,781	\$ 13,306,307	\$ 13,364,150	99.6%	Second extension to Santa Barbara added
1991-92	18	1,673,107	\$ 13,152,063	\$ 13,245,924	99.3%	Ninth Los Angeles - San Diego RT added
1992-93	18	1,810,572	\$ 13,692,612	\$ 13,254,709	103.3%	
1993-94	18	1,699,882	\$ 12,725,094	\$ 14,017,591	90.8%	Third extension to Santa Barbara
1994-95	16	1,464,577	\$ 11,805,859	\$ 16,061,849	73.5%	Ninth Los Angeles - San Diego RT discontinued
1995-96	16	1,480,674	\$ 13,553,553	\$ 23,983,026	56.5%	First Los Angeles - San Luis Obispo RT; fourth extension to Santa Barbara added
1996-97	16	1,617,641	\$ 14,804,355	\$ 39,563,546	37.4%	
1997-98	20	1,624,693	\$ 15,194,498	\$ 44,769,723	33.9%	Ninth Los Angeles - San Diego RT restored; tenth RT Los Angeles - San Diego RT added
1998-99	22	1,563,275	\$ 16,401,625	\$ 40,391,845	40.6%	11th Los Angeles - San Diego RT added
1999-00	22/24	1,567,318	\$ 17,883,725	\$ 37,497,489	47.7%	12th Los Angeles - San Diego RT added (Friday through Sunday)
2000-01	22/24	1,661,704	\$ 20,430,153	\$ 38,215,732	53.5%	
2001-02	22/24	1,742,768	\$ 20,922,453	\$ 39,374,190	53.1%	
2002-03	22/24	2,030,491	\$ 22,247,564	\$ 42,331,531	52.6%	
2003-04	22/24	2,307,010	\$ 24,559,183	\$ 45,300,782	54.2%	
2004-05	23/25	2,454,396	\$ 26,660,048	\$ 48,105,899	55.4%	Second Los Angeles - San Luis Obispo RT added; fifth extension to Santa Barbara added
2005-06	23/25	2,655,490	\$ 31,604,715	\$ 55,570,797	56.9%	
2006-07	23/25	2,685,194	\$ 34,753,372	\$ 58,389,864	59.5%	
2007-08	23/25	2,835,132	\$ 37,266,009	\$ 60,444,082	61.7%	
2008-09	23/25	2,696,951	\$ 34,857,678	\$ 61,635,574	56.6%	
2009-10	23/25	2,614,777	\$ 35,822,186	\$ 67,012,735	53.5%	
2010-11	23/25	2,746,320	\$ 38,739,760	\$ 69,156,690	56.0%	
2011-12	23/25	2,664,935	\$ 42,884,431	\$ 74,494,543	57.6%	
2012-13	23	2,689,465	\$ 64,446,130	\$ 104,521,098	61.7%	12th Los Angeles - San Diego RT discontinued (Friday through Sunday)
2013-14	23	2,673,170	\$ 69,013,726	\$ 102,843,812	67.1%	
2014-15	23	2,827,134	\$ 75,246,335	\$ 106,744,935	70.5%	
2015-16*	25	2,924,117	\$ 79,465,847	\$ 100,897,661	78.8%	12th Los Angeles - San Diego RT reinstated

\*FFY 2015-16 based on preliminary unaudited data  
 Note: Expense column reflects state share of expenses only.

Pacific Surfliner Service Characteristics

**Table 2.2: Pacific Surfliner Ridership by Station for FFY 2015-16**

Station Ridership Report			
	Station	Passenger Ons/Offs	Growth vs. FFY 2014/15
1	Los Angeles	1,359,731	4.3%
2	San Diego	775,538	0.4%
3	Irvine	450,732	6.9%
4	Oceanside	416,021	8.0%
5	Solana Beach	396,157	-3.0%
6	Fullerton	360,304	4.6%
7	Santa Barbara	297,309	1.6%
8	Anaheim	282,700	4.4%
9	San Diego (Old Town)	267,481	12.3%
10	San Juan Capistrano	229,408	1.2%
11	Santa Ana	191,716	5.2%
12	Oxnard	82,868	-3.9%
13	Goleta	76,286	1.0%
14	Van Nuys	73,756	0.0%
15	Chatsworth	71,133	-1.4%
16	San Luis Obispo	69,799	-2.3%
17	Ventura	65,328	5.7%
18	Burbank	63,970	1.2%
19	Glendale	52,395	2.7%
20	Camarillo	52,310	0.9%
21	Simi Valley	47,179	3.3%
22	Carpinteria	30,762	4.4%
23	Moorpark	21,726	5.0%
24	San Diego (Sorrento Valley)	20,720	25.4%
25	Grover Beach	18,987	-2.3%
26	San Clemente	15,396	13.5%
27	Carlsbad (Village)	14,843	10.3%
28	Encinitas	12,975	8.6%
29	Guadalupe	12,227	-3.9%
30	Carlsbad (Poinsettia)	10,556	12.7%
31	Lompoc/Surf	7,921	-2.9%
<b>Total Passenger Ons/Offs</b>		<b>5,848,234</b>	<b>3.4%</b>
<b>Total Ridership</b>		<b>2,924,117</b>	

Source: Amtrak, 2016

Note: Includes Rail 2 Rail ticketed passengers on Pacific Surfliner

The Pacific Surfliner provides direct rail service to 31 stations. Six daily Pacific Surfliner trains currently make stops at COASTER stations in north San Diego County under the Rail 2 Rail program (Sorrento Valley, Encinitas, Carlsbad Poinsettia, and Carlsbad Village). Los Angeles, San Diego, Irvine, Oceanside, and Solana Beach are the top five busiest Pacific Surfliner.

The figures in Table 2.2 represent total boardings and alightings at each station for FFY 2015-16 (October 2015 to September 2016).

Since each trip contains two endpoints, total ridership is equal to half of total boardings and alightings. These figures also include Rail 2 Rail passengers traveling on the Pacific Surfliner using Metrolink or COASTER fare media.

The top ten station pairs with the highest ridership and ticket revenue on the Pacific Surfliner route in FFY 2015-16 are listed in Table 2.3.

**Table 2.3: Top Ten Pacific Surfliner Station Pairs FFY 2015-16**

Station Pair by Ridership	Ridership	Rank	Station Pair by Revenue	Revenue
Los Angeles - San Diego	280,196	1	Los Angeles - San Diego	\$10,704,927
Los Angeles - Solana Beach	133,494	2	Los Angeles - Solana Beach	\$4,266,179
Los Angeles - Oceanside	116,645	3	Los Angeles - Old Town San Diego	\$3,809,038
Los Angeles - Old Town San Diego	99,160	4	Los Angeles - Oceanside	\$3,125,514
Irvine - San Diego	79,664	5	Los Angeles - Santa Barbara	\$2,041,940
Irvine - Los Angeles	78,205	6	Irvine - San Diego	\$1,882,462
Los Angeles - Santa Barbara	72,307	7	Anaheim - San Diego	\$1,714,989
Irvine - Solana Beach	70,658	8	Fullerton - San Diego	\$1,466,703
Anaheim - San Diego	60,084	9	Irvine - Los Angeles	\$1,332,988
Fullerton - San Diego	51,004	10	Irvine - Solana Beach	\$1,168,637

Source: Amtrak, 2016

**On-Time Performance (OTP)**

OTP is an important measure of service quality and passenger satisfaction. For the Pacific Surfliner service, endpoint OTP is defined as arrival at the endpoint station within 10 minutes of scheduled arrival for trips up to 250 miles, and within 15 minutes of scheduled arrival for trips between 251 and 300 miles. Corridorwide OTP is calculated by taking the total number of trains arriving on time at the end point of the run divided by the total number of trains operated on the route. The uniform intercity passenger rail performance standards released by CalSTA set a 90 percent endpoint OTP goal. Train delays are recorded by the conductor in minutes on a delay report form and categorized by specific cause.

Historical Pacific Surfliner endpoint OTP from FFY 2003-04 to FFY 2015-16 is summarized in Table 2.4.

**Table 2.4: Historical Pacific Surfliner Endpoint On-Time Performance**

Year (FFY)	On-Time Performance
2003-04	87.1%
2004-05	72.9%
2005-06	76.1%
2006-07	74.8%
2007-08	76.1%
2008-09	83.1%
2009-10	76.3%
2010-11	77.5%
2011-12	75.4%
2012-13	82.4%
2013-14	77.6%
2014-15	77.9%
2015-16	78.0%

Source: Amtrak, 2016



## Chapter 3: Operating Plan and Strategies

### Existing Rail Service

Amtrak operates 12 daily Pacific Surfliner roundtrips between San Diego and Los Angeles. Of those, five daily roundtrips (the 700-series trains) extend north of Los Angeles to serve Santa Barbara and Goleta, with two of those roundtrips extending further north to serve San Luis Obispo. Dedicated Amtrak Thruway bus connections supplement the train service on the LOSSAN rail corridor by providing transportation to and from San Luis Obispo and points north for rail passengers making connections to Pacific Surfliner trains in Santa Barbara.

The Pacific Surfliner services 31 stations, 17 of which are between San Luis Obispo and Los Angeles, with the remaining 14 located south of Los Angeles in Orange and San Diego counties (see Table 3.1 and Figure 3.1). The Camarillo, Moorpark, San Clemente Pier, and San Diego Old Town stations have limited service (not all trains stop at these stations). In addition, six daily Pacific Surfliner trains currently stop at four COASTER stations (Sorrento Valley, Encinitas, Carlsbad Poinsettia, Carlsbad Village) under the Rail 2 Rail program with NCTD.

**Table 3.1: Pacific Surfliner Stations**

Station	County	Station Owner	Staffed/Unstaffed
San Diego – Santa Fe Depot	San Diego	ProLogis	Staffed
San Diego – Old Town*	San Diego	California State Parks/SDMTS	Unstaffed
Sorrento Valley**	San Diego	NCTD	Unstaffed
Solana Beach	San Diego	NCTD	Staffed
Encinitas**	San Diego	NCTD	Unstaffed
Carlsbad (Poinsettia)**	San Diego	NCTD	Unstaffed
Carlsbad (Village)**	San Diego	NCTD	Unstaffed
Oceanside	San Diego	NCTD	Staffed
San Clemente Pier*	Orange	City of San Clemente	Unstaffed
San Juan Capistrano	Orange	City of San Juan Capistrano	Staffed
Irvine	Orange	City of Irvine	Staffed
Santa Ana	Orange	City of Santa Ana	Staffed
Anaheim	Orange	City of Anaheim	Staffed
Fullerton	Orange	City of Fullerton	Staffed
Los Angeles Union Station	Los Angeles	Metro	Staffed
Glendale	Los Angeles	City of Glendale	Unstaffed
Burbank-Bob Hope Airport	Los Angeles	Multiple	Unstaffed
Van Nuys	Los Angeles	Caltrans (platform); City of Los Angeles (parking lot)	Staffed
Chatsworth	Los Angeles	City of Los Angeles	Unstaffed
Simi Valley	Ventura	City of Simi Valley	Unstaffed
Moorpark*	Ventura	City of Moorpark	Unstaffed
Camarillo*	Ventura	City of Camarillo	Unstaffed
Oxnard	Ventura	City of Oxnard	Staffed
Ventura	Ventura	Union Pacific (platform); City of Ventura (parking)	Unstaffed



Station	County	Station Owner	Staffed/Unstaffed
Carpinteria	Santa Barbara	Union Pacific (platform); City of Carpinteria (parking)	Unstaffed
Santa Barbara	Santa Barbara	Union Pacific (platform); City of Santa Barbara (parking and station)	Staffed
Goleta	Santa Barbara	Amtrak (platform and station); City of Goleta (parking)	Unstaffed
Lompoc-Surf	Santa Barbara	Union Pacific	Unstaffed
Guadalupe – Santa Maria	Santa Barbara	Union Pacific	Unstaffed
Grover Beach	San Luis Obispo	Union Pacific (platform), City of Grover Beach (parking)	Unstaffed
San Luis Obispo	San Luis Obispo	Union Pacific (platform), City of San Luis Obispo (parking)	Staffed

\*Limited service – Not all trains stop

\*\*COASTER/Rail 2 Rail stop only

**Figure 3.1: LOSSAN Rail Corridor and Pacific Surfliner Stations**



### Amtrak Thruway Bus Service

Pacific Surfliner rail service is supplemented by Amtrak's network of Thruway buses that connect passengers throughout the LOSSAN rail corridor and beyond (Figure 3.2). In FY 2015-16, approximately 4.3 percent of Pacific Surfliner riders made a portion of their journey on one of three Amtrak Thruway bus routes managed by the LOSSAN Agency. Amtrak contracts with private bus operators to provide this service, including both operating staff and the vehicles. The bus routes function as part of the Pacific Surfliner service, with coordinated connections, guaranteed seating, integrated fares and ticketing procedures, and inclusion in Amtrak's central information and reservation system in the same manner as trains.

The Amtrak Thruway bus routes included in the Pacific Surfliner budget and operating statistics for FY 2015-16 are summarized below:

- **Route 4:** Los Angeles to Santa Barbara/Goleta. Two daily one-way trips, with approximately 8,900 annual riders.
- **Route 17:** Santa Barbara to San Luis Obispo to Oakland (where it connects with Capitol Corridor). Eleven daily one-way trips, approximately 89,500 annual riders.
- **Route 39:** Fullerton to Palm Springs and Coachella Valley. Four daily one-way trips, approximately 27,400 annual riders.

In addition to the three routes discussed above, several Pacific Surfliner stations are served by additional Amtrak Thruway bus routes that are managed by the CCJPA and SJJPA:

- **Route 1:** San Diego/Torrance/San Pedro/Long Beach/Los Angeles to Bakersfield, connects to San Joaquins trains and is funded as part of San Joaquins route. Eighteen daily one-way bus trips out of 24 directly connect with Pacific Surfliner trains at Los Angeles.
- **Route 10:** Santa Barbara/Carpinteria/Ventura/Oxnard/Bakersfield, connects to San Joaquins trains in Bakersfield and is funded as part of San Joaquins route. Six one-way trips per day.
- **Route 18:** Santa Maria/Grover Beach/San Luis Obispo/Paso Robles/Hanford, connects to San Joaquins trains in Hanford and is funded as part of San Joaquins route. Four one-way trips per day.
- **Route 21:** Santa Barbara/Grover Beach/San Luis Obispo/Paso Robles/Salinas/San Jose, connects to Capitol Corridor trains in San Jose and is funded as part of the Capitol Corridor route. Two one-way trips per day.

**Figure 3.2: LOSSAN Managed Amtrak Thruway Routes**



### FY 2016-17 Accomplishments

In FY 2016-17, the LOSSAN Agency worked with Amtrak and Caltrans DRMT to reinstate a 12th Pacific Surfliner RT between Los Angeles and San Diego seven days a week, marking the first Pacific Surfliner service increase in more than a decade. The new service, which began operating in November 2016, offers an earlier morning northbound train (Train 761/1761) from San Diego to Los Angeles that allows passengers to arrive in Los Angeles at 7:03 a.m. on weekdays and 7:30 a.m. on weekends, and provides continuing service north to Santa Barbara and San Luis Obispo. Previously, the first northbound Amtrak train (Train 763) from San Diego arrived in Los Angeles at 8:50 a.m. In the southbound direction, the new trip (Train 592) fills a gap between the existing 7:30 p.m. and 10:10 p.m. departures, with a new departure at 8:25 p.m.

The LOSSAN Agency continued coordination efforts with all freight and passenger rail operators along the LOSSAN rail corridor through joint scheduling meetings and absolute work window planning meetings in an effort to improve connectivity and customer service, and minimize passenger inconvenience. The LOSSAN Agency also launched the Pacific Surfliner Transit Transfer Program, which provides free connections between the Pacific Surfliner and 12 local transit services from San Luis Obispo to San Diego.

In partnership with Caltrans DRMT, Amtrak, Metrolink, NCTD and BNSF, the LOSSAN Agency implemented Phase 1 of the “robust timetable” work conducted by SMA Consulting in June 2016. These coordinated schedule changes were intended to improve the overall reliability of all passenger rail services operating on the LOSSAN rail corridor by providing timetables that distribute “schedule pad” throughout the route and ensure that trains are able to reliably make meets on single track territory. Although Pacific Surfliner on-time performance (OTP) continues to be an area for continuous improvement, an upward trend has been seen in OTP since the implementation of the robust timetable. Analysis is ongoing to identify any adjustments that can be made to the robust timetable to further improve OTP and the overall performance of the LOSSAN rail corridor.

### FY 2017-18 and FY 2018-19 Operating Plan

In FY 2017-18 and 2018-19, the LOSSAN Agency will continue to work cooperatively with Caltrans DRMT to ensure sufficient state funding is provided to operate the existing Pacific Surfliner and Amtrak Thruway bus services, while also exploring opportunities to enhance ridership, revenue, and OTP.

The LOSSAN Agency is also continuing to work with Caltrans DRMT, Amtrak, and LOSSAN member agencies to evaluate alternatives for retiming existing Pacific Surfliner trains north of Los Angeles to provide a weekday peak-hour Pacific Surfliner service between Ventura and Santa Barbara counties.

The LOSSAN Agency will continue to work with Amtrak to evaluate and pursue cost-effective opportunities to improve OTP on the Pacific Surfliner service. This includes working collaboratively with Amtrak to better identify the root causes of delays as well as with the host railroads to establish more realistic operating parameters and consistent dispatching procedures.

The LOSSAN Agency was successful in securing Transit and Intercity Rail Capital Program (TIRCP) funding to complete a “robust timetable” scheduling exercise on the northern end of the LOSSAN rail corridor between Los Angeles and San Luis Obispo similar to what was implemented south of Los Angeles, as well as a network integration and strategic investment study to complete a comprehensive corridorwide study of integrating all rail services between San Diego and San Luis Obispo. Both projects will move forward in FY 2017-18.

In FFY 2015-16, a number of Pacific Surfliner trains repeatedly experienced capacity issues due to high ridership demand during peak periods, particularly on weekends, during holidays, and during the summer. The LOSSAN Agency will continue to work with Amtrak and Caltrans DRMT to identify additional railcars to supplement the existing Pacific Surfliner fleet in order to meet demand during peak travel periods. The LOSSAN Agency will also continue to work with Caltrans DRMT to identify future equipment needs, funding sources, and delivery schedules for service improvements to accommodate ridership demand.

While there is no base service level increase anticipated in FY 2017-18, LOSSAN Agency staff will begin working with Amtrak and Caltrans DRMT to identify opportunities to implement an additional roundtrip from San Diego to Santa Barbara in FY 2018-19 (Table 3.2). In addition, the LOSSAN Agency will continue to pursue service expansions to accommodate seasonal travel demand related to holidays and special events, including the Del Mar Races, Oxnard Strawberry Festival, San Diego Comic-Con International, and San Diego Padres games. The LOSSAN Agency plans to build on the success of that special event service and look for opportunities to promote the Pacific Surfliner as the travel mode of choice to major events, while also ensuring that sufficient capacity is made available on the Pacific Surfliner to carry passengers who want to use the service.

**Table 3.2: Projected Pacific Surfliner Service Levels**

<b>Route Segments</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
San Diego – Los Angeles	24 trains	24 trains	26 trains
Los Angeles – Santa Barbara/Goleta	10 trains	10 trains	12 trains
Los Angeles – Santa Barbara – San Luis Obispo	4 trains	4 trains	4 trains

To enhance the existing Pacific Surfliner service, the LOSSAN Agency remains committed to working with Caltrans DRMT, SJJPA, Metrolink, NCTD, Amtrak, and regional and local transit providers to improve transit and rail connections to the Pacific Surfliner. To help achieve this, the LOSSAN Agency will utilize its member agencies to assist in coordinating improved communications and connectivity, particularly with local transit operators. The LOSSAN Agency implemented a new Pacific Surfliner Transit Transfer Program in summer 2016 that provides seamless connectivity for Pacific Surfliner passengers to more than 12 local transit operators serving Pacific Surfliner stations.

Moving forward, the LOSSAN Agency will also explore opportunities to have timed connections with local transit operators at key locations in order to help provide more reliable first- and last-mile connections for Pacific Surfliner passengers. The LOSSAN Agency will also work with local transit agencies to explore opportunities to provide better transit connections from



Pacific Surfliner stations to local airports, including John Wayne Airport in Orange County, Los Angeles International Airport, and San Diego International Airport. The Pacific Surfliner already directly serves the Burbank-Bob Hope Airport.

No changes are currently planned to Amtrak Thruway bus service during this period. However, LOSSAN Agency staff will carefully review schedules as well as ridership and revenue data for the three routes under its control and propose changes to help make the service more effective, as appropriate.

### Ventura to Santa Barbara Peak-Period Service

Improving rail service between Ventura and Santa Barbara counties during peak hours has been identified as a priority in several LOSSAN Agency planning documents, including the Strategic Implementation Plan and prior business plans. The Coast Corridor is the mainline railroad linking Ventura and Santa Barbara counties and largely parallels U.S. 101, which is heavily congested during peak travel times. The southern components of the Coast Corridor are comprised of the UPRR Santa Barbara Subdivision and Metrolink's Ventura Subdivision, which is mostly single tracked, with only one short siding between Ventura and Santa Barbara. In fact, track capacity has been reduced over time with the loss of one of two rail sidings between Ventura and Santa Barbara due to storm damage in 1978 and 1991.

The Coast Corridor between Ventura and Santa Barbara counties has been the focus of a number of planning studies over the past two decades. These studies have analyzed various services and infrastructure improvements that focused on improving passenger rail service reliability and frequency. The largest planning study was the 101 in Motion plan, conducted by SBCAG, which recommended a "lane and a train" strategy to address the significant traffic congestion between Ventura and Santa Barbara counties. SBCAG programmed \$140 million in local transportation tax funding as well as \$160 million in local gas tax revenue toward the construction of a ten-mile high-occupancy vehicle lane on US 101, and has \$25 million in dedicated local sales tax revenue toward rail improvements and operations in the corridor, including establishing peak-hour rail service in the corridor.

Based on the results of previous studies, it has been determined that in order to increase the level of passenger rail service in the corridor, a combination of track and signal improvements, capacity enhancements, and equipment purchases would be necessary. These improvements and acquisitions will require both time and financial resources, some of which have been identified and are currently advancing. There is Interregional Transportation Improvement Program funding programmed for extending the Seacliff siding, and environmental and engineering work was initiated in 2015 following the award of an American Recovery and Reinvestment Act grant to SBCAG in 2010. Caltrans DRMT is the lead for this project and has been working with the UPRR to advance the environmental and preliminary design.

Over the last two years, the LOSSAN Agency has worked with CalSTA to evaluate alternatives for providing peak-period service from Los Angeles County to Ventura and Santa Barbara counties. With most of the region single track, expanding service would be challenging without capacity-enhancing improvements. The results of these evaluation efforts indicate that, due to the constraints of the single track railroad and existing train schedules,

a combination of capacity improvements and rescheduling efforts will be necessary to provide this service. Additionally, in order to serve the region and anticipated future demand, additional train slots will be required. Additional modeling efforts are underway to evaluate alternatives for retiming existing Pacific Surfliner trains while holding harmless to the greatest extent possible other service providers in the corridor. As part of this effort, a complete schedule review and corridor optimization will also be undertaken to review the reliability and efficiency within the corridor and to determine if it is feasible to provide the requested peak-period service through Pacific Surfliner schedule revisions that would better serve existing demand, enhance ridership and revenue, and maintain or enhance farebox recovery.

### Emerging Corridors

While not immediately planned to begin operation, a number of future service expansion projects are in the planning stages, and are discussed in greater detail in the Emerging Corridors chapter of the business plan. The LOSSAN Agency will continue to work with Caltrans DRMT and Amtrak to advance these services, including: Coast Daylight rail service which would extend the Pacific Surfliner from San Luis Obispo to San Jose or San Francisco; and the proposed Coachella Valley service which would connect to the LOSSAN rail corridor at Los Angeles and provide intercity passenger rail service between Los Angeles and the Coachella Valley, including Palm Springs and Indio.

### Service Optimization

Though it already has the distinction of being the second-busiest intercity passenger rail corridor in the United States, the Pacific Surfliner service has great potential for increased ridership, revenue, better service coordination, and improved performance. During the coming year, the LOSSAN Agency will continue to implement service optimization strategies aimed at building on past success to further improve the Pacific Surfliner service. Status updates on the progress of these activities are provided below.

### **Train Monitoring:**

1. Conduct regular multi-agency working group meetings that include the host railroads and Amtrak to discuss OTP. The meetings include discussion on most frequent types of delays, reasons for the delays, and identify potential solutions so future delays can be prevented. (*Status: In progress via Corridor Improvement Team meetings*)
2. Work with the host railroads, Amtrak, railroad right-of-way owners and LOSSAN member agencies to identify capital and/or system improvements to improve OTP. This includes annual hy-rail trips over the corridor with the host railroads and Amtrak staff. (*Status: On-going via regular calls/meetings with host railroads and network integration team and Corridor Improvement Team*)
3. Work with Amtrak to develop a root cause analysis for major delays, including procedures to reduce maintenance-related delays; analyze daily delay reports to look for recurring trends; enforce penalties against Amtrak for operator-responsible delays per

the operating agreement. (*Status: In progress and discussed at monthly operations meetings with Amtrak and Corridor Improvement Team meetings*)

4. Carefully monitor performance of Pacific Surfliner service against approved uniform performance standards adopted by CalSTA and report to the LOSSAN Board quarterly, including proposed actions to meet 90 percent endpoint OTP standard. (*Status: In progress via quarterly corridor trends report*)
5. Work with host railroads and operators to refine timetables to ensure OTP is continuously improved by scheduling achievable travel times and well-coordinated meets that reduce the likelihood of cascading delays. (*Status: In progress via joint scheduling and Corridor Improvement Team meetings*)

#### **Train and Connecting Bus Schedule Adjustments:**

1. Work with Amtrak to evaluate existing train and connecting bus schedules to determine if there are potential changes that could improve ridership, revenue, and cost effectiveness. Schedule adjustments have the potential to improve the Pacific Surfliner performance without requiring additional financial resources. (*Status: In progress via monthly operations meeting and statewide working group*)
2. Closely review ridership and revenue on Amtrak Thruway bus routes to ensure the routes are being operated as efficiently as possible, including connections to San Joaquin and Capitol Corridor. (*Status: To begin in 2017*)
3. Continue to work with Amtrak to hold regular timetable and work window coordination meetings that include host railroads and rail operators along the LOSSAN rail corridor. (*Status: In progress via monthly work window coordination meetings and joint scheduling meetings before each coordinated LOSSAN rail corridor schedule change*)
4. Work with host railroads to reevaluate train schedules and dispatching procedures after completion of capital projects to ensure effective use of capacity and operational improvements. (*Status: In progress via Southern California Leadership Group*)

#### **Equipment and Crew Utilization:**

1. Work with Amtrak to conduct a thorough analysis of crew and equipment utilization to identify efficiencies that could allow additional trips to be added in a cost-effective or potentially cost-neutral manner. (*Status: Thorough review concluded in October 2016 as part of the implementation of the 12<sup>th</sup> roundtrip and currently on-going semi-annually*)

#### **Service Disruptions:**

1. Work proactively to further strengthen partnerships and cooperation with Metrolink and NCTD, as well as host railroads, to ensure the best passenger experience possible in the event of a service disruption. (*Status: Ongoing*)



2. Prepare template for after-action reports, and customer communication in the event of major delays or service disruptions. (*Status: Completed via Amtrak*)
3. Work with Amtrak to explore the feasibility of negotiating bus bridge agreements with local transit agencies to assist during service disruptions. (*Status: Agreement negotiations underway; first agreement in place April 2017*)
4. Work with rail operators and local law enforcement agencies to ensure tracks are reopened as quickly as possible after trespasser incidents. (*Status: In progress via discussions with Amtrak and host railroads*)
5. Work with Amtrak and member agencies on proactive outreach prior to planned absolute work windows, including an extensive public information campaign and a note apologizing for the inconvenience with a discount offer for a future trip. (*Status: Ongoing*)
6. Partner with Operation Lifesaver, member agencies, and local first responders to increase awareness of rail safety and emergency preparedness. (*Status: Ongoing*)

#### **Service Planning:**

1. Work with Amtrak, host railroads, and commuter rail operators in the LOSSAN rail corridor on coordinated service planning efforts, utilizing consultant resources as necessary, for both the short and long-term. (*Status: In progress via Southern California Leadership Group; additional work planned in FY 2017-18 via update to LOSSAN Strategic Implementation Plan and TIRCP-funded planning and network integration efforts*)
2. Explore potential markets for new and expanded intercity rail service in Southern California based on ridership and travel demand data, including Santa Barbara to Ventura peak-period service, and Coast Daylight service to San Francisco. (*Status: Ongoing through State planning efforts, emerging corridor planning efforts, and future updates to LOSSAN planning documents*)
3. Work with Caltrans DRMT on review and possible implementation of recommendations from Southern California Coordinated Rail Planning Study being completed by SMA Consulting. (*Status: Schedule changes implemented in June 2016*)
4. Work with Amtrak to improve on-board food and beverage service and selection, including focus on sourcing products from local and regional vendors. (*Status: Ongoing; menu change implemented in summer 2016; craft beer rotation in place; next menu change scheduled for summer 2017*)

## Chapter 4: Performance Standards and Metrics

### Background

The LOSSAN Agency strives for continuous improvement of the Pacific Surfliner passenger rail service. In order to evaluate the performance of the service, the LOSSAN Agency, in coordination with Caltrans DRMT and CalSTA, has developed performance standards for the Pacific Surfliner service. These standards measure the ongoing success of the service in three specific areas: **usage** (ridership and passenger miles), **efficiency** (farebox recovery and cost per passenger mile), and **service quality** (endpoint/all station on-time performance and operator caused delays). These standards also provide the basis for service changes, and help guide the planning efforts for the LOSSAN Agency.

Pursuant to SB 1225, the Secretary of CalSTA was required to establish a set of uniform performance standards (UPS) for the state’s three intercity passenger rail corridors to control cost and improve efficiency by June 20, 2014. The performance standards are summarized in Table 4.1.


**Table 4.1: Uniform Performance Standards**

Performance Standard	Category	Measurement
Passenger miles	Usage	Ongoing growth in passenger miles* traveled on state-funded bus and rail services in proportion to population growth in counties served
Ridership	Usage	Growth in ridership in proportion to corridor population growth, on both bus and rail
Farebox recovery	Cost efficiency	55 percent, inclusive of Amtrak Thruway bus routes
Cost per passenger mile	Cost efficiency	Continuous improvement
Endpoint on-time performance	Service quality	90 percent of endpoint station arrivals within 15 minutes of schedule for trips over 251 miles and within 10 minutes for trips up to 250 miles, calculated quarterly
All-stations on-time performance	Service quality	90 percent of arrival at all station stops within 15 minutes of schedule, calculated quarterly
Operator responsible delays per 10,000 train miles	Service quality	Fewer than 325 minutes of delay per 10,000 train miles

\* One passenger traveling one mile = one passenger mile

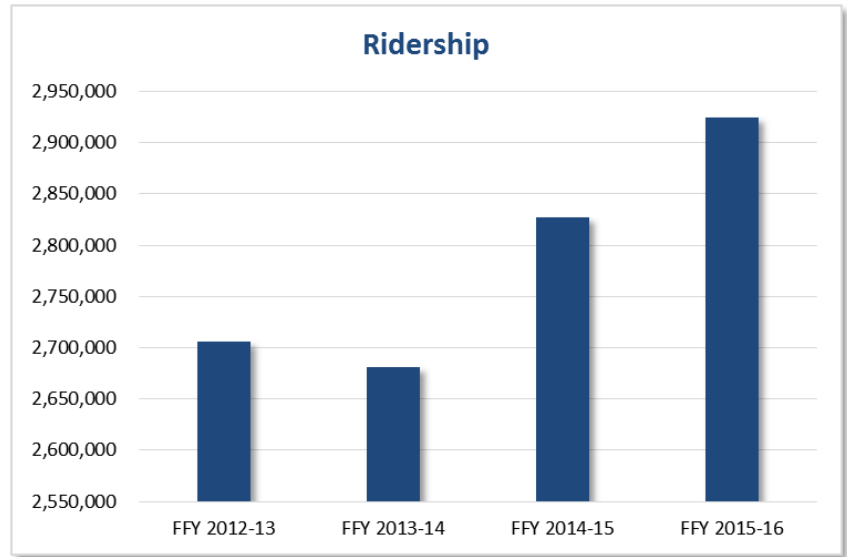
This chapter presents the performance of the Pacific Surfliner against the established performance standards for FFY 2015-16. Along with each standard will be a colored directional indicator, demonstrating both whether the standard is being met (red: standard not met; green: standard met or exceeded) and the direction of the current performance trend. Financial data presented for FFY 2015-16 is preliminary and unaudited.

## Usage

Performance Standard	Metric	Status
Ridership	Continuous growth relative to baseline	

Total ridership on the Pacific Surfliner for FFY 2015-16 was 2,924,117<sup>1</sup>, a **3.4 percent increase** over the prior year. The Pacific Surfliner was the second-busiest Amtrak rail corridor in the nation (surpassed only by the Northeast Corridor between Boston, New York, and Washington, D.C.), and the busiest state-supported service in the entire Amtrak national system.

**Figure 4.1: Pacific Surfliner Corridor Ridership**




The LOSSAN Agency continues to work to increase ridership on the Pacific Surfliner. These efforts include the extension of the Rail 2 Rail program, which will continue to allow passengers from COASTER and Metrolink commuter rail

services to travel on Pacific Surfliner trains, within the limits of their valid rail ticket. An extensive winter marketing campaign was undertaken, and seasonal ridership for winter 2015-16 saw an **8.3 percent increase** over the same period the prior year.

The ridership increases seen during FY 2015-16 were in spite of historically low gas prices, which averaged under \$3 per gallon. Ridership also grew in spite of eight weekend work windows that were necessary to accommodate construction of capital improvements in San Diego County. The weekend track closures required the cancellation of multiple Pacific Surfliner trains each weekend, with the remaining trains terminating at Irvine or Oceanside, with bus bridge service provided south to San Diego.

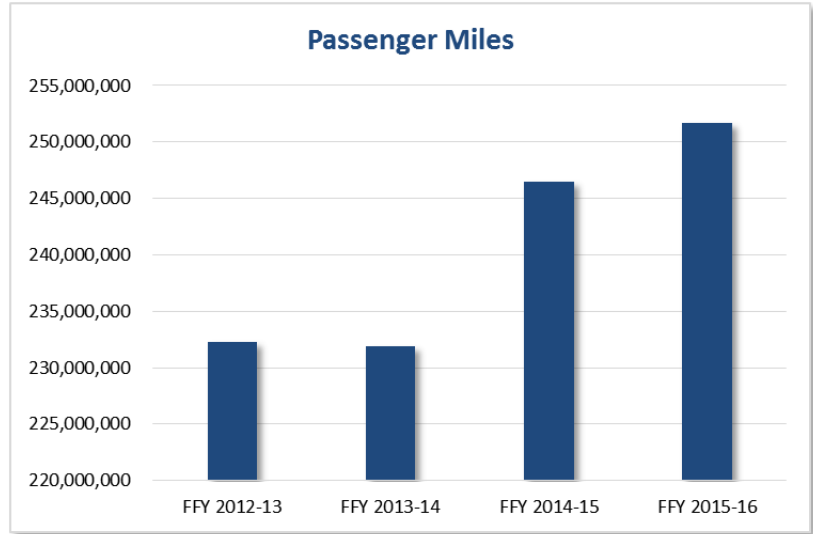
<sup>1</sup> Source: Amtrak, 2016

<i>Performance Standard</i>	<i>Metric</i>	<i>Status</i>
Passenger Miles	Continuous growth relative to baseline	

The total Pacific Surfliner passenger miles of 251,650,373 for FFY 2015-16 was an **increase of 2.1 percent** over the prior year.

**Figure 4.2: Pacific Surfliner Corridor Passenger Miles**

Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail<sup>2</sup>, the 251 million passenger miles for the Pacific Surfliner resulted in a **reduction of over 90,000 tons of greenhouse gases.**



Passenger miles and positive impacts to the environment will only continue as the LOSSAN Agency plans and implements future service expansion. In FFY 2016-17 the

LOSSAN Agency added a 12th roundtrip to operate seven days a week between Los Angeles and San Diego, and also provides a connection to an existing northbound train serving Los Angeles to San Luis Obispo. In addition, the LOSSAN Agency has been working to determine the feasibility of providing weekday peak-hour Pacific Surfliner service between Ventura and Santa Barbara counties by rescheduling existing trains north of Los Angeles thereby requiring no additional equipment or train slots.

Service expansion opportunities include not only regularly scheduled trains, but also special event trains. The LOSSAN Agency and Amtrak have partnered to provide additional capacity to trains serving major events, including the Del Mar Races, Oxnard Strawberry Festival, San Diego Comic-Con, and San Diego Chargers games. The LOSSAN Agency plans to build on the success of that special event service and look for opportunities to promote the Pacific Surfliner as the travel mode of choice to major events.

<sup>2</sup> Source: *Public Transportation’s Role in Responding to Climate Change*, Federal Transit Administration, 2010. <https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/PublicTransportationsRoleInRespondingToClimateChange2010.pdf>

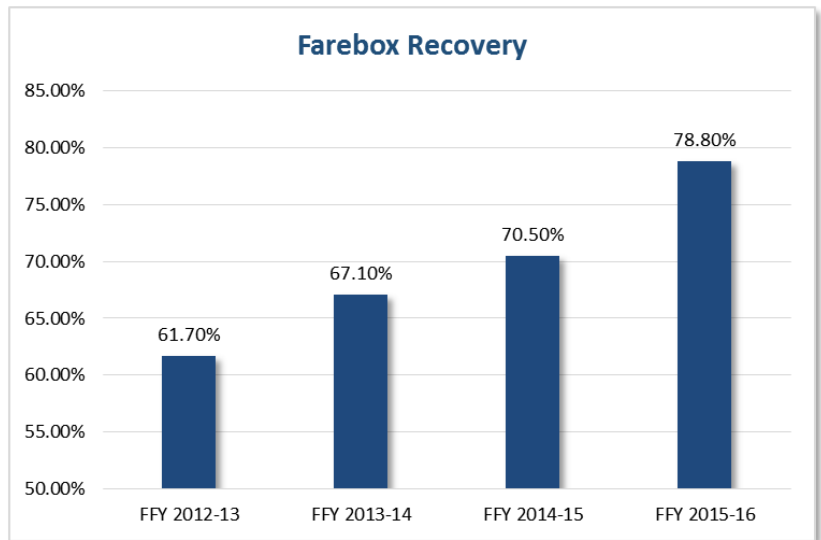
Efficiency

Performance Standard	Metric	Status
Farebox Recovery	Minimum 55 percent	

The FFY 2015-16 farebox recovery rate of **78.8 percent** far exceeds the mandated 55 percent and is growth of nearly **11.8 percent** over the prior year.

The transition of the Pacific Surfliner service to a fully state-funded service, as required by PRIIA Section 209, as well as the additional capital equipment charges to use Amtrak-owned equipment, have impacted capital and operating costs on all state supported corridors. Despite the impacts of the additional costs associated with PRIIA Section 209, combined with state funding for the service transitioning from a fixed cost to an actual cost based contract, the trend of improvement in farebox recovery continues.

**Figure 4.3: Pacific Surfliner Farebox Recovery**

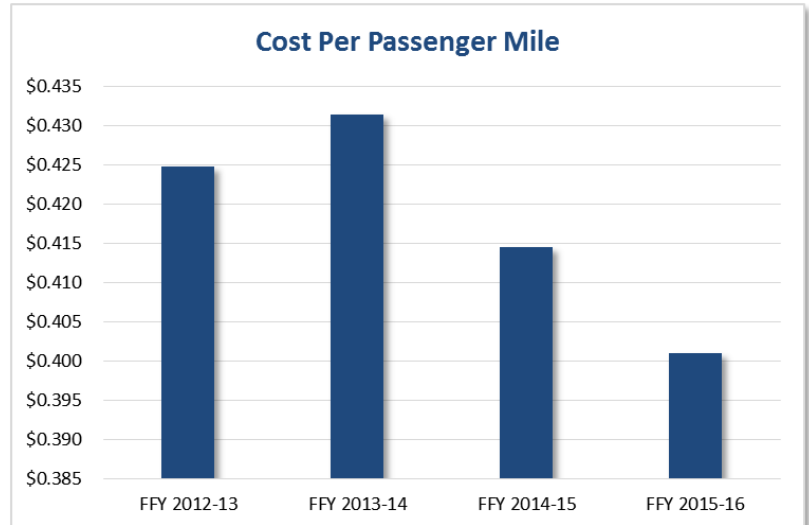


Performance Standard	Metric	Status
Cost/Passenger Mile	Continuous improvement	



Cost per passenger mile for FFY 2015-16 was **\$0.401**. This was an **improvement of 3.1 percent** over the prior year.

This improvement is significant given the impact that PRIIA Section 209 reporting has had on total operating costs. Once the full impact of these reporting adjustments is realized, a more comprehensive baseline will be established against which future trends can be compared.

**Figure 4.4: Pacific Surfliner Cost per Passenger Mile**



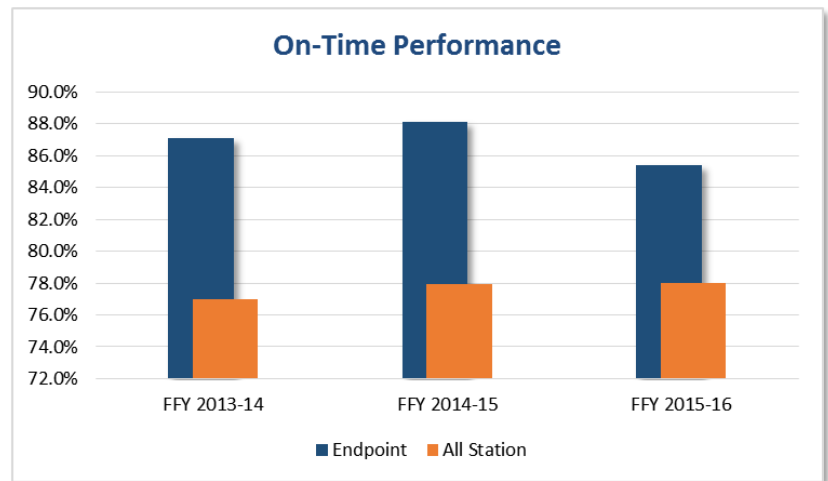
## Service Quality

Performance Standard	Metric	Status
Endpoint On-Time Performance	90 percent of endpoint arrivals within 10 minutes (up to 250 miles) or 15 minutes (over 251 miles) of schedule	
All-Station On-Time Performance	90 percent of arrival at all station stops within 15 minutes of schedule	


The FFY 2015-16 endpoint OTP was **78.0 percent**, a **0.1 percent improvement** over the prior year, whereas the all-station OTP was **85.4 percent**, a slight decrease over FFY 2014-15.

OTP continues to be an area that does not meet the performance standard, although improvement is being made in the endpoint category. The LOSSAN Agency has been working with Amtrak to collate and classify the root causes for delay via daily OTP reports. A significant portion of the identified issues were a direct result of host railroad delays. The LOSSAN Agency continues to work to identify the root causes of delay and work with Amtrak and the host railroads to establish a set of dispatch policies and schedule adjustments that will provide more realistic operating parameters.

**Figure 4.5: Pacific Surfliner On-Time Performance**



In June 2016, the LOSSAN Agency worked with rail owners and operators, and Caltrans DRMT to implement Phase 1 of the “robust timetable” work conducted by SMA Consulting. The timetable changes were intended to improve the overall reliability of all passenger rail services operating on the LOSSAN rail corridor by providing timetables that distribute “schedule pad” throughout the route and ensure that trains are able to reliably make meets on single track territory. The changes have resulted in a positive trend in OTP since the implementation of the robust timetable. However, analysis is ongoing to determine if additional schedule changes are necessary to further enhance Pacific Surfliner OTP and overall performance of the LOSSAN rail corridor.

Performance Standard	Metric	Status
Operator Delays/10,000 Train Miles	Fewer than 325 minutes of delay per 10,000 train miles	

For FFY 2015-16, the Pacific Surfliner averaged 529 minutes of operator delays per 10,000 train miles. This data was unavailable for FFY 2014-15, so a trend cannot be currently established. However, the LOSSAN Agency continues to work with Amtrak to ensure that this performance standard continues to improve.

### Additional Performance Indicators

There are additional performance indicators that, while not required to be reported to the state, are helpful in calculating the value and efficiency of the service. These indicators are included below.

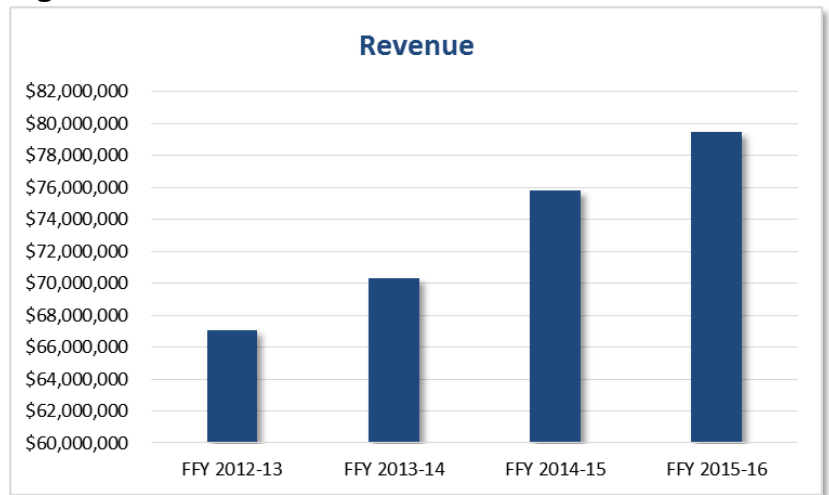
### Revenue

A strong indicator of the health of the service is total revenue, which exceeded **\$79 million** for FFY 2015-16, a **4.6 percent increase** over the prior year.

The LOSSAN Agency continues to seek ways to maximize revenue from the existing service. LOSSAN Agency staff worked with Amtrak to evaluate existing food and beverage service based on sales and revenue data, and implement a menu refresh to update the food and beverage selections being offered aboard Pacific Surfliner Café cars.

As part of this effort, the LOSSAN Agency sought opportunities to offer more regionally sourced products, particularly fresh food and locally brewed beer, with the goal of improving the customer experience while maximizing revenue.

**Figure 4.6: Pacific Surfliner Revenue**



### Customer Service

For the Pacific Surfliner, Amtrak reports monthly customer service scores in which a 'very satisfied' percentage is calculated out of 100 passengers surveyed.

The Pacific Surfliner scored an average **87 percent** for FFY 2015-16. This exceeded the Amtrak nationwide average of 85 percent for the same period.

### FY 2017-18 and FY 2018-19 Action Plan

The LOSSAN Agency will continue to monitor system performance on a monthly basis and report via the quarterly LOSSAN rail corridor trends report. As OTP continues to be an area of concern, LOSSAN Agency staff has been working with Amtrak to collate and classify the root causes for delay via daily OTP reports. The LOSSAN Agency is working to establish a set of dispatch

policies and schedule adjustments that will provide more realistic operating parameters through the Corridor Improvement Team, which includes all rail operators and host railroads,.

#### Modification of Performance Standards

The UPS establishment document identifies a number of factors that may lead to the need to modify the adopted UPS. Currently, no basis for modifications of the standards exist. As more historical data is gathered, the UPS may be revisited to establish standards that better capture the performance of the service



## Chapter 5: Capital Improvements

Since 1990, the state has invested more than \$1.9 billion in capital improvements on the state's three intercity rail corridors. During that time, LOSSAN member agencies have been successful in securing nearly \$200 million in grants for preliminary engineering, environmental documentation, final design, and construction of capital projects along the LOSSAN rail corridor. These improvements have allowed for significant increases in safety, operational efficiency, and capacity; however, approximately two-thirds of the corridor remains single track, which will continue to hinder the expansion of service and overall efficiency. An extensive capital improvement program of more than \$5 billion in additional capacity, station improvements, signal and communications improvements, and other capital projects remains unfunded.

There are seven different ROW owners along the corridor and each has made investments within their territory; however, the capital needs of the corridor well outweigh the available funding resources. Many segments of the LOSSAN rail corridor are limited by the lack of passing or second main tracks. In San Diego County, approximately a third of the corridor is comprised of a single main line track and 80 percent of the LOSSAN rail corridor north of Los Angeles is currently single track.

The capital needs have been compiled in several sources, including the LOSSAN Strategic Implementation Plan, California State Rail Plan, CHSRA Southern California early investment/connectivity program, as well as each member agencies' individual planning documents. A significant hurdle the intercity passenger rail services in California must overcome is the lack of a long-term sustainable capital funding source. There is no dedicated source at the federal or state levels, leaving these services subject to the annual budget process or one-time ballot measures (e.g., Propositions 1A and 1B) at the state level, and highly competitive grant programs at both the federal and state levels.

### Project Coordination

The LOSSAN Agency continues to coordinate with the member agencies and station owners in an effort to pursue funding opportunities that bring benefits to the larger corridor. As part of that effort, the LOSSAN Agency has worked to develop and maintain a list of capital projects, identifying those in both the planning and implementation phase with special attention being given to identifying projects that have unfunded elements. An effort is being made to update this list annually through the LOSSAN Staff Working Group. While each member agency or host railroad is responsible for the implementation of their respective capital improvements programs, the LOSSAN Agency uses the list in both funding and legislative pursuits, with a focus on leveraging any existing funds to advance capital projects that benefit the entire LOSSAN rail corridor. This unified voice advocating for capital funding and key projects makes the LOSSAN Agency's requests more compelling and competitive.

It is also important to note that the Class 1 railroads own approximately 55 percent of the ROW over which the Pacific Surfliner operates. The Union Pacific owns 176 miles, and BNSF owns 21 miles. This ownership makes them vested and necessary partners in many of the projects

benefitting the corridor. The relationship with these railroads is key to the continued successful operation of the service, and the LOSSAN Agency continues to coordinate capital improvement efforts with these partners.

While the LOSSAN rail corridor will continue to benefit from the projects currently funded and underway, the capital needs continue to exceed available financial resources. A graphic indicating approximate locations of some of the needed capital improvements is shown in Figure 5.1.

### Funding Programs

As part of the ongoing capital improvement program, the LOSSAN Agency continues to both pursue and administer various funding programs available for the improvement of the facilities throughout the LOSSAN rail corridor. Below are the programs currently being utilized as part of this effort.

**CalSTA TIRCP:** The TIRCP was created to provide grants for capital improvements that modernize California's intercity, commuter, and urban rail systems. The goal of these improvements is the reduction of greenhouse gas (GHG) emissions and vehicle miles travelled. In April 2016, the LOSSAN Agency submitted a \$150 million TIRCP grant application titled: "All Aboard: Transforming Southern California Rail Travel" in partnership with SANDAG, NCTD and OCTA. In total, CalSTA received 41 applications from agencies throughout the state requesting a total of more than \$3 billion in funding.

On August 16, 2016, CalSTA announced the award of \$82 million in 2016 TIRCP grant funds to the LOSSAN Agency, representing the single largest award to any agency. The grant award includes \$66 million to advance work on a number of high-priority capital improvements on the LOSSAN rail corridor, including the addition of more than five miles of new double track, replacement of five railway bridges, station and safety enhancements, and signal and switch upgrades. The award also includes \$15 million for a five-year capitalized lease of new Talgo passenger rail train sets to meet growing travel demand, and \$1 million for planning studies to optimize operations and improve coordination between all trains currently operating in the LOSSAN rail corridor while helping to plan for future service expansion. These projects will reduce GHG emissions by improving rail and transit services, across the state.

**California Office of Emergency Services (CalOES) – California Transit Security Grant Program (CTSGP):** The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B (Prop 1B) in November 2006, authorized the issuance of \$19.9 billion in general obligation bonds for specified purposes, including grants for transit system safety, security, and disaster response projects. An element of Prop 1B is the CTSGP – Intercity Passenger Rail/Commuter Rail Systems administered by CalOES.

The CTSGP provides funding for capital projects that enhance protection against safety and security threats on select intercity passenger and commuter rail systems in California. Projects eligible for CTSGP funding are those designed to enhance the safety and security of stations,

tunnels, or other facilities and equipment; the installation of explosive, chemical, biological, and radiological device mitigation/remediation equipment; and the installation of physical security enhancements.

Caltrans DRMT has been a recipient of CTSGP funds in prior years and has implemented projects along the LOSSAN rail corridor. Past projects have included the installation of video security equipment at various stations, improvement and replacement of platform lighting, and the installation of new crossing barriers and swing gates.

The LOSSAN Agency is an eligible recipient of these grant funds, and has so far been allocated approximately \$3.8 million in CTSGP funds, which includes the utilization of FY 2013-14 and FY 2014-15 funds that were at risk of lapsing. These grants funds were allocated to projects for a corridor-wide video surveillance system replacement/upgrades, the construction of a centralized monitoring center for these video feeds, and physical security improvements including the construction of a new law enforcement office at the San Diego Santa Fe Depot.

The LOSSAN Agency continues to work with member agencies to identify additional projects to utilize the approximately \$3.4 million in remaining CTSGP funds in an effort to maximize the available funding and identify the safety and security needs throughout the corridor.

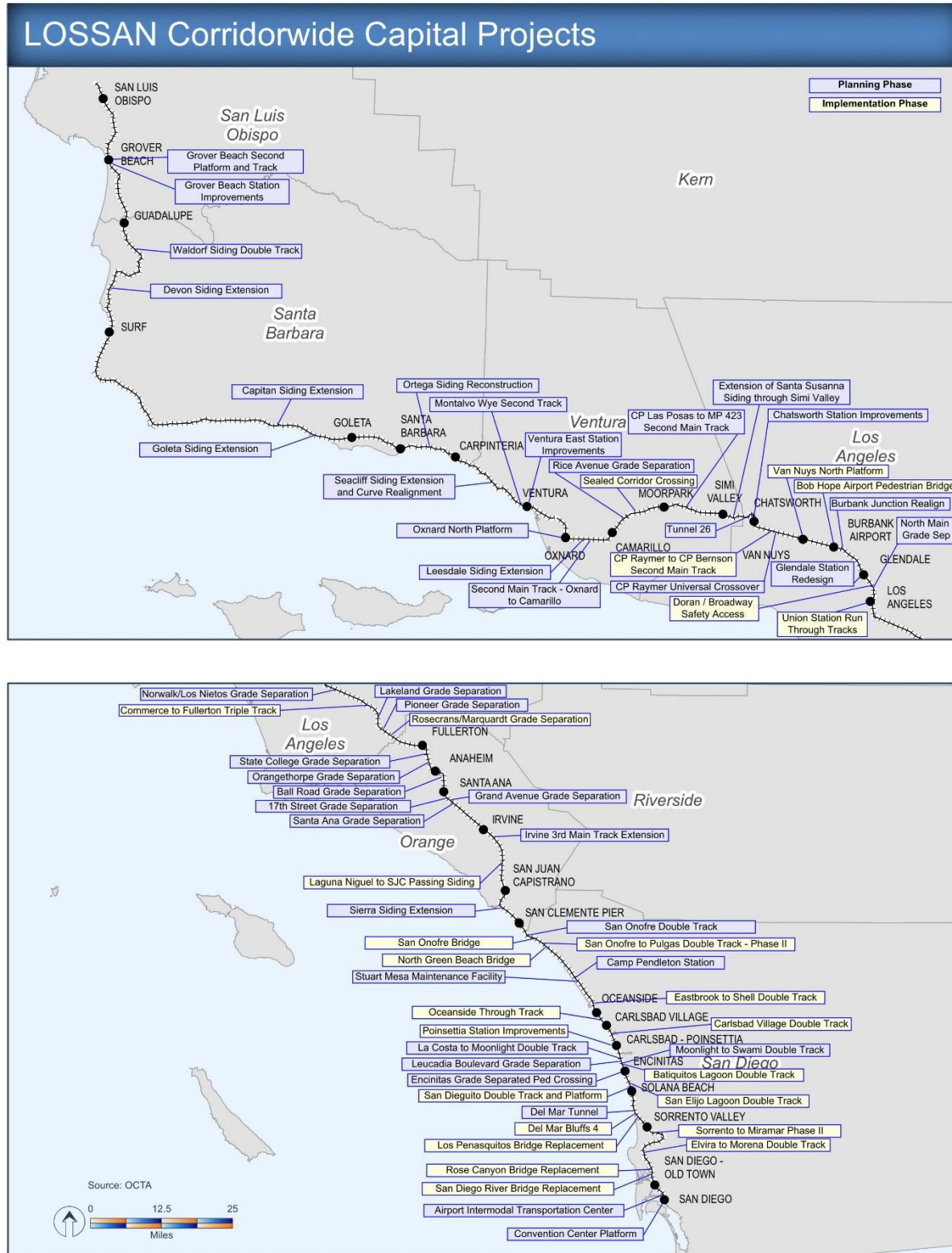
**Minor Projects:** In addition to the major capital improvements funded by various sources as discussed above, the state annually sets aside an allocation of approximately \$500,000 to cover minor projects related to the Pacific Surfliner service. Projects funded under this program include station improvements, signage, and minor safety and security enhancements.

The LOSSAN Agency has worked with member agencies and station owners to prepare a prioritized list of candidate projects for this state-funded program. As part of that effort, the LOSSAN Agency has worked to maximize the funding available for customer service-focused improvements that enhance the passenger experience by utilizing other sources of funds to fill the immediate safety and security needs.

Proposed minor project lists for FY 2016-17 and FY 2017-18 have been developed and are being refined by the LOSSAN Agency in coordination with Caltrans DRMT, Amtrak, and LOSSAN member agencies. The priority list of projects will be brought forward to the LOSSAN Board when finalized.

**Other Capital Funding:** In addition to the funding sources discussed above, LOSSAN member agencies are utilizing a variety of other federal, state and local funding sources to advance capital improvements along the LOSSAN rail corridor, including the American Recovery and Reinvestment Act of 2009, the Transportation Investment Generating Economic Recovery program, PRIIA grants, and local transportation sales-tax measures.

Figure 5.1 LOSSAN Corridorwide Capital Projects



2/18/2016  
CP – Control Point  
SJC – San Juan Capistrano

## Chapter 6: Fare Policy

### Current Fare Policy

Pacific Surfliner trains currently offer travel in unreserved coach class and reserved business class. If traveling in unreserved coach, passengers do not need to make an advanced reservation for a specific train, except during Thanksgiving weekend and select special events, when all seats on Pacific Surfliner trains are reserved. Pacific Surfliner fares are largely static year-round and do not vary by day of week, with nominal increases on select holiday and traditionally busy travel periods. Business class requires an advanced train-specific reservation and a 50 percent upcharge, with a minimum \$10 upgrade fee. In addition to a guaranteed seat, business class also provides additional leg room, a beverage, snack, newspaper, and service from a dedicated train attendant on most trains.

Ticket types available on the Pacific Surfliner include: one-way, roundtrip, 10-trip tickets, and monthly passes for unreserved coach. Roundtrip tickets are priced at twice the one-way fare. The 10-trip ticket is valid for ten one-way trips between a specific station pair within a 45-day period from date of first use, and can be used by more than one passenger. Ten-trip tickets are deeply discounted below one-way and roundtrip tickets, with some station pairs up to 56 percent off the equivalent single ride fare. Monthly tickets are valid for unlimited travel for an entire calendar month for the passenger named on the ticket.

The LOSSAN Agency has not implemented any fare changes since signing the ITA in June 2015. Table 6.1 summarizes past fare increases on the Pacific Surfliner.

**Table 6.1: Historic Pacific Surfliner Fare Adjustments**

Date	Increase
June 2003	3 percent
June 2004	3 percent
June 2005	5 percent
December 2005	5 percent
June 2006	5 percent
October 2006	5 percent
February 2009	N/A -- fare restructuring
February 2010	2 percent
June 2010	3 percent
June 2011	2 percent
September 2011	Seasonal fare change eliminated
August 2012	2 percent
June 2013	2 percent
July 2017	N/A – fare structuring (planned)

Although no base fare increases are currently planned, a complete fare review and restructuring effort is underway. The restructuring effort is being undertaken to ensure ticket prices accurately reflect the market, and to assess areas of the existing fare structure with inconsistent discount



methodologies. The specific details of the recommendations being considered for future modifications is discussed in detail below.

### Discount Programs

In addition to discounted multi-ride tickets, Amtrak currently offers discounted Pacific Surfliner tickets to senior citizens age 62 and older (15 percent), disabled riders (15 percent), children age 12 and under (50 percent), active military personnel and military veterans (10 percent), and members of the National Association of Railroad Passengers and Automobile Association of America (10 percent). Beginning in March 2016, Amtrak introduced a national student discount program that offers a 15 percent discount for students aged 13 to 25 years old.

Amtrak occasionally partners with local destinations and/or convention and visitors bureaus to offer special discounts for travel to a specific location. For example, the Santa Barbara and San Luis Obispo Car Free programs offer a 20 percent discount off Pacific Surfliner tickets for travel to stations in those counties. Amtrak also offers a California rail pass, which offers travel on any seven days in a 21-day period on all three state-supported intercity routes in California, as well as the Coast Starlight and most Amtrak Thruway buses. When requested by the LOSSAN Agency, Amtrak can also offer special discounts to one-time events by directing passengers to a unique landing page on the Amtrak.com website to purchase the discounted fare.

Amtrak offers a number of programs to incentivize group travel on the Pacific Surfliner. Groups of 15 or more can receive a 10 percent discount on regular fares on select trains based on projected seat inventory and season of travel. The Kids 'n' Trains program was established to provide reduced group fares for students and other youth groups traveling on the Pacific Surfliner and San Joaquin routes. The original goal of the program was to increase ridership during off-peak periods. Today, the program offers an educational opportunity for participants to discover, explore, and learn about popular destinations in California, including museums, zoos, and sites such as the San Juan Capistrano Mission or Olvera Street. The popularity of the Kids 'n' Trains program has increased steadily over the years. The program is available only Monday through Thursday on select trains, and provides a flat-rate fare of \$11 for a same-day roundtrip north of Los Angeles, and \$13 for a same-day roundtrip south of Los Angeles.

### Rail 2 Rail Program

There are currently two distinct Rail 2 Rail programs in place that allow Metrolink and COASTER pass holders to ride Pacific Surfliner trains at no additional cost using their valid commuter rail tickets and/or monthly passes.

**Metrolink:** The Rail 2 Rail program allows Metrolink monthly pass holders who travel on Metrolink's Orange and Ventura County lines to travel on Pacific Surfliner trains within the limits of the station pairs of their pass at no additional charge, including on Saturday and Sunday. The Rail 2 Rail program does not apply to Metrolink one-way, roundtrip, and seven-day passes, except on two shared-service Pacific Surfliner trains (Amtrak 768 and Amtrak 761) on the Ventura County Line. Pacific Surfliner monthly pass holders may also ride any Metrolink train within the station pairs on their Amtrak monthly pass. Amtrak conductors scan the Metrolink passes and Metrolink is billed for each Rail 2 Rail boarding. A revised reimbursement rate of

\$4.50 per boarding was instituted for FY 2015-16 with the execution of a revised Rail 2 Rail agreement. This current agreement expires June 30, 2017.

The LOSSAN Agency Board has directed staff to negotiate a new agreement that will continue the Rail 2 Rail program at a reimbursement rate of \$7 per boarding. This revised reimbursement rate for the Rail 2 Rail program would be approximately equal to the average fare per boarding currently collected by Metrolink, which is a methodology on par with the existing agreements with NCTD for COASTER Rail 2 Rail reimbursement, and would provide a more equitable cost recovery and revenue sharing between the services.

**COASTER:** NCTD currently has a modified Rail 2 Rail program agreement whereby COASTER passengers may travel on eight select Pacific Surfliner trains using any COASTER fare media (monthly pass, RegionPlus day pass, one-way, or roundtrip tickets). Six Pacific Surfliner trains that are part of the Rail 2 Rail program also make stops at all eight COASTER stations between Oceanside and Downtown San Diego. The NCTD reimburses Amtrak \$4.51 per Rail 2 Rail rider, which is the approximate average fare collected per passenger boarding on the COASTER service. Pacific Surfliner monthly pass holders and one-way and roundtrip ticket holders may also ride any COASTER train within the station pairs on their Amtrak ticket at no additional charge.

#### Fare Policy Restructuring/Modification

In summer 2016, the LOSSAN Agency undertook an extensive fare structure analysis in coordination with Amtrak. The analysis highlighted areas of the existing fare policy that required adjustment, primarily due to the inconsistent pricing methodology and application of discounts. In January 2017, the LOSSAN Board approved the following basic assumptions on which the revised fare structure is being built:

- Fares are developed on a consistent distance-based formula, with the cost per mile of travel decreasing as the distance increases.
- Discounts for 10-trip tickets will be consistent across all station pairs. This would bring the Pacific Surfliner in line with Amtrak's national discount on 10-trip ticket purchases. Modifications are being proposed to limit the use of the 10-trip ticket to a single passenger, with the period of use continuing to be 45 days.
- Monthly pass fares will be calculated based on the current fare structure with minor modifications. The current fare structure uses a zone-based factor to determine monthly pass fares. Currently, monthly passes on the north end of the LOSSAN rail corridor (station pairs between San Luis Obispo and Oxnard) are calculated based on the single ride base fare multiplied by a factor of 11. Monthly passes for station pairs on the south end of the LOSSAN rail corridor (station pairs between Camarillo and San Diego) are calculated based on a factor of 18. The exception to this is where station pairs overlap with Metrolink service, where the factor escalates to 18.5. The proposed fare structure would eliminate the escalation for service overlapping with Metrolink. The reduced zone for the north end of the corridor will be extended further south to include the Camarillo station in an attempt to further incentivize travel on underutilized trains. The zone for the south end (station pairs between Moorpark and San Diego) will remain at a factor of 18, which is in line with Amtrak's national practice.

- The upgrade fee for reserved business class will continue to be calculated at the base fare plus 50 percent, consistent with current practice. However, the minimum upgrade fee of \$10 may be eliminated or adjusted downward.
- Increase large group discount (groups of 15 or more) to 20 percent.
- Institute a small group discount (groups of 5 or more) of 15 percent.
- Continue to pursue destination-based discounts of up to 20 percent, developed in partnership with various stakeholders along the LOSSAN rail corridor, to encourage ridership between underutilized station pairs, and on underutilized trains.

With current fuel prices contributing to the relatively low cost of vehicle travel, an across-the-board fare increase may not be prudent at this time. The proposed adjustments to the fare policy are a normalization effort, not a fare increase. While some fares will increase, others will decrease, resulting in an aggregate increase of less than 2 percent to the average base fare. The LOSSAN Agency will work with Amtrak and the state to determine the impacts of the proposed modifications to the existing fare policy.

Public Outreach Campaign

Any modification to the fare structure has significant impact on both the Pacific Surfliner service and its passengers. With this in mind, the LOSSAN Board has directed staff to begin a robust public outreach effort associated with the fare modifications, in an effort to inform and engage the ridership base. This public outreach effort will include:

- Public meetings in each of the geographical regions (one in the north, one in central/south central, and one in the south). These meetings will be conducted in an effort to educate riders on the adjustments being made, the impacts of these adjustments, and to solicit input on the proposed changes.
- Distribution of information cards on Pacific Surfliner trains, beginning approximately one month before the public meetings are to be held. Information cards will summarize the proposed modifications and inform passengers that they may provide comments on the changes at one of the scheduled public meetings, or by submitting written comments via email, mail, or fax.
- Distribution of online surveys via various social media channels. The online surveys will be focused on determining what drives passengers to make the choices they make when it comes to travel, what priorities they have when it comes to amenities, and how changes to the fare structure may impact their travel patterns.

The input gathered as part of the public outreach process will be summarized and presented to the LOSSAN Board along with the LOSSAN Agency’s plan for addressing the major concerns when finalizing the fare modifications.



### Additional Fare Enhancement Opportunities

In FY 2017-18, the LOSSAN Agency will continue to work with Amtrak to explore opportunities to increase fare revenue while maintaining and expanding ridership, including:

- Increasing public awareness of the Pacific Surfliner Transit Transfer Program, which allows Pacific Surfliner passengers to make seamless connections to local transit services.
- Increasing public awareness of existing discount programs, especially student, group, and school discounts.
- Continue the expansion of partnerships with the, San Diego Padres, Del Mar Racetrack, Anaheim Ducks, and other event organizers to promote taking the Pacific Surfliner to sporting events, concerts, and other special events at venues served by the Pacific Surfliner.
- Development of special event trains focusing on a themed experience, centered around events like the annual San Diego Comic-Con, or in collaboration with partners such as Stone Brewing.
- Enhance customer loyalty and referral programs, including Amtrak Guest Rewards program, to retain existing and attract new riders.

## Chapter 7: Network Integration and High-Speed Rail

The LOSSAN Agency is working in close coordination with CalSTA, Caltrans DRMT, transit and rail operators along the LOSSAN rail corridor, and other stakeholders on efforts to improve rail and transit service. This includes growing ridership by creating an integrated statewide passenger rail and transit network with coordinated schedules and common fare collection systems. Creation of more closely integrated passenger rail and transit systems will provide additional travel options throughout the state, allowing passengers to seamlessly transfer from service to service to reach their desired destinations.

Specifically, the LOSSAN Agency has worked with rail operators and stakeholders in the Los Angeles to San Diego segment of the LOSSAN rail corridor to establish a leadership working group that guides coordinated planning and service integration efforts. This group includes executive level participation from the LOSSAN Agency, NCTD, Metrolink, BNSF, CHSRA, Caltrans DRMT, and CalSTA, and has met five times during the last 18 months. The leadership group is working to execute a memorandum of understanding that outlines the desire to work together to improve rail service and also short- and long-term goals, which include service optimization and modeling efforts, joint funding pursuits, ticketing, dispatch policies, and coordinated planning.

The LOSSAN Agency has fostered strong partnerships currently between the Pacific Surfliner and the two commuter railroad operators in the rail corridor: Metrolink and NCTD. Integration efforts include coordinated schedule and timetable changes, work window coordination meetings and the Rail 2 Rail program. Additionally, the LOSSAN Agency has implemented the Pacific Surfliner Transit Transfer Program, providing seamless transfers to 12 local public transit services along the LOSSAN rail corridor and creating more convenient first- and last-mile connections.

The Amtrak-operated Thruway bus service also provides key connections and is coordinated with the San Joaquins and Capitol Corridor intercity rail services, providing connectivity to the statewide rail system. In the FY 2017-18 the LOSSAN Agency will work in coordination with SJJPA and Amtrak to review the operations of the Thruway bus service and look for opportunities to improve connectivity and efficiency, as well as opportunities to serve currently unserved key areas along the routes. Pacific Surfliner trains also provide timed connections in Los Angeles to three Amtrak long-distance trains serving destinations including Chicago, New Orleans, Portland, and Seattle.

The LOSSAN Agency has also been actively participating in the California State Rail Plan Stakeholder Advisory Committee, which brings together railroad owners and operators, planning agencies, and advocacy groups throughout the state to provide input into the 2018 California State Rail Plan. The draft State Rail Plan includes a long-term vision for improving the integration of California's transit and rail services, including opportunities to better serve high-potential travel markets within the state. The LOSSAN Agency will continue to participate in the development of the State Rail Plan and will submit a formal comment letter once the draft document is released for public review in April 2017.

## High-Speed Rail Connection

The planned High-Speed Rail (HSR) system is an integral component of the statewide passenger rail system, and integration with the HSR system will be key to the statewide network integration effort. The passenger rail services along the LOSSAN rail corridor serve as a backbone for transportation throughout the central and Southern California coastal regions. As such, the LOSSAN rail corridor will provide critical connections to support and compliment the HSR system. Integration between the LOSSAN rail corridor and HSR system will provide mutual benefits to each service and must be planned carefully to build upon the existing success of the Pacific Surfliner service.

The CHSRA adopted its most recent Business Plan in April 2016, which included the decision to build the initial operating segment between the Central Valley to Silicon Valley. This change in implementation will provide additional time for technical issues to be further analyzed and resolved prior to building the connection from the Central Valley to Burbank, Los Angeles, and Anaheim. Recognizing the interregional importance of the Burbank to Anaheim segment of the HSR system, and the need to make strategic investments that will help link the rail systems together over time, the 2016 CHSRA Business Plan also includes plans for early investments in this section of the rail corridor. In FY 2017-18, the CHSRA and the LOSSAN Agency will continue efforts to coordinate planning efforts and evaluation of capital investments in the LOSSAN rail corridor.

The 2016 CHSRA Business Plan anticipates that the full Phase 1 HSR system between San Francisco, Los Angeles, and Anaheim will be operational by 2029. Phase 2 of the project will ultimately extend HSR from Los Angeles to San Diego via an inland route, providing improved travel times, and changing the role of the Pacific Surfliner into more of a feeder route to HSR, particularly for coastal communities in Orange and San Diego counties.

The LOSSAN Agency is represented well with CHSRA, as four of the member agencies are active participants of the Southern California Regional Rail Partners working group, including the LOSSAN managing agency. The CHSRA Southern California Regional Director is also an ex-officio member of the LOSSAN Board.

The LOSSAN Agency is also participating in planning meetings related to the Link Union Station (Link US) project. The project, being managed by Metro, will transform Los Angeles Union Station (LAUS) from a “stub-end,” or dead-end station, to a “run-through” station by extending tracks south over the US 101 freeway, resulting in reduced passenger wait times, particularly for Pacific Surfliner passengers traveling through Los Angeles. Link US will also reconfigure station entry tracks and station boarding platforms to improve efficiency, and create a new passenger concourse with improved retail, food and passenger waiting areas. The Link US team is working with CHSRA to explore options to incorporate future HSR service at LAUS. An updated Draft Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Link US Project is expected to be released in Summer 2017. A Final EIS/EIR will be prepared, with an expected Record of Decision (ROD)/EIR Certification by Winter 2017.

## Chapter 8: Passenger Amenities

In order to make the Pacific Surfliner an attractive travel alternative, the LOSSAN Agency has worked with Amtrak to implement initiatives designed to enhance amenities and improve the overall passenger experience. This chapter focuses specifically on enhancements to passenger services and amenities that have been prioritized for FY 2017-18 and FY 2018-19.

### Key Priorities for FY 2017-18 and FY 2018-19

#### **On-Board Amenities**

***Bicycle Storage:*** Each Pacific Surfliner train has storage space for seven bicycles in the cab car. A bicycle reservation system was implemented in June 2013 that allows passengers to reserve a spot for their bicycle free of charge when they book their train ticket. The Pacific Surfliner currently receives the most bicycle reservations of any Amtrak route in the nation, carrying more than half of the bicycles in the entire Amtrak system. The LOSSAN Agency will continue to work with Amtrak on opportunities to expand bicycle storage, as well as options to allow Amtrak multi-ride ticket holders to make bicycle reservations. In addition, the LOSSAN Agency will develop a “how to” video that can be shared on social media describing the process of booking and bringing your bike on the Pacific Surfliner.

***Business Class:*** Business class is an increasingly popular service on the Pacific Surfliner. With a business class ticket, passengers receive a reserved seat with additional leg room; self-serve coffee, tea and pastries in the morning; and at-seat snack and beverage service in the afternoon, as well as a dedicated business class attendant on most trains. Passengers also receive access to the Amtrak Metropolitan Lounge in Los Angeles, priority boarding at the Santa Fe Depot in San Diego, and bonus Amtrak Guest Rewards points. The LOSSAN Agency worked with Amtrak in late 2016 to initiate a pilot program to expand business class capacity in direct response to passenger demand. This was achieved by utilizing the Superliner long-distance car as a second business class car for the months of November and December. Based on the success of the pilot, a modified expanded business class pilot was continued utilizing half of the Superliner car, creating increased capacity of approximately 30 seats and allowing for the full use of the Superliner for business class service when passenger demand warrants. In early 2017, the LOSSAN Agency worked with Amtrak to upgrade the existing business class snack pack to a branded box with upgraded snack offerings. Moving forward, the LOSSAN Agency will work with Amtrak to further enhance the amenities offered in business class in a cost effective manner, potentially including upgraded seat coverings, expanded at-seat food and beverage service, and additional frequent rider incentives.

***Food and Beverage:*** In FY 2016-17, the LOSSAN Agency worked with Amtrak to evaluate existing food and beverage offerings based on sales and revenue data, and implemented a menu “refresh” to introduce new locally sourced fresh food items and local craft beers. At the same time, the LOSSAN Agency produced new menus with a fresh design, including updated images and product descriptions that highlighted the organic, sustainably-sourced food items available on board. A quarterly craft beer rotation introduced new beer options from popular breweries along the Pacific Surfliner route, including Stone, Ballast Point, Karl Strauss, Firestone Walker, and Island Brewing. The menu changes led to a net increase in food and

beverage revenue and in Customer Service Index scores related to food and beverage service. The LOSSAN Agency will continue to work with Amtrak to introduce new locally sourced products on board, including an upgraded selection of local wines. LOSSAN Agency staff will also plan special events to offer tastings of new products onboard trains in partnership with food and beverage suppliers.

**Joint Promotions:** The LOSSAN Agency initiated coordinated marketing efforts with local convention and visitors bureaus, connecting transit agencies, and key attractions along the Pacific Surfliner route, and also worked with Amtrak marketing staff on a number of successful joint promotions. These efforts will continue in the coming year, and will be further expanded to partner with local colleges and universities, major event venues and sports teams, and other key attractions to provide special offers and incentives to Pacific Surfliner passengers.

**Newsletter and Blog:** The LOSSAN Agency developed an e-newsletter that is distributed to approximately 12,000 active email subscribers and includes service-related information, information on upcoming events and promotions, and destination deals and partnerships. The e-newsletter currently has an above-average 25 percent open rate. A blog was also established to provide more in-depth content and enhance public engagement. In the coming year, the LOSSAN Agency plans to work to further grow its email database and to expand e-newsletter and blog content to include “behind the scenes” stories featuring Amtrak employees, and additional “local getaway” articles and destination guides, including tips from local experts.

**On-Board Information System:** LOSSAN Agency staff will continue to work closely with Amtrak and Caltrans DRMT on the implementation of the On-Board Information System (OBIS) project. The state-funded OBIS project will provide automated audio and visual messages onboard Pacific Surfliner trains, including information on next stop, delays, food service, connecting transit, and safety/security-related messages. The first prototype cars are scheduled to be equipped with OBIS in August 2017 and will be tested in northern California. The LOSSAN Agency will work with Amtrak and Caltrans DRMT on implementation of the OBIS system, including options to use OBIS to advertise special promotions and onboard amenities, including the Café car.

**On-Board Transit Pass Sales:** As of July 2016, discounted, prepaid one-day passes for the Metro and SDMTS transit systems are being sold in the Pacific Surfliner Café car to allow convenient connectivity with larger transit systems where an embedded transit transfer is not feasible. The LOSSAN Agency will continue to work with Amtrak and its transit agency partners to boost marketing efforts highlighting the variety of great destinations that are easily accessible using a combination of Pacific Surfliner and connecting transit services. The LOSSAN Agency will also continue discussions with Metro and SDMTS to determine what opportunities exist to further streamline the transit transfer process, including opportunities to integrate the purchase of a connecting transit trip into the Amtrak reservations system.

**Rail 2 Rail Program:** The LOSSAN Agency will continue to work with Amtrak, Metrolink, and NCTD to offer a Rail 2 Rail program benefit to customers that provides an equitable reimbursement rate to the Pacific Surfliner for carrying Metrolink and COASTER pass holders on state-funded intercity trains.

**Seating Availability:** The LOSSAN Agency has initiated conversations with Amtrak regarding opportunities to provide information to passengers during the booking process indicating how full a particular train is expected to be based on historical ridership data and current reservations. This would allow passengers to choose to shift to a different unreserved train that was expected to be less crowded in order to avoid trains expected to be at peak capacity. In addition, Amtrak is working to offer an airline-style seating map that would allow business class passengers to book a specific seat on the train in advance, including four-seaters for groups of three or more.

**Service Disruptions:** The LOSSAN Agency will continue to work proactively with Amtrak to improve communication with passengers in the event of a planned or unplanned track closure or service disruption. Service disruption updates are currently being posted on the @pacsurfliners Twitter channel, which has resulted in positive customer feedback. The LOSSAN Agency will continue to explore options to send follow-up letters to passengers after major delays explaining the cause of the delay and acknowledging the inconvenience they experienced.

**Special Event Service:** The LOSSAN Agency will work with Amtrak to expand Pacific Surfliner service to special events that draw large crowds including the Del Mar Racetrack, San Diego Comic-Con, and major holidays while also ensuring that appropriate resources (rolling stock, staffing, etc.) are made available to accommodate anticipated demand.

**Train Status Information:** Amtrak currently provides train status information through a number of channels, including announcements at staffed stations, Passenger Information Display System signs on station platforms, and online through the “train status” feature on its web site and mobile app. The LOSSAN Agency has worked with Amtrak to introduce service alerts on the @pacsurfliners Twitter channel, which supplies more detailed information in the event of service disruptions. The LOSSAN Agency will continue to look for opportunities to further enhance train status updates, including a Web-based train tracker that shows the real-time position of Pacific Surfliner trains on a route map.

**Transit Connectivity:** The Pacific Surfliner Transit Transfer Program was implemented in summer 2016 thanks to a successful TIRCP grant. The Transit Transfer Program offers seamless connectivity to more than 12 local public transit services along the LOSSAN rail corridor. The LOSSAN Agency will work with local transit providers continue marketing efforts for the program, and also look for opportunities to improve timed transfers to Pacific Surfliner trains, including connectivity to airports along the route.

**Wi-Fi:** All Pacific Surfliner trains currently offer Wi-Fi service, which has proven to be a popular passenger amenity. However, due to limited bandwidth, the service has some limitations. The LOSSAN Agency will work with Amtrak and Caltrans DRMT to build on the success of the existing Wi-Fi service by improving the speed and reliability of the service, as has recently been done on the Amtrak Acela service.

**Wi-Fi Landing Page:** The LOSSAN Agency has worked with Amtrak to update the existing landing page that passengers see when logging onto Amtrak Connect Wi-Fi onboard Pacific Surfliner trains. The new landing page includes real-time route and station information,



information about onboard amenities, links to Pacific Surfliner social media pages, and access to destination deals and news. It is expected to be launched in mid-2017.

### ***Station Amenities***

***Checked Baggage:*** The LOSSAN Agency will work with Amtrak to monitor the use of checked baggage and express service, as well as the impacts on operating costs and station dwell times of continuing to offer these services.

***Station Improvements:*** Using previous studies and input from member agencies and station owners, the LOSSAN Agency will update a list of prioritized capital projects at stations that could be candidates for minor capital program funds, as well as state and federal safety/security funds. A corridorwide call for projects with a small local match requirement could provide an incentive for station owners, including cities and local transportation agencies, to prioritize funding for station and platform improvements, including enhanced signage.

## Chapter 9: Equipment

Amtrak currently operates 24 daily Pacific Surfliner trips using nine train sets. A typical train set consists of one locomotive and six passenger cars, including one business class car, one Superliner car, one Café car, two coach cars, and one cab/baggage car, which collectively provide approximately 480 passenger seats per train. Additional passenger cars are added to accommodate anticipated demand associated with holidays and special events.

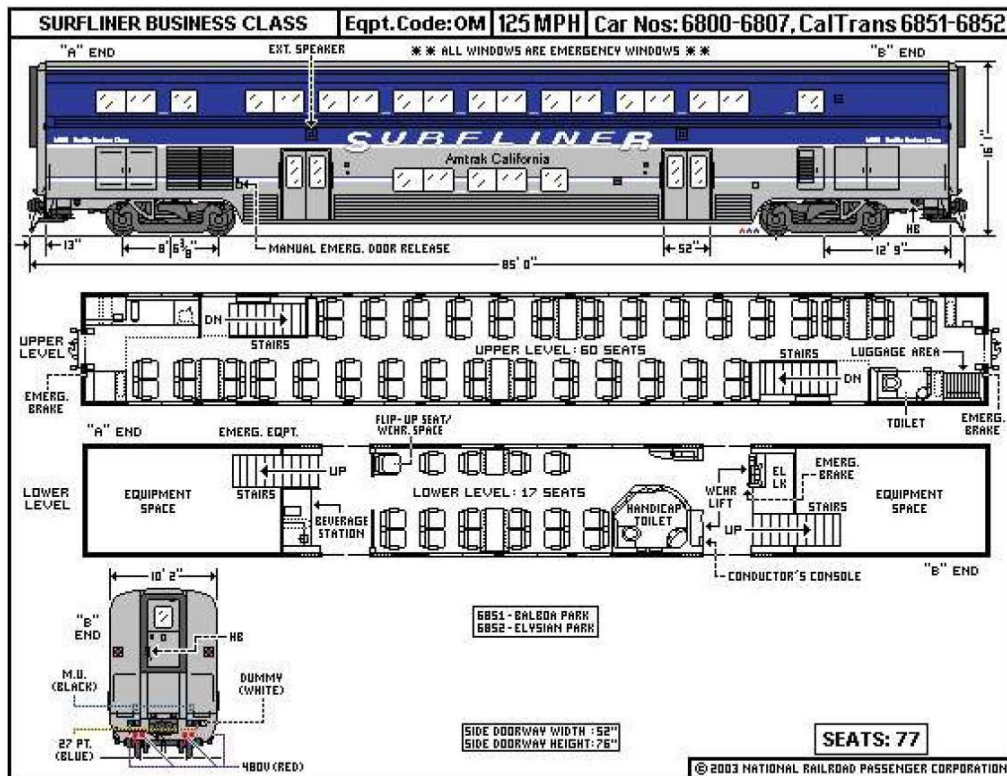
A description and schematic layout of the types of cars currently used to provide Pacific Surfliner service are provided in Table 9.1 and associated Exhibits.

**Table 9.1: Pacific Surfliner Fleet Description**

Type	Car Description	Seating Capacity
Business Class	Reserved seating on upper and lower levels with dedicated attendant; complimentary at-seat snack and beverage service	72
Café	Regular coach seating on upper level; booth seating and café area with food and beverage service on lower level	72
Coach	Unreserved seating on upper level with limited seating for seniors/disabled on lower level	90
Superliner Coach	Upper level includes curtain to allow half of car to be used for business class seating and half for unreserved coach. Some cars have additional seating on the lower level	62-74
Cab/Baggage	Unreserved seating on upper level and cab area for engineer to operate train; limited senior/disabled seating, bike rack accommodating seven bikes and secured area for storage of checked baggage on lower level	82

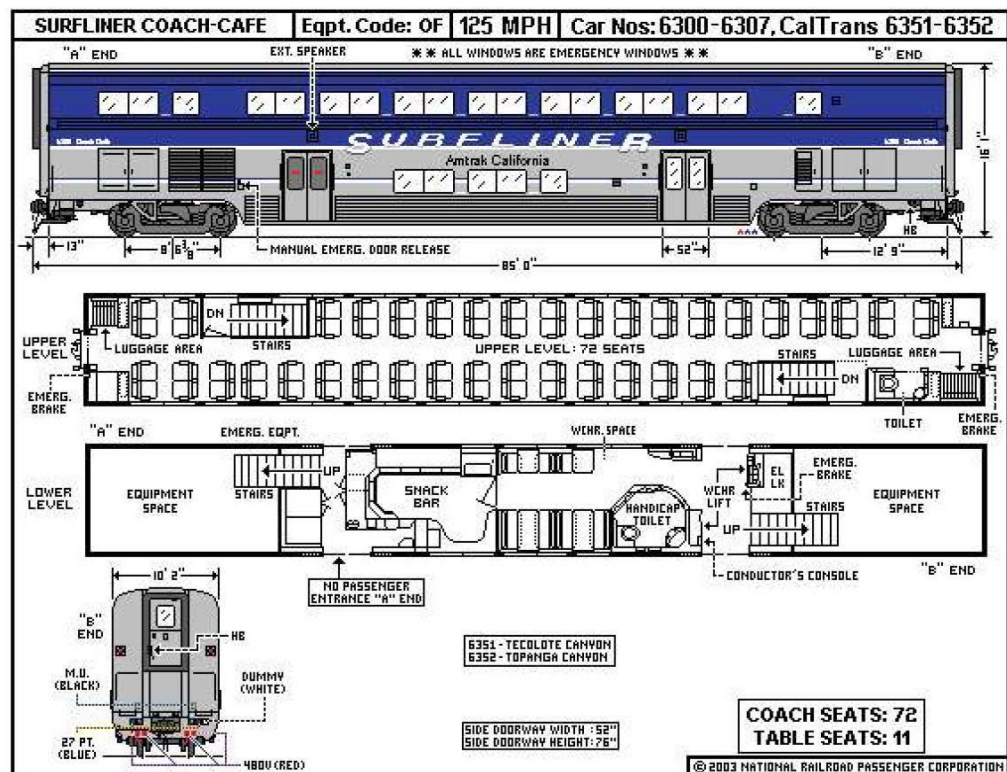


**Exhibit 9.1: Pacific Surfliner Business Class Car**

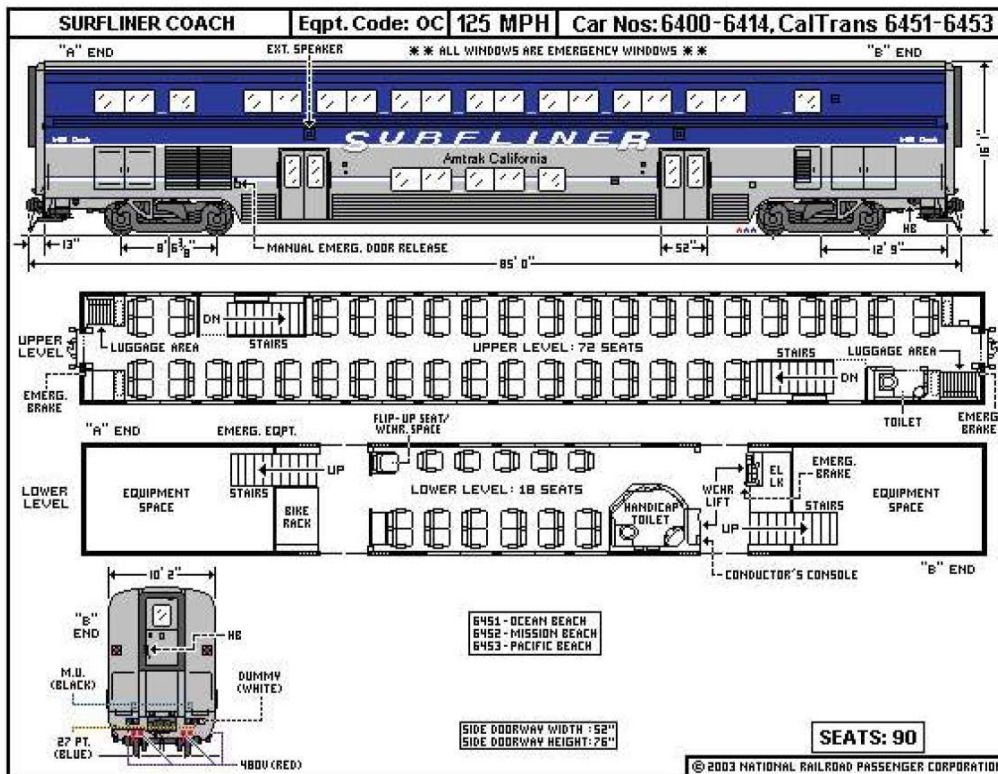


Note: Business class cars have been reconfigured to add a lower level luggage rack and improved lower-level seating, resulting in a net reduction of five seats, for a total of 72.

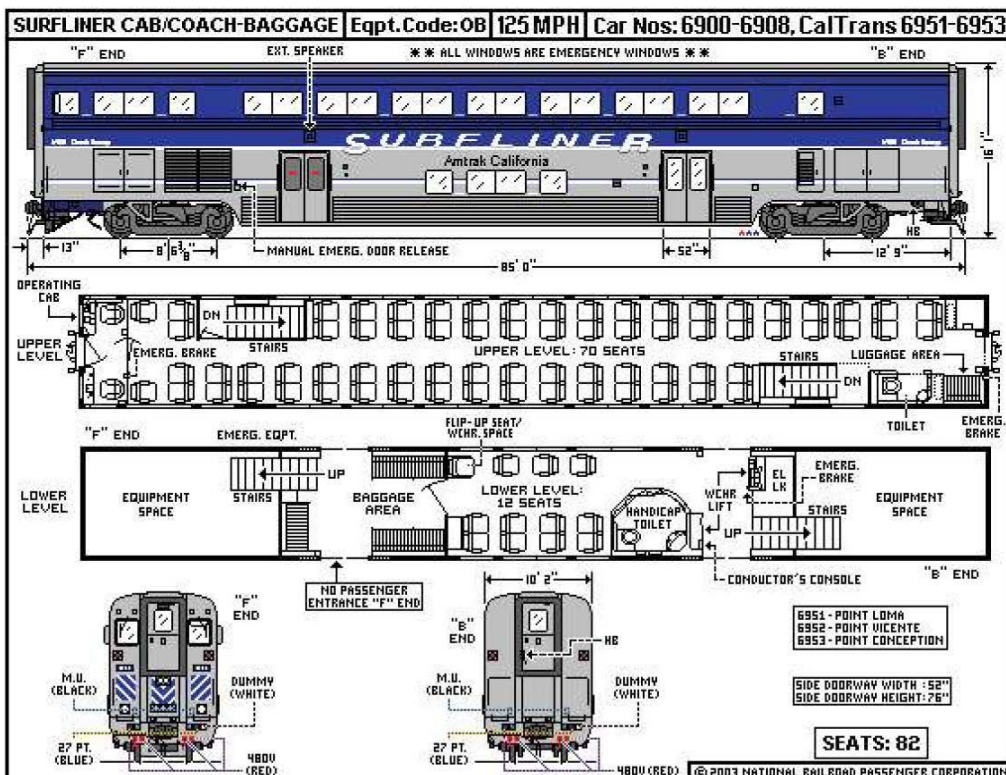
**Exhibit 9.2: Pacific Surfliner Café Car**



### Exhibit 9.3: Pacific Surfliner Coach Car

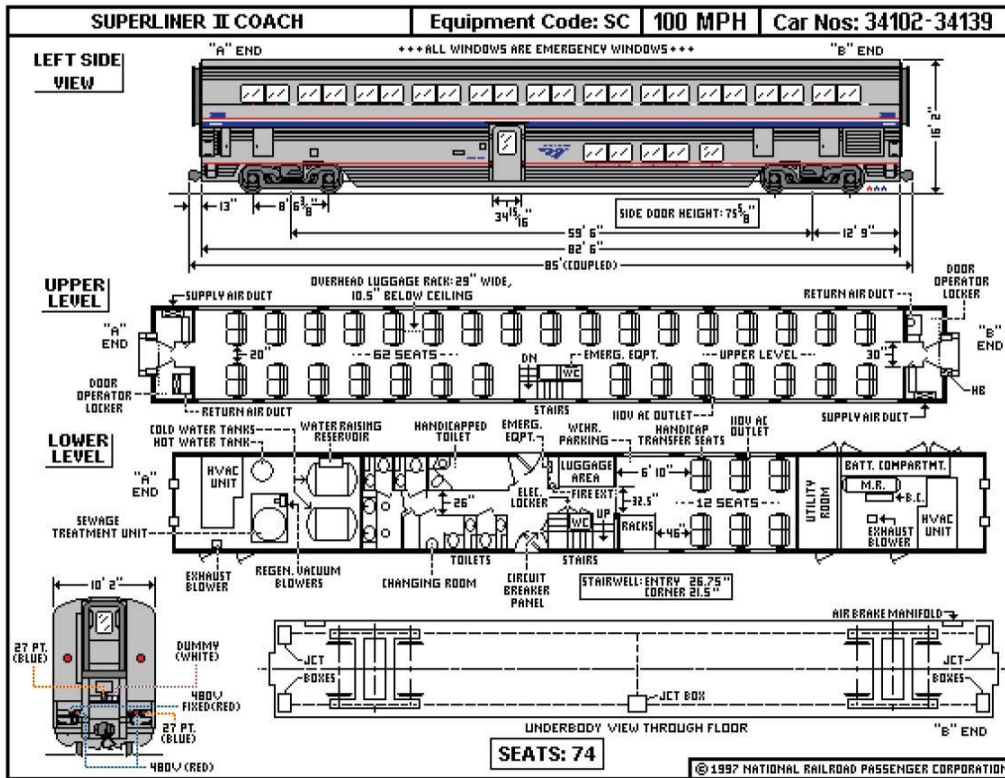


### Exhibit 9.4: Pacific Surfliner Cab/Baggage Car





**Exhibit 9.5: Pacific Surfliner Superliner Car**



The locomotives and passenger cars used to provide the Pacific Surfliner service are primarily owned by Amtrak and leased by Caltrans DRMT for use on the service. The lease fees and capital equipment charges associated with the Amtrak-owned equipment are included in a separate agreement between Caltrans DRMT and Amtrak.

Included in the Pacific Surfliner fleet are 49 bi-level passenger cars, ten of which are owned by Caltrans DRMT and the remaining 39 by Amtrak. In addition to the 49 Pacific Surfliner-branded bi-level cars, Caltrans DRMT leases approximately nine Amtrak-owned bi-level Superliner coach and coach-baggage cars. These cars are typically used on Amtrak’s long-distance trains, but have been modified to run in “push-pull” operation and have also been equipped to support the Wi-Fi service offered on Pacific Surfliner trains. As of late 2016, all Superliner cars used on the Pacific Surfliner have been reconfigured with a curtain in the middle of the car, to allow half of the car to be used for additional business class seating.

Caltrans DRMT also leases a trainset composed of Amtrak-owned single-level Amfleet and Horizon cars, as well as a Non-Powered Control Unit, a non-powered locomotive that carries baggage and acts as a cab car. This trainset does not have automatic doors, which requires conductors to manually open and close doors at each stop, and requires passengers to climb several steps to board the train, which can increase station dwell times. Of the nine trainsets used to operate Pacific Surfliner service, eight currently consist of bi-level Surfliner and Superliner cars, and one consists of single-level Amfleet and Horizon cars.

Pacific Surfliner trains typically operate with a single 3,000 horsepower (HP) Amtrak-owned F59-PHI locomotive, though Amtrak sometimes substitutes a 4,250 HP P-42 locomotive, which is usually used on its long-distance trains. The 15 F59-PHI locomotives based in Los Angeles and assigned to the Pacific Surfliner service were originally delivered in 1998, and all have in excess of 1.6 million miles. Approximately 80 percent of the F59-PHI locomotive fleet has received a major mid-life overhaul, which included upgrading the engine to Tier 0+ emissions standards. Amtrak routinely positions a spare “protect” locomotive in San Diego and Los Angeles that is available to assist in the event a train encounters a mechanical issue.

A summary of the equipment and ownership currently used to provide daily Pacific Surfliner service is provided in Table 9.2.

**Table 9.2: State-Owned Pacific Surfliner Equipment**

	Current	
	<i>Owned</i>	<i>Leased from Amtrak</i>
Cab Car	3	8
Coach	3	15
Business Class	2	8
Café Car	2	8
Superliner Coach and Coach/Baggage	0	9
Amfleet/Horizon	0	9
F59 Locomotives	0	15
<b>TOTAL</b>	<b>10</b>	<b>72</b>

Source: Caltrans and Amtrak, 2017

New Equipment Purchases

Caltrans, along with the Illinois Department of Transportation (IDOT), received federal funds through the High-Speed Intercity and Passenger Rail competitive grant program to procure new rolling stock for California’s three state-supported intercity rail services. In December 2011, the California Transportation Commission (CTC) approved the allocation of \$42 million of Proposition 1B funds as a local match to \$168 million in federal funds for both railcars and locomotives. In November 2012, Caltrans awarded a \$352 million contract to Sumitomo Corporation of America to build new railcars that meet the federally required standards required of the Next Generation Equipment Committee (NGEC). The contract was executed with Caltrans as the lead agency in a joint agreement with the IDOT, which is representing a Midwest Coalition for the states of Illinois, Michigan, and Missouri, for a total base order of 130 railcars (42 Caltrans / 88 IDOT), with an ability to purchase additional option railcars, during the period of production.

Design and testing issues have led to delays in the production of the new railcars. To date, no new rail cars have been produced, and the contract is now several years behind schedule. Caltrans is working with IDOT, Sumitomo and the Federal Railroad Administration (FRA) to

develop a recovery plan and amended schedule for the production and delivery of new railcars, which are likely several years away.

In March 2014, Caltrans, in coordination with the IDOT, awarded a contract to Siemens to manufacture a total of 35 diesel-electric locomotives in Sacramento, with six locomotives purchased for use in California on the Capitol and San Joaquins corridors. The first two locomotives were delivered for testing at the FRA testing facility in late 2016. The remainder of the 4,400 HP, Tier 4 diesel-electric locomotives will be purchased by other states, including Illinois, Iowa, Michigan, Missouri, and Washington. The contract with Siemens includes options for an additional 225 locomotives.

In December 2014, the CTC approved the allocation of \$108 million in unallocated Proposition 1B intercity rail funds for procurement of new intercity locomotives and railcars, and to implement an on-board information system on the state's intercity rail services, including the Pacific Surfliner. A portion of the \$108 million will be used to purchase additional Tier 4 locomotives to replace the 15 F59-PHI locomotives owned by Amtrak that support the Pacific Surfliner service. Replacing the Amtrak-owned locomotives, which are nearly 20 years old, with new, state-owned Tier 4 locomotives would have a number of benefits, including reduced capital equipment charges for use of Amtrak-owned equipment, improved reliability, reduced mechanical-related delays, and environmental benefits through reduced emissions from cleaner-burning Tier 4 engines. The new locomotives are currently expected to be delivered and put into service on the Pacific Surfliner beginning in 2019-2020.

The LOSSAN Agency continues to pursue options for securing additional equipment for the Pacific Surfliner prior to the delivery of state sponsored equipment. Peak travel demand on the Pacific Surfliner, particularly during the summer season and holidays, often exceeds available seating capacity. The LOSSAN Agency efforts to secure additional equipment include pursuing additional leased equipment from Amtrak as well as lease or purchase options from private companies. To this end, the LOSSAN Agency is negotiating with Talgo for the use of two trainsets to be funded in part by the 2015 TIRCP award, which provides \$15 million for this purpose.

### Equipment Maintenance

The primary maintenance facility for all Pacific Surfliner rolling stock is Amtrak's Redondo Locomotive Maintenance Facility located adjacent to the LOSSAN rail corridor in downtown Los Angeles. This facility includes locomotive and vehicle repair shops that performs safety inspections, servicing, and maintenance of all Amtrak locomotives and rolling stock. Amtrak utilizes a smaller servicing facility in Goleta for fueling, cleaning, and overnight train inspections. In San Diego and San Luis Obispo, overnight layover facilities for the Pacific Surfliner have been established to allow for fueling, overnight inspections, and cleaning. In San Diego, these are performed at the Santa Fe Depot. While in San Luis Obispo, the Pacific Surfliner trainset is stored on a designated layover track adjacent to the UPRR locomotive yard across from the San Luis Obispo station. The Los Angeles and Goleta maintenance facilities are owned by Amtrak, while the San Diego and San Luis Obispo facilities are provided through long-term lease agreements.

Amtrak staff is responsible for all maintenance activities related to the Pacific Surfliner service as part of the annual operating agreement with the LOSSAN Agency. The LOSSAN Agency is responsible for administration and maintenance supervision of the Pacific Surfliner fleet,

particularly the ten state-owned railcars. This relationship is further defined in the Equipment Lease Agreement between Caltrans DRMT and the LOSSAN Agency, which is included as an appendix to the ITA. The LOSSAN Agency is also responsible for ensuring the Pacific Surfliner fleet is operated and maintained to the high standards of reliability, cleanliness, and safety set by Amtrak and the state on a day-to-day basis. LOSSAN Agency staff will continue to work closely with Caltrans DRMT and Amtrak to refine the maintenance and operations programs to improve the reliability, safety, and the cost-effectiveness of the fleet.

Caltrans DRMT is responsible for overseeing wreck repair and also participating in the oversight of modifications to state-owned equipment. Additionally, Caltrans DRMT is responsible for statewide fleet planning and deployment of equipment between the three state-supported intercity rail corridors (Pacific Surfliner, Capitol Corridor, San Joaquins) in consultation with each agency.

### Amtrak Thruway Bus Service

Amtrak contracts with private bus companies to provide Amtrak Thruway bus service connecting to the Pacific Surfliner route, and the private bus operators provide the vehicles used in the service, which must comply with Amtrak requirements, including Wi-Fi accessibility, electronic destination signs, a restroom, and power outlets.

## Chapter 10: Marketing

### Introduction

The proposed marketing program for FY 2017-18 focuses on optimizing existing marketing efforts while building a strategic framework to support future Pacific Surfliner marketing initiatives to grow awareness, ridership and revenue. Building a strong foundation now will promote strategic marketing programs that utilize cost-effective, data-driven tactics, while also promoting long-term efficiencies as the Pacific Surfliner marketing program matures.

The transfer of management responsibility for the Pacific Surfliner service from Caltrans DRMT to the LOSSAN Agency in July 2015 was relatively seamless from a consumer point of view, thanks in part to the new channels and programs that were quickly built and launched to establish a marketing presence and provide timely customer communications. However, there is still much work to be done to build a robust marketing infrastructure and establish cost-effective, sustainable programs that will allow the LOSSAN Agency to effectively manage future growth. Investing in marketing infrastructure now will allow future marketing efforts to effectively adapt to the changing world, keep pace with evolving technology and customer expectations, and respond appropriately to challenges and opportunities.

The LOSSAN Agency's initial efforts to create awareness and generate interest in the Pacific Surfliner service included a broad range of activities, from communicating critical rider information and establishing new social media channels to launching new service promotions and working to increase revenue related to key business objectives. The marketing plan for FY 2017-18 focuses on initiatives designed to build on these early accomplishments while laying the groundwork for future success and continuing to demonstrate return on marketing investments.

### FY 2016-17 Marketing Efforts

The LOSSAN Agency launched the Pacific Surfliner marketing program in late 2015. Since that time, the LOSSAN Agency has worked to increase awareness of the Pacific Surfliner service and promote ridership along the corridor by developing and implementing an array of marketing programs designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve customer experience, add value for passengers, and leverage strategic partnerships.

Marketing strategies were designed to utilize cost-conscious tactics that provide positive return on marketing investment. As a result of these efforts, the Pacific Surfliner service experienced ridership and revenue growth of 3.6 percent and 3.4 percent, respectively, compared to the prior year. This ridership and revenue increase was in spite of multiple weekend work windows that impacted Pacific Surfliner service, and even as parallel commuter rail services in the LOSSAN rail corridor experienced significant ridership decreases in part due to low gas prices.

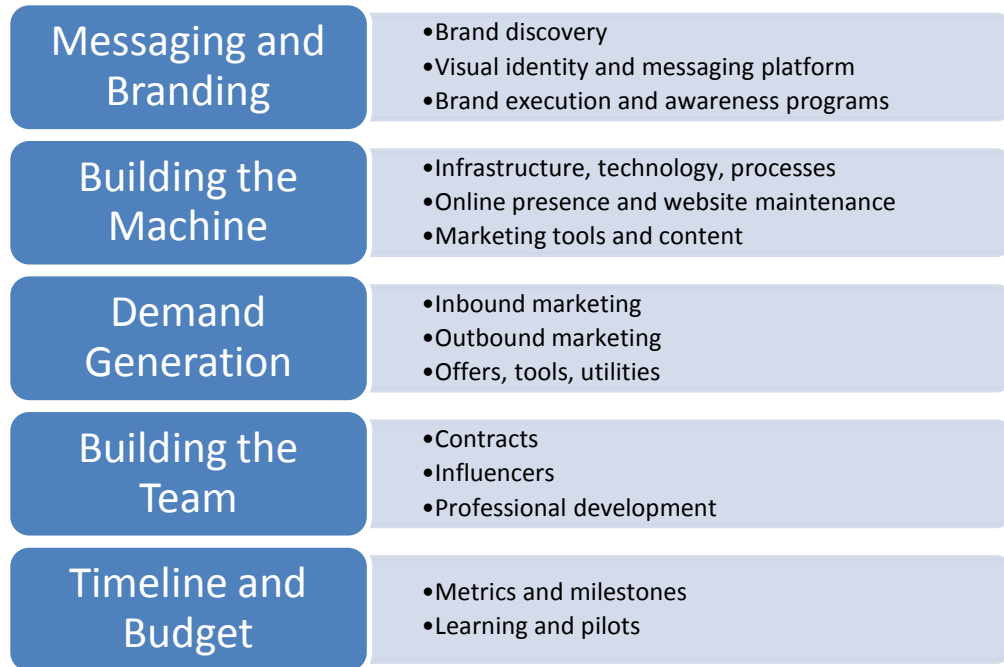


Marketing initiatives implemented to promote the Pacific Surfliner service in FY 2016-17 included:

- Enhanced customer communication to increase customer satisfaction, including detailed service alerts
- Videos to further engage and grow audiences
- Promotion of expanded business class service
- Support for introduction of new, local food and beverage offerings
- Special event promotion
- Promotion of Transit Transfer Program
- Launch of Pacific Surfliner blog and growth of social media channels including Facebook, Twitter, and Instagram
- Establishment of strategic partnerships with local visitors bureaus and attractions along the Pacific Surfliner route, including sports teams and major events

The marketing initiatives planned in FY 2017-18 will continue to enhance the efforts to date in order to further increase awareness and ridership. The focus of the FY 2017-18 marketing plan is to support key priorities outlined in the business plan, as well as build foundational components and infrastructure as illustrated below in Figure 10.1:

**Figure 10.1 Marketing Plan Overview**



Messaging and Branding

In 2015, the LOSSAN Agency worked with Amtrak’s marketing department to develop a new co-branded Pacific Surfliner logo that leverages the power of the overarching Amtrak national brand mark while incorporating the unique and compelling attributes of the Pacific Surfliner service. As an extension of the Amtrak brand, the co-branded logo allows the Pacific Surfliner service to benefit from Amtrak’s significant marketing and advertising investments on a national

level, delivering efficiencies and maximizing the results of marketing and communications efforts. The Amtrak Pacific Surfliner logo visually reinforces the Amtrak brand values and reputation, while also presenting a distinct service within the Amtrak network that includes scenery, rolling stock and onboard amenities that cannot be found on any other Amtrak route. A top priority for FY 2017-18 is to further develop the Pacific Surfliner brand and build a strong foundation for messaging and visual communications that will be leveraged across all touch points to tell a compelling and consistent brand story.

### **Brand discovery**

A brand is the intersection of what an organization says about itself, how it acts, and what people think of it. The research and discovery process is a critical step to determining the shared values and rules that will govern and shape all aspects of marketing and communications. The brand development process will include a review of the current brand as it is presented today, as well as customer analysis and qualitative market research.

### **Visual identity and messaging platform**

Brand discovery will help define all aspects of the brand, ultimately informing guidelines for voice and visuals that help create clear and consistent communications across various channels and diverse audiences. Building this framework is critical to creating compelling campaigns and stories that resonate with audiences and drive intended actions. Developing and documenting the Pacific Surfliner visual identity and editorial style will help ensure consistent application of identity elements across visual and verbal media, enabling the LOSSAN Agency to tell a clear and powerful story about the Pacific Surfliner experience.

### **Brand execution and awareness programs**

A roll-out strategy and brand awareness campaign will be designed to boost engagement with the Pacific Surfliner brand. Additionally, all marketing campaigns and communications efforts will support and be consistent with the brand campaign.

Updated branding will be applied to the following immediate initiatives:

- Design and launch of new Pacific Surfliner website with updated look and feel including branded messaging and content
- Development of collateral and digital assets that create a memorable brand experience and advance business objectives
- Implementation of short- and long-term integrated advertising campaigns to increase market share and strengthen customer relationships

The LOSSAN Agency plans to contract with a full-service marketing firm to develop the Pacific Surfliner brand and provide creative services as needed. The firm will work closely with LOSSAN Agency’s marketing team to conduct a brand discovery and develop a visual identity and editorial style that will serve as the foundation for all internal and external communications.

## Building a Marketing Machine

As the Pacific Surfliner marketing programs and channels continue to grow, it is critical to develop systems that help centralize and manage marketing and communication activities while improving workflow and efficiencies. Laying a solid foundation includes evaluating and selecting the right technologies, building organizational processes, and creating tools and content to support successful project management and marketing productivity.

### **Infrastructure, technology, processes**

Implementing processes and leveraging technology will allow the LOSSAN Agency's lean marketing team to save time, budget, and resources. For instance, as the marketing program grows and the volume and diversity of projects increase, effective project management and team collaboration tools will become increasingly important.

The LOSSAN Agency will identify tools, acquire technology and build processes to assist in the following areas:

- Digital asset management
- Marketing project management and team collaboration
- Social listening, online monitoring and response
- Social media dashboard and community management

As organizational challenges and opportunities evolve, marketing staff will proactively determine processes that may come under stress as programs and customer response grow. Additionally, staff will continue to invest in tools and implement workflows that relieve strain and promote successful marketing products.

### **Online presence and website maintenance**

PacificSurfliner.com was launched in December 2015 to provide both current and prospective riders with a more relevant online experience, and to better engage and convert audiences along the corridor. The site acts as a hub for advertising campaigns and elevates the unique characteristics of the Pacific Surfliner service while aligning with the national Amtrak brand. The site currently serves as an interim solution while the LOSSAN Agency works with its vendor to create a robust website with additional functionality during FY 2017-18.

The new website will be designed to enhance the Pacific Surfliner's digital presence and meet the following objectives:

- Develop new technology tools to help website visitors find information and encourage repeat visits
- Optimize the user experience within a responsive framework across desktop, tablet, and mobile devices
- Generate awareness and support traffic back to the Amtrak website to purchase tickets
- Educate and inform website visitors who were unfamiliar with Pacific Surfliner and its route/amenities

- Enable internal marketing team to have better control over web content and marketing initiatives

In addition to developing a full-scale website, marketing staff will be investing in technology to support a robust digital marketing program. Without dedicated staff for website maintenance and development, it is critical to identify web marketing and customer relationship management platforms that enable the Pacific Surfliner to have a strong online presence, get discovered online, attract visitors online, and drive action, while continuing to engage and delight riders throughout the marketing process. The LOSSAN Agency has contracted with a web development firm to conduct a technology audit of existing systems and outline sustainable technology solutions that meet the LOSSAN Agency’s functional and technical requirements related to:

- Content management and website publishing
- Client relationships management (CRM) including email marketing and lead nurturing
- Website hosting and server environments
- Email marketing, contact and relationship management

**Marketing tools and content**

Building a marketing machine requires a deep understanding the Pacific Surfliner audience and their consideration process and motivations. Conducting market research and mapping out buyer personas will be critical to identifying any potential concerns or questions prospective passengers may have. Developing tools and content to answer these questions will also be key not only to boosting awareness, but to motivating action. Designing key tools and reusable content around a clear purpose will help boost marketing productivity. Such efforts will include:

- Talking points/videos for overall route, onboard amenities, key audience segments
- Destination guides, travel tips, and seasonal promotions
- Business to business and Business to consumer outreach materials
- Visual assets such as videos and photography
- Utilities such as interactive trip planning tools or train timetables

Demand Generation:

Marketing activities to generate interest and engagement with the Pacific Surfliner will include both inbound marketing (creating relevant content, optimizing for search engine visibility, promoting through social media channels, etc.) and outbound marketing (direct mail and email, paid advertising, etc.).

**Inbound marketing**

The LOSSAN Agency will contract with a full-service marketing firm to develop strategy, tools and content that will help target customers and demonstrate an understanding of their problems and motivations. This will include providing tips, best practices and unique content that is not available anywhere else that will be of interest to Pacific Surfliner customers. In addition to

optimizing the Pacific Surfliner blog and website, marketing staff will develop video, newsletter and social media content to boost search engine visibility, branding, and referring traffic.

The LOSSAN Agency will continue to expand on its destination-based marketing efforts through content that captures the engaging experiences, unique rider perspectives, and memorable events surrounding the Pacific Surfliner service. Staff will also develop an editorial calendar to help tell the unique stories of Pacific Surfliner riders and leverage user-generated content to increase brand advocacy and sales. Publishing content that aligns with target customers' interests will enable the LOSSAN Agency to attract more inbound traffic and ultimately more engagement and sales.

### **Outbound marketing**

Marketing staff will continue to develop a multi-channel marketing approach focused on targeted customer communications, and implementing data-driven ridership campaigns that target specific audience segments, and optimize direct response rate. Campaigns will be developed to communicate directly to customers through a variety of media including direct mail, email, digital advertising, database marketing, fliers, and targeted broadcast, print and digital advertisements, as well as outdoor advertising.

Direct marketing campaigns will include the following components to drive traffic, boost brand awareness, and increase ridership/sales:

- Campaign goals development and effectiveness tracking
- Identification of target audiences and providing insight to customer behavior
- Development of key campaign messaging and potential offers for campaign success
- Strategy for reaching and engaging target audiences
- Media mix and ad buys

### **Offers, tools, utilities**

At the center of the LOSSAN Agency's marketing efforts will be developing offers that address audience concerns and motivations at every step of the consideration process – from sweepstakes and trial promotions to educational tools and interactive content that promote loyalty and engagement. Efforts will identify target markets and develop strategic campaigns to drive tangible outcomes (email acquisition, engagement with content, trial usage, promotional redemption). The LOSSAN Agency will also pilot new channels and refine current efforts to more effectively reach existing audiences and new markets while building long-term customer relationships.

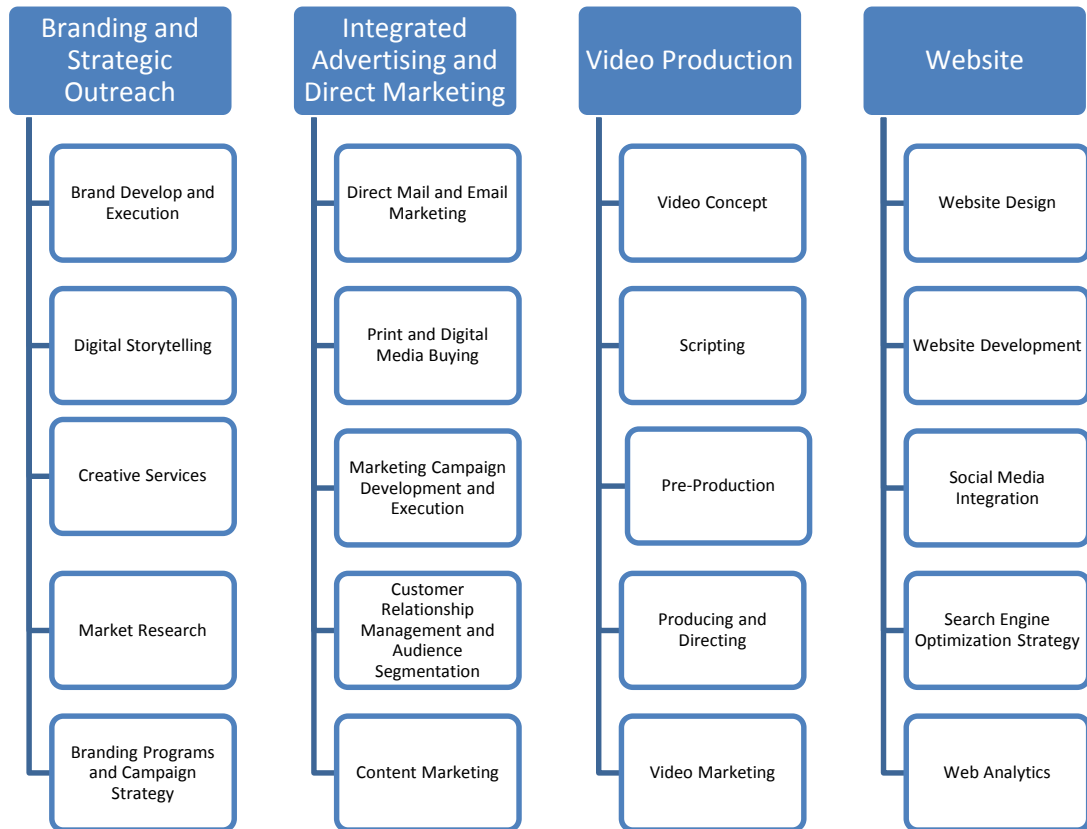
### **Building the Team**

As the marketing program grows in scope, reach and sophistication, building both specialized functions and broad capabilities to effectively manage day-to-day operations and strategic vision will be essential.

## Contracts

The LOSSAN Agency continues to utilize external support to assist in strategic, creative, and technical aspects of marketing the Pacific Surfliner service. Contracts will be procured for specializations and areas of expertise, as shown in Figure 10.2:

**Figure 10.2: Marketing Contract Organization**



## Influencers

Building and cultivating strategic partnerships has enabled the LOSSAN Agency to increase market share and brand awareness in key markets in a cost-effective and efficient manner. In addition to enhancing visibility and credibility for the Pacific Surfliner, these partnerships provide cross-promotional opportunities that result in decreased advertising costs and added value for customers.

The LOSSAN Agency will continue to focus on the following areas for strategic alliances:

- Continue to build strong relationships with Amtrak marketing staff and work to coordinate marketing and advertising efforts in order to minimize costs and maximize value
- Expand destination-based marketing through cooperative opportunities with local visitors bureaus and businesses/attractions along the route to build programs where Pacific Surfliner riders receive discounts for services and products with their valid ticket
- Co-marketing efforts with visitors bureaus, sports teams, and local attractions in the form of cross-promotion and joint advertising

Building a network of influencers along the corridor not only adds value for Pacific Surfliner customers, but also extends the potential reach of marketing efforts to audiences in destinations along the route.

### **Professional Development**

Growing the marketing program will create opportunities for internal staff to develop capabilities and take initiative beyond their core job functions. Developing new skills will improve the ability to successfully scale marketing activities, while enabling projects and processes to remain manageable with the level of resources required. Professional development for internal marketing staff will be provided as opportunities are identified to grow capabilities and deliver added value to the team.

### Timeline and Budgets

During FY 2015-16, a total of \$381,318 was spent on marketing activities for the Pacific Surfliner. Advertising budgets were carefully researched and implemented to have the most cost-effective impact on awareness, revenue, and ridership. During this time, an emphasis was placed on digital advertising, which is more cost-effective due to the ability to better target individuals and provide powerful data. Halfway through the fiscal year, the LOSSAN Agency completed the competitive procurement of three important marketing contracts (totaling \$850,000). The timing of expending the marketing budget was impacted by the approval of these contracts. Marketing expenditures have also been impacted by delays in the hiring of a full-time marketing manager, which occurred in December 2016. However, with new contracts and a full-time marketing manager now in place, marketing efforts have increased as LOSSAN staff continues to develop and implement campaigns that maximize the marketing budget.

### **Metrics and milestones**

As the LOSSAN Agency further develops its marketing program, it is prudent to invest in expanded marketing activities once marketing staff has sufficient insight into which efforts are paying off and are able to take action on efforts that need to be refined. In addition to campaign monitoring and reporting, LOSSAN Agency staff will continue to develop analytics reporting to demonstrate return on investment, provide audience insight and help inform future efforts.

LOSSAN Agency staff will continue to report and monitor macro and channel-specific measures including:

- Total media budget
- Media budget and impressions by channel
- Revenue and ridership
- Agency management fees
- Website maintenance costs
- Organic traffic
- Social media traffic



## Learning and Pilots

Making up-front investments in infrastructure and adopting an agile approach to the Pacific Surfliner marketing program enables the LOSSAN Agency to launch targeted campaigns that test audience segments, messages, channels, and creative approaches, and will help save budget to experiment, optimize and scale successful efforts that yield results. With continual monitoring and improvement, approaching marketing efforts as an agile and data-driven process will allow the LOSSAN Agency to better understand its investments and apply any lessons learned to effectively support key business objectives.

Direct marketing campaigns and pilot programs will be focused on:

- Targeting specific markets and increasing ridership and revenue
- Raising awareness of key destinations along the route
- Promoting transit connections and onboard amenities
- Enhancing customer communications, service advisories and train status information
- Capturing the unique stories of Pacific Surfliner riders and leveraging user-generated content to increase brand advocacy and engagement
- Exploring fare and ticketing promotions and special event partnerships
- Increasing utilization of Amtrak marketing programs including Guest Rewards and everyday discounts

## Chapter 11: Annual Funding and Separation of Funding

The annual funding process for the three state-supported intercity passenger rail corridors begins with Caltrans DRMT making an initial request for funding to be included in the state's FY budget. Once the budget is approved and funds have been included for the service, CalSTA has responsibility for allocating the funds to each of the three intercity rail corridors through the approval of the annual business plans. Simultaneously with the budget process, the LOSSAN Agency will begin negotiating with Amtrak for the annual operating and maintenance contract, which is currently on a FFY basis (October – September). The Amtrak contract should be executed by September of each year to ensure continued and seamless operations at the beginning of each FFY. Annually, the LOSSAN Agency will provide a budget for the continued administration, marketing, and operations of the Pacific Surfliner to the LOSSAN Board for review and approval. This budget will also be included in the annual business plan for review and approval by the Secretary of CalSTA by April 1 of each year, as required. The LOSSAN Agency will submit a draft of the annual business plan by April 1, 2017, and will submit any updated operating forecasts by June 15, 2017, based on final operating revenue and expense estimates provided by Amtrak.

State funding for operations of all three intercity rail corridors is provided through the Public Transportation Account, which is funded primarily through the state sales tax on diesel fuel.

### FFY 2017-18 and FFY 2018-19 Amtrak Operating Budget and Grant Programs

The total net State subsidy for FY 2017-18 is projected to be \$38,393,315, which includes the net operating subsidy as well as administrative and marketing funding. The current assumptions for the FFY 2017-18 operating budget include a modest increase in both ridership and revenue of 3 percent over the FFY 2016-17 budget. This yields a projected fare revenue of \$80,084,560. Total operating costs for the Pacific Surfliner service are projected to be \$112,973,201, an increase of \$2,215,161, or 2 percent over the FFY 2016-17 budget. Caltrans DRMT has executed an agreement with Amtrak to directly fund equipment capital charges for the Amtrak-owned railcars and locomotives used on the three state-supported rail corridors, effective October 2015. As a result, equipment capital charges are not included in the operating agreement between Amtrak and the LOSSAN Agency. After subtracting projected fare revenue of \$80,084,560, from total operating costs of \$112,973,201, the total FFY 2017-18 state operating subsidy payment is projected to be \$32,888,641. The FY 2017-18 budget also includes \$500,000 for minor projects, including station improvements, signage, and minor safety and security enhancements. The minor projects budget is consistent with the FY 2016-17 allocation. The FY 2018-19 operating costs and revenue include the same 3 percent ridership and revenue increase assumption and 2 percent operating cost increase assumption, as well as \$500,000 for minor projects. The LOSSAN Agency's proposed budget for the state operating subsidy for FY 2017-18 and FY 2018-19 are detailed in Table 11.1.

In addition to the state-funded operating subsidy, grant revenues are included in the proposed budget to fund various operational programs and capital projects in FY 2017-18. In FY 2015-16, CalSTA awarded the LOSSAN Agency \$1,675,000 million in TIRCP grant funds to support the Pacific Surfliner Transit Transfer Program, which allows Pacific Surfliner passengers to travel more seamlessly to connecting public transit services along the entire Pacific

Surfliner route. The LOSSAN Agency began the Pacific Surfliner Transit Transfer Program in the fourth quarter of FY 2015-16, and is planning on using remaining surplus funds from FY 2016-17 to continue to fund the program in FY 2017-18.

In addition to TIRCP, the LOSSAN Agency is an eligible recipient of CTSGP – Intercity Passenger Rail/Commuter Rail Systems funds administered by CalOES. The CTSGP will make available approximately \$1.5 million to the LOSSAN Agency for FY 2017-18. The CTSGP provides funding for capital projects that provide increased protection against a security or safety threat.

The LOSSAN Agency has also been awarded \$1 million in 2016 TIRCP grant funds, which will be utilized for planning studies to optimize operations and improve coordination between all trains currently operating in the LOSSAN rail corridor while helping to plan for future service expansion.

The LOSSAN Agency's proposed budget for the Amtrak operating budget and grant programs for FY 2017-18 and FY 2018-19 are detailed in Table 11.1.

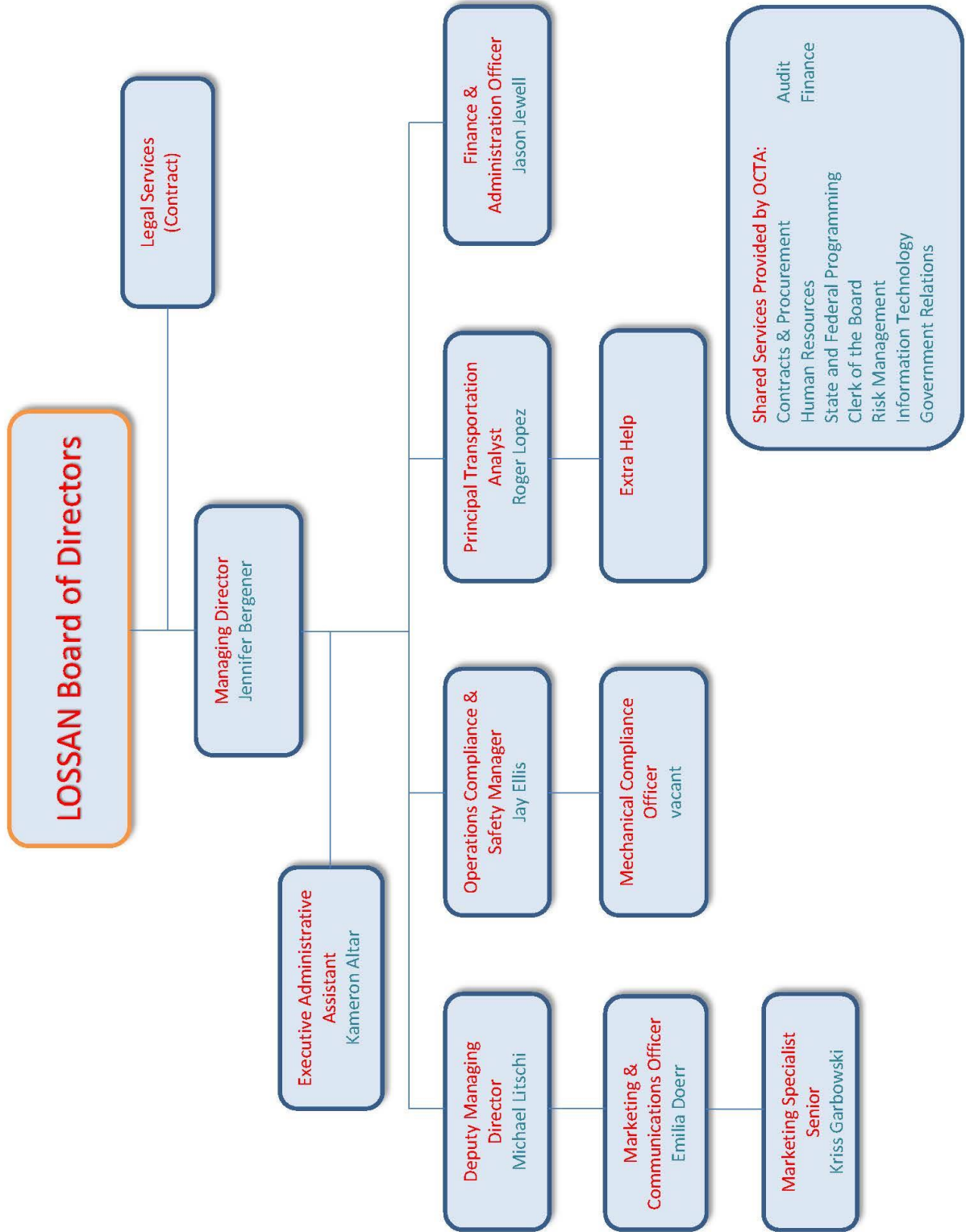
#### FY 2017-18 and FY 2018-19 Administrative and Marketing Budget

In addition to the contract costs with Amtrak for the operations and maintenance of equipment for the Pacific Surfliner service, there is an administrative component that is filled by OCTA as the LOSSAN managing agency. The LOSSAN Agency utilizes a small number of key staff positions supported by OCTA staff on an as-needed basis. This way, the LOSSAN Agency and the state receive maximum benefit for the lowest possible cost, and are required to only fund the services and support actually used and needed for the administration of the Pacific Surfliner service. OCTA continues to provide a host of services through the support function including:

- General Administrative Services
- Financial Management and Budget
- Contracting and Procurement
- Audit
- Treasurer-Controller
- Operations
- Marketing
- Stakeholder Outreach
- Planning
- Risk Management
- Human Resources
- Legal

The dedicated staff positions necessary to support the LOSSAN Agency are included in the organizational chart in Figure 11.1.

Figure 11.1: LOSSAN Rail Corridor Agency Organization Chart



The LOSSAN Agency’s proposed budget for the administrative and marketing functions for FY 2017-18 and FY 2018-19 is detailed in Table 11.1. Staffing levels remain consistent with the FY 2016-17 budget, which includes nine full-time positions, plus one part-time extra help position. This amount assumes administrative employee performance-based salary increases consistent with OCTA’s proposed FY 2017-18 budget and personnel and salary resolution. The FY 2017-18 proposed budget for insurance has decreased from the FY 2016-17 budget due to actual experience. The FY 2017-18 proposed budgeted amounts for legal, travel and professional services remain consistent with FY 2016-17 budgeted amounts. The FY 2017-18 marketing budget proposal remains consistent with the FY 2016-17 budget at \$2,000,000.

The FY 2018-19 administrative budget is proposed at \$3,197,267. This amount assumes administrative employee performance-based salary increases consistent with the managing agency’s projected assumptions, as well as no changes from FY 2017-18 in insurance, legal, travel, and professional services. The FY 2018-19 marketing budget is proposed to remain consistent with the FY 2017-18 proposed amount of \$2,000,000.

**Table 11.1: LOSSAN Agency Net Operating, Grant, Administrative & Marketing Budgets: FY 2016-17 Approved, FY 2017-18 and FY 2018-19 Proposed**

	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	FY 2018-19 Proposed Budget
<b>Operating</b>			
Operating Costs	\$ 110,758,040	\$ 112,973,201	\$ 115,232,665
Fare Revenue	\$ (77,752,000)	\$ (80,084,560)	\$ (82,487,097)
Sub Total - Net State Subsidy	\$ 33,006,040	\$ 32,888,641	\$ 32,745,568
Minor Projects	\$ 500,000	\$ 500,000	\$ 500,000
<b>Net State Operating Subsidy</b>	<b>\$ 33,506,040</b>	<b>\$ 33,388,641</b>	<b>\$ 33,245,568</b>
<b>Grant Programs</b>			
TIRCP Grant Revenue	\$ (1,535,000)	\$ (2,400,000)	\$ -
Transit Transfer Program Expenses	\$ 1,535,000	\$ 2,400,000	\$ -
CTSGP Grant Revenue	\$ (1,800,000)	\$ (1,500,000)	\$ -
CTSGP Project Expenses	\$ 1,800,000	\$ 1,500,000	\$ -
<b>Net Grant Programs Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Administrative and Marketing</b>			
Administration	\$ 2,994,912	\$ 3,004,674	\$ 3,197,267
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Net Administrative and Marketing</b>	<b>\$ 4,994,912</b>	<b>\$ 5,004,674</b>	<b>\$ 5,197,267</b>
<b>Net Operating, Grant, Administrative &amp; Marketing Budgets</b>	<b>\$ 38,500,952</b>	<b>\$ 38,393,315</b>	<b>\$ 38,442,835</b>

Separation of Funding

To ensure state funding for the Pacific Surfliner service is kept separate from funding for OCTA projects and programs, a separation of funding has been established within the LOSSAN managing agency. The funding received from the state is managed through the treasurer and controller of OCTA, as the managing agency. The JPA specifically calls for the treasurer to be the depository of funds and to have custody of all funds of the LOSSAN Agency. The LOSSAN Agency follows OCTA-established policies and procedures that fully comply with the generally accepted accounting principles. The LOSSAN Agency utilizes OCTA’s existing

accounting system, which is built on a robust platform, and has already established a completely segregated accounting system for LOSSAN Agency-related business. This system and established policies/procedures, overseen by the treasurer and controller, as well as the LOSSAN Finance and Administration Officer, will ensure the preservation of the state's investment and a completely accurate accounting for administration of the Pacific Surfliner service, as well as provide for an accurate and timely reconciliation and return of any surplus funds.

## Chapter 12: Government Relations and Legislative Advocacy

One of the benefits gained through local governance of the Pacific Surfliner service by the LOSSAN Agency is added flexibility in advocating for policies at the state and federal level to improve rail operations, increase funding for operations and capital needs, and allow better coordination and interoperability with connecting transit and rail services. In addition, the LOSSAN Agency has the ability to conduct targeted outreach to local governments and community organizations to help expand awareness of the services provided on the LOSSAN rail corridor and more directly respond to local needs.

Key to successful advocacy is the ability to partner with stakeholders to jointly advocate for mutually beneficial policies. The LOSSAN Agency has worked closely with the California Intercity Passenger Rail Leadership Coalition, consisting of the LOSSAN Agency, the CCJPA, SJJPA, the Coast Rail Coordinating Council, and RCTC, to jointly advocate for common policy positions.

The LOSSAN Agency will participate in advocacy trips to Washington, D.C. and Sacramento, to attend any select committees formed to discuss passenger rail issues, and also participate in the States and Amtrak Intercity Passenger Rail groups. The LOSSAN Agency and Board members will participate in meetings with key legislators representing the LOSSAN rail corridor delegation and Administration officials, allowing for the specific objectives of the LOSSAN Agency to be discussed in detail. These meetings are vital to generating a greater understanding of policy impacts on intercity rail and the need for greater recognition of the importance of the LOSSAN rail corridor in the overall Amtrak system.

In addition, the LOSSAN Agency will pursue opportunities to retain state and federal advocacy services. This will allow the LOSSAN Agency to more effectively represent the interests of its member agencies in Sacramento and Washington, D.C., communicate policy goals and input to legislative and administrative offices, and receive regular updates on issues of importance to the LOSSAN Agency. Discussions regarding potential LOSSAN-sponsored state and federal advocacy services will include outreach to the LOSSAN member agencies, as well as the LOSSAN Board.

The annual legislative program adopted by the LOSSAN Board provides overall guidance to LOSSAN Agency advocacy activities, and staff will continue to provide regular legislative updates and bill analyses to the LOSSAN Board consistent with that program. In reviewing these items, the LOSSAN Board then provides direction on how the LOSSAN Agency is to participate in policy discussions with other stakeholders, and potentially offer testimony as relevant policy discussions take place at the Legislature.

On both the state and federal level, staff will continue to educate officials in Washington D.C. and Sacramento regarding the LOSSAN rail corridor and the Pacific Surfliner service. From both a national and state perspective, the LOSSAN rail corridor is underinvested but could greatly enhance mobility in Southern California with additional funding for capital and operational improvements, including potential cost sharing with Amtrak in areas also served by Amtrak long-distance trains. Efforts will be made to pursue resources for these improvements with funding authorized in the federal transportation reauthorization bill Fixing America's Surface



Transportation (FAST) Act, which includes a federal passenger rail title that provides additional funding for passenger rail programs, funding, and financing opportunities that may be made available through a federal infrastructure package, and resources that may be made available through new state transportation funding package being developed in Sacramento.

Staff plans to continue providing quarterly legislative updates to the LOSSAN Board on policy issues of importance, including those related to the state budget, the FAST Act and other federal funding or financing opportunities, and intercity rail policy matters. It is anticipated that the LOSSAN Agency will be focused on numerous policy issues at the state, federal, and local levels, including:

- Supporting efforts to pursue a stable, recurring source of intercity rail operations and capital funding for LOSSAN Agency-priority projects.
- Supporting efforts to apply for the use of cap-and-trade funding for LOSSAN Agency-priority projects, advocating for intercity rail as an eligible recipient, flexibility in revenue use and a streamlined allocation process.
- Supporting efforts to streamline and enhance transit services that provide for first- and last-mile connections to intercity and high-speed rail passenger rail services and stations.
- Continuing to advocate and educate officials in Sacramento and Washington D.C. regarding the LOSSAN rail corridor and Pacific Surfliner service.

The 2017 LOSSAN Legislative Program, adopted in November 2016, provides further detail on the LOSSAN Agency's legislative priorities, and includes three top priorities for 2017:

- Identify and secure long-term and sustainable funding sources to support passenger rail operations and capital projects in the LOSSAN rail corridor, including securing federal funds made available by the reauthorization of a federal rail title and ensuring the eligibility for the LOSSAN Agency to compete for funding under the state's cap-and-trade program.
- Support efforts to further enhance connectivity of regional rail and local transit services within the LOSSAN rail corridor.
- Continue to study and advance infrastructure and service improvement projects/programs.

At the local level, staff will continue to work with LOSSAN member agencies, local communities, and stakeholders to build awareness of passenger rail services along the LOSSAN rail corridor, developing strategic partnerships to better evolve the services to meet local needs. Regular communication and outreach on service improvements and priority projects will foster a better understanding of issues faced along the LOSSAN rail corridor. Increased awareness of these services by local officials can then be leveraged to back consensus-based operational improvements and policy activities.

In addition to the specific priorities identified by the LOSSAN Board, the LOSSAN Agency will continue to monitor policies impacting Amtrak service, including the development of the

California HSR project, and commuter rail services in the LOSSAN rail corridor. The need for cohesive policies to allow for integration of rail services within the state, and improved access from other transportation modes, has never been more evident as the state works to achieving goals related to improved mobility, environmental sustainability, and safety.

## Chapter 13: Safety and Security

Protecting the safety and security of passenger rail service on the LOSSAN rail corridor is key to attracting and retaining riders, while also ensuring efficient operations of the Pacific Surfliner service. This chapter addresses safety and security onboard Pacific Surfliner trains, at stations, and along railroad ROW between San Diego, Los Angeles, and San Luis Obispo.

The Pacific Surfliner intercity rail service is operated by Amtrak, and is subject to federal safety standards and regulations in accordance with U.S. Code of Federal Regulations (Title 49, Subtitle B, Chapter II). Responsible regulatory agencies overseeing general railroad safety along the LOSSAN rail corridor include the FRA and the California Public Utilities Commission (CPUC). The FRA Office of Railroad Safety promotes and regulates safety throughout the nation's railroad industry by issuing, implementing, and enforcing railroad safety regulations. The CPUC is the state agency charged with ensuring the safety of freight, intercity, and commuter railroads, as well as highway-railroad crossings in the state. The CPUC performs these railroad safety responsibilities through the Railroad Operations and Safety Branch of the Safety & Enforcement Division. The Transportation Security Administration also plays a role in the security of passenger rail service through the TSA-sponsored Visible Intermodal Prevention and Response program.

Operational, track, and other safety inspections are completed through a coordinated review among rail operators and owners, including Amtrak, Metrolink, NCTD, UPRR, BNSF, CPUC, and FRA for federal and state compliance. The LOSSAN Agency coordinates with these agencies to ensure that all reporting requirements are fulfilled at the federal and state levels. Amtrak is responsible for all required reporting of Pacific Surfliner safety data to federal, state, and local agencies, including the FRA and CPUC.

A key objective of the LOSSAN Agency safety program is to instill a comprehensive safety culture that governs all of the activities associated with the operations and maintenance of the Pacific Surfliner service, while efficiently meeting operational performance goals. The LOSSAN Agency will continue to work with Amtrak and host railroads to ensure a detailed system safety and security program is in place to protect the welfare of Pacific Surfliner passengers and crew, as well as the general public.

As part of this effort, the LOSSAN Agency will continue to:

- Assess ongoing rail safety and security awareness efforts to identify areas for improvement
- Work with host railroads to identify "hot spots" for trespassing and vehicle strikes
- Develop outreach programs that meet the needs of the public, as well as stakeholders
- Work with Amtrak and stakeholders to ensure a continued safety culture for all who work and travel on Pacific Surfliner trains and utilize Pacific Surfliner stations
- Work with local jurisdictions and host railroads to ensure that rail capital projects include a goal of improved safety and security wherever possible
- Work with host railroads and rail operators to coordinate training with local first responders to help expedite emergency response and accident investigation in the event of an incident

- Support Operation Lifesaver, a national rail safety program with the goal of improving public awareness of safety around railroad tracks
- Seek out and leverage state and federal grant funds for safety and security improvements

### Positive Train Control

Positive Train Control (PTC) is a predictive collision avoidance technology designed to stop a train in motion when its continued movement may result in an accident. The safety enhancing goals of PTC include preventing train-to-train collisions, speeding and over-speed derailments, incursions into track work zones, and movement of a train through a switch left in the wrong position. The primary benefits of PTC include saving the lives of train crews, passengers, and railroad workers, improving passenger and freight train operational efficiency, and providing real-time train location information. The PTC system will also be essential if the LOSSAN rail corridor is to see any future increases in maximum authorized track speed as the state continues to implement high-speed rail service.

Wayside PTC equipment is being installed by host railroads along the LOSSAN rail corridor, with varying levels of completion. Trains equipped with PTC are in revenue demonstration with NCTD and in revenue service for Metrolink. The BNSF and UPRR are also in the process of implementing PTC.

Amtrak and Caltrans DRMT are in the process of retrofitting Pacific Surfliner locomotives and cab cars to be fully compliant with PTC. The PTC back office server is operational in Chicago, with plans for an additional server in Los Angeles in process. The 2-way radio system installed for onboard data transmission was manufactured with a circuit flaw. This has necessitated replacement, which is ongoing. Lab to lab testing is in process, with interoperability testing to follow. It is anticipated that PTC will be fully operational on all Pacific Surfliner trains prior to the revised federal deadline of December 31, 2018. The LOSSAN Agency will continue to coordinate with Amtrak and Caltrans DRMT to ensure this deadline is met.

### Safety and Security Onboard Trains

The LOSSAN Agency primarily serves in an oversight and coordination role with regard to safety and security onboard trains, relying on the extensive onboard safety and security programs and policies already put in place by Amtrak. LOSSAN Agency staff will continue to attend regularly-scheduled safety meetings hosted by Amtrak for front-line employees, to reiterate that safety is the first priority in delivering Pacific Surfliner service.

All Pacific Surfliner cab cars and locomotives are currently equipped with a “forward facing” camera system to help aid in accident investigation. This provides crews and first responders with a valuable tool to assist with post-incident investigation, and can help to clear an incident scene more quickly so that trains can proceed. In addition, Amtrak is considering installing inward-facing cameras on locomotives and cab cars nationwide, similar to those currently used by Metrolink.

### Amtrak Police Department

Pacific Surfliner passengers benefit from the existing Amtrak security program, specifically the services of the Amtrak Police Department. There are nine officers and one captain currently assigned to the Pacific Surfliner. Of the nine officers, seven function in the patrol capacity, and two serve with K-9 units. Additionally, there are five members of the Amtrak Special Operations Unit (SOU) that can be called upon when needed.

The seven Patrol Officers fulfill traditional policing functions. Their job is to act as a deterrent to crime in stations, on trains, in and around Amtrak facilities, and out on the railroad ROW. They enforce the law, perform checked baggage screening and onboard security checks, conduct follow-up investigations on any crimes involving Amtrak facilities or its passengers, and provide support during special events.

The two K-9 units provide a psychological and physical deterrent to potential threats from explosives. The teams undergo intensive training that includes vapor wake training. Vapor wake training allows the K-9 units to be alert to the scents of explosives left in the wake of passing individuals, not just those found in stationary baggage.

The members of the SOU support patrol operations by providing rapid response and enhanced capabilities to assist in keeping Amtrak passengers and employees safe. Although not exclusively assigned to the Pacific Surfliner, the SOU is prepared at any time to deploy personnel and equipment for tactical response, conduct low-visibility counter-surveillance, investigations, and provide enhanced support for special events. The SOU also conducts training on railroad-specific tactical response and procedures for fellow Amtrak Police Department members and external law enforcement partner agencies.

The importance of a strong police presence in ensuring the safety and security of passengers and facilities along the LOSSAN rail corridor cannot be overemphasized. As part of the proposed FY 2017-18 budget, the LOSSAN Agency is proposing two additional Amtrak Patrol Officers to the current detail. Additional law enforcement services are provided by local agencies and county sheriff's departments along portions of the LOSSAN rail corridor in coordination with Amtrak.

### Safety on the Tracks

Safety incidents along the railroad ROW can include injuries and fatalities associated with incidents at grade crossings and trespassing on railroad property. Projects that improve safety include track and signal upgrades, gate and warning systems, and grade separations that eliminate at-grade crossings. In addition, safety can be improved through use of public awareness campaigns designed to educate the public about the risks of trespassing on railroad property and the importance of using caution around railroad tracks and trains.

## Safety at Stations

The LOSSAN Agency primarily serves in an oversight, coordination, and funding role with regard to the safety and security of the various station facilities that exist along the LOSSAN rail corridor. The LOSSAN Agency is a recipient of CalOES RTSGP funds and takes the lead in coordinating eligible capital improvements that increase safety and security at passenger and maintenance facilities.

In calendar year 2016 the LOSSAN Agency, in partnership with Amtrak, implemented a number of safety and security improvements utilizing CalOES funding. These on-going projects include:

- The purchase of equipment for the upgrade/installation of new video surveillance systems at 12 Pacific Surfliner stations on the LOSSAN rail corridor
- The construction of a small law enforcement substation at the Santa Fe Depot in San Diego
- The purchase of equipment for a centralized video monitoring station at Amtrak's Los Angeles maintenance facility
- The repair and upgrade of platform lighting at the Santa Barbara station

Additional projects are planned for implementation during FY 2017-18 and 2018-19. Possible projects being developed include upgrades to passenger information displays, additional safety signage at station platforms, and enhancements to station public address systems.

Most of the stations along the LOSSAN rail corridor are outfitted with security cameras that feed directly to a local sheriff's office or operations center that can dispatch emergency services. Some city-owned stations also offer security guards and long-term parking security. These capabilities are significantly enhanced as a result of the ongoing CalOES improvements detailed previously.

## LOSSAN Rail Corridor Safety Coordination and Emergency Response

The LOSSAN Agency coordinates safety and security activities with various stakeholders, and ROW owners along the corridor including: the state, LOSSAN member agencies, Amtrak, UPRR, BNSF, Metrolink, NCTD, Operation Lifesaver, Department of Homeland Security, and first responders along the LOSSAN rail corridor.

The LOSSAN Agency is pursuing new agreements with local transit providers for emergency bus bridge service as well as the creation of standard operating procedures to address service disruptions. Currently, Metrolink and NCTD coordinate with local transit agencies to provide bus bridges when emergency incidents occur. In addition, Amtrak, Metrolink, and NCTD often transport each other's passengers in the event of an incident on the tracks.

## Public Awareness and Outreach

Public information efforts will use both traditional and social media to continue to build awareness about vehicular, bicycle, and pedestrian safety around the tracks. The LOSSAN Agency also intends to work with Amtrak to enhance current communications strategies to consistently alert passengers of service issues.

Operation Lifesaver is a national rail safety coalition to prevent collisions, injuries, and fatalities on and around railroad tracks and highway-rail grade crossings. It is comprised of a voluntary effort by railroads, safety experts, law enforcement, public agencies, and the general public. Several LOSSAN member agencies and partners currently participate in Operation Lifesaver activities by implementing safety awareness campaigns and providing rail safety education. The LOSSAN Agency will work to expand its participation in the program, in order to increase the reach of Operation Lifesaver's rail safety message.

The LOSSAN Agency will utilize a network of rail safety educators through Operation Lifesaver, and take advantage of existing security training resources, as well as future safety and security grant programs. Components of safety awareness and education efforts include but not limited to:

- Coordination of rail safety outreach to specific communities/populations based on safety data
- Coordination of emergency preparedness training for corridor first responders in cooperation with Amtrak and host railroads
- Participation in rail security awareness training for train crews, maintenance staff, bus operators, and station agents provided by Amtrak
- Assist with coordination and monitoring of disaster simulations and table top exercises to ensure state and federal requirements are met



## Chapter 14: Emerging Corridors

In addition to managing the Pacific Surfliner rail service, the LOSSAN Agency works with member agencies to study corridor enhancements and expansion opportunities that provide connectivity within Southern California and beyond. Specifically, the LOSSAN Agency plans to focus on connectivity to the California HSR system, as well as in the eastern communities throughout Riverside County and Coachella Valley, and coastal communities up to San Luis Obispo and further north to the Bay Area. These connections will provide seamless travel opportunities by rail throughout the region and state. System improvements on existing and emerging rail corridors will contribute to the success of the LOSSAN rail corridor, support future statewide HSR service and regional commuter rail operations, and provide connectivity with local transit systems.

**Figure 14.1: Emerging Corridors**



Source: LOSSAN Agency, 2016

### The Coast Corridor (“Coast Daylight” Service)

The 474-mile Coast Corridor, which runs from San Francisco to Los Angeles, shown in Figure 14.1, currently serves a full complement of urban commuters, as well as regional, intercity, and interstate travelers. Constructed by the Southern Pacific Railroad between the late 19th and early 20th centuries, the Coast Corridor was originally built as a passenger line to transport passengers along the nearly 500 miles between San Francisco and Los Angeles.

Current passenger rail services on the Coast Corridor are operated by Caltrain, Amtrak, and Metrolink. Freight rail services are operated by UPRR, which carries two to four trains per day north of Oxnard and eight to 16 trains per day in the San Fernando Valley. The Coast Rail Line is considered a “secondary” or “relief” line to the much busier Central Valley Line to the east, which connects Northern and Southern California via the Central Valley.

The “Coast Daylight” service is a proposed extension of the current intercity and long-distance service on the LOSSAN rail corridor north of San Luis Obispo to San Jose and San Francisco. This proposed service would fill a gap in passenger rail services between northern and southern California. There is no existing passenger rail service that directly connects the City of San Francisco and the densely populated San Francisco peninsula cities with southern California.

The Amtrak Coast Starlight is a daily long-distance train operating through the Coast Corridor that serves the needs of long-distance travelers between Seattle, the San Francisco Bay Area, and Los Angeles. Ultimately, the Coast Daylight service would originate and terminate in San Francisco and would be scheduled to complement the Coast Starlight schedule with a reliable intercity service to meet the needs of communities between the San Francisco Bay Area and Los Angeles.

The Coast Rail Coordinating Council (CRCC), which is a coalition of coastal agencies supporting the service, in coordination with the Transportation Agency for Monterey County are working with the LOSSAN Agency, Amtrak, and the State to evaluate the options for the proposed Coast Daylight service, including feasibility, funding, ridership, cost projections, and host railroad negotiations.

Several actions are needed to advance Coast Daylight project, in priority order:

1. Secure track access from host railroads
2. Secure state operating support
3. Secure equipment
4. Secure legislative authority to administer the service

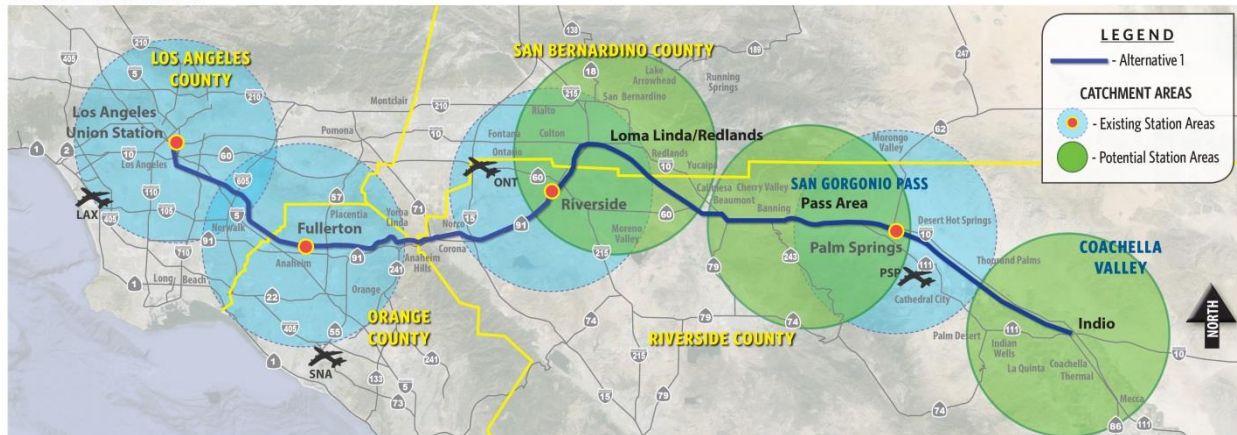
With respect to Coast Daylight services, the LOSSAN Agency business plan includes adequate staff resources to monitor continued planning efforts, which are currently primarily supported by CRCC staff.

Coachella Valley – San Gorgonio Pass Rail Service<sup>1</sup>

The Coachella Valley – San Gorgonio Pass Rail Corridor refers to the approximately 140-mile long corridor between Los Angeles and the City of Indio as illustrated in Figure 14.2. RCTC is currently in the process of developing a Service Development Plan (SDP) and preparing an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for intercity rail service in this corridor. This service would be similar to the Pacific Surfliner service, as it would provide intercity rail service that would operate through a wide variety of settings from the heavily-urbanized areas of Los Angeles and Orange Counties to the less-populated, but rapidly growing areas of eastern Riverside County. This service also has the potential to be the first step toward a Los Angeles to Phoenix, Arizona passenger rail service.

**Figure 14.2: Coachella Valley – San Gorgonio Pass Rail Service Preferred Route**

Route Alternative 1



Source: *Final Alternatives Analysis, Coachella Valley – San Gorgonio Pass Rail Corridor Service Study, July 25, 2016*

The SDP being developed in the current phase of the Study will describe and quantify the fundamental characteristics of the intercity passenger train service that is proposed for the Coachella Valley – San Gorgonio Pass Rail Corridor. Based on the initial service development planning undertaken during the Alternatives Analysis phase of the Study, the SDP will highlight the planning, design, construction, equipment, and implementation for the service; analyze the public, transportation and environmental benefits; document the required funding and sources in a capital and financial plan; provide a realistic implementation schedule and phasing plan; and identify the needed policy actions to implement service over the preferred route. The EIS/EIR will provide the required environmental documentation to support selection and implementation of the preferred build alternative. The preferred route alternative identified in the Alternatives Analysis follows the BNSF-owned alignment through the cities of Los Angeles, Fullerton, and Riverside, passes through the Colton Crossing, from where it follows the UPRR Yuma subdivision east to Indio. The eastern portion of the corridor is one of the fastest-growing areas of Southern California due to increasing residential development, and has experienced a doubling of population between 1990 and 2010. In addition, the Coachella Valley has a large

<sup>1</sup> Coachella Valley – San Gorgonio Pass Rail Service section provided by RCTC.

number of tourist destinations that attract regional trips from Los Angeles and Orange counties, as well as national and international visitors.

The only passenger rail service currently operating in the corridor between Los Angeles and the Coachella Valley is Amtrak's Sunset Limited, a long-distance train that operates three times per week with a stop in Palm Springs during overnight hours. There is significant travel demand based on current travel patterns along the associated freeways suggest that there is significant demand for travel options. The ridership potential is also demonstrated regionally by the rapid growth in Metrolink ridership, and locally by the increase in Amtrak Thruway Bus Route 39 ridership between Fullerton, Palm Springs, and Indio.

Between 2010 and 2040, the Los Angeles-Coachella Valley Corridor is projected to experience an approximately 34 percent increase in population to a total of 23.2 million residents, along with a 30 percent increase in employment with a resulting total of 8.2 million jobs. While a majority of the corridor's population and employment growth will occur in the Los Angeles and Orange County portions of the corridor, the Riverside County portion is forecasted to experience significant increases in population and employment, 52 percent and 49 percent, respectively. A majority of the future travel demand is still anticipated to be met by automobile travel, but an increasing portion of the projected trip growth could be accommodated by expanded intercity rail service. As a response to limited highway capacity in this congested corridor, travelers will seek more reliable and attractive modes of transportation.

The Coachella Corridor's existing travel market is substantial, with 1.5 billion total annual two-way person trips (all modes) in 2000, and projections for more than 300 million additional trips by 2030, and another 100 million trips by 2040 (1.82 billion total). The 2030 two-way person trip projections for the four-key Coachella Valley travel pairs are as follows:

- Los Angeles County (south) to Coachella Valley – 29.0 million
- Orange County to Coachella Valley – 14.7 million
- San Bernardino County to Coachella Valley – 35.4 million
- Riverside County (western portion) to Coachella Valley – 50.7 million

The current SDP effort has multiple phases. The first phase is complete and included development of a work plan, outreach efforts, alternatives analysis, market analysis, and ridership projections. The second phase has been initiated with the help of an FRA grant and will have a program-level environmental analysis and a finalized SDP which should take an additional three years to complete. Once these planning efforts are completed, the corridor would be eligible to receive federal funds and state for construction. The LOSSAN Agency will continue to participate in these planning efforts and ensure they provide connectivity with Pacific Surfliner service.

## Summary

Moving forward, the LOSSAN Agency will continue to work with member agencies to participate in planning efforts for passenger rail service in these emerging corridors, with a focus on creating seamless connections between the Pacific Surfliner and future passenger rail services between Ventura and Santa Barbara, and on the Coast Daylight and Coachella Valley corridors.

## Glossary of Terms

Agency	Rail Corridor Agency
Board	Board of Directors
BNSF	BNSF Railway
CalOES	California Governor's Office of Emergency Services
CalSTA	California State Transportation Agency
Caltrans	California Department of Transportation
CCJPA	Capitol Corridor Joint Powers Authority
CHSRA	California High Speed Rail Authority
CPUC	California Public Utilities Commission
CRCC	Coast Rail Coordinating Council
CRM	Customer Relationship Management
CSI	Customer Service Index
CTC	California Transportation Commission
CTSGP	California Transit Security Grant Program
DRMT	Division of Rail and Mass Transportation
EIS/EIR	Environmental Impact Statement/Environmental Impact Report
FAST Act	Fixing America's Surface Transportation Act
FFY	Federal Fiscal Year
FRA	Federal Railroad Administration
FY	Fiscal Year
GHG	Greenhouse Gas
HP	Horsepower
HSR	High-speed rail
IDOT	Illinois Department of Transportation
ITA	Interagency Transfer Agreement
JPA	Joint Powers Authority
LOSSAN	Los Angeles – San Diego – San Luis Obispo
Metro	Los Angeles County Metropolitan Transportation Authority
NCTD	North County Transit District
OBIS	On Board Information System
OCTA	Orange County Transportation Authority
OTP	On-time performance
PRIIA	Passenger Rail Investment and Improvement Act of 2008
PTC	Positive Train Control
Prop 1B	Proposition 1B
RCTC	Riverside County Transportation Commission
ROW	Right-of-way
RT	Round Trip
SANBAG	San Bernardino Association of Governments
SANDAG	San Diego Association of Governments
SB	Senate Bill
SBCAG	Santa Barbara County Association of Governments
SCRRA	Southern California Regional Rail Authority
SDMTS	San Diego Metropolitan Transit System
SDP	Service Development Plan





SJJPA	San Joaquin Joint Powers Authority
SLOCOG	San Luis Obispo Council of Governments
SOU	Special Operations Unit
TAC	Technical Advisory Committee
TIRCP	Transit and Intercity Rail Capital Program
UPRR	Union Pacific Railroad
UPS	Uniform Performance Standards
VCTC	Ventura County Transportation Commission



# LOSSAN

RAIL CORRIDOR AGENCY  
BUSINESS PLAN

FY 2017-18 to FY 2018-19



## **APPENDIX C**

### **STATEMENT OF COST REDUCTIONS AND EFFICIENCIES REALIZED**

## APPENDIX C

### STATEMENT OF COST REDUCTIONS AND EFFICIENCIES REALIZED

In evaluating the initial Interagency Transfer Agreement (ITA) between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) and the California Department of Transportation (Caltrans), the Secretary of the California State Transportation Agency has determined that the transfer of responsibility for the State-supported administration, marketing, and operation and maintenance of rail and related services in the LOSSAN Corridor (Service) to the LOSSAN Agency has resulted in a number of opportunities for the State of California to achieve administrative and operating cost reductions, as defined in the initial Interagency Transfer Agreement and as required in Section 2(b)(2) of SB 1225 (Intercity Passenger Rail Act of 2012).

The primary opportunities for cost reductions resulting from LOSSAN Agency's administration of the Service may be derived from:

1. Revenue increases resulting from locally-focused, grass-roots marketing of the service that increases ridership and revenue.
2. Cost control resulting from efficient management and oversight of actual cost contracts negotiated by the LOSSAN Agency with the National Railroad Passenger Corporation (Amtrak), the current passenger rail contract-holder for the rail corridor.

In addition, locally-focused management and customer service has led to service improvements based on closer interaction with customers and local transit agencies, as well as more immediate oversight and closer coordination of Amtrak's operations. The net result of these factors is a decline in the inflation-adjusted subsidy per passenger mile.

As a result, the investment of significant resources in administering the Service based on the LOSSAN Agency model has delivered cost reductions during the initial ITA, which are anticipated to continue before the expiration of the term of this ITA. Progress in achieving such savings will be monitored during the ITA term and will be reflected in developing the annual administrative and operating cost allocations during the life of the term.

### COST SAVINGS IDENTIFIED

Over the initial three-year term of the LOSSAN Agency, significant cost reductions and greater efficiencies have translated into a growth in ridership and revenue for the Service. Some of the details are presented below:

- Food and Beverage sales: as part of the ongoing commitment to the improvement of the Pacific Surfliner, as well as the overall passenger experience, the LOSSAN Agency has undertaken several Café car menu refreshes. These menu adjustments have shown very positive results. Comparing federal fiscal year (FFY) 2015-16 with 2016-17, food and beverage sales increased by over \$960 thousand, when adjusted for ridership growth.
- Expanded Business Class: in October 2016, the LOSSAN Agency expanded the Business Class offering to respond to passenger demand. This expansion resulted in ridership and revenue that increased by over 19 percent each.

- Rail 2 Rail Reimbursement: the LOSSAN Agency has successfully negotiated the continuance of the Rail 2 Rail (R2R) Program with both the Metrolink and COASTER services. Included in this have been two increases to the reimbursement. Effective July 1, 2017, the Metrolink R2R Program reimbursement was increased to \$7.00 per rider, which is forecasted to result in an additional \$750 thousand in revenue for FFY 2017-18. For FY 2015-16 and 2016-17, the reimbursement was increased to \$4.50 per rider, from \$2.90 average per rider.
- Operating Revenue Growth: overall revenue growth has shown a significant upward trend since the LOSSAN Agency began management of the service. Total operating revenue grew by 4.8 percent in FFY 2015-16, and another 4.5 percent in FFY 2016-17. So far in FFY 2017-18 revenue is tracking at nearly 9 percent over the prior year.

These are just a sampling of the more significant initiatives and indicators that demonstrate the strong growth trend for revenue on the Pacific Surfliner service. Total operating revenue exceeded the State of California consumer price index escalation for FFY 2015-16 by \$2.64 million, and FFY 2016-17 by an additional \$1.88 million. The LOSSAN Agency has achieved approximately \$4.5 million of cost savings and continues to see impressive growth in both ridership and operating revenue.

**APPENDIX D**

**CALIFORNIA DEPARTMENT OF TRANSPORTATION  
MASTER FUND TRANSFER AGREEMENT**



## APPENDIX D

### CALIFORNIA DEPARTMENT OF TRANSPORTATION MASTER FUND TRANSFER AGREEMENT

Recipient: LOSSAN Agency  
Effective Date of this Agreement: July 1, 2018  
Terminate Date of this Agreement: June 30, 2021

This Master Fund Transfer Agreement (MFTA), effective as of the date set forth above, is by and between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), a joint powers authority (JPA) as amended pursuant to Senate Bill 1225 (Chapter 802, Statutes of 2012) and the State of California, acting by and through its Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT), hereinafter referred to as Caltrans DRMT.

- This MFTA shall have no force or effect unless and until an annual fiscal year-specific supplement to this MFTA, hereinafter referred to as MFTA Supplement, and has been fully executed by both Caltrans DRMT and the LOSSAN Agency.
- Department has prepared this MFTA, which hereby, together with the ITA, approved Annual Business Plan, and annual MFTA Supplement, found in **Exhibit B**, sets forth the entire terms and conditions under which State funds are to be expended by the LOSSAN Agency for the fiscal year period of that Annual Business Plan and annual MFTA Supplement.

#### AGREEMENT

**NOW THEREFORE**, in consideration of the recitals and the rights, duties and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LOSSAN Agency and Caltrans DRMT hereby agree to the following:

#### EXHIBITS

- Exhibit A: Board Resolution or Certified Minutes Approving MFTA
- Exhibit B: Annual MFTA Supplement
- Exhibit C: Disclosure Form to Report Lobbying (Form LLL)
- Exhibit D: Closeout Report Template

#### DEFINITIONS

The terms defined below shall for all purposes of this MFTA have the meanings specified herein.

1. "Annual Business Plan" shall mean the business plan submitted by the LOSSAN Agency to the Secretary by April 1st of each year.
2. "California Department of Transportation Division of Rail and Mass Transportation" or "Caltrans DRMT" means the Department of Transportation Division of Rail and Mass Transportation of the State of California and any entity succeeding to the powers, authorities and responsibilities of the Department invoked by or under the Agreement or the Supplemental Agreements.

3. "CalSTA" shall mean the California State Transportation Agency.
4. "Corridor Enhancements" shall mean capital/infrastructure improvements (including stations) along the corridor that improve the safety, efficiency, quality or timeliness of the passenger experience.
5. "Initial Business Plan" shall mean the business plan which has been submitted by and approved by to the Secretary of CalSTA.
6. "Interagency Transfer Agreement" and "ITA" shall mean the Interagency Transfer Agreement dated June 30, 2018, entered into between Caltrans DRMT and LOSSAN Agency whereby Caltrans DRMT transfers, as provided for in the Act and as set forth herein, responsibility for operating and administering the Service to the LOSSAN Agency, including all applicable cost controls established hereunder or by statute.
7. "Managing Agency" shall mean the agency under contract with the LOSSAN Agency to provide all necessary administrative, professional and technical support to the LOSSAN Agency and for the oversight of the Pacific Surfliner Corridor, including performance of the LOSSAN Agency's obligations in the ITA.
8. "Member Agencies" shall mean those public entity members of the LOSSAN Agency named in Recital 2 of the ITA, subject to future revision if any public entities withdraw or are added to the LOSSAN Agency.
9. "MFTA Supplement" shall mean the fiscal-year specific agreement executed annually, which includes the approved Annual Business Plan for that year, as a supplement to this MFTA.
10. "Operating Reserve Fund" shall mean the surplus funds retained by the LOSSAN Agency that represent the difference between Caltrans DRMT's operating subsidy payments and the actual costs invoiced by the operator and will not exceed 12.5 percent of the immediate prior operating subsidy as is further described in Section 6.7 of the ITA and Section 1.2(b) of this agreement.
11. "Request for Advance Payment" shall mean a request submitted by the LOSSAN Agency to the Caltrans DRMT for payment of costs incurred or to be incurred against the approved Annual Business Plan.
12. "Secretary" shall mean the Secretary of the CalSTA. Unless the context otherwise requires, any reference to the Secretary includes CalSTA and its officers and employees.
13. "Service" shall, pursuant to the Act, mean, the State-supported administration, marketing, and operation and maintenance of rail and related services in the LOSSAN Corridor, including feeder bus services related thereto, as expanded, modified and developed by the LOSSAN Agency pursuant to this Agreement or any amendment thereto, and shall not include the services operated or funded by the Member Agencies.
14. "Service Improvements" shall mean operational improvements that improve the safety, efficiency, quality, or timeliness of the passenger service.
15. "Surplus Funds" shall mean the difference between the allocated amount for the operation of the Service and the aggregate amount of actual billings for the operation of the Service in the

fiscal year by each respective passenger rail operating service provider and further described in Section 6.6 of the ITA and Section 2 of this agreement. Surplus funds will be utilized for the funding of the Operating Reserve Fund and may be utilized for funding corridor enhancements or service improvements if requested and approved through the annual business plan.

## **ARTICLE 1. PROGRAM ADMINISTRATION**

### **1.1 Annual Business Plan**

- a. The LOSSAN Agency agrees to develop and submit an Annual Business Plan which includes a draft budget, in compliance with Government Code 14070.4, by April 1 each year for approval by CalSTA. The Annual Business Plan identifies the scope of operations and capital improvements, if any, to the Service for the identified State fiscal years and shall be the basis for projecting funding requirements for the performance of the Service by the LOSSAN Agency. The LOSSAN Agency agrees to submit an updated Annual Business Plan, included a final budget to CalSTA by June 30 each year, after making necessary budget requirement adjustments. The Secretary will approve on or before July 31st of each year, each Annual Business Plan, and shall exercise reasonable efforts to secure from the Legislature the appropriation for the level of the Service agreed upon therein.
- b. Each annual MFTA Supplement will expressly adopt and incorporate the terms and conditions of this MFTA by reference.

### **1.2 Annual MFTA Supplement**

- a. The LOSSAN Agency shall be responsible for the complete performance of the Service contained in this MFTA and revised, as deemed appropriate by Caltrans DRMT and the LOSSAN Agency, in each MFTA Supplement. The description of all work, as identified in the ITA and any other MFTA Supplement, shall be accomplished in accordance with applicable provisions of the ITA, and State and Federal law.
- b. The fully executed annual MFTA Supplement shall serve as the encumbrance document. Encumbrance and disbursement of funds by Caltrans DRMT will occur only after the execution of this MFTA; approval of the Annual Business Plan by CalSTA; execution of the annual MFTA Supplement; and the State budget for that fiscal year has been passed. Operating Reserve Funds, Surplus Funds, and any remaining Administration and Marketing funds may be used to fund subsequent fiscal year expenses if the Annual Business Plan has not been approved by July 31. If Administration or Marketing funds are unavailable as of June 30, and the State budget for that fiscal year has been passed, the State agrees to advance up to 12.5% of the requested Administrative and Marketing budget in the Annual Business Plan to cover allowable costs until the approval of the Annual Business Plan. Once the Annual Business Plan is approved by CalSTA, any funds used will be deducted from the approved amounts in the Annual Business Plan. If this ITA has not been renewed or extended by June 30, 2021, and Operating Reserve Funds or Surplus funds are unavailable and the State budget for that fiscal year has been passed, the State agrees to advance up to 3 months of the proposed

operations budget in the Annual Business Plan to cover allowable costs until an ITA has been renewed or extended and the Annual Business Plan has been approved. Once the Annual Business Plan is approved by CalSTA, any funds used will be deducted from the approved amounts in the Annual Business Plan.

- c. No funds of any nature are allocated or encumbered in this MFTA unless included in a fully executed annual MFTA Supplement.
- d. Caltrans DRMT agrees to pass through available State funds and to reimburse allowable costs incurred in executing the tasks, projects, and products incorporated in the approved Annual Business Plan and executed annual MFTA Supplement.
- e. Only work performed during the term of, and consistent with, the work elements in the approved Annual Business Plan and executed annual MFTA Supplement may be reimbursed. Reimbursements are based upon the fiscal year, July 1 to June 30. All work performed subsequent to the end of each fiscal year (June 30) is subject to the approved Annual Business Plan and annual MFTA Supplement for that corresponding fiscal year and reimbursed from the corresponding fiscal year budgeted funds.
- f. The LOSSAN Agency may incur costs against its approved Annual Business Plan and executed annual MFTA Supplement and may submit Requests for Advance Payment with the understanding that the Caltrans DRMT is unable to approve any payments until such time as the funds are included in that Fiscal Year's Annual State Budget which is passed by the Legislature and is signed by the Governor.

### 1.3 Amendments to MFTA Supplement

- a. While amendments to the Annual Business Plan are not anticipated, the LOSSAN Agency further agrees to ensure that amendments to a previously approved Annual Business Plan are approved by CalSTA, adopted by the LOSSAN Agency Board of Directors (Board), and incorporated by reference in the ITA, prior to initiating any work identified in those amendments. Such requests for amendment to the Annual Business Plan shall occur no more frequently than once per year unless agreed to by both parties. Changes requiring amendments to the MFTA Supplement generally include adding, deleting, or revising a work element; adding funds to, deleting funds from a work element; or revising a scope of work. If a work element or project will not be completed as approved, the LOSSAN Agency will amend the Annual Business Plan and notify Caltrans DRMT of the need to amend the annual MFTA Supplement. Amendments to MFTA Supplements shall be submitted no later than 14 days from the approval of the amended Annual Business Plan. The parties must execute the amended MFTA Supplement no later than 45 days from the approval of the amended Annual Business Plan.

## 1.4 Progress Reports

- a. The LOSSAN Agency agrees to submit to the Caltrans DRMT all reports as required by the ITA. The Department may withhold payment of Requests for Advance Payment/Reimbursement submitted pending the submission of required documentation.

## ARTICLE 2. ALLOWABLE COSTS AND REIMBURSEMENTS

### 2.1 Operating Reserve Funds, Surplus Funds, Cost Savings

- a. In accordance with the ITA, the LOSSAN Agency may retain certain funds as identified below:
  - i. Operating Reserve Fund, as defined in the ITA, which shall include Surplus Funds retained by the LOSSAN Agency that represent the difference between the Caltrans DRMT's operating subsidy payments and the actual costs invoiced by the operator and will not exceed 12.5 percent of the immediate prior yearly operating subsidy.
  - ii. Surplus Fund, as defined in the ITA, which shall include the difference between the allocated amount for the operation of the Service and the aggregate amount of actual billings for the operation of the Service in the fiscal year by each respective passenger rail operating service provider and operating contracts incurred. (To note that we may have contracts that are outside of Amtrak.)
- b. Cost Savings ("Cost Savings") realized from operational improvements or efficiencies achieved by it or increases in operating revenues in excess of Annual Business Plan projections and farebox recovery requirements specified in the Uniform Performance Standards, are to provide for service improvements that increase ridership of the Service. Cost Savings are to be based on trackable management actions, including but not limited to proposals either in the Initial Business Plan/Annual Business Plan or otherwise documented and quantified during the course of performance of the Service during the then fiscal year. Cost Savings prospectively quantified in an Annual Business Plan based on management actions proposed for the future may be directly budgeted for targeted service improvements. Cost Savings based on management actions taken during the regular administration of the Services shall be tracked, and the current fiscal year savings specifically identified for utilization in future year service improvements identified in the next Annual Business Plan, allowing the funds to remain available for service improvement expenditure rather than be designated as Surplus Funds. Increases in operating revenues above those anticipated in the Annual Business Plan forecast shall be available for service improvement expenditure only after the Operating Reserve Fund maximum level is achieved, and subject to their identification and budgeting in an approved Annual Business Plan.

### 2.2 Requests for Advance Payment

- a. Caltrans DRMT agrees to make advance payments to the LOSSAN Agency, in conformance with state and federal regulations, as promptly as

Caltrans DRMT fiscal procedures will permit upon the receipt of a signed and electronically submitted Request for Advance Payment that includes all required information, as applicable, for the period of time covered by that Request for Advance Payment. Incomplete or inaccurate Requests for Advance Payment shall be returned to the LOSSAN Agency unapproved for correction as soon as errors are discovered.

- i. Administration and Marketing Funds: the LOSSAN Agency shall prepare and electronically submit to the Caltrans DRMT, a signed Request for Advance Payment for the annual administration and marketing budget as specified in the executed annual MFTA Supplement and approved Annual Business Plan. Operating Reserve Funds, Surplus Funds, and any remaining Administration and Marketing funds may be used to fund subsequent fiscal year expenses if the Annual Business Plan has not been approved by July 31. If Administration or Marketing funds are unavailable as of June 30, and the State budget for that fiscal year has been passed, the State agrees to advance up to 12.5% of the requested Administrative and Marketing budget in the Annual Business Plan to cover allowable costs until the approval of the Annual Business Plan. Once the Annual Business Plan is approved by CalSTA, any funds used will be deducted from the approved amounts in the Annual Business Plan.
- ii. Operating Funds: the LOSSAN Agency shall prepare and electronically submit to Caltrans DRMT, not more frequently than once a month, one signed Request for Advance Payment for the monthly operating payment as specified in the payment schedule included in the operating agreement between the LOSSAN Agency and the operator of the Service. If this ITA has not been renewed or extended by June 30, 2021, and Operating Reserve Funds or Surplus funds are unavailable and the State budget for that fiscal year has been passed, the State agrees to advance up to 3 months of the proposed operations budget in the Annual Business Plan to cover allowable costs until an ITA has been renewed or extended and the Annual Business Plan has been approved. Once the Annual Business Plan is approved by CalSTA, any funds used will be deducted from the approved amounts in the Annual Business Plan.
- iii. These amounts or such other amounts as are set forth in the approved Annual Business Plan and executed annual MFTA Supplement, shall be transferred to the LOSSAN Agency following appropriation by the Legislature.

### 2.3 Advance Payment Reconciliation and Closeout Documentation

- a. The LOSSAN Agency shall electronically submit MFTA Supplement closeout reports to Caltrans DRMT no later than six months (March 31<sup>st</sup>) from the close of the federal fiscal year for administration, marketing expenditures, and operations expenditures. The closeout report shall show actual expenditures for administration, marketing and operations as compared to advance payments received by the LOSSAN Agency. Notwithstanding the foregoing, the



LOSSAN Agency may request an extension of time to the Caltrans DRMT, which shall not be unreasonably withheld, for the submission of the closeout reports referenced in this Section 2.3(b). Any other reports requested by the Caltrans DRMT will be submitted to the Caltrans DRMT in a searchable electronic format.

- b. The closeout report(s) will be completed in the format that has been provided by Caltrans DRMT for which a template is included as **Exhibit D**, and must be attached to a transmittal letter, typed on the LOSSAN Agency's letterhead. The parties agree that this format may be revised as necessary upon mutual agreement. If these documents are not received by the dates set forth above, Caltrans DRMT may withhold future apportionments and/or allocations to the LOSSAN Agency. Caltrans DRMT's election not to withhold future apportionments and/or allocations immediately after the end of one fiscal year shall not limit Caltrans DRMT's ability to initiate subsequent withholdings.
- c. Any Surplus Funds in excess of the 12.5 percent of the State subsidy level in the most recently completed Amtrak contract year, as defined in the ITA, upon receipt of the required closeout documentation, Caltrans DRMT shall issue a reconciliation letter to the LOSSAN Agency stating the amount of unused Surplus Funds shall be returned to Caltrans DRMT or deducted from the next Advance Payment, excluding any funds that are being claimed under cost savings from management decisions.

## 2.4 Funding Contingencies

- a. All obligations of Caltrans DRMT under the terms of the MFTA and each annual MFTA Supplement are subject to the availability of State funds, appropriation of resources by the Legislature, and the annual passage of the State Budget Act.

## ARTICLE 3. COST PRINCIPLES AND AUDITS

### 3.1 Cost Principles

- a. The LOSSAN Agency agrees to comply with all LOSSAN Agency governing policies, the LOSSAN Agency Contracting and Procurement Policy, and Generally Accepted Accounting Principles. In the absence of a specific policy or guidance, Title 2, CFR part 200, Subpart E - Cost Principles, General Provisions for Selected Items of Cost (sections 200.420 through 200.475) will be followed as applicable. This provision may be further defined and amended as necessary.
- b. The LOSSAN Agency agrees and shall require that all of its agreements with contractors, subcontractors, and subrecipients contain provisions requiring adherence to this section in its entirety.

### 3.2 Record Retention / Audits

- a. The LOSSAN Agency shall maintain, and shall require its subrecipients, contractors and its subcontractors to maintain all source documents, books, and records connected with their performance of Annual Business Plan work initiated under this MFTA and each applicable annual MFTA Supplement for a minimum of four (4) years from the date of final

payment to the LOSSAN Agency or, if an independent external audit is initiated within that timeframe, until audit resolution is achieved for each annual MFTA Supplement, whichever is later, and shall make all such supporting information available for inspection and audit by representatives of Caltrans DRMT, the Bureau of State Audits, or the Federal Government upon request. Copies will be made and furnished by the LOSSAN Agency upon request at no cost to Caltrans DRMT. Scanned and searchable original documents in electronic form are suitable to meet this requirement.

- b. The LOSSAN Agency shall establish and maintain, and shall require that its subrecipients, contractors and subcontractors shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles.
- c. For the purpose of determining compliance with the aforementioned record retention requirements, in connection with the performance of the LOSSAN Agency contracts and/or agreements with third parties, the LOSSAN Agency, the LOSSAN Agency's subrecipients, contractors, and subcontractors, shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts and/or agreements, including, but not limited to, the costs of administering those various contracts and/or agreements. All of the above referenced parties shall make such contracts and/or agreements available at their respective offices at all reasonable times during the entire period of each annual MFTA Supplement and for four 4 years from the date of final payment to the LOSSAN Agency or, if an audit is initiated within that timeframe, until audit resolution is achieved for each annual MFTA Supplement, whichever is later. Caltrans DRMT, the California State Auditor, or any duly authorized representative of Department or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to the fulfillment of the contracts and/or agreements for audits, examinations, excerpts, and transactions, and the LOSSAN Agency shall furnish copies thereof if requested. Scanned original documents in a searchable electronic format are suitable to meet this requirement.
- d. The LOSSAN Agency agrees to comply with audit requirements in accordance with Generally Accepted Accounting Principles and Generally Accepted Government and Auditing Standards.
- e. The LOSSAN Agency agrees to include all costs associated with this MFTA, Annual Business Plan and annual MFTA Supplement, and any amendments thereto; to be examined in an annual financial audit by the Caltrans DRMT or Caltrans DRMT's designee should such an audit be performed. The LOSSAN Agency commissions an annual financial audit which is prepared by an independent audit firm and presented to the LOSSAN Board; this audit shall also be furnished to the State.
- f. When conducting an audit of the costs and match credits claimed under the provisions of each annual MFTA Supplement and this MFTA, Caltrans DRMT will rely to the maximum extent possible on any prior audit of the LOSSAN Agency pursuant to the provisions of State and Federal

law. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to Caltrans DRMT when planning and conducting additional audits.

- g. The LOSSAN Agency agrees to furnish documentation to Caltrans DRMT supporting this requirement that all its agreements with contractors, subcontractors, and subrecipients do contain applicable provisions requiring adherence to this section in its entirety.
- h. Neither the pendency of a dispute nor its consideration by Caltrans DRMT will excuse the LOSSAN Agency from full and timely performance in accordance with the terms of this MFTA, the Annual Business Plan, and the annual MFTA Supplement.

#### **ARTICLE 4. MISCELLANEOUS PROVISIONS**

##### **4.1 Non-Discrimination Clause**

- a. In the performance of work undertaken pursuant to the ITA and for which funding is provided pursuant to this MFTA, the LOSSAN Agency shall not, and shall affirmatively require that its contractors shall not, unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family and medical care leave, and denial of pregnancy disability leave.
- b. The LOSSAN Agency shall ensure, and shall require that its contractors and all subcontractors and/or subrecipients shall ensure, that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The LOSSAN Agency shall comply and ensure that its contractors and subcontractors and/or subrecipients shall comply, with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this MFTA by reference and made a part hereof as if set forth in full.
- c. Each of the LOSSAN Agency's contractors, subcontractors, and/or subrecipients shall give written notice of their obligations under this clause to labor organizations with which they have collective bargaining or other labor agreements. The LOSSAN Agency shall include the non-discrimination and compliance provisions hereof in all contracts and subcontracts to perform work under this MFTA.
- d. The LOSSAN Agency shall comply with the nondiscrimination program requirements of Title VI of the Civil Rights Act of 1964. Wherever the term "Contractor" appears therein, it shall mean the LOSSAN Agency.

- e. The LOSSAN Agency shall permit, and shall require that its contractors, subcontractors, and subrecipients will permit, access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission or any other agency of the State of California designated by Caltrans DRMT to investigate compliance with this Section 4.

#### 4.2 Federal Lobbying Activities Certification

- a. The LOSSAN Agency certifies, to the best of its knowledge and belief, that no State or Federal funds have been paid or will be paid by, or on behalf of, the LOSSAN Agency to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding of any State or Federal contract, the making of any State or Federal grant, the making of any State or Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than State or Federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a State or Federal contract, grant, loan, or cooperative agreement, the LOSSAN Agency shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with those form instructions.
- c. This certification is a material representation of fact upon which reliance was placed when this MFTA and each annual MFTA Supplement was entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The LOSSAN Agency also agrees by signing this MFTA that the LOSSAN Agency shall require that the language of this certification be included in all contracts and subcontracts funded wholly or in part by any fund sources listed in this MFTA and which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

### ARTICLE 5. GENERAL PROVISIONS

#### 5.1 Sanctions for Compliance

- a. In the event of a final determination by Caltrans DRMT under Section 5.4 of this MFTA of a claim of the LOSSAN Agency's noncompliance with the nondiscrimination provisions of Section 4.1 of this MFTA, Caltrans DRMT may take such action as authorized by law which includes, but is not limited

to, withholding of payments to the LOSSAN Agency under the ITA, cancellation, termination or suspension of the ITA, in whole or in part.

## 5.2 Contract Award

- a. The LOSSAN Agency, contractor, subcontractor and subrecipient contracts containing Federal and State funds are required to be bid and awarded in accordance with all LOSSAN Agency governing policies and Local Assistance Procedure Manual, Ch. 10 as applicable.

## 5.3 Contract Amendment

- a. No amendments to the terms of this MFTA, and any annual MFTA Supplement shall be valid unless made in writing and signed by the individuals legally authorized to contractually bind the parties hereto. Each party agrees that it has had or will have the opportunity to seek review by and approval from its legal counsel of the original documents and any proposed alteration or variation. No oral understanding or agreement not incorporated herein shall be binding on any of the parties thereto. For the purposes of this MFTA, the Chief, Caltrans DRMT, shall be the Contract Administrator for Caltrans DRMT.

## 5.4 Dispute Resolution

- a. Adjudication of Disputes by Way of Administrative Proceedings
  - i. Caltrans DRMT hereby sets up an administrative procedure for adjudication of disputes that may arise relating to the administration of the funding under this MFTA. All disputes must exhaust the informal dispute resolution process outlined in Section 5.4(b). In the event the parties are unable to resolve their disputes through informal dispute resolution, the parties shall follow the arbitration process outlined in Section 5.4(b).
  - ii. The LOSSAN Agency agrees to exhaust the administrative remedy prior to resorting to legal remedies. In case of disputes with Caltrans DRMT, the LOSSAN Agency shall submit to the Chief, Caltrans DRMT or designee a written demand for a decision regarding the disposition of any dispute, arising under this MFTA. The Chief, Caltrans DRMT shall make a written decision regarding the dispute and will provide it to the LOSSAN Agency. The LOSSAN Agency shall have an opportunity to challenge the determination by the Chief, Caltrans DRMT but must make that challenge in writing, within ten (10) working days to the Caltrans DRMT's Contract Officer or his/her designee. If the challenge is not made by the LOSSAN Agency within the ten (10) day period, the Chief, Caltrans DRMT shall become the final decision of the Caltrans DRMT. If such a challenge is made, Chief, Caltrans DRMT and the LOSSAN Agency shall submit written, factual information and data in support of their respective positions to Caltrans DRMT's Director or his designee within a timeframe established by the parties at the time of challenge. If the dispute is not resolved by the time established by the parties at the

time of challenge, the parties may exercise their rights under Section 5.4(b).

b. Arbitration

- i. Unless otherwise agreed to by the Parties, in the event of a dispute between the Parties which has not been satisfactorily resolved by those parties within sixty (60) days of the commencement of the dispute, said dispute shall be submitted to arbitration by a panel of three arbitrators who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. The panel of arbitrators shall consist of one arbitrator appointed by each of the disputants, the third arbitrator to be appointed by mutual consent of the other two arbitrators.
- ii. The arbitration panel shall resolve the dispute in accordance with the terms of this MFTA, and such resolution shall be final and binding upon the parties. Each party shall bear its own costs of arbitration, including reasonable attorney's fees. The cost of the third arbitrator shall be divided equally between the disputants. Any proceeding convened under this provision shall be conducted in the City of Sacramento, California. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Upon failure of a party to comply with an arbitration award issued pursuant to this Section, the other party may refer the matter to a court of competent jurisdiction for enforcement of the award.
- iii. Unless otherwise agreed by the disputants, only disputes regarding a disputant's rights and obligations arising under the terms of: (i) this MFTA, (ii) the MFTA Supplements, or (iii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration.
- iv. The foregoing notwithstanding, with respect to contract claims or disputes arising under this MFTA or any exhibit hereto which may be subject to the provision of California Public Contract Code Section 10240, such claims or disputes shall be resolved by arbitration conducted by a single arbitrator selected by the parties from the certified list created by the California Public Works Contract Arbitration Committee and in accordance with the requirements and procedures set forth in such Section 10240.

5.5 Intercept Clause

- a. Costs for which the LOSSAN Agency receives reimbursement payment or credit that are determined by a subsequent audit or other review by either State or Federal authorities to be unallowable under LOSSAN Agency governing policies, the LOSSAN Agency Contracting and Procurement Policy, and Generally Accepted Accounting Principles including Title 2, CFR part 200, Subpart E - Cost Principles, General Provisions for Selected Items of Cost (sections 200.420 through 200.475) as applicable, shall be

deducted from the subsequent advance payment request from the applicable funding agreement of Administration, Marketing, or Operations.

## 5.6 Parties of Agreement

- a. This MFTA, the annual MFTA Supplement, and any related agreements are solely between the named parties thereto and no express or implied benefit to entities or individuals not a party thereto is intended or to be inferred. There are no third-party beneficiaries to or of this MFTA, annual MFTA Supplement, or any other agreement pertaining hereto.

## 5.7 Hold Harmless and Indemnification Clause

- a. Indemnification by the LOSSAN Agency
  - i. The LOSSAN Agency agrees to indemnify, defend and save harmless the State, Caltrans DRMT, its officers, agents and employees from any and all claims, suits or actions of every name, kind and description including but not limited to, contractual losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this MFTA; from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the LOSSAN Agency in the performance of this MFTA; or tortious or other theories or assertions of liability occurring by reason of anything done or omitted to be done by the LOSSAN Agency and/or its agents under this MFTA. If any claim, action or proceeding shall at any time be brought against the State or Caltrans DRMT asserting a liability for such injury, death, damage or loss, the State or Caltrans DRMT shall promptly give notice to the LOSSAN Agency of such claim, action or proceeding and the LOSSAN Agency shall thereafter provide all such information as the State or Caltrans DRMT may from time to time request.
  - ii. Provided that the LOSSAN Agency furnishes and maintains all of the insurance that it is contractually required to obtain under this MFTA, then, in accordance with the present terms of the joint exercise of powers agreement pursuant to which the LOSSAN Agency has been organized, any indemnity obligation of the LOSSAN Agency hereunder shall not flow through to become obligations of any Member Agency of the LOSSAN Agency as a consequence of that Member Agency's status as a Member Agency of the LOSSAN Agency. In addition, no Member Agency shall have any liability or obligation for indemnification hereunder to the extent that its activities arise out of its obligations under this MFTA, its appointment of a member to the LOSSAN Agency Board as its representative thereto, and its participation on the LOSSAN Agency Board or any committees thereof in Board and committee activities to the extent permitted by law and in the usual and customary manner. To the extent that the negligence of any Member Agency outside of the foregoing activities causes or contributes to a loss for



which the State has been final adjudged jointly, or jointly and severally, liable with the Member Agency, the State may seek contribution and/or indemnification from that Member Agency to the extent permitted by applicable law.

b. Indemnification by the Department

- i. Caltrans DRMT shall, to the extent permitted by law, indemnify, defend and hold harmless the LOSSAN Agency and the managing agency, its members, officers, directors, employees and agents, from any and all claims, suits or actions of every name, kind and description including injury or damages occurring by reason of anything done or omitted to be done by Caltrans DRMT and/or its agents under this MFTA.
- ii. The indemnifying party shall bear all expenses, costs and shall pay all settlements or final judgments arising out of any claim, action or proceeding involving the injury to and/or death of any person or damages to or any loss of property arising from any indemnification obligation of the indemnifying party under Section 5.7 above, including the costs of defense and settlement. Should a claim, action or proceeding of any nature be brought at any time against a party entitled to indemnification pursuant to Section 5.7 above, asserting liability on the part of the such party for such injury, death, damage or loss, the party entitled to such indemnification shall promptly provide notice to the indemnifying party of such claim, action or proceeding and shall tender the defense of such claim, action or proceeding to the indemnifying party which shall thereafter provide full such defense, indemnity and protections as are necessary under the provisions of this MFTA. The party entitled to indemnification shall provide such additional information or assistance as is reasonably requested by the indemnifying party to assist in the defense, prosecution or settlement of any such claim, action or proceeding. The indemnifying party may engage counsel of its choice to defend the indemnified party subject to the indemnified party's consent, such consent not to be unreasonably withheld.

5.8 Default

- a. In the event that the LOSSAN Agency (a) fails to comply with applicable Federal and State laws and regulations; (b) fails to timely proceed with the approved Annual Business Plan, in accordance with the MFTA and/or Supplemental MFTA; or (c) otherwise materially violates the terms and conditions of this MFTA and/or Supplemental MFTA, Caltrans DRMT reserves the right to terminate all funding for that approved Annual Business Plan, or a portion thereof. Any such termination shall be accomplished by delivery to the LOSSAN Agency of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this MFTA is terminated and the date upon which such termination becomes effective. During the period before the

termination date becomes effective, the LOSSAN Agency and the Caltrans DRMT shall meet to try to resolve any dispute. No such termination shall become effective if, (a) during the process described in Section 5.9, the termination is stayed, (b) within the thirty (30) day period after receipt of the Notice of Termination, the LOSSAN Agency either cures the default, or (c) if that default is not reasonably susceptible to cure within said thirty (30) day period, Caltrans DRMT approves a the LOSSAN Agency plan and the LOSSAN Agency thereafter diligently completes the cure in a manner and timeline acceptable to Caltrans DRMT.

- b. If Caltrans DRMT terminates funding for the approved Annual Business Plan pursuant to the above Section 5.8(a), Caltrans DRMT shall pay the LOSSAN Agency the sum due the LOSSAN Agency under the MFTA Supplemental for eligible work performed prior to termination.


## 5.9 Termination

- a. This MFTA shall remain in full force and effect until the termination date stated on Page 1 of this MFTA, unless superseded or terminated in conformance with Section 5.8. All indemnification, document retention, audit, claims, and legal challenge, articles will remain in effect until terminated or modified in writing by mutual agreement or expiry by statute of limitations.

**[signature page immediately follows]**

IN WITNESS WHEREOF, the parties have signed this MFTA as of the date set forth above.

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

By: 

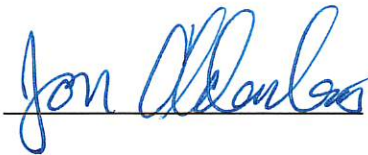
Name: LAURIE BERMAN  
Title: Director

**LOS ANGELES – SAN DIEGO – SAN LUIS  
OBISPO RAIL CORRIDOR AGENCY**

By: 



Name: JENNIFER L. BERGENER  
Title: Managing Director

**APPROVED AS TO FORM AND  
EXECUTION:**

Name: 

Title: 

**APPROVED AS TO FORM AND  
EXECUTION:**

Name:   


Title: 

**EXHIBIT A**

**Board Resolution or Certified Minutes Approving MFTA**



**MINUTE EXCERPT**

MEMBER AGENCIES  
Los Angeles County Metropolitan  
Transportation Authority  
North San Diego County  
Transit District  
Orange County  
Transportation Authority  
Riverside County  
Transportation Commission  
San Diego  
Association of Governments  
San Diego Metropolitan  
Transit System  
San Luis Obispo  
Council of Governments  
Santa Barbara County  
Association of Governments  
Ventura County  
Transportation Commission

The following is an excerpt from the Minutes of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency Board of Directors meeting held on **June 18, 2018**.

**6. Approval of the Interagency Transfer Agreement with the California Department of Transportation for Administration of the Pacific Surfliner Intercity Passenger Rail Service**


A motion was made Vice Chairman Murray, seconded by Director Bennett, and following a roll call vote, declared passed 10-0 by those present, to authorize the Managing Director to negotiate and execute the interagency transfer agreement between the California Department of Transportation Division of Rail and Mass Transportation and the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency to allow continued local administrative oversight and management for the state-supported Pacific Surfliner intercity passenger rail service for a three-year term beginning July 1, 2018.

EX-OFFICIO MEMBERS  
Amtrak

California Department of  
Transportation  
California High-Speed Rail Authority  
Southern California  
Association of Governments

The foregoing excerpt will be presented to the Board of Directors on **July 16, 2018**, as part of the completed minutes of the June 18, 2018, LOSSAN Board of Directors meeting.

ADDITIONAL TECHNICAL ADVISORY  
COMMITTEE MEMBERS  
BNSF Railway  
California Public Utilities Commission  
Southern California  
Regional Rail Authority  
Union Pacific



---

Olga Prado  
LOSSAN Clerk of the Board

**EXHIBIT B**

**Master Fund Transfer Agreement - Supplement**

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

**MASTER FUND TRANSFER AGREEMENT – SUPPLEMENT**

**Recipient:** [Agency Name]

**Effective Date of this Agreement:** [date]

**Termination Date of this** [date]

**Agreement:**

1. The undersigned signatory Joint Powers Authority (JPA) hereby commits to complete, this State fiscal year (FY), the Annual Business Plan, a copy of which was approved on [date] and is attached as part of this Master Fund Transfer Agreement (MFTA) Supplement
2. All of the obligations, duties, terms and conditions set forth in the MFTA, numbered [MFTA number] and executed with effective dates of [date to date] between [Agency name] and the Department of Transportation (CALTRANS), are incorporated herein by this reference as part of this MFTA Supplement for this State FY.
3. This MFTA Supplement obligates and encumbers only the following funding source(s):

UNIT	PROJECT ID	PHASE	FUND SOURCE	AMOUNT	FISCAL YEAR
BUDGET ITEM	CHAPTER	STATUTES		BUDGET YEAR	
<b>FUNDS CERTIFIED BY:</b>			I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		
NAME AND TITLE OF AUTHORIZED OFFICIAL			SIGNATURE OF AUTHORIZED OFFICIAL		DATE:

4. Attachments listed below are incorporated by reference to this MFTA Supplement.

- a. Approved Annual Business Plan
- b. Board Resolution or Certified Minutes Approving MFTA Supplement

IN WITNESS WHEREOF, the parties hereto have executed this SUPPLEMENTAL AGREEMENT by their duly authorized officers.

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM AND EXECUTION:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LOS ANGELES – SAN DIEGO –  
SAN LUIS OBISPO RAIL CORRIDOR  
AGENCY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM AND EXECUTION:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_



EXHIBIT C

Disclosure Form to Report Lobbying (Form LLL)

FORM SF-LLL

DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change  <b>For Material Change Only:</b> year ____ quarter ____ date of last report ____
<b>4. Name and Address of Reporting Entity</b>  <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known  Congressional District, if known	<b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b>	
<b>10. a. Name and Address of Lobby Entity</b> (If individual, last name, first name, MI)	<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI)	
(attach Continuation Sheet(s) if necessary)		
<b>11. Amount of Payment (check all that apply)</b> \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned	<b>13. Type of Payment (check all that apply)</b> <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____	
<b>12. Form of Payment (check all that apply):</b> <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____		
<b>14. Brief Description of Services Performed or to be performed and Date(s) of Service, including</b>		

**officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:**

(attach Continuation Sheet(s) if necessary)

**15. Continuation Sheet(s) attached:**      Yes       No

**16.** Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized for Local Reproduction

Standard Form - LLL

**Federal Use Only:**

## INSTRUCTIONS FOR COMPLETION OF SF-LLL

### DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee (e.g., the first subawardee of the prime is the first tier). Subawards include, but are not limited to, subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in Item 1 (e.g., Request for Proposal [RFP] number, Invitation for Bid [IFB] number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes (e.g., "RFP-DE-90-001)."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04-90

**EXHIBIT D**  
**Closeout Form Template**

<b>Administrative and Marketing Advance Payment Reconciliation Report</b>		
<b>LOSSAN Agency</b>		
<b>SFY 2016-17</b>		
	<b>Administration</b>	<b>Marketing</b>
FY 2016-17 Approved Budget	\$ -	\$ -
FY 2015-16 Unexpended	\$ -	\$ -
<b><u>ADVANCE PAYMENTS</u></b>		
First Payment	\$ -	\$ -
Second Payment*	\$ -	\$ -
<b>Total Advance Payments + FY 2015-16 Unexpended</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>FY 2016-17 EXPENDITURES</u></b>		
1st Quarter (Jul - Sep)	\$ -	\$ -
2nd Quarter 2016-17 (Oct - Dec)	\$ -	\$ -
3rd Quarter (Jan - Mar)	\$ -	\$ -
4th Quarter (Apr - Jun)	\$ -	\$ -
<b>Total FY17 Expenditures to Date</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less Interest Earned:</b>	<b>\$ -</b>	
<b>Total Surplus (Deficit):</b>	<b>\$ -</b>	<b>\$ -</b>

---



---

As of (date)

Caltrans Advance Payments vs. Final FFY 2016 Reconciliation PACIFIC SURFLINER ROUTE				
	Contract Amt.	Caltrans Advance Payments	Final FFY16 Reconciliation	Final FFY16 Reconciliation vs. CT Advance Pmts
		<b>75A0421-A1 (Amtrak)</b>		
Oct-15				\$ -
Nov-15				\$ -
Dec-15				\$ -
Jan-16				\$ -
Feb-16				\$ -
Mar-16				\$ -
Apr-16				\$ -
May-16				\$ -
<b>Paid by CT</b>	\$ -	\$ -	\$ -	\$ -
		<b>75R0005 (LOSSAN)</b>		
Jun-16				\$ -
Jul-16				\$ -
Aug-16				\$ -
Sep-16				\$ -
<b>Paid by LOSSAN</b>	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ -

<b>FFY16 Surplus</b>	\$ -
<b>Operating Reserve Fund (ORF)*</b>	\$ -
<b>FFY16 Cost Savings**</b>	\$ -
<b>Amount Due to Caltrans***</b>	\$ -

\*12.5% of the FFY15/16 Operating Agreement

\*\*Please complete Cost Savings Documentation Form on next tab (amount will autopopulate on this form)

\*\*\*Amount to be deducted from next Operating Advance Payment(s) to LOSSAN

<b><i>FY 15-16 Year End Reconciliation Finalized and Approved</i></b>	<b><i>(date)</i></b>
---	----------------------

## **APPENDIX E**

### **INSURANCE POLICIES**





# CERTIFICATE OF LIABILITY INSURANCE

NATIRAI-02 SHETTYSHY

DATE (MM/DD/YYYY)

6/29/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis of New York, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 37230-5191	<b>CONTACT NAME:</b> Willis Certificate Center <b>PHONE (A/C, No, Ext):</b> (877) 945-7378 <b>E-MAIL ADDRESS:</b> certificates@willis.com	<b>FAX (A/C, No):</b> (888) 467-2378
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A:</b> AIG Specialty Insurance Company		<b>NAIC #</b> 26883
<b>INSURED</b>  National Railroad Passenger Corporation (AMTRAK) 60 Massachusetts Ave NE 4th Floor West Washington, DC 20002	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
<b>A</b>	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input checked="" type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ <b>20,000,000</b>		<b>X</b>	<b>80775695</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	EACH OCCURRENCE \$ <b>25,000,000</b> AGGREGATE \$ <b>25,000,000</b> \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		<b>N/A</b>				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**THIS VOIDS & REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 06/26/2015**  
 See Attached

**CERTIFICATE HOLDER**

Los Angeles – San Diego – San Luis Obispo Rail Corridor  
 Agency (LOSSAN Agency)  
 600 S. Main Street  
 P.O. Box 14184  
 Orange, CA 92863

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2014 ACORD CORPORATION. All rights reserved.



ADDITIONAL REMARKS SCHEDULE

AGENCY <b>Willis of New York, Inc.</b>		NAMED INSURED <b>National Railroad Passenger Corporation (AMTRAK)</b> 60 Massachusetts Ave NE 4th Floor West Washington, DC 20002	
POLICY NUMBER <b>SEE PAGE 1</b>		EFFECTIVE DATE <b>SEE PAGE 1</b>	
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE PAGE 1</b>		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**

**FORM NUMBER: Acord 25 FORM TITLE: Certificate of Liability Insurance**

**Amtrak 12/31/2014-12/31/2015**

**Excess Liability Certificate Attachment:**

<b>Layer:</b>	<b>Carrier:</b>	<b>Policy Number:</b>
<b>\$25M xs \$20M</b>	<b>\$25,000,000 AIG Specialty Ins. Co.</b>	<b>80775695</b>
	<b>American Int'l Reinsurance Co. Ltd.</b>	<b>13631140</b>
<b>\$25M xs \$45M</b>	<b>\$15,000,000 Lexington Ins. Co.</b>	<b>WE1400906</b>
	<b>\$10,000,000 Queen's Island Ins. Co.</b>	<b>QIRR804005</b>
<b>\$30M xs \$70M</b>	<b>\$7,500,000 North American Capacity Ins. Co. (Swiss Re) EXS2000087 01</b>	
	<b>\$10,000,000 Aegis (Lloyd's Synd. AES 1225</b>	<b>WE1400895</b>
	<b>\$7,500,000 Argo Re</b>	<b>WE1400894</b>
	<b>\$5,000,000 Aspen (Lloyd's Synd. ASP 4711)</b>	<b>WE1400895</b>
<b>\$25M xs \$100M</b>	<b>\$25,000,000 XL Insurance (Bermuda) Ltd. XLUMB-602343</b>	
<b>\$25M xs \$125M</b>	<b>\$15,000,000 Steadfast Insurance Co.</b>	<b>SEC5543167-02</b>
	<b>Hanseatic Ins. Co. Bermuda HIPD203439</b>	
<b>\$50M xs 150M</b>	<b>\$10,000,000 Endurance Specialty Ins. Ltd. 007283</b>	
<b>\$50M xs 150M</b>	<b>\$15,000,000 XL insurance Company Ltd.</b>	<b>WE1400896</b>
	<b>\$12,500,000 Argo Re</b>	<b>WE1400897</b>
	<b>\$7,500,000 Aspen (Lloyd's Synd. ASP 4711)</b>	<b>WE1400898</b>
	<b>\$7,500,000 Canopius Underwriting Bermuda Ltd.NRPC-231</b>	
	<b>\$7,500,000 North American Capacity Ins. Co. (Swiss Re) EXS2000088 01</b>	
<b>\$25M xs \$200M</b>	<b>\$25,000,000 North American Capacity Ins. Co. (Swiss Re) EXS2000089 01</b>	
<b>\$150M xs \$225M</b>		
	<b>\$7,500,000 Canopius Underwriting Bermuda Lrd.NRPC-231</b>	
	<b>\$17,500,000 Axis Specialty Ltd.</b>	<b>113870</b>
	<b>\$25,000,000 Endurance Specialty Ltd.</b>	<b>EXC10003852500</b>
	<b>\$17,500,000 Munich Reinsurance Co.</b>	<b>WE1400900</b>
	<b>\$10,000,000 Catlin (Lloyd's Synd. SJC 2003)</b>	<b>WE1400899</b>
	<b>\$10,000,000 Torus Insurance (UK) Ltd.</b>	<b>WE1400905</b>
<b>\$62,500,000 American International Reinsurance Co. Ltd. 6340343</b>		
<b>\$75M xs \$375M</b>	<b>\$25,000,000 North American Capacity Ins. Co. (Swiss Re) EXS2000090 01</b>	
	<b>\$12,500,000 Apollo (Lloyd's Synd. APL 1969</b>	<b>WE1400901</b>
	<b>\$25,000,000 Arch Insurance (Bermuda)</b>	<b>URP0031353-03</b>
	<b>\$12,500,000 American Int'l Reinsurance Co. Ltd. 26157561</b>	



ADDITIONAL REMARKS SCHEDULE

AGENCY <b>Willis of New York, Inc.</b>		NAMED INSURED <b>National Railroad Passenger Corporation (AMTRAK)</b> 60 Massachusetts Ave NE 4th Floor West Washington, DC 20002	
POLICY NUMBER <b>SEE PAGE 1</b>		EFFECTIVE DATE <b>SEE PAGE 1</b>	
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE PAGE 1</b>		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**

**FORM NUMBER: \_\_\_\_\_ FORM TITLE: \_\_\_\_\_**

<b>\$50M xs \$450M</b>	<b>\$12,500,000 Catlin (Lloyd's Synd. SJC 2003)</b>	<b>WE1400902</b>
	<b>\$5,000,000 Ascot (Lloyd's Synd. ASC 1414)</b>	<b>WE1400902</b>
	<b>\$17,500,000 Munich Reinsurance Co.</b>	<b>WE1400904</b>
	<b>\$10,000,000 Argo Re</b>	<b>WE1400903</b>
	<b>\$5,000,000 Axis Specialty Ltd.</b>	<b>113870</b>
<b>\$50M xs \$500M</b>	<b>50% Ironshore Insurance Ltd. / 50% Starr Insurance &amp; \$50,000,000 Reinsurance Ltd.</b>	<b>IS0000414</b>
<b>\$50M xs \$550M</b>	<b>\$50,000,000 ACE Bermuda Insurance Ltd</b>	<b>AMTRA-1587/005RE</b>

**With respect to the Los Angeles – San Diego – San Luis Obispo Rail Corridor**

**Certificate holder name continued:**

**Los Angeles County Metropolitan Transportation Authority, North County Transit District, Orange County Transportation Authority, Riverside County Transportation Commission, San Diego Association of Governments, San Diego Metropolitan Transit System, San Luis Obispo Council of Governments, Santa Barbara County Association of Governments, Ventura County Transportation Commission, State of California**

**Certificate Holders are included as Additional Insureds as respects to Excess Liability.**

## **APPENDIX F**

### **UNIFORM PERFORMANCE STANDARDS**

**Intercity Passenger Rail Act of 2012  
Establishment of Uniform Performance Standards**

By

Secretary, California State Transportation Agency  
June 30, 2014

**I. Introduction**

Pursuant to Government Code section 14031.8(f)(1), the Secretary of the California State Transportation Agency hereby establishes a set of uniform performance standards for all corridors and operators to control cost and improve efficiency, as detailed in this report.

The set of performance standards are built from following measures:

- **Usage** – measured by passenger miles and ridership
- **Cost Efficiency** – measured by farebox recovery and total operating cost per passenger mile
- **Service Quality** – measured by endpoint on-time performance, all-station on-time performance, and operator responsible delays per 10,000 train miles

This report indicates performance standards for each measure and describes circumstances under which adjustment to the standards will be considered.

**II. Primary Uniform Performance Standards**

Section 14031.8(f)(1) of the Government Code: "Not later than June 30,2014, the Secretary shall establish a set of uniform performance standards for all operators to control cost and improve efficiency."

The primary uniform performance standards have been developed in categories related to Usage, Cost Efficiency, and Service Quality. While some historical reference information can be provided for certain standards, there has been a great deal of fluctuation in many of the categories included in the standards due to significant changes in the federally mandated methodology for calculating Amtrak costs related to state supported corridors, and railroad on-time performance has been impacted in certain corridors as significant changes have occurred

---

1. Definitions and further detail related to the calculations is included in Attachment 1.

2. For corridors with an established JPA, counties included in the population tabulation are defined based upon statutory inclusion in a JPA and either having a train station within its borders or being transected by an ICPR corridor. For example, Tulare County is a part of the SJJPA, but does not contain a train station, however it is transected by the San Joaquin corridor. San Francisco county is represented by BART on the CCJPA board, but does not contain a station and is not transected by an ICPR corridor. For corridors without an established JPA, counties included in the population tabulation are defined based upon either having a train station within its borders or being transected by an ICPR corridor.

in the quantity and type of freight trains in the corridor, the addition of other passenger services in the same corridor, and extended work windows from large capital projects such as the rebuilding of bridges and double tracking. Future changes are also expected to impact the standards, as further detailed in Section III, including service changes related to the introduction of high-speed rail or other new passenger services. As a result, not every standard will be presented as a fixed target. Rather, in many instances continuous improvement (year over year) will be expected, with future business plans expected to address the tools used to bring the corridor performance up to standard or to achieve ongoing improvement.

The primary standards are as follows:<sup>1</sup>

### **Usage**

#### **Passenger Miles –**

Using state fiscal year 2013-14 as a baseline, demonstrate ongoing growth in passenger miles carried in proportion to growth in total corridor population (across the sum of all counties with an intercity passenger rail (ICPR) train station or transected by an ICPR route within each train corridor<sup>2</sup>), as well as year over year growth (continuous improvement). Future year goal setting shall be established using Department of Finance approved population forecasting data applied to total corridor population. Success in meeting the goal in a given fiscal year will be measured against the applicable Department of Finance adjusted population data. Growing passenger miles at least as fast as population growth is the primary measure for determining the effectiveness in achieving the public interest as stated in the Intercity Passenger Rail Act of 2012, which requires the intercity rail program to keep pace with the needs of an expanding population. Corridors will also be asked to achieve year over year growth, unless mitigating factors such as an identified statewide recession or reduction in inflation-adjusted funding are identified by the Secretary.

Passenger miles will be reported separately for rail and feeder bus services related to each corridor.<sup>1</sup> Bus passenger miles will be tied to the rail corridor which funds the feeder bus service. However, feeder buses that provide connections to multiple rail corridors shall have their effectiveness measured pursuant to Government Code section 14035.2(a)(3) on their contribution to the entire state corridor network.

This measure is one of the most important for use in greenhouse gas reduction calculations. Combined with data on train and rail equipment vehicle miles, as well as good data on the average party size for each ticket sale, important understanding can be achieved on the impact of rail service on greenhouse gas reduction.

#### **Ridership –**

Growth in ridership in proportion to corridor population growth is also an important primary performance standard related to usage. The growth targets will be established following the same methodology related county population growth as described under the passenger mile statistic, and will include reporting on the breakout between rail ridership and feeder bus ridership per corridor. Growth relative to the state fiscal year 2013-14 baseline, as well as year over year growth is expected, unless similar mitigating factors are identified by the Secretary.

---

<sup>1</sup> Bus passenger miles are under development and expected to be available before state fiscal year 2014-15 is complete. If unavailable, the Secretary may waive this reporting requirement.

## **Cost Efficiency**

**Farebox Recovery** - As a primary standard of cost efficiency, farebox recovery is a critical tool to ensure that balance is struck between pricing that attracts customers to use the state funded service and sufficient participation in the cost of delivering service. This is also an area undergoing significant change as Amtrak's cost structure evolves in response to federal statute. California's rail corridors have historically achieved farebox recovery both above and below 50%. Much of the recent fluctuation is due to alteration in the underlying cost structure due to the implementation of Passenger Rail Investment and Improvement Act (PRIIA) Section 209 and the subsequent change to the state's financial responsibility. The recommended standard for all rail corridors, inclusive of the bus routes, is 50%. Future adjustments in service levels, fares, or other management actions will be expected in response to forecasts or actual experience of lower performance. All operating costs payable to Amtrak or any other contractor providing service to the rail corridor, including any ancillary contracts for supporting services, such as food and beverage, and information and reservation services, shall be considered part of the cost and calculated. Should such operating costs be part of a Joint Powers Authority budget, they shall be separated out so that the appropriate farebox recovery can be calculated for the corridor. All revenues creditable to the corridor shall be part of the farebox revenue.

**Total Operating Cost per Passenger Mile** - This cost efficiency measure is recommended as a standard requiring continuous improvement in constant year dollars, with State Fiscal Year 14-15 as the initial baseline (the baseline year is one year later than the usage performance measures due to significant changes in cost structure that are still occurring due to PRIIA Section 209 implementation). Constant year dollars shall be calculated using the OMB GDP Chain Deflator (or equivalent measure specific to California if available from the California Department of Finance). Adjustments in the baseline relative to significant shifts in federal statutory policy will be developed by the Secretary if they occur. If no significant changes in federal policy occur in State Fiscal Year 15-16, a two-year moving average basis may be used for both the baseline period and the measurement period.<sup>2</sup> Future year goal setting will be based on inflation expectations as established by an appropriate Department of Finance forecast.

## **Service Quality**

Service quality measures will rely on measures of service quality already reported by Amtrak (the current operator of service). Specific adjustments in standards may be recommended by the Secretary as a result of specific investments made to improve performance to better than the baseline standard or in order to permit corridor improvement to baseline standard over a phase-in period.

**Endpoint On-Time Performance (OTP)** – Endpoint OTP will be calculated as 90% of endpoint station arrivals within 15 minutes of schedule for trips of 251-300 miles, and within 10 minutes of schedule for trips of up to 250 miles. While the on-time performance calculation is calculated based on the distance traversed by each scheduled train, the route results that summarize the train level performance will be the data used for this standard at the state level. If public timetables are adjusted for minor maintenance and construction projects, Endpoint OTP will be

---

<sup>2</sup> For example, the baseline period would be SFY 14-15 plus SFY 15-16, while the measurement period would be SFY 15-16 plus SFY 16-17.



calculated against the adjustment timetable. Endpoint OTP should be reported both quarterly and by state fiscal year.

**All-Stations OTP** – All-Stations OTP is a calculation based on the percentage of train times (departure from origin station and arrival times at all other stations) at all of a train's stations that takes place within 15 minutes of the time in the public schedule. The standard is 90%, calculated quarterly. If public timetables are adjusted for minor maintenance and construction projects, All-Stations OTP will be calculated against the adjustment timetable. All-Stations OTP will be reported both quarterly and by state fiscal year, at the route level.

**Operator responsible delays per 10,000 train miles** - Operator responsible delays are more closely related to day-to-day corridor management than host railroad driven delays, and are thus considered a primary measure of effective corridor management. The standard of fewer than 325 minutes of delay per 10,000 train miles shall be the performance standard established for all rail corridors, utilizing the delay codes in Attachment 1. Should the delay codes undergo change in the future (addition or deletion), or specific adjustments be recommended based on investments designed to improve on the current standard, the Secretary may recommend changes in the method of calculating delay (i.e. the codes used) or in the baseline standard.

### **Management Metrics and Statistics**

Many additional metrics can be and are expected to be developed for purposes of good corridor management. These are not detailed in this report, but may be addressed further in the Interagency Transfer Agreements developed for JPA management. The limited list of standards included in this report should not prevent additional metrics from being developed to monitor and manage corridor performance.

### **III. Modification of Performance Standards**

A number of factors may lead to the need to modify the specific standards addressed in this document. The Secretary recommends that adjustments in each corridor's specific standards could be desirable under a number of circumstances, while continuing the goals established in this report. Examples include:

- Expectations of a higher baseline for passenger miles and/or ridership due to state funded improvements that lead to an expansion of service or capacity.
- Adjustments in standards that result from reduction in inflation-adjusted state funding available for service.
- Adjustments in standards that result from a recession in California, as determined by the State of California.
- Adjustments in standards due to significant changes in third party costs, currently listed in the Amtrak state contract as fuel and host railroad costs.
- Adjustments in standards that result from changes in federal statute, such as the cost allocation formula mandated under PRIIA Section 209 or its successor legislation.

- Adjustments in standards related to investments designed to improve on time performance and reduce delay.
- Adjustments based on improvements in available data that supports more accurate calculation of a specific standard, or responds to specific technical changes in the data available for the calculation.
- Adjustments that result from new rail network connectivity, such as connections to an emerging corridor or adjustments related to high-speed rail.

In addition, numerous additional statistics and metrics may be developed for purposes of promoting good planning and statewide performance management which may also lead to modifications of the performance standards. Some of these may be related to the categories of Usage, Cost Efficiency, and Service Quality covered in this report. Others may be developed for purposes of better understanding critical aspects of environmental performance, promotion of sustainable communities along the corridors, and effectiveness of fleet maintenance and management of state-owned rolling stock. Reporting on such measures will be separately addressed in the Interagency Transfer Agreements. In addition, requirements to achieve environmental goals may be conditions of certain future funds, and fleet performance may be governed by additional measures to be developed as an attachment to any ITA.

The resulting recommended changes in the methodology or level of the specific performance standard will be documented annually by the Secretary no later than date of approval of each corridor's business plan (currently no later than July 31<sup>st</sup> of each year), along with the reason for the change.

#### **IV. Modification of this Report**

Pursuant to Government Code section 14031.8(f)(2), "to the extent necessary, as determined by the secretary, [these] performance standards may be modified not later than July 30, 2015, or the effective date of the interagency transfer agreement, whichever comes first."

# ATTACHMENT 1

**Usage**

Corridor Passenger Miles – the total number of miles traveled by passengers on a corridor, comprised of total bus passenger miles and total train passenger miles, as reported by the rail corridor operator.

Train Passenger Miles – the total number of miles traveled by a passenger on a train corridor, excluding bus passenger miles.

Bus Passenger Miles – the total number of miles traveled by a passenger on a bus route, excluding train passenger miles.

Corridor population calculation for establishing passenger mile and ridership goals:

COUNTIES ASSIGNED TO EACH CORRIDOR	SFY 13/14	SFY 14/15 (or future year)	% INCREASE – Ridership/passenger mile goal
SAN JOAQUIN Alameda Contra Costa Sacramento San Joaquin Stanislaus Merced Madera Fresno Kings Tulare Kern	Sum of population for all counties assigned to the corridor	Sum of population for all counties assigned to the corridor	Increase in goal relative to SFY 13/14 baseline
PACIFIC SURFLINER San Luis Obispo Santa Barbara Ventura Los Angeles Orange San Diego			
CAPITAL CORRIDOR Placer Sacramento Yolo Solano Contra Costa Alameda Santa Clara			

Corridor Ridership – the total number of passengers on a corridor, comprised of total bus riders plus total rail riders.

## **Cost Efficiency**

Farebox Recovery – is calculated by dividing Total Revenue by Total Operating Expense.

Total Revenue – Total combined ticket, food and beverage, and other ancillary revenue as reported by the corridor operator.

Total Operating Expense – Total of all costs associated with the operations of a corridor, including but not limited to, third party costs, route costs, additives, and other costs associated with corridor operations that would otherwise be provided by the corridor operator or the state, including reservation and information call centers.

Host Railroad Maintenance of Way  
Host Railroad Performance  
Fuel and Power  
Route Operating Costs and Additives associated with Amtrak  
Route Operating Costs not associated with Amtrak (such as call centers) that may be part of either the State or JPA budget

Cost per Passenger Mile – is calculated by dividing Corridor Passenger Miles by Total Operating Expense

## **Service Quality**

The following delay codes are used to calculate the Operator Responsible Delays per 10,000 Train Miles, based on delay codes currently reported as Amtrak-responsible delays.

<b>Code</b>	<b>Code Description</b>	<b>Explanation</b>
ADA	Passenger Related	All delays related to disabled passengers, wheel chair lifts, guide dogs, etc.
CAR	Car Failure	Mechanical failure on all types of cars
CCR	Cab Car Failure	Mechanical failure on Cab Cars
CON	Hold for Connection	Holding for connections from other trains or buses
CTC	CETC System failure	Failure of the CETC train control system
ENG	Locomotive Failure	Mechanical failure on engines
HLD	Passenger Related	All delays related to passengers, checked-baggage, large groups, etc.
INJ	Injury Delay	Delay due to injured passengers or employees.
ITI	Initial Terminal Delay	Delay at initial terminal due to late arriving inbound trains causing late release of equipment
MTI	Disabled train ahead	Disabled train ahead due to mechanical failure
OTH	Miscellaneous Delays	Lost-on-run, heavy trains, unable to make normal speed, etc.
SVS	Servicing	All switching and servicing delays
SYS	Crew & System	Delays related to crews including lateness, lone-engineer delays

## **APPENDIX G**

### **TRANSFER AGREEMENT**

**DEPARTMENT OF TRANSPORTATION**

DIVISION OF RAIL

P.O. BOX 942874

SACRAMENTO, CA 94274-0001

916-227-9488

TDD (916) 654-4014



June 2, 1995

Mr. G.O. Mallery  
Chief Executive Officer  
West Coast Strategic Business Unit  
National Railroad Passenger Corporation  
800 North Alameda Street  
Los Angeles, CA 90012

Subject: Caltrans/Amtrak  
Transfer/Maintenance Agreement

Response to: N/A

Dear Mr. Mallery:

Per Mr Fred Ohly's request is a clean copy of the final Transfer/Maintenance Agreement with all lined out items and bolded items deleted from the document. A draft copy was signed last week, but we are asking that Amtrak make every effort to expedite the signing of these final Agreements so that everyone may have an original for their files. After receiving the original signed copies, Caltrans will sign them and return the Agreements to you via Federal Express.

If you have any questions, please contact Karen Hunter of my staff at (916) 227-9437.

Sincerely,

*Karen Hunter*  
for STEVE ALSTON, Chief  
Office of Rail Equipment

cc: S. Alston (Caltrans)  
S. Longhofer (Caltrans)  
K. Hunter (Caltrans)

S. Stadtfeld (BAH)

---

TRANSFER AGREEMENT  
INDEX

1. GENERAL PROVISIONS

- 1.1 Definitions
- 1.2 Notices
- 1.3 Successor and Assigns
- 1.4 Entire Agreement
- 1.5 Severability
- 1.6 Waiver
- 1.7 Authority of Caltrans Officer
- 1.8 Interpretation of this Agreement
- 1.9 Delivery
- 1.10 Acceptance
- 1.11 Title
- 1.12 Transfer

2. AMTRAK SERVICES TO BE PROVIDED

- 2.1 Basic Scope of Services
- 2.2 Administrative and Managerial Services
  - 2.2.1 General Management
  - 2.2.2 Accounting Records
  - 2.2.3 Performance Monitoring
- 2.3 Deployment Plan
- 2.4 Use of State Provided Equipment
  - 2.4.1 Emergency Circumstances
  - 2.4.2 Leasing of State Provided Equipment
  - 2.4.3 Special Trains
- 2.5 Clearing of Wrecks
- 2.6 Fares, Timetables and Ticket Sales
- 2.7 Maintenance of State Provided Equipment

3. AMTRAK RIGHTS AND OBLIGATIONS

- 3.1 Training Obligations
- 3.2 Subcontracting
- 3.3 Compliance with Industry Codes, Regulations and Standards
- 3.4 Reporting Obligations
- 3.5 Accounting Standards
- 3.6 Equipment Features

4. CALTRANS RIGHTS AND OBLIGATIONS

- 4.1 Operations and Management Supervision
- 4.2 Access to Equipment



- 4.3 Caltrans Right to Additional Information
- 4.4 Public Information Responsibilities
- 4.5 Advertising
- 4.6 Liaison with Transit Agencies
- 4.7 Transportation of Caltrans Employees
- 4.8 Other Contracting Rights

5. BUDGETING PROCESS

- 5.1 Initial Year Budget Process
- 5.2 Annual Budget Process
  - 5.2.1 Preparation of Planned Deployment Plan
  - 5.2.2 Preparation of Proposed Budget
  - 5.2.3 Information to Accompany Proposed Budget
- 5.3 Budget Amendment of Unforeseen Events
- 5.4 Budget Revisions Required Due to Cost Overruns
- 5.5 Additional Compensation

6. INVOICING AND PAYMENT

- 6.1 Form of Invoice
- 6.2 Schedule of Payments
- 6.3 Failure to Comply and Disputed Invoices
  - 6.3.1 Withholding Payment due to Failure to Comply
  - 6.3.2 Withholding Payment due to Invoice Dispute

7. CHANGES IN SERVICES OR SERVICE LEVELS

8. ACCESS TO STATE PROVIDED EQUIPMENT BY THIRD PARTIES

9. DAMAGE TO EQUIPMENT

10. DISPUTE RESOLUTION

- 10.1 Settlement of Disputes
- 10.2 Controversies Subject to Arbitration
- 10.3 Arbitration Procedure
- 10.4 Pending Resolution
- 10.5 Cost of Arbitration
- 10.6 Enforcement

11. EMPLOYEE CONDUCT

- 11.1 Employee Conduct and Discipline

12. EMERGENCIES

- 12.1 Force Majeure
-

- 12.2 Operation Disruption
- 12.3 Notification of Emergency

13. EFFECTIVE DATE, TERM AND TERMINATION

- 13.1 Term
- 13.2 Termination for Cause by Caltrans
- 13.3 Termination for Cause by Amtrak
- 13.4 Termination for Convenience
- 13.5 Termination Procedure
- 13.6 Rights and Obligations Upon Termination

APPENDIX 1

Transfer of Equipment Form

APPENDIX 2

Form of Budget  
Annual Contract Amount

APPENDIX 3

Form of Invoice

APPENDIX 4

State Provided Equipment Operating Procedures

TRANSFER AGREEMENT BETWEEN  
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION  
(CALTRANS)  
AND  
THE NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK)  
FOR THE TRANSFER AND OPERATION OF  
STATE PROVIDED RAIL EQUIPMENT  
DATED NOVEMBER 20, 1994

THIS AGREEMENT, DATED NOVEMBER 20, 1994, IS ENTERED INTO BY  
AND BETWEEN CALTRANS AND AMTRAK.

1. GENERAL PROVISIONS

1.1 Definitions

As used in this Agreement, the following terms shall have the meaning specified in this Section.

- a. Agreement. This Agreement and all appendices hereto as amended or modified pursuant to the terms hereof.
- b. Amtrak. The National Railroad Passenger Corporation.
- c. Amtrak Provided Equipment. Locomotives and passenger cars supplied by Amtrak under contract for State supported 49-U.S.C. 24704 service.
- d. Approved Contract Amount. The budget agreed upon by the parties pursuant to the process described in Section 5 of this Agreement, including any amendments to such budget.
- e. Caltrans. The California Department of Transportation.
- f. Caltrans Officer. The Chief of the Office of Equipment of the Rail Program of the California Department of Transportation, acting directly or through an authorized representative.
- g. Contract Services/Services. Those train operations and related functions that are specified to be performed by Amtrak for Caltrans by this Agreement and current 49-U.S.C. 24704 agreements.
- h. Delivery. The arrival and acceptance by Caltrans of vehicles, equipment, parts, materials, tools, documentation and training required under equipment manufacture contracts at the State-designated point of delivery in California.

- i. Equipment Delivery Period. The period of time between the first delivery of State Provided Equipment and the transfer to Amtrak of the final piece of State Provided Equipment.
- j. Federal Fiscal Year/Fiscal Year. The Federal Fiscal Year from October 1 through September 30.
- k. Maintenance Agreement. The agreement between Caltrans and Amtrak covering the maintenance by Amtrak of State Provided Equipment.
- l. Manufacturer. The original equipment manufacturers of State Provided Equipment including sub-suppliers.
- m. Operator. When used in this Agreement or the Appendices to it shall mean Amtrak.
- n. Planned Deployment Plan. The detailed description of the operation of State Provided Equipment in a Federal Fiscal Year, including specific routes on which Amtrak shall provide Services, train consists, units of equipment to be maintained, and other related services, all as agreed upon by the parties, prior to the start of each Federal Fiscal Year, or as amended by the agreement of the parties during the course of the Federal Fiscal Year.
- o. Service Property. The service property includes tracks, land, structures, and other maintenance facilities that are located on or adjacent to the rail lines and yards, that are used by Amtrak in provision of the Services under this Agreement.
- p. State. The State of California Department of Transportation.
- q. State Provided Equipment. Locomotives and passenger cars, including self propelled cars supplied by Caltrans, that are used in providing the Contract Services.
- r. Title. Documentation of ownership of locomotives and passenger cars as required by the State of California.
- s. Transfer. The change of custody for each locomotive or passenger car from Caltrans to Amtrak, or from Amtrak to Caltrans. Each locomotive or passenger car shall be considered transferred when the transfer document for the individual vehicle is signed by the Caltrans Officer and Amtrak's appropriate representative. Physical custody of each vehicle shall be assumed at a location agreed to by Caltrans and Amtrak.

1.2 Notices

Any notice, report, or other communication shall, unless otherwise specified, be in writing and shall be delivered in hand or mailed by first class mail, postage prepaid, addressed to:

G. O. Mallery  
Chief Executive Officer West Coast Strategic Business Unit  
National Railroad Passenger Corporation  
800 North Alameda Street  
Los Angeles, CA 90012  
Telecopy: (213) 683-6890

Rail Program  
Attention: Cindy McKim  
Deputy Director, Rail, Transit and Aeronautics  
California Department of Transportation  
1801 30th Street, East Building  
Sacramento, CA 95816  
Fax: (916) 227-9487

Either party may change the name, address, or title of the party to be notified hereunder by notifying the other party in writing of such change.

1.3 Successor and Assigns

The rights and obligations of Amtrak and Caltrans hereunder may not be assigned, other than by an act of Federal or State law, unless with the prior written consent of both parties.

1.4 Entire Agreement

This Agreement, which relates solely to the substitution of State Provided Equipment in lieu of Amtrak Provided Equipment, is in addition to agreements between Caltrans and Amtrak, which relate solely to the use of State funding to support Amtrak intercity operations.

This Agreement embodies the entire agreement between Caltrans and Amtrak as it relates to State Provided Equipment. No oral or prior written matter not incorporated herein will have any force or effect. The parties hereby acknowledge that they are not relying on any representations or agreements other than those contained in this Agreement, current 49-U.S.C. 24704 agreements, and the Maintenance Agreement for State Provided Equipment. This Agreement will not be modified except in writing subscribed to by both parties.

1.5 Severability

In the event that any provision of this Agreement is found to be invalid or unenforceable in any respect, the remainder of this Agreement shall nevertheless be

---

binding with the same effect as if the invalid or unenforceable provision were originally deleted. This will not apply where the provision that is declared invalid or unenforceable is so fundamental to the Agreement that the remainder of the Agreement, standing alone, does not represent a meeting of the minds of the parties, or that deletion substantially alters the rights or obligations of either party under the Agreement.

#### 1.6 Waiver

None of the provisions of this Agreement shall be considered waived by either party unless such waiver is reduced to writing and signed by the party to be charged. No such waiver shall be construed as a modification of any of the provisions of this Agreement or as a waiver of any past or future default of breach hereof except as is expressly stated in the waiver. The failure of either party to insist at any time upon the strict observance of any of the provisions of this Agreement, or to exercise any right or remedy in this Agreement, shall not impair any such right or remedy to be construed as a waiver or relinquishment thereof.

#### 1.7 Authority Of Caltrans Officer

The Caltrans Officer maintains sole authority and responsibility for the acceptance and transfer of State Provided Equipment on behalf of Caltrans. The Caltrans Officer has the authority to transfer State Provided Equipment from Caltrans to Amtrak or from Amtrak to Caltrans.

The Caltrans Officer shall decide on behalf of Caltrans all questions which may arise regarding the quality or acceptability of the Services performed under this Agreement; all questions which may arise regarding the interpretation of this Agreement; all questions that may arise regarding the acceptable fulfillment of this Agreement on the part of Amtrak; and all questions which may arise regarding compensation. In addition, the Caltrans Officer shall have complete authority to administer and make decisions on disputes and claims on behalf of Caltrans during the term of this Agreement. As the designated representative of Caltrans, the Caltrans Officer's decision shall be Caltrans final position and the Caltrans Officer shall have the authority to enforce and make effective such decisions and orders which Amtrak fails to carry out promptly. This is subject to the provisions of Section 10 "Dispute Resolution" of this Agreement.

The Caltrans Officer shall respond in writing, within twenty (20) working days of receipt, to all written questions and requests concerning approvals, interpretations, and other matters pertaining to this Agreement from Amtrak, unless otherwise allowed for by this Agreement.

Amtrak General Management shall respond, in writing, within twenty (20) working days of receipt, to all questions and requests for information in writing from the Caltrans Officer regarding this Agreement as those questions relate to Amtrak's operation of State Provided Equipment.

### 1.8 Interpretation of this Agreement

Should it appear that the services to be performed or any of the matters relative thereto are not sufficiently detailed or explained in this Agreement, Amtrak may request from the Caltrans Officer for such further written explanations as may be necessary, and shall as part of this Agreement conform to the explanation provided by the Caltrans Officer, provided that such explanation is consistent with the provisions of this Agreement.

### 1.9 Delivery

It is the sole responsibility of Caltrans to ensure that State Provided Equipment shall be delivered by the respective Contractors to a location determined and approved by Caltrans. After arrival of each locomotive or passenger car at the designated delivery point, and before the vehicle is placed in regular operation, a joint inspection shall be performed by Caltrans/Amtrak and the Manufacturer on each locomotive or passenger car and defects remedied prior to the transfer of State Provided Equipment to Amtrak. Removal of all temporary fittings required for shipment shall be the responsibility of the Manufacturer and shall be complete prior to transfer of State Provided Equipment.

### 1.10 Acceptance

After arrival at the designated point of delivery, each locomotive or passenger car will undergo acceptance testing by Caltrans with the assistance of Amtrak. When a locomotive or passenger car passes these tests to the satisfaction of the Caltrans Officer, written acceptance of the vehicle will be provided to the Manufacturer by the Caltrans Officer.

### 1.11 Title

Title to each vehicle shall be transferred to Caltrans immediately upon acceptance. Caltrans shall maintain title to all State Provided Equipment transferred to Amtrak. Title to State Provided Equipment shall remain with Caltrans at all times and shall not be assigned to any other party without the consent of the Caltrans Officer.

### 1.12 Transfer

The Caltrans Officer shall transfer State Provided Equipment to Amtrak for operations consistent with the Planned Deployment Plan. Locomotives and cars may be transferred individually, in consist, or in any quantity thereof. Transfer of each individual vehicle shall occur after joint inspection by Amtrak and Caltrans, and shall be formalized by the appropriate State and Amtrak documentation as contained in Appendix 1. Upon signature of the transfer document by the Caltrans Officer and Amtrak's appropriate representative, subject vehicles shall be considered in the custody of Amtrak for operation and maintenance in accordance with all of the terms of this Agreement. The parties shall modify the Statement of Condition in the Transfer of Equipment Form set forth in Appendix 1 to include any capital improvements or design changes/retrofits made during the term of this Agreement.



Transfer of each vehicle shall occur after delivery, and may occur either before or after acceptance and transfer of title from the Manufacturer.

In the event of special, unforeseen, or extenuating circumstances, or of termination or default of this Agreement by either Amtrak or Caltrans, Caltrans, as owner of the State Provided Equipment, may initiate transfer of custody of State Provided Equipment from Amtrak to the State of California. No later than thirty (30) days after receipt of the State's official written notification, Amtrak will transfer custody of designated State Provided Equipment to Caltrans at a Caltrans-determined location. The State Provided Equipment transferred back to Caltrans from Amtrak shall be in the same condition as referred in the initial transfer document, subject to normal wear and tear.

## 2. AMTRAK SERVICES TO BE PROVIDED

### 2.1 Basic Scope of Services

During the Agreement term, Amtrak shall operate and maintain State Provided Equipment in accordance with the Transfer and Maintenance Agreements and the Planned Deployment Plan in accordance with all applicable laws and regulations and in accordance with the terms and provisions herein set forth. The elements of the Contract Services may be altered by amendment of this Agreement as mutually agreed upon by Caltrans and Amtrak.

### 2.2 Administrative and Managerial Services

#### 2.2.1 General Management

Amtrak shall identify responsible qualified managers, based in California, who shall manage the provisions of this Agreement in a manner that is consistent with both parties' objective of providing the highest quality service to the public and the best interests of Caltrans.

The Amtrak managers assigned to the Services shall have experience and knowledge in the area of railroad passenger operations and shall have authority to make decisions in a timely manner concerning the daily operations and management of the Services consistent with this Agreement. Amtrak shall administer and manage all functions involved in providing the Services as set forth and described more fully in this Agreement in a manner which will comply with all applicable local, State and Federal requirements. All personnel provided by Amtrak and Amtrak's subcontractors involved in any aspect of providing the Services shall be employees or contractors of Amtrak or its subcontractors, and not of Caltrans, and shall be subject to the direction, supervision and control of Amtrak and not of Caltrans.

#### 2.2.2 Accounting Records

During the Agreement term, Amtrak shall keep full and accurate accounting records of all costs associated with this Agreement covering State Provided

Equipment. Amtrak shall retain such records for at least three (3) years following the end of the accounting period to which the records apply; such records may be retained on microfiche or electronic medium. The State may inspect, audit and obtain copies of the accounting records of Amtrak pertaining to the Contract Services at any reasonable time during regular business hours at Amtrak's place of business where said records are kept. Such actions shall not unreasonably interfere with the business or accounting functions of Amtrak. Amtrak shall cooperate fully with Caltrans in the explanation of the contents of said records.

### 2.2.3 Performance Monitoring

Amtrak shall maintain performance records and furnish the written performance reports as required by this Agreement. The criteria on which Amtrak will be monitored on a performance basis will be as follows:

- a. Performance of maintenance work specified in this contract and the Maintenance Agreement;
- b. Adherence to Amtrak operating crew procedures as they relate to State Provided Equipment. For example; car door use failures or operation of wheelchair lift;
- c. Provision of operation/warranty/performance guarantee reports as required by this agreement and the Maintenance Agreement;
- d. Availability of Amtrak Provided Equipment and State Provided Equipment for service as scheduled;
- e. Compliance with the Planned Deployment Plan.

Non-compliance with these criteria will result in enforcement of the provisions of Section 6.3.1.

### 2.3 Deployment Plan

The operation of State Provided Equipment shall be in accordance with current 49-U.S.C. 24704 agreements and the Planned Deployment Plan.

### 2.4 Use of State Provided Equipment

Unless otherwise specifically provided for elsewhere in this Agreement, the use of State Provided Equipment transferred to Amtrak for operation shall be governed by this Section 2.4.

State Provided Equipment shall not be utilized on any trains other than State supported 49-U.S.C. 24704 trains within the State of California unless approved in writing in advance by the Caltrans Officer.

In the event Caltrans gives permission for Amtrak to use State Provided Equipment on non-49-U.S.C. 24704 service or Amtrak sponsored special trains, the

State shall be reimbursed by Amtrak for the use of the State Provided Equipment at a daily rate to be mutually agreed upon before use of the equipment.

2.4.1 Emergency Circumstances

In "Emergency Circumstances" as detailed below, Amtrak may use State Provided Equipment without prior approval, providing that:

1. All reasonable efforts have been made to gain prior State approval; and,
2. The use of State Provided Equipment will not cause the substitution of non-State provided equipment in, or the annulment of, a State sponsored 49-U.S.C. 24704 service train; and,
3. The use of State Provided Equipment will not adversely impact State Supported 49-U.S.C. 24704 service schedules.

For the purpose of this section, "Emergency Circumstances" shall be considered all of the following:

1. Failure of Amtrak owned equipment that would cause the cancellation of an Amtrak funded service; and,
2. No replacement Amtrak owned equipment is available within 2 hours; and,
3. Replacement freight railroad owned equipment is not available within 2 hours.

In the event State Provided Equipment is used in "Emergency Circumstances" the State shall be reimbursed at the current highest lease rate charged by Amtrak to the State for similar Amtrak equipment.

In the event that Amtrak uses State Provided Equipment other than as provided for in this Agreement or as previously agreed to by the State in writing, then Amtrak shall compensate the State for the use of that State Provided Equipment at a rate of compensation to the State shall be two (2) times the current highest lease rate charged by Amtrak to the State for similar Amtrak equipment.

All reimbursements and compensation referred to in this section shall take the form of credits to the State to be applied to the then current month's invoice from Amtrak, and shall be expressly accounted for therein.

Amtrak is responsible for the maintenance and repair of any equipment used or damaged during Amtrak use on non-State sponsored trains, at no cost to Caltrans, prior to return to Caltrans. Amtrak shall continue to compensate the State at the applicable compensation rate until damaged State Provided Equipment is repaired and available for service in State sponsored service.

#### 2.4.2 Leasing of State Provided Equipment

Amtrak shall have the right, subject to Caltrans approval, to lease State Provided Equipment, for purposes other than provision of services covered by 49-U.S.C. 24704 agreements and by this Agreement, for use at times or places or during periods that do not impair Amtrak's ability to provide already contracted services, for which Caltrans shall be compensated as mutually agreed in advance of that equipment usage.

#### 2.4.3 Special Trains

Amtrak shall not use State Provided Equipment for special trains without the prior written approval of the State. Requests to use State Provided Equipment on special trains by Amtrak shall be submitted in writing at least thirty (30) days prior to the intended use. Such requests shall include the schedule for the special train, the duration that State Provided Equipment is required and any other relevant information required by Caltrans. Approval for use shall be at the sole discretion of the State. Caltrans shall respond to such requests no less than ten (10) working days after receipt of the written request. In the event that the State gives permission for Amtrak to use State Provided Equipment on non-49-U.S.C. 24704 services or Amtrak sponsored special trains, the State shall be reimbursed by Amtrak for the use of the State Provided Equipment, at a daily rate to be mutually agreed upon before the use of that State Provided Equipment.

The State shall have the absolute priority and right to use State Provided Equipment on State sponsored special trains. The operation of State sponsored special trains shall be mutually agreed upon between the State and Amtrak prior to operation. No less than thirty (30) days prior to any event for which Caltrans anticipates providing special train service, it shall submit to Amtrak a request in writing for Amtrak to operate such service. Amtrak shall, not less than ten (10) working days after receipt of the written request, inform Caltrans in writing of the cost of providing such service. Amtrak shall not unreasonably refuse to operate State sponsored special trains provided that State Provided Equipment and Amtrak crews are available. The operation of such special trains shall not unreasonably interfere with the contracted maintenance of State Provided Equipment.

The cost of operation of any special trains shall not be included in the approved contract amount unless specifically included in the Planned Deployment Plan. All reimbursements and compensations referred to in this section shall take the form of a credit to the State to be applied to the current month's invoice from Amtrak, and shall be expressly accounted for therein.

#### 2.5 Clearing of Wrecks

Amtrak will have full responsibility for clearing wrecks which involve State Provided Equipment.

The repair of wreck damaged State Provided Equipment shall be in accordance with the provisions of the Maintenance Agreement. Caltrans shall have access to the wreck site as allowed for in this agreement under Section 4.2 "Access to

Equipment". Caltrans shall be advised of wrecks pursuant to the provisions of Section 12.3 "Notification of Emergency".

2.6 Fares, Timetables and Ticket Sales

Fares, timetables and ticket sales shall be governed by the provisions of the 49-U.S.C. 24704 agreements in force at that time, unless otherwise agreed in writing.

2.7 Maintenance of State Provided Equipment

The maintenance of State Provided Equipment shall be in accordance with the separate Maintenance Agreement between Caltrans and Amtrak.

3. AMTRAK RIGHTS AND OBLIGATIONS

3.1 Training Obligations

Amtrak shall ensure that all employees and subcontractors assigned to the operation of State Provided Equipment are thoroughly trained in the operation of the specific features of State Provided Equipment. Operation of such features shall be in accordance with the provisions of this Agreement and standard Amtrak operating practice.

Amtrak will be responsible for ensuring that said training is provided when necessary and is regularly updated as required. Caltrans shall ensure that contracted training to be provided by the manufacturers is given to Amtrak's training personnel. This shall include the provision of trainer's notes to Amtrak. All subsequent training of personnel shall be the responsibility of Amtrak.

All training programs or portions thereof that are designed specifically for State Provided Equipment will be reviewed and approved by Caltrans, and will be designed, developed and implemented in accordance with established professional standards for performance-based instruction. Amtrak will provide Caltrans with copies of all training programs and records used for employees who are working on State Provided Equipment.

The training of Amtrak employees for the maintenance of State Provided Equipment shall be governed by the provisions of the Maintenance Agreement, Section 3.3. Amtrak shall maintain accurate training records which identify Amtrak personnel/subcontractors who received training, and the dates of courses taken. Training records shall be made readily available upon Caltrans request.

3.2 Subcontracting

Amtrak's subcontractors involved in any aspect of providing any Contract Services shall be subject to the direction, supervision, and control of Amtrak and not Caltrans.

### 3.3 Compliance with Industry Codes, Regulations and Standards

During the operation of State Provided Equipment, Amtrak shall comply with FRA and CPUC regulations, AAR and accepted industry standards, all applicable State and local codes, and all performance standards set forth in this document.

Amtrak shall be solely responsible for any fines or penalties resulting from violation of applicable laws and standards other than those that are solely a result of the original design and manufacture of State Provided Equipment.

### 3.4 Reporting Obligations

Amtrak shall provide Caltrans with access to the operational reports listed in this section. In addition, Amtrak shall prepare and submit in a timely manner, all reports affecting State Provided Equipment which are required to be submitted to any federal, state or local governmental agency, and shall furnish copies simultaneously to Caltrans. Amtrak shall also promptly furnish to Caltrans copies of any citations or complaints issued by an enforcement or regulatory body which involve State Provided Equipment, and Amtrak will advise Caltrans, within ten (10) working days, of the disposition of such citations or complaints. The purpose of the reports described in this section are to keep Caltrans apprised of the performance of, and incidents which may impact the operation of, State Provided Equipment.

Amtrak agrees to keep full and accurate records required herein and to provide Caltrans with such other reports or information as will fulfill the purpose described in the previous sentence. Amtrak shall not release or disclose any reports that relate solely to the performance of State Provided Equipment without prior notification to Caltrans.

Caltrans shall have on demand, via an Arrow terminal located at Caltrans Rail Program, access to the following Amtrak reports on an as needed basis:

- a. Unit Status List
- b. Display Unit Record Report
- c. Display Mechanical History Report
- d. Build Resources List Report
- e. Train Status Report for 49-U.S.C. 24704 Trains and Connections
- f. Daily Consist Report
- g. Daily West SBU Report

The Daily Division Report shall be supplied automatically each day by the Arrow printer at the Rail Program.

In addition, Amtrak shall supply copies of major incident reports, when completed, for incidents that involve State Provided Equipment or the Contract Services. The above reports are in addition to any other reports required elsewhere in this Agreement, in the 49-U.S.C. 24704 Agreement and in the Maintenance Agreement.

### 3.5 Accounting Standards

Amtrak shall maintain the books and records which are required by this Agreement, and shall provide or give access to, any financial or other reports required by this Agreement within fifteen (15) working days of receipt of a written request from Caltrans, all in accordance with Generally Accepted Accounting Principles.

### 3.6 Equipment Features

There are certain features specific to State Provided Equipment that require operation in accordance with the procedures detailed in Appendix 4 of this Agreement. Any revision to these procedures shall be mutually agreed between Amtrak and Caltrans and shall be followed by Amtrak on all State supported operations using State Provided Equipment.

## 4. CALTRANS RIGHTS AND OBLIGATIONS

### 4.1 Operations and Management Supervision

In addition to the rights and obligations stated elsewhere in this Agreement, Caltrans shall have the following rights with respect to control, oversight and monitoring of Amtrak's performance:

1. All facilities and equipment developed or used by Amtrak in the performance of its obligations under this Agreement and the levels of resources allocated/consumed to fulfill the terms of this Agreement and the Maintenance Agreement may be monitored.
2. State Provided Equipment may be inspected at any time and removed from service when in Caltrans sole discretion and with justifiable reason, any equipment is determined to be in an unacceptable condition.
3. At Caltrans sole discretion, the Caltrans Officer may direct Amtrak to cease operation of any State Provided Equipment operated in the 49-U.S.C. 24704 operations. Amtrak shall resume operation of any such State Provided Equipment only upon receipt of approval from Caltrans.

### 4.2 Access to Equipment

Authorized Caltrans staff will be allowed immediate and unannounced access to inspect State Provided Equipment transferred to Amtrak and may review Amtrak maintenance practices at any time.

A special access permit will not be required in the Amtrak maintenance facility, however Caltrans agrees that it will defend, indemnify and save harmless Amtrak and operating railroads, from and against any and all liability for bodily

injury, death, or property damage negligently caused by Caltrans staff while at Amtrak's mechanical facility. Upon arrival in that facility, authorized Caltrans staff will immediately contact Amtrak's Facility Manager or senior official prior to entering the equipment maintenance work area in order to coordinate their on-site activity. Authorized Caltrans staff and or representatives will comply with all Amtrak Safety rules and regulations while at the maintenance facility or on Amtrak property.

For head-end access, a special photo ID inspection permit will be required for Caltrans staff. Amtrak will provide no more than seven (7) photo ID Train Authorization Permits for Caltrans to issue its staff at any one time. The Amtrak Train Authorization Permit for selected Caltrans staff authorizes immediate and unannounced access to the cab of State Provided Locomotives (head-end) and on-board Amtrak trains. To protect the safety of Amtrak passengers and operating crews, Caltrans shall issue the Authorization Permit only to those individuals who have been trained, have knowledge of railroad operating rules and practices, and have a need, as determined by Caltrans, to have access to State Provided Equipment on Amtrak operated trains to perform their duties and responsibilities.

Amtrak agrees that authorized Caltrans staff will be permitted to inspect State Provided Equipment during revenue service, however, Caltrans agrees that it will defend, indemnify and save harmless Amtrak and the operating railroads, from and against any and all liability for bodily injury, death, or property damage negligently caused by Caltrans staff while inspecting State Provided Equipment in revenue service.

Authorized Caltrans staff shall have the right to be present at the site of wrecks or derailments involving State Provided Equipment and shall have the right to provide advice as to the recovery of State Provided Equipment. Notwithstanding the preceding sentence, Caltrans shall have no right to direct the actions of Amtrak or other parties in such cases. In the event that Caltrans advice is not followed and additional damage is caused to State Provided Equipment, Amtrak shall be responsible for the repair of said additional damage at no cost to Caltrans.

#### 4.3 Caltrans Right to Additional Information

Caltrans shall have the right to obtain from Amtrak within fifteen (15) working days of receipt of a written request, any reasonable information related to State Provided Equipment. This is in addition to any other rights to information and reports included in this Agreement and the 49-U.S.C. 24704 agreements.

#### 4.4 Public Information Responsibilities

Caltrans may assume some responsibility for marketing the public use of 49-U.S.C. 24704 services, and specifically State Provided Equipment, through advertisements or other promotions. Amtrak will cooperate with Caltrans in Caltrans marketing efforts as related to State Provided Equipment. This marketing authority is in addition to any related provisions within the 49-U.S.C. 24704 agreements.



Amtrak will inform Caltrans of all passenger complaints that relate to the design and function of State Provided Equipment. Amtrak will install at no cost to Caltrans, Caltrans-approved promotional materials or public information notices on State Provided Equipment pursuant to procedures established by Caltrans and Amtrak.

#### 4.5 Advertising

Only Caltrans may utilize or authorize the utilization of the interior and exterior of State Provided Equipment for the display of any written or printed advertising, promotional material, or public information notices, and any revenues from such advertisements shall be credited to the Service.

Only Caltrans may authorize, in writing the use of the Caltrans Logo or images of State Provided Equipment.

#### 4.6 Liaison with Transit Agencies

Caltrans reserves the right to coordinate with other transit agencies in such matters that do not affect the 49-U.S.C. 24704 agreement and the Planned Deployment Plan in force at that time. Such coordination will be at Caltrans sole discretion.

#### 4.7 Transportation of Caltrans Employees

Amtrak shall permit staff employed by the Caltrans Rail Program to travel at no charge on Amtrak intercity trains when said employee presents an Amtrak-issued photo identification pass. Travel is limited within the area served by State Provided Equipment only as necessary to transport such staff between stations or facilities in connection with the administration and performance of this Agreement, 49-U.S.C. 24704 agreements, and the Maintenance Agreement for State Provided Equipment, and other related agreements.

#### 4.8 Other Contracting Rights

Caltrans specifically reserves the right to contract with any other person, corporation or other entity for performance of any tasks required by Caltrans that are not specifically assigned to Amtrak by this Agreement and the 49-U.S.C. 24704 agreements in force at that time. Any employee or contractor of such person, corporation or other entity shall be permitted to perform contracted functions after daily operations at locations mutually agreed by Amtrak and Caltrans; provided however, that no such employee or contractor shall unreasonably interfere with Amtrak's operation, servicing, maintenance and inspection of State Provided Equipment or Amtrak equipment.

### 5. BUDGETING PROCESS

For the purpose of this Agreement, all budgets referred to shall be consolidated budgets that reflect all costs to the State for the provision of all current

---

49-U.S.C. 24704 services, provision of service as required by this Agreement and provision of services required by the Maintenance Agreement for any Federal Fiscal Year. No State funds are or will be encumbered under this Agreement.

5.1 Initial Year Budget Process

For the initial year of this Agreement, October 1, 1994 to September 30, 1995, the parties shall agree upon a Planned Deployment Plan.

For the initial year of this Agreement, Amtrak shall revise the previously submitted budget and submit it to Caltrans. This budget revision shall reflect the Planned Deployment Plan for the initial year.

A Planned Deployment Plan may be jointly modified at any time.

5.2 Annual Budget Process

5.2.1 Preparation of Planned Deployment Plan

Prior to April 1 of each year during the term of this Agreement, Caltrans shall prepare and submit to Amtrak a draft Planned Deployment Plan, for State Provided Equipment, for the time period of October 1 to September 30. This draft Planned Deployment Plan shall include a detailed description of the utilization of State Provided Equipment Caltrans expects Amtrak to provide in the next Federal Fiscal Year, and will form the basis for the final Deployment Plan. This coincides with the contracting period for the provision of 49-U.S.C. 24704 service in California.

Prior to May 1 of each year during the term of this Agreement, Caltrans and Amtrak shall jointly agree on the final Planned Deployment Plan, for State Provided Equipment.

5.2.2 Preparation of Proposed Budget

The Planned Deployment Plan shall form the basis for the budgeting of the Approved Contract Amount and the budget amount for the Maintenance Agreement in each Federal Fiscal Year. No later than June 1 of each year during the term of this Agreement, Amtrak shall prepare and submit to Caltrans a final budget, in a format as stated in this Agreement for provision of 49-U.S.C. 24704 Services, including appropriate detail concerning mechanical costs, described for the period October 1 to September 30. This budget shall reflect the costs to be incurred by the State for the actual operations and levels of Service provided during the current Federal Fiscal Year. The required form of the budget for the 49-U.S.C. 24704 Service is contained in Appendix 2 of this Agreement. The final budget shall be approved by Caltrans.

Once this budget is approved by Caltrans, it shall become the basis for the Approved Contract Amount for the next Federal Fiscal Year. The budget shall be approved by Caltrans no later than July 1.

The proposed budget shall reflect the costs to be incurred by the State for the actual operations and levels of Services being provided during the current Federal Fiscal Year, except as modified by the Planned Deployment Plan for any future period. The proposed budget shall be consistent with the Planned Deployment Plan and current 49-U.S.C. 24704 agreements and use the current Maintenance Agreement for State Provided Equipment (See Maintenance Agreement Appendix 7, Form of Budget). Amtrak shall specify the assumptions used in developing the proposed budget. The proposed budget shall not include any provision for the operation of special trains.

### 5.2.3 Information to Accompany Proposed Budget

For train routes that will not utilize State Provided Equipment in the next Federal Fiscal Year, the budget amount shall be as is currently provided under the 49-U.S.C. 24704 budget provisions.

For train routes that will use State Provided Equipment for part or all of the next Federal Fiscal Year, the train route budget shall show separate budget amounts for the following line items:

- a. Maintenance of State Provided Equipment (See Maintenance Agreement Appendix 7, Form of Budget)
- b. Fuel for State Provided Equipment
- c. Food Service Supplies and Consumables for State Provided Equipment

### 5.3 Budget Amendment for Unforeseen Events

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Contract Amount, which events will cause a material change in the assumptions used in developing the costs included in the Approved Contract Amount, the parties shall agree upon amendments to the Approved Contract Amount for that Fiscal Year to reflect those changes.

### 5.4 Budget Revisions Required Due to Cost Overruns

If, during a Federal Fiscal Year, the costs to be incurred by the State are projected to exceed the Approved Contract Amount for that Federal Fiscal Year to date, Amtrak shall immediately inform Caltrans, with an explanation of the reasons for the projected cost overrun from the Approved Contract Amount to date, and of the actions Amtrak will take, subject to Caltrans approval, to bring any variance back into conformity with the Approved Contract Amount for that Federal Fiscal Year.

Amtrak shall submit a proposed revised budget to Caltrans within thirty (30) days of notification that Amtrak will exceed the approved contract amount, and the parties shall promptly agree upon a revised Approved Contract Amount for the remainder of the Federal Fiscal Year.

In addition, on May 1 of each Fiscal Year, Amtrak shall provide to Caltrans a forecast of expected actual costs to the State and any anticipated or known variance

from the Approved Contract Amount to provide the agreed services for the remainder of that Federal Fiscal Year.

If the parties are unable to agree upon a revised Approved Contract Amount for provision of the Services as detailed in this Agreement, the Maintenance Agreement and the 49-U.S.C. 24704 agreements for the remainder of the Federal Fiscal Year, the parties will meet to agree upon service reductions or modifications that will permit operation for the remainder of the Federal Fiscal Year within the operating funds available to Caltrans.

#### 5.5 Additional Compensation

In the event Caltrans requests additional services be provided by Amtrak, such as special trains, the cost to the State of such services shall be considered separate from the Approved Contract Amount and not subject to the other provisions of the Section 5 "Budgeting Process".

### 6. INVOICING AND PAYMENT

#### 6.1 Form of Invoice

The form of all invoices shall be as shown in Appendix 3 of this Agreement with the following additional information, to be provided as attachments to the invoice, as referenced in this section.

The payment and invoice process for 49-U.S.C. 24704 services shall not change from that referenced in the 49-U.S.C. 24704 agreements and shall include all costs associated with this agreement and the Maintenance Agreement, with the following exceptions as they relate to State Provided Equipment where additional support for the costs incurred is to be provided.

- a. Maintenance of State Provided Equipment,
- b. Fuel for State Provided Equipment; and,
- c. Food service supplies and consumables and revenues for State Provided Equipment.

For the following items included in 49-U.S.C. 24704 invoices, the following additional information shall be supplied with respect to State Provided Equipment:

- d. Rolling Stock Rental - for State Provided Equipment this shall be the actual cost incurred with details of the cause of such cost to be shown.
- e. Depreciation and Interest - Depreciation and Interest shall not apply to State Provided Equipment.
- f. Inventory Purchases - Caltrans costs for spare parts provided by Amtrak for State Provided Equipment shall be the same as current 49-U.S.C. 24704 agreements where the State Provided Equipment is used on

existing 49-U.S.C. 24704 services. For parts unique to State Provided Equipment which are in Caltrans Store Code, payment shall be made when Amtrak receives parts at the purchase order price plus freight. Shared parts shall be paid at time of issuance. In the event that State Provided Equipment is used to provide new service, this section shall be subject to renegotiation.

## 6.2 Schedule of Payments

The scheduling of payments shall be as provided in the 49-U.S.C. 24704 agreements, including advance monthly payments, with those exceptions as provided in Section 6 and 10 of this Agreement.

## 6.3 Failure to Comply and Disputed Invoices

In the event that Amtrak fails to perform the services as required by this Agreement and/or the Maintenance Agreement, or an invoiced amount is disputed by Caltrans, the provisions of this Section 6.3 shall apply.

### 6.3.1 Withholding Payment Due to Failure to Comply

In the event Amtrak does not comply with the requirements of this Agreement or the Maintenance Agreement as they relate to State Provided Equipment, Caltrans shall compute the value of the perceived failure and notify Amtrak in writing that a corresponding amount will be withheld from the monthly advanced payment following the next monthly payment if the perceived failure has not been resolved to Caltrans satisfaction. Caltrans shall detail the reason for the proposed withholding of payment and the actions Caltrans considers necessary to resolve the perceived failure.

Once resolution of the failure to comply is achieved between Caltrans and Amtrak, the notice to withhold will be withdrawn, or the monthly payment withheld will be remitted with the next monthly advanced payment. Should resolution of the non-compliance not be achieved through negotiation or the provisions of Section 10, "Dispute Resolution", the withheld amount will be paid under protest once the invoice for that month is presented. Such payment shall not be considered as resolution of the dispute and the process outlined in Section 10, "Dispute Resolution", shall be carried to its conclusion. Should the resolution of the dispute result in a refund to Caltrans, said refund shall be applied as a credit to the next monthly advanced payment, and shall be expressly accounted for therein.

### 6.3.2 Withholding Payment Due to Invoice Dispute

In the event Caltrans disputes a charge detailed in the monthly invoice, and Amtrak cannot provide an acceptable explanation of said charge, Caltrans shall have the right, at its sole discretion, to withhold the disputed invoice amount. Caltrans shall advise Amtrak of the amount of disputed charges withheld, detail reasons for the withholding, and the actions that Caltrans considers necessary to resolve the disputed invoice amount. Caltrans shall

notify Amtrak in writing one month in advance of its intention to withhold the payment of an invoice amount. In the event that resolution of the disputed invoice amount is not achieved within the notice period, Caltrans shall withhold the disputed invoice amount from the next invoice payment due after the notice period has expired.

If resolution of the disputed invoiced amount is achieved between Caltrans and Amtrak after the amount has been withheld, the withheld amount will be remitted with the next invoice payment. Should resolution of the disputed invoiced amount not be achieved through negotiation or the provisions of Section 10, "Dispute Resolution", the withheld amount will be paid under protest after three calendar months of withholding. Such payment shall not be considered as resolution of the dispute and the process outlined in Section 10, "Dispute Resolution", shall be carried to its conclusion.

#### 7. CHANGES IN SERVICES OR SERVICE LEVELS

All changes to levels of service for trains utilizing State Provided Equipment shall be conducted in accordance with the provisions of the 49-U.S.C. 24704 agreements and this Agreement. All agreed upon changes will be reflected in the issuance of a revised Approved Contract Amount and Planned Deployment Plan.

#### 8. ACCESS TO STATE PROVIDED EQUIPMENT BY THIRD PARTIES

Amtrak shall permit Caltrans third party contractors to enter upon those portions of the property over which Amtrak exercises control or over which Amtrak has maintenance responsibility for the purpose of conducting necessary work on State Provided Equipment subject to compliance with all applicable operating and safety rules. Before any such third party is given access approval, Amtrak may require advance notification and may require appropriate indemnification forms be signed. Amtrak shall not unreasonably refuse approval for access to State Provided Equipment by third parties, provided no existing Amtrak signatory labor contracts are violated.

#### 9. DAMAGE TO EQUIPMENT

Equipment owned/operated by Amtrak shall include State Provided Equipment for liability and repair purpose.

When it is determined by arbitration or agreement as provided in Section 10 of this agreement that damage to State Provided Equipment has been caused solely by the negligent acts or omissions of Amtrak, including its employees, subcontractors, or agents, Amtrak shall be solely responsible for the cost of clearing wrecks, repair of damage, or provision of replacement equipment to permit continued operation of the 49-U.S.C. 24704 service; such costs shall not be included in determining the avoidable deficit of the 49-U.S.C. 24704 service. In addition, no insurance or system self-insurance and wreck damage costs shall be charged to 49-

U.S.C. 24704 services to the extent that State Provided Equipment is used to operate that service. For purposes of this section, a railroad or other entity that has contracted to permit Amtrak to use its rail lines or services shall not be deemed to be a subcontractor or agent of Amtrak.

In the event Amtrak recovers costs from a third party due to damage to, or derailment of, State Provided Equipment, and Caltrans has contributed to the costs for recovery and/or repair of the affected State Provided Equipment, Caltrans shall be reimbursed its contribution by Amtrak in the form of a credit to the State, to be applied to the next current month's invoice from Amtrak. In no event shall the amount of reimbursement to Caltrans exceed Caltrans' original contribution or the amount recovered from the third party. To the extent that Amtrak is unable to pursue a third party responsible for damage to State Provided Equipment, then Amtrak shall assign such collection to the State if requested.

## 10. DISPUTE RESOLUTION

### 10.1 Settlement of Disputes

Both parties to this Agreement shall make every reasonable effort, through telephone communications, letters, and meetings, to settle any dispute arising out of this Agreement without resorting to arbitration. The parties shall make every reasonable effort to meet within thirty (30) days to discuss disputes. If the parties so agree, they may involve a disinterested person experienced in railroad operations, or an accountant if appropriate, to render his or her objective advice and opinions, which shall be advisory only and not binding unless the parties agree in writing to be bound by his or her judgment in a particular instance.

### 10.2 Controversies Subject to Arbitration

Any claim or controversy between Caltrans and Amtrak which cannot be resolved by the parties concerning the interpretation, application, or implementation of this Agreement shall be resolved by submitting it to arbitration pursuant to the provisions of this Section 10; provided, however, that no such claim or controversy shall be submitted to arbitration until it has first been submitted to the Caltrans' Caltrans Officer and Amtrak's assigned manager of State-sponsored Services for resolution between them.

### 10.3 Arbitration Procedure

Any controversy, claim or dispute arising out of or related to the interpretation, construction, performance or breach of this Agreement which cannot be resolved by the parties, shall be submitted to mediation in the County of San Francisco, California, administered by the American Arbitration Association under its Commercial Mediation Rules. Mediation shall proceed and continue until the matter is either resolved, or the mediator finds, or the parties agree, that mediation should not continue. However, unless otherwise agreed, the mediation process shall not last more than sixty (60) days. If the parties cannot resolve the

---

controversy, claim or dispute through the mediation process described above, the matter shall upon the request of any party, be settled by arbitration in the County of San Francisco, California, administered by the American Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

#### 10.4 Pending Resolution

Except as provided specifically in other sections of this Agreement, when such arbitration is pending, the business, operations, physical plant and compensation for Services under this Agreement, to the extent that they are the subject of such controversy, shall continue to be transacted, used, and paid in the manner and form existing prior to the arising of such controversy, unless the arbitrators shall make a preliminary ruling to the contrary.

#### 10.5 Cost of Arbitration

All direct costs and expenses of mediators, arbitrators, and associated facilities shall be borne equally by the parties; all costs and expenses of each party other than those for payment to the mediator or arbitrator(s) and/or mediation or arbitration facilities shall be borne and paid for by the party which incurs such expenses. In the event legal proceedings (other than mediation and arbitration) are instituted to enforce a settlement agreed to in a mediation or an arbitration decision, the prevailing party in said enforcement proceedings shall be compensated for all costs associated with enforcement of the settlement, including attorneys fees, in addition to any other relief to which it may be entitled.

#### 10.6 Enforcement

Upon failure of a party to comply with an arbitration award issued pursuant to this Section, the other party may refer the matter to a court of competent jurisdiction for enforcement of the said award.

### 11. EMPLOYEE CONDUCT

#### 11.1 Employee Conduct and Discipline

All Amtrak employees/subcontractors engaged in providing the State Provided Services shall be fully trained and qualified, according to Amtrak standards, and shall discharge their duties in a safe, courteous, and efficient manner. Employees dealing with the public shall be clean and properly attired while on duty. Amtrak shall properly discipline any employee whose conduct is not consistent with the proper and efficient operation of State Provided Equipment as listed below:

- a. Repeated instances of willful failure to use the features of State Provided Equipment in accordance with this Agreement and Amtrak and manufacturer operating procedures.



- b. Willful or negligent conduct resulting in damage to, or the degradation of, State Provided Equipment.

Amtrak shall promptly hold a disciplinary hearing, and if possible when requested by Caltrans, hold Amtrak employees and Subcontractors out of Services utilizing State Provided Equipment pending the hearing. Amtrak shall promptly hold disciplinary hearings, and in accordance with the findings of those hearings assess discipline in accordance with applicable Amtrak labor agreements. Information pertaining to employee conduct witnessed by Caltrans employees should be forwarded to Amtrak's Western Strategic Business Unit (SBU) in Los Angeles. If the hearing results in a finding of guilt, the employee shall be reassigned to the extent possible, from Services utilizing State Provided Equipment. The provisions of this section shall be governed by applicable Amtrak labor agreements.

## 12. EMERGENCIES

### 12.1 Force Majeure

Each party will be excused from performance of its obligation, except obligations involving payment to the other party, where such non-performance is caused by any event beyond its control, such as any order, rule, or regulation of any federal, state, or local government body, agent, or instrumentality, work stoppage, accident, natural disaster, or civil disorder, provided that the party excused hereunder shall use all reasonable efforts to minimize its non-performance and to overcome, remedy or remove such event in the shortest practical time.

### 12.2 Operation Disruption

Amtrak shall inform passengers on State Sponsored Service of any foreseeable disruptions and resulting delays. Amtrak may make reasonable temporary adjustments in schedules or consists and take other such actions as are necessary to minimize interference with train operations caused by the performance of necessary track and roadbed maintenance, track construction work or construction of public utilities or highways.

### 12.3 Notification of Emergency

In the event of an emergency involving State Provided Equipment, as detailed in this section, Amtrak shall notify Caltrans within two hours after Amtrak has been made aware of the occurrence of the emergency. Amtrak will notify Caltrans by any of the following procedures:

- a. The Caltrans 24 Hour Emergency Office;
- b. Caltrans "Arrow" terminal or printer - Sending a "FLASH" message.

For the purposes of this section, an emergency that requires notification involves a fatality, including crew members, on-board personnel or passengers, and

affects or was caused by State Provided Equipment or results in damages expected to exceed \$20,000 in repair or replacement of State Provided Equipment.

All other incidents not covered by the above shall be reported to Caltrans in the Daily Division Reports.

13. EFFECTIVE DATE, TERM AND TERMINATION

13.1 Term

This Agreement shall take effect November 20, 1994 and remain in effect until terminated by 60 days advance notice from either party to the other.

13.2 Termination for Cause by Caltrans

Caltrans may, at its sole discretion, terminate this Agreement upon thirty (30) days prior notification upon the occurrence of material breach of this Agreement, which shall include, but not be limited to, the following:

1. Amtrak's refusal to perform any of the Services scheduled or required under this Agreement when such refusal significantly disrupts Caltrans operations and is not excused by any other provisions of this Agreement.
2. Amtrak's insolvency or inability to meet its obligations, the filing of an involuntary petition in bankruptcy against it, the adjudication of bankruptcy, Amtrak's making an assignment for the benefit of creditors, filing a petition for an arrangement, composition or compromise with its creditors under any applicable laws, or having a trustee, receiver, or other officer appointed to take charge of its assets.
3. Amtrak's failure to comply with a valid law, ordinance, rule, regulation or order of any legal entity or authority and that failure has a material impact on Amtrak's ability or fitness to carry out its obligations to provide the Services under this Agreement.
4. Amtrak's failure to comply with the terms and conditions of the Maintenance Agreement.

13.3 Termination for Cause by Amtrak

Amtrak may, at its sole discretion, terminate this Agreement upon the occurrence of material breach of this Agreement, which shall include, but not be limited to, the failure of Caltrans to make payments as required by this Agreement.

13.4 Termination for Convenience

Caltrans may, no later than thirty (30) days after the occurrence of any of the following, where the occurrence of the event makes it impossible or unsuitable for Amtrak to continue as operator of the Services, terminate this Agreement:

1. The abolition or merger of Caltrans with another entity.
2. Legislation or court decision requiring that another entity operate or finance the Services.
3. Funding is not available for the Services.
4. Patronage on trains included in the Caltrans operation falls so short of projections that the Service is not deemed cost effective with respect to the transportation benefits and air quality goals.
5. Legislation, regulation or court decision places on Caltrans, or on the operation of the Services, financial or operational burdens which are so great as to degrade service quality below acceptable levels, or which imposes unforeseen and excessive liabilities on Caltrans, or which raises costs to a level where costs are deemed by Caltrans to exceed benefits.
6. Caltrans determines that continued provision of Services by Amtrak will result in imminent danger to the public health or safety.

### 13.5 Termination Procedure

Upon termination, the party electing to terminate the agreement shall follow the procedure set forth below:

1. The party electing to terminate shall notify the other in writing and clearly state the basis for that action.
2. The termination shall be effective no later than thirty (30) days after receipt of notice, except that a termination for cause shall not become effective if the other party has taken effective action to remedy the default within that thirty (30) day period.

### 13.6 Rights and Obligations Upon Termination

1. Upon termination for cause or termination for convenience Caltrans shall have the right to contract for Services by another party.
2. Amtrak shall bear any incremental cost incurred by either Caltrans or Amtrak that is attributable to termination for cause by Caltrans.
3. Caltrans shall bear any incremental cost incurred by either Caltrans or Amtrak that is attributable to termination for cause by Amtrak.
4. Notwithstanding Subsections 2 and 3 above, Caltrans shall pay the following termination costs to Amtrak upon termination for convenience:

TRANSFER AGREEMENT

- a. The reasonable cost of settling and paying claims out of the termination of Services under subcontracts or purchase orders;
  - b. Reasonable costs determined at the time of termination which are incurred pursuant to the performance of any specific written instructions received from Caltrans concerning such termination; and,
  - c. Any other reasonable costs incidental to such termination of Services.
5. Notwithstanding all of the foregoing, the total amount of termination costs payable to Amtrak shall not exceed 1/12 of the Approved Contract Amount for the Fiscal Year in which the termination occurs.
6. No termination of this Agreement shall diminish or affect Caltrans obligation to pay for any Services rendered or to fulfill other obligations incurred prior to the effective date of the termination.

IN WITNESS WHEREOF, the parties have set their hands

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

NATIONAL RAILROAD  
PASSENGER CORPORATION

\_\_\_\_\_  
(sign)

\_\_\_\_\_

\_\_\_\_\_  
(print)

\_\_\_\_\_

\_\_\_\_\_  
(date)

\_\_\_\_\_

By:

By:

Its:

Its:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name  
Title

Name: \_\_\_\_\_

APPENDIX 1

TRANSFER OF EQUIPMENT FORM

---

TRANSFER OF EQUIPMENT FORM

Unit Description: \_\_\_\_\_

Unit Serial Number: \_\_\_\_\_

Unit Road Number: \_\_\_\_\_

Effective Date of Transfer: \_\_\_\_\_

Condition, Inventory and Exceptions Noted at Transfer

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved for Transfer

Approved for Acceptance

\_\_\_\_\_  
Caltrans Officer

\_\_\_\_\_  
Amtrak Representative

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

APPENDIX 2

FORM OF BUDGET

AND

APPROVED CONTRACT AMOUNT

---

FORM OF BUDGET

Fiscal Year: \_\_\_\_\_

Train No # \_\_\_\_\_

Note 1

Revenues

Transportation	
Food & Beverage	
Mail, Express, other	

Total Projected Revenues

Expenses	Amtrak Provided Equipment	State Provided Equipment
Train & Engine Crews	Note 2	
Train Fuel	Note 3	Note 4
OBS - labor	Note 3	Note 4
OBS - supplies	Note 3	Note 4
Rolling Stock Rental		
Station Services		
Transportation		
Maintenance of Equipment	Note 3	Note 5
Maintenance of Way		
Other Railroad		
Railroad Performance Payments		
Commissary		
Crew Base		
Sales and Marketing		
Reservations		
General Support		
Insurance		
Accounting & Administration		

Projected Annual Expense \_\_\_\_\_

Projected Annual Income (Deficit) \_\_\_\_\_

Projected State Share of Deficit Note 6 \_\_\_\_\_

Equipment Capital Costs (D & I) \_\_\_\_\_

Total Annual State Contribution \_\_\_\_\_



NOTES

1. A separate budget sheet shall be prepared for each train number for the fiscal year. A single summary sheet shall show the total projected cost to the State for all 49-U.S.C. 24704 service for the next fiscal year.
2. Where no note is shown the budgeted value shall reflect the allocated cost as currently specified by 49-U.S.C. 24704 agreements.
3. Budget value based on allocated costs for Amtrak Provided Equipment.
4. Budget value based on actual costs for State Provided Equipment.
5. Budget based on the total maintenance budget, extracted on the basis of vehicle months for State Provided Equipment on that train number for the fiscal year, according to the Planned Deployment Plan. The total budget allocations for the maintenance of State Provided Equipment across all train numbers shall equal the total maintenance budget generated in accordance with the terms of the Maintenance Agreement. Section 6 - Materials Management, of the Maintenance Agreement.
6. Costs shared per existing 49-U.S.C. 24704 agreements.

---

ANNUAL CONTRACT AMOUNT

Fiscal Year \_\_\_\_\_

Total Annual State Contribution (Operating Expense)  
(Amount generated from Form of  
Budget for all Train Numbers)

\_\_\_\_\_

Total State Cost for Inventory Control Personnel  
Personnel Salary

\_\_\_\_\_

Personnel Benefits

\_\_\_\_\_

TOTAL FOR INVENTORY CONTROL  
(See Form of Invoice, Note 7)

\_\_\_\_\_

Total State Cost for Storage Facilities  
(Not included elsewhere)

\_\_\_\_\_

TOTAL CONTRACT AMOUNT

\_\_\_\_\_

APPENDIX 3  
FORM OF INVOICE

FORM OF INVOICE

Month: \_\_\_\_\_

Train No #  
\_\_\_\_\_

Note 1

Revenues

Transportation	
Food & Beverage	
Mail, Express, other	

Total Months Revenues \_\_\_\_\_

Expenses

	Amtrak Provided Equipment	State Provided Equipment
Train & Engine Crews	Note 2	
Train Fuel	Note 3	Note 4
OBS - labor	Note 3	Note 4
OBS - supplies	Note 3	Note 4
Rolling Stock Rental		
Station Services		
Transportation		
Maintenance of Equip	Note 3	Note 5
Maintenance of Way		
Other Railroad		
Railroad Performance Payments		
Commissary		
Crew base		
Sales and Marketing	Note 3	Note 4
Reservations		
General Support		
Insurance		
Accounting & Administration		

Total Month's Expenses \_\_\_\_\_

Months Income (Deficit) \_\_\_\_\_

State Share of Deficit Note 6

Inventory Control Note 7

Equipment Capital Costs (D & I) \_\_\_\_\_

Less:

Monthly Advanced Payment \_\_\_\_\_

Amount Due (Refund) from State \_\_\_\_\_

NOTES

1. A separate invoice shall be submitted for each train number for each month. A single summary sheet shall show the total State contribution for all 49-U.S.C. 24704 service for the month.
2. Where no note is shown the expense shall reflect the cost as currently specified by 49-U.S.C. 24704 agreements.
3. Expense shall be the costs for Amtrak Provided Equipment.
4. Expense shall be the actual costs for State Provided Equipment.
5. Expense shall be the actual cost for Equipment maintenance, extracted on the basis of vehicle months for State Provided Equipment on that Train Number for that month. The total actual cost for the maintenance of State Provided Equipment across all Train Numbers shall equal the total cost shown on the maintenance cost information sheet generated in accordance with the terms of the Maintenance Agreement. This does not include inventory control labor (1 person).
6. Shared costs based on current 49-U.S.C. 24704 agreements.
7. Expense shall be the actual cost for one inventory control position. Inventory control position shall be limited to one Personnel Year (PY) with benefits and salary not to exceed \$44,000/year.

APPENDIX 4

STATE PROVIDED EQUIPMENT OPERATING PROCEDURES

## DOOR CONTROL

### EQUIPMENT

The California Car is equipped with trainlined door control, to maximize passenger flow in boarding and alighting operations, and thereby minimize station dwell time. Each cab and trailer has two 52-inch wide passenger door openings on each side of the lower level. The doors are of the sliding pocket type, electrically controlled and pneumatically operated, with two door panels for each door opening.

The doors may be controlled from control panels located adjacent to the door openings at the "B" end of the car. The control panels are accessible and operable by a standard conductor's key. Each panel may be configured to control all doors ahead of the local door, all doors behind the local door, or the local door alone. The door control system is interlocked with the propulsion control system to prevent motion of the train when any of the doors are opened for passenger boarding or alighting. An override button is provided to allow one door leaf to be kept open upon departure at speeds up to 10 miles per hour, to allow Amtrak personnel to look out the door and in either direction of train travel. The override button must be kept depressed to keep the door open.

The lower floor of the California Car is 18 inches above the Top of Rail. Station platforms in California are intended to be constructed or modified to a height of 8 inches above the Top of Rail. The predominant step height between platform and car floor throughout California is therefore 10 inches. There are, however, platforms lower than the Top of Rail.

### PROCEDURES

Amtrak personnel shall follow all manufacturer's prescribed procedures in the operation of the doors and trainlined door control system. The following shall supplement Amtrak's standard boarding and alighting procedures:

- Both leaves shall be opened at active doors throughout boarding and alighting.
- At stations with platforms constructed to 8 inches above the Top of Rail, all doors on the platform side of the train shall be opened for boarding and alighting when the train is stopped at a station.
- At stations with platforms constructed to 8 inches above the Top of Rail, when a consist is longer than a train platform, or the train must be stopped such that not all doors are positioned over the platform, only those doors over the platform shall be opened.
- At stations with platforms lower than 8 inches above the Top of Rail, the number of doors opened shall equal the number of train Amtrak personnel available to attend boarding and alighting, with one Amtrak personnel per open door.

- At stations with platforms lower than 8 inches above the Top of Rail, Amtrak personnel shall deploy step boxes on the platform to assist fully ambulatory passengers in boarding and alighting.
- When one or more wheelchair lift is deployed at any station, at least one other door shall be opened and crewed for boarding and alighting of fully ambulatory passengers.

## WHEELCHAIR ACCESS

### EQUIPMENT

The California Car is designed to maximize access to the car, its amenities and features for all passengers, regardless of physical ability. It is equipped with on-board wheelchair lifts, one on either side of the car, both located at the door openings at the "B" end of the car. The wheelchair lifts are manually deployed and electrically operated, and can be used for the boarding and alighting of passengers in wheelchairs over the entire range of platform/car floor height differentials. Door openings at the "B" end of the car are identified by standard wheelchair access symbols.

The lower level passenger seating area of the California Car is designed for access by passengers in wheelchairs. Two spaces for passengers in wheelchairs are provided in the lower level passenger seating area. These spaces are equipped with tip-up passenger seats which when stored, allow ample space for the positioning of a wheelchair, according to ADA requirements. In addition, all double and single seats have movable armrests to allow the transfer of a passenger from a wheelchair to a standard passenger seat.

There are two lavatories on the lower level, of which the one at the "A" end is designed for access by passengers in wheelchairs.

### PROCEDURES

Amtrak personnel shall follow all manufacturer's prescribed procedures in the operation of the on-board wheelchair lifts. The following shall supplement Amtrak's standard procedures for providing access to passengers with physical disabilities.

- Amtrak personnel attending passenger doors shall identify in advance passengers on the train or on the platform who will require use of the on-board lift(s), and direct them to attended, lift-equipped doors.
- If all wheelchair seating locations in a given car are full, and a boarding passenger in a wheelchair does not wish to transfer to a standard seat, the passenger shall be directed to the nearest attended lift-equipped door, in a car that has adequate capacity. If no other lift-equipped door is attended,



Amtrak personnel shall attend the nearest lift-equipped door in a car that has adequate capacity.

- At stations with platforms lower than 8 inches above the Top of Rail, if lifts are deployed at one or more equipped door openings, at least one additional door shall be open and attended for the boarding and alighting of fully ambulatory passengers.
- Amtrak personnel attending doors where lifts are deployed shall direct fully ambulatory passengers to other doors for boarding and alighting.
- Amtrak personnel shall provide assistance as required or requested to passengers using the on-board lift to ensure their safe and secure boarding and alighting.
- Amtrak personnel shall direct passengers in wheelchairs to designated seating locations in the lower level passenger seating area, and shall provide whatever assistance is required to ensure that both the passengers and their mobility aids are safely and securely situated.
- Amtrak personnel shall assist passengers wishing to transfer from wheelchairs to standard passenger seats as required or requested, and shall assist them in transfer to their wheelchairs with ample time before the next scheduled stop to facilitate efficient passenger boarding and alighting.
- Wheelchairs of passengers transferring to standard seats shall be stored, if possible, in the bicycle storage locker of the same car. If the bicycle storage locker is entirely occupied by bicycles or other mobility aids, the passenger will be directed to a wheelchair seating location.
- Priority for use of wheelchair seating locations in a given car will be given to passengers in wheelchairs, over fully ambulatory passengers traveling with passengers in wheelchairs and using the tip-up seats, unless additional capacity can be provided in other cars.
- Groups of passengers traveling together in wheelchairs will be accommodated to the extent possible in a single car. If available capacity in a single car is exceeded, one or more passengers shall be asked to transfer to standard passenger seats if wheelchair storage space is available, or shall be directed to the nearest available car with adequate capacity. The on-board lift on that car shall be attended if it is not already.

## INFORMATION DISPLAYS

### EQUIPMENT

The California Car is equipped with trainlined destination and passenger information displays. The displays will be used to provide advance notice of station

---

arrivals, service information, and any such public information that Caltrans specifies. Two displays are located on the outside of the car, on either side, two in the upper level passenger area and two in the lower level passenger area. An additional display is provided on the "A" end of cab cars. Food service cars will have only one display in the lower level.

The system is controllable from a display keyboard, one of which is located in the electrical locker of each car. The displays for an entire consist may be controlled from the electrical locker of any car. The trainlined information display system has the capability, via Global Positioning System (GPS) technology, for preprogramming of all station announcements on a given route. Until this capability can be utilized, however, individual station announcements shall be actuated manually by Amtrak personnel in advance of arrivals. The information displays will also be programmable in advance with background information to be determined by Caltrans. Cab end displays shall indicate the terminus of the route to which the train is assigned.

#### PROCEDURES

Amtrak personnel shall follow all manufacturer's prescribed procedures in the operation of the trainlined destination and passenger information signs. Some of the following procedures will become unnecessary when the full GPS-based capability of the destination sign system becomes available.

- Caltrans and Amtrak will agree on the content and format of all information to be programmed for display.
- Maintenance personnel shall ensure that only and all of the information determined by or agreed to with Caltrans is programmed for display in every car.
- Amtrak personnel shall scroll through all display contents in advance of each departure to verify the operability of the system and the content of preprogrammed background information and station announcements.
- Amtrak personnel shall monitor the operation of the system and content of all display information periodically throughout the course of each trip.
- Amtrak personnel shall key the appropriate code for each station stop in advance of arrival, prior to making a voice announcement.
- Amtrak personnel shall ensure that next stop information is canceled or overridden following each station stop.

#### AUDIO ENTERTAINMENT SYSTEM

## EQUIPMENT

California Car cabs and trailers provide at-seat audio entertainment and information. Each car is equipped with a 3-channel audio system, with a central control complex located in the electrical locker. The audio system includes two multiple-disc compact disc changers, a cassette tape player/AM-FM radio tuner, and an amplifier. Each seating location is provided with personal control unit (PCU) with channel selector and volume controls. The PCU accepts standard personal wire-type headsets, either passengers' personal property or headsets purchased on board the train. The audio entertainment broadcast may be overridden by Amtrak personnel or prerecorded voice announcements from the public address system.

## PROCEDURES

Amtrak personnel shall follow all manufacturer's prescribed procedures in the operation of the audio entertainment and information system.

- Caltrans and Amtrak will agree on the content and format of all information to be programmed for broadcast.
- Maintenance personnel shall ensure that only and all of the entertainment and information determined by or agreed to with Caltrans is programmed for broadcast in every car.
- Amtrak personnel verify the operability of the system and the content of preprogrammed entertainment and information in advance of each departure.
- Amtrak personnel shall monitor the operation of the system and content of preprogrammed entertainment and information periodically throughout the course of each trip.
- Amtrak personnel shall ensure the security of the central control complex in the electrical locker of each car.
- Amtrak personnel shall vend headsets to passengers from the food service car upper level service area and any cart-based point of sale for a price to be agreed with Caltrans.

## SEAT BACK INFORMATION CARDS

### EQUIPMENT

Most seat locations in California Car cabs and trailers will be provided with seat-back magazine nets. These will be used to provide passengers with printed vehicle information, safety and emergency procedures, entertainment programming, Amtrak or Caltrans periodicals and marketing material.

## PROCEDURES

- Caltrans and Amtrak will agree on the content and format of all material to be provided at seat locations.
- Amtrak personnel will ensure the provision of current agreed material at each seat location prior to each departure.
- Amtrak personnel will ensure that sufficient replacement material is available aboard each train to replace that removed or requested by passengers.

## LAVATORIES

### EQUIPMENT

Lavatories in California Cars incorporate several features that differ from those on existing Amtrak equipment operated in California. In particular, the lavatories include attendant call buttons, electric hand dryers, disposable soap dispensers, and infant diaper changing tables (Accessible lavatory only).

The lavatory attendant call system is trainlined to sound an audible signal in each car of the train. The car in which the call button has been activated will indicate via lights at each upper level inter-car passageway the specific space to which the call applies.

### PROCEDURES

- Amtrak personnel shall verify the operability of all equipment and features, the cleanliness of the spaces and fixtures, and the provision of sufficient consumables in each lavatory space prior to each departure.
- Upon the sounding of a lavatory attendant call, Amtrak personnel shall identify the car and lavatory from which the call was initiated. Amtrak personnel shall knock on the lavatory door and inquire as to the assistance required. Should no response result, Amtrak personnel shall unlock the door, if locked, evaluate the situation and render assistance as necessary.
- Amtrak personnel shall reset the attendant call system, using the dedicated reset switch in the electrical locker, immediately upon completion of their assistance on scene.
- Amtrak personnel shall monitor the operability of all equipment and features, the cleanliness of the spaces and fixtures, and the provision of sufficient consumables in each lavatory space throughout the course of each trip.

Amtrak personnel shall restock all consumables in each lavatory (toilet tissue, hand soap, seat protectors, facial tissue, etc.) as required during the course of each trip.

## FOOD SERVICE

Caltrans and Amtrak will determine, via separate and supplemental agreement, the standards, practices and procedures for the provision of service within the food service cars or via cart-based food service.

## SEATS

### EQUIPMENT

The California Car cabs trailers and baggage combines are equipped with single and double seats designed and arranged to maximize the comfort, convenience, aesthetics, and accessibility of the equipment. The intent of the equipment is that every passenger shall be provided the most comfortable travel possible for their fare.

The majority of seating in the passenger areas is in paired seats. A small number of single seats are provided as well. All seats are equipped with armrests that may be raised or lowered according to the preference of the passengers and to facilitate access to and egress from the seats. Seat pairs are fitted with center armrests between the two seating locations. When raised, the center armrest stows flush with the seat back, providing a continuous bench seat, wider than the two normally available widths combined.

### PROCEDURES

A paid individual passenger boarding the California Car is entitled to one seat location for his or her person. No passenger shall be entitled to more than one seat location for their person or any personal effects. Only if light loading permits shall passengers use adjacent seat locations for placement of their belongings.

Amtrak personnel shall provide every assistance necessary for elderly or physically challenged passengers to be placed in or moved from a seat. In the event that an individual location, either a single or double seat, is not sufficient for the comfortable accommodation of a passenger because of physical dimension or handicap, such a passenger shall be permitted to occupy the entire width of a double seat with the center armrest raised. This expanded occupancy shall be provided at no additional cost to the passenger.

## BICYCLES

Amtrak shall permit passengers to bring bicycles on the trains, subject to the terms of this Agreement.

## EQUIPMENT

Each California Car cab and trailer are equipped with a bicycle storage and securement unit, located in one passenger vestibule diagonally across from the accessible lavatory. The unit provides space and securement for up to three bicycles, stored vertically on their rear wheels and secured to the inside bulkhead of the unit.

## PRIORITY

Bicycles shall be accommodated on California Car consists or consists including one or more California Cars, up to the combined capacity of California Car bicycle storage units. All 49-U.S.C. 24704 train consists and any special trains made up of or including California Cars shall accommodate bicycles to the extent of the available bicycle storage capacity.

The primary purpose of the bicycle storage unit shall be to secure storage and securement of bicycles. All bicycles boarding a consist of California Cars shall be stored and secured in the bicycle storage units.

## CAPACITY

Should the number of bicycles boarding a train made up of, or including, California Cars exceed the available bicycle storage capacity, the Conductor shall determine the available passenger space in the lower level of the cars. At the discretion of the conductor, additional bicycles may be boarded, provided that:

- a. They are held in a standing position in the lower level passenger seating area by the subject passenger and do not obstruct or impede the passage of other passengers, or
- b. They are held in a standing position in one of the lower level vestibules and do not obstruct or impede the passage of other passengers.

Amtrak personnel shall monitor bicycle storage capacity and direct passengers boarding bicycles in excess of the bicycle storage capacity of the car being boarded to other cars with available capacity. Should a passenger attempt to board a bicycle on a train which is at bicycle capacity, Amtrak personnel shall deny that boarding if the Amtrak personnel judges that regular passenger loading precludes the safe carriage of the bicycles.

---

## PROCEDURES

The following procedures shall be followed by Amtrak personnel in boarding, storing and alighting passengers with bicycles:

- a. Passengers boarding California Cars with bicycles shall be directed to the doors opening to the vestibule in which the bicycle storage unit is located.
- b. Passengers shall carry bicycles, clear of the ground, from the platform into the vestibule of the car. Amtrak personnel shall assist passengers carrying bicycles as necessary to ensure safe and expeditious boarding.
- c. In the vestibule, bicycles shall be lifted to a vertical position, with their rear wheels on the floor, for movement into the bicycle storage unit. Amtrak personnel shall assist passengers storing bicycles, as necessary, to ensure safe and expeditious boarding.
- d. Bicycles shall be secured in the bicycle storage unit as directed by storage device instructions, conspicuously displayed in or adjacent to the bicycle storage unit and included in this Appendix. Bicycles may be locked in the storage unit by passengers with personal bicycle locks.
- e. Passengers boarding bicycles shall take seats in the passenger seating areas of the train. Passengers with bicycles may remain in the company of their stored bicycle at the discretion of the Amtrak personnel if they do not obstruct or impede the passage of other passengers.
- f. Audible announcements of the next scheduled station stop shall provide adequate notice for passengers to remove bicycles from the storage unit.
- g. Amtrak personnel shall assist passengers removing bicycles, as necessary, to ensure safe and expeditious alighting.
- h. Passengers shall carry bicycles, clear of the ground, from the vestibule to the platform. Amtrak personnel shall assist passengers carrying bicycles as necessary to ensure safe and expeditious alighting.

## GROUPS OF BICYCLISTS

Groups of bicyclists shall be accommodated to the extent of available bicycle storage space on each car and in an entire consist. Should the number of passengers in a group boarding bicycles exceed the storage capacity of a single car, Amtrak personnel will direct the group to store additional bicycles in other cars. Should the number of passengers in a group boarding bicycles exceed the storage capacity of an entire train, Amtrak personnel will advise the group accordingly, and allow them the option to board part of the group or wait for a following train. At no point shall the safety and comfort of any other passengers be compromised to accommodate passengers carrying bicycles in excess of the capacity of the consist.

## **APPENDIX H**

### **MAINTENANCE AGREEMENT**



MAINTENANCE AGREEMENT  
INDEX

1. GENERAL PROVISIONS

- 1.1 Definitions
- 1.2 Notices
- 1.3 Successor and Assigns
- 1.4 Entire Agreement
- 1.5 Severability
- 1.6 Waiver
- 1.7 Authority of Caltrans Officer
- 1.8 Interpretation of this Contract

2. GENERAL SERVICES PROVIDED

- 2.1 General Scope of Services
- 2.2 Utilities
- 2.3 Warranty Support
- 2.4 Performance Guarantee Support
- 2.5 Testing and Acceptance

3. AMTRAK RIGHTS AND OBLIGATIONS

- 3.1 Documentation Requirements
- 3.2 Reporting Information
- 3.3 Training and Manuals
  - 3.3.1 Training of Amtrak/Caltrans Employees
  - 3.3.2 Manuals for State Provided Equipment
- 3.4 Quality Control
- 3.5 Subcontracting
- 3.6 Compliance with Industry Codes, Regulations and Standards
- 3.7 Security

4. CALTRANS RIGHTS AND OBLIGATIONS

- 4.1 Outside Contractors
- 4.2 Caltrans Right to Additional Information
- 4.3 Access to Equipment

5. MAINTENANCE OF STATE PROVIDED EQUIPMENT

- 5.1 Location of Maintenance of State Provided Equipment
- 5.2 General Maintenance Requirements
  - 5.2.1 Locomotive Maintenance Schedules
  - 5.2.2 Car Maintenance Schedules
  - 5.2.3 Food Service Car Maintenance Schedules
- 5.3 General Repair Requirements
  - 5.3.1 Damage to State Provided Equipment
  - 5.3.2 Heavy Overhaul
- 5.4 Maintenance and Repair Standards
  - 5.4.1 Equipment Cleaning and Inspection
  - 5.4.2 Alterations and Modifications
- 5.5 Event of Non-Compliance

6. MATERIALS MANAGEMENT

- 6.1 Material Management Systems
- 6.2 Purchasing of Spare Parts and Consumables
- 6.3 Reporting of Spare Parts Transactions
- 6.4 Materials Management Budget
- 6.5 Invoicing and Payment
  - 6.5.1 Invoicing for Material Management
  - 6.5.2 Invoicing for Purchased Spare Parts

7. ANNUAL MAINTENANCE BUDGET

8. INVOICING AND PAYMENT

9. DAMAGE TO EQUIPMENT

10. DISPUTE RESOLUTION

11. EFFECTIVE DATE, TERM AND TERMINATION

- 11.1 Term
- 11.2 Termination for Cause by Caltrans
- 11.3 Termination for Cause by Amtrak
- 11.4 Termination for Convenience
- 11.5 Termination Procedure
- 11.6 Rights and Obligations Upon Termination

APPENDIX 1

State Provided Equipment Vehicle Details

APPENDIX 2

Amtrak/Caltrans Warranty Tag Procedure for Caltrans Owned Locomotives and Cars

APPENDIX 3

Amtrak/Caltrans Maintenance Analysis Program - F59PHI Locomotive MAP Forms

APPENDIX 4

Amtrak/Caltrans Maintenance Analysis Program - Car MAP Forms

APPENDIX 5

Amtrak/Caltrans Maintenance Analysis Program - Food Service Car MAP Forms

APPENDIX 6

Spare Parts Invoice Format

APPENDIX 7

Form of Budget

MAINTENANCE AGREEMENT BETWEEN  
CALIFORNIA DEPARTMENT OF TRANSPORTATION  
(CALTRANS)  
AND  
NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK)  
FOR THE MAINTENANCE OF  
STATE PROVIDED EQUIPMENT  
DATED NOVEMBER 20, 1994

THIS AGREEMENT, DATED NOVEMBER 20, 1994, IS ENTERED INTO BY AND BETWEEN THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK).

1. GENERAL PROVISIONS

1.1 Definitions

As used in this Agreement, the following terms shall have the meaning specified in this Section.

- a. Agreement. This Agreement and all appendices hereto as amended or modified pursuant to the terms hereof.
- b. Amtrak. The National Railroad Passenger Corporation.
- c. Amtrak Provided Equipment. Locomotives and passenger cars supplied by Amtrak under contract for State supported 49-U.S.C. 24704 service.
- d. Approved Contract Amount. The budget agreed upon by the parties pursuant to the process described in Section 7 of this Agreement, including any amendments to such budget.
- e. Caltrans. The California Department of Transportation.
- f. Contract Services/Services. The train maintenance operations and related functions that are specified to be performed by Amtrak for Caltrans by this Agreement and current 49-U.S.C. 24704 agreements.
- g. Caltrans Officer. The Chief of the Office of Equipment of the Division of Rail of the California Department of Transportation, acting directly or through properly authorized agents, such agents acting within the scope of the particular duties assigned to them.

- h. Delivery. The arrival and acceptance by Caltrans, of vehicles, equipment, parts, materials, tools, documentation and training required under equipment manufacture contracts at the designated point of delivery in California.
  - i. Equipment Delivery Period. The period of time between the first delivery of State Provided Equipment and the transfer to Amtrak of the final piece of State Provided Equipment contemplated by this Agreement.
  - j. Federal Fiscal Year/Fiscal Year. The Federal Fiscal Year from October 1 through September 30.
  - k. Manufacturer. The original equipment manufacturers of State Provided Equipment including sub-suppliers.
  - l. Operator. When used in this Agreement or the Appendices to, it shall mean Amtrak.
  - m. Planned Deployment Plan. The detailed description of the operation of State Provided Equipment in a Federal Fiscal Year, including specific routes on which Amtrak shall provide Services, train consists, units of equipment to be maintained, and other related services, all as agreed upon by the parties, prior to the start of each Federal Fiscal Year, or as amended by the agreement of the parties during the course of the Federal Fiscal Year.
  - n. State. The State of California, Department of Transportation.
  - o. State Provided Equipment. Locomotives and passenger cars, including self propelled cars supplied by Caltrans, that are used in providing the Contract Services.
  - p. Service Property. The service property includes tracks, land, structures, and other maintenance facilities that are located on or adjacent to the rail lines and yards, that are used by Amtrak in provision of the Services under this Agreement.
  - q. Title. Documentation of ownership of locomotives and passenger cars as required by the State of California.
  - r. Transfer. Transfer is the change of custody for each locomotive or passenger car from Caltrans to Amtrak, or from Amtrak to Caltrans. Each locomotive or passenger car shall be considered transferred when the transfer document for the individual vehicle is signed by the Caltrans Officer and Amtrak's appropriate representative. Physical custody of each vehicle shall be assumed at a location agreed to by Caltrans and Amtrak.
-

- s. Transfer Agreement. The agreement between Caltrans and Amtrak covering the transfer to Amtrak and operation by Amtrak of State Provided Equipment.

## 1.2 Notices

Any notices, reports, or other communication shall unless otherwise specified be in writing, and shall be delivered in hand or mailed by first class mail, postage prepaid, and addressed to:

G.O. Mallery  
Chief Executive Officer West Coast Strategic Business Unit  
National Railroad Passenger Corporation  
800 North Alameda Street  
Los Angeles, CA 90012  
Telecopy: (213) 683-6890

Cindy McKim  
Deputy Director, Rail, Transit & Aeronautics  
California Department of Transportation  
1801 30th Street, East Building  
Sacramento, CA 95816  
Fax: (916) 227-9487

Either party may change the name, address or title of the party to be notified hereunder, by notifying the other party in writing of such change.

## 1.3 Successor and Assigns

The rights and obligations of Amtrak and Caltrans hereunder may not be assigned, other than by an act of federal or state law, unless with the prior written consent of both parties.

## 1.4 Entire Agreement

This Agreement, which relates solely to the substitution of State Provided Equipment in lieu of APE, is in addition to agreements between Caltrans and Amtrak, which relate solely to the use of State funding to support Amtrak intercity operations.

This Agreement embodies the entire agreement between Caltrans and Amtrak as it relates to State Provided Equipment. No oral or prior written matter not incorporated herein will have any force or effect. The parties hereby acknowledge that they are not relying on any representations or agreements other than those contained in this

---

Agreement, current 49-U.S.C. 24704 agreements, and the Maintenance Agreement for State Provided Equipment. This Agreement will not be modified except in writing subscribed to by both parties.

### 1.5 Severability

In the event that any provision of this Agreement is found to be invalid or unenforceable in any respect, the remainder of this Agreement shall nevertheless be binding with the same effect as if the invalid or unenforceable provision were originally deleted. This will not apply where the provision that is declared invalid or unenforceable is so fundamental to the Agreement that the remainder of the Agreement, standing alone, does not represent a meeting of the minds of the parties, or that deletion substantially alters the rights or obligations of either party under the Agreement.

### 1.6 Waiver

None of the provisions of this Agreement shall be considered waived by either party unless such waiver is reduced to writing and signed by the party to be charged. No such waiver shall be construed as a modification of any of the provisions of this Agreement or as a waiver of any past or future default of breach hereof except as is expressly stated in the waiver. The failure of either party to insist at any time upon the strict observance of any of the provisions of this Agreement, or to exercise any right or remedy in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof.

### 1.7 Authority Of Caltrans Officer

The Caltrans Officer shall decide on behalf of Caltrans all questions which may arise regarding the quality or acceptability of the Services performed under this Agreement; all questions which may arise regarding the interpretation of this Agreement; all questions that may arise regarding the acceptable fulfillment of this Agreement on the part of Amtrak; and all questions which may arise regarding compensation. In addition, the Officer shall have complete authority to administer and make decisions on disputes and claims on behalf of Caltrans during the term of this Agreement. As the designated representative of Caltrans, the Officer's decision shall be Caltrans final position and the Officer shall have the authority to enforce and make effective such decisions and orders which Amtrak fails to carry out promptly. This is subject to the provisions of Section 10 - Dispute Resolution, of this Agreement.

The Officer shall respond in writing, within twenty (20) working days of receipt, to all written questions and requests concerning approvals, interpretations, and other matters pertaining to this Agreement, unless otherwise allowed for by this Agreement.

Amtrak General Management shall respond in writing, within twenty (20) working days of receipt, to all written questions and requests for information from the Caltrans Officer regarding this Agreement as those questions relate to Amtrak's maintenance of State Provided Equipment.

**1.8 Interpretation of the Agreement**

Should it appear that the Services to be done, or any of the matters relative thereto are not sufficiently detailed or explained in this Agreement, Amtrak may apply to the Officer for such further written explanations as may be necessary, and shall as part of this Agreement conform to the explanation provided by the Officer, provided that such explanation is consistent with the provisions of this Agreement.

**2. GENERAL SERVICES PROVIDED**

**2.1 General Scope of Services**

Amtrak shall, within the funds available in the Final Budget each year, maintain, repair, clean, inspect, and service all State Provided Equipment in accordance with the equipment maintenance standards described in this Agreement. Amtrak shall do this Service work in a timely manner at designated maintenance facilities as detailed in this Agreement.

Specifically, Amtrak shall:

- a. Perform the scheduled maintenance, repair and cleaning of State Provided Equipment as detailed in Section 5 - Maintenance of State Provided Equipment, of this Agreement.
- b. Perform accident damage repairs to State Provided Equipment as allowed for by this Agreement.
- c. Perform the material management and purchasing functions as detailed in Section 6 - Materials Management, of this Agreement.

The actual vehicles that shall be considered State Provided Equipment for the purposes of this Agreement are listed in Appendix 1 - State Provided Equipment Vehicle Details.

**2.2 Utilities**

Amtrak shall be responsible for the supply of all utilities (wayside power, water and electricity) at all locations that are used in the provision of the Services

---



as required by this Agreement. This shall include the provision of utilities at any layover points that are required by this Agreement or the Transfer Agreement.

### 2.3 Warranty Support

Amtrak shall comply with the terms of any Manufacturer warranty on State Provided Equipment, and cooperate with Caltrans in the fulfillment of any manufacturer obligation on those warranties. Amtrak shall follow the warranty procedures and use the warranty forms and tags as illustrated in Appendix 2 - Amtrak/Caltrans Warranty Tag Procedure for Caltrans Owned Locomotives and Cars. All reimbursements from the manufacturers shall be in the form of parts or spare parts credit which shall be applied by Amtrak solely for the benefit of State Provided Equipment. Amtrak shall ensure that adequate controls are in place to ensure that Caltrans is not charged for Caltrans supplied items and that Caltrans supplied items are not diverted to non Caltrans uses.

Caltrans will be party to any dispute between Amtrak and the Manufacturers concerning warranty issues and reserves the right to be present at any tear down inspections of warranty disputed parts. Access to State Provided Equipment will be provided per Section 4 of the Transfer Agreement.

For warranty purposes, Amtrak shall maintain equipment histories on all State Provided Equipment listed in Appendix 1 - State Provided Equipment Vehicle Details. Amtrak will retain copies of warranty claim forms and all other warranty information in a location agreed to by Caltrans and Amtrak.

### 2.4 Performance Guarantee Support

Amtrak shall provide support and will participate with Caltrans in the measurement of vehicle availability as required under the Performance Guarantee provisions from the Manufacturers. Amtrak shall supply maintenance information as required by this Agreement, and operational information as required by the Transfer Agreement, to enable Caltrans to maximize its reimbursements from Manufacturer performance guarantees. All reimbursements from the Manufacturers shall be in the form of parts or spare parts credit which shall be applied by Amtrak solely for the benefit of State Provided Equipment. Amtrak shall ensure that adequate controls are in place to ensure that Caltrans is not charged for Caltrans supplied items and that Caltrans supplied items are not diverted to non Caltrans uses.

### 2.5 Testing and Acceptance

Amtrak shall provide support and will participate with Caltrans and equipment manufacturers in the testing and acceptance of State Provided Equipment. A joint inspection of each piece of new equipment shall be

---

conducted by Caltrans and Amtrak per Section 1 - General Provisions of the Transfer Agreement, and specifically Sections 1.9 through 1.12.

### 3. AMTRAK RIGHTS AND OBLIGATIONS

#### 3.1 Documentation Requirements

Amtrak shall document and maintain a complete and accurate mechanical history on each piece of State Provided Equipment for control, maintenance, and repair scheduling and planning purposes, as well as for warranties and performance guarantees.

#### 3.2 Reporting Information

Amtrak will retain, for at least three (3) years, and make available to Caltrans upon request, all records concerning the inspection, maintenance, repair and cleaning of each unit of State Provided Equipment and will deliver such records to Caltrans at the end of that period if Caltrans so requests.

#### 3.3 Training and Manuals

To ensure that State Provided Equipment is maintained to the correct standards and practices embodied in this Agreement, the following subsections shall govern the provision of manuals necessary for training and the training for Amtrak/Caltrans personnel.

##### 3.3.1 Training of Amtrak/Caltrans Employees

Caltrans shall ensure all training contracted to be provided by the Manufacturers is given to Amtrak/Caltrans personnel. This shall include the provision of trainer's notes to Amtrak. Amtrak shall work with the equipment manufacturers and Caltrans to develop appropriate technical training courses, and to train employees in their required functions. The training courses to be provided by the Manufactures are listed below:

##### Locomotive

- 710G3B Engine Maintenance
- F59PHI Orientation
- F59PHI Electrical Systems
- 26LUL Familiarization
- Caterpillar 3412TA Familiarization

Car

- Operations Training
- Running Maintenance Training
- Heavy Maintenance Training

All subsequent training of Service personnel shall be the responsibility of Amtrak. Amtrak will be responsible for ensuring training is provided when necessary and that training is regularly updated as required.

All training programs or portions thereof designed specifically for State Provided Equipment will be reviewed and approved by Caltrans and will be designed, developed and implemented in accordance with established professional standards for performance-based instruction. Amtrak will provide Caltrans with copies of all training programs used for employees who are maintaining and repairing State Provided Equipment.

Amtrak will maintain and store training records which will be made readily available to Caltrans upon request. Training records will identify each employee who has received training and the date of courses taken.

### 3.3.2 Manuals for State Provided Equipment

The inspection, maintenance and repair of State Provided Equipment shall be carried out in conformance with the various manufacturers' maintenance instructions after a minimum of ten (10) copies of each manual have been delivered. Amtrak will be guided by the following manuals and others that may reasonably be issued from time to time:

- EMD Service Manuals for F59PHI locomotives
- GE Service Manuals for Dash-8 locomotives
- Caterpillar Service Manuals for Head End Power engines
- MK Service Manuals for the California Car

Caltrans shall be responsible for supplying the initial manuals to Amtrak upon the transfer of State Provided Equipment or when they become available, whichever occurs first. Amtrak shall be responsible for updating the manuals in accordance with information provided by the original equipment Manufacturer and shall maintain at least one master set of manuals in good condition, fully updated, in each location where regularly scheduled maintenance will occur. Manuals rendered lost or unusable through Amtrak negligence shall be replaced at no cost to Caltrans. For manuals rendered unusable through reasonable wear and tear, Caltrans shall be invoiced for the cost of replacement price paid by Amtrak.

### 3.4 Quality Control

Amtrak and Caltrans shall establish a Quality Control Program, including guidelines, standards and procedures for implementation as it relates to the maintenance, repair, service, and cleaning of State Provided Equipment.

Amtrak will ensure vendor compliance with specifications, material quality, and compliance with maintenance standards and procedures. Amtrak, and Caltrans as necessary, will conduct quality control performance reviews to assess the standards of maintenance, repairs, servicing, and cleaning of State Provided Equipment. Caltrans shall have the right to perform quality control monitoring at any time as long as such monitoring or inspection shall not unreasonably affect Amtrak's ability to provide these Services and the services required under the Transfer Agreement.

Quality deficiencies found during monitoring will be witnessed by authorized Amtrak personnel as deficiencies are found, and the quality control form will be signed off by both the monitor and Amtrak with or without comments.

Amtrak will be accountable for quality deficiencies found during performance monitoring which occur between the completion of a MAP inspection and return to service.

Monitoring which takes place soon (i.e., after one or more revenue trips) after equipment has been returned to service after maintenance or cleaning, are intended to be advisory only and without punitive action.

### 3.5 Subcontracting

Amtrak shall have the right to subcontract any of the Services to be provided under this Agreement subject to Caltrans approval, which approval shall not be unreasonably withheld. The subcontracting of any aspect of the contracted work does not relieve Amtrak of any of its obligation under this Agreement.

Amtrak's subcontractors involved in any aspect of providing the Contract Services shall be subject to the direction, supervision, and control of Amtrak and not Caltrans.

### 3.6 Compliance with Industry Codes, Regulations and Standards

Amtrak shall comply with FRA and CPUC regulations, AAR and accepted industry standards, and all other applicable State and local codes, as well as the standards set forth in this Agreement, during maintenance of State Provided Equipment.

Amtrak shall be solely responsible for any fines or penalties resulting from violations of applicable laws and standards, other than those that are solely the result of the original design and manufacture of State Provided Equipment.

**3.7 Security**

Amtrak shall be responsible for the security of State Provided Equipment when it is in operation or is located at a designated maintenance or layover facility.

**4. CALTRANS RIGHTS AND OBLIGATIONS**

**4.1 Outside Contractors**

In circumstances not involving Amtrak's sole negligent acts or omissions as provided in Section 9 of the Transfer Agreement, at its sole discretion, Caltrans may elect to arrange for the original equipment suppliers or other outside contractors to perform major repairs or modifications to State Provided Equipment, including performance of such work at designated maintenance facilities or other locations to be agreed upon, subject to current labor agreements. Amtrak shall, when directed by Caltrans, subcontract wreck repair as directed by Caltrans in those instances where Caltrans has determined that the estimated time and costs for that directed repair work are in the State's best interests. Unless otherwise agreed to, the State will pay Amtrak in advance for the estimated costs of those directed repairs from the State operating funds encumbered under the 49-U.S.C. 24704 agreement.

**4.2 Caltrans Right to Additional Information**

Caltrans shall have the right to obtain from Amtrak, within fifteen (15) working days of receipt of a written request, any reasonable information related to Services performed on State Provided Equipment. This is in addition to any other rights to information and reports included in this Agreement and the 49-U.S.C. 24704 agreements.

**4.3 Access to Equipment**

Authorized Caltrans staff will be allowed immediate and unannounced access to State Provided Equipment as pronounced in the Transfer Agreement, Section 4.2.

**5. MAINTENANCE OF STATE PROVIDED EQUIPMENT**

---

**5.1 Location of Maintenance of State Provided Equipment**

The maintenance of State Provided Equipment as provided for by this Agreement shall be performed in the locations listed below. The location at which individual items are maintained shall be consistent with the Planned Deployment Plan from the Transfer Agreement, and shall be chosen to ensure maximum in-service fleet time is achieved. Maintenance or repair of State Provided Equipment shall not be conducted in other locations without the prior approval of Caltrans.

- Los Angeles - Redondo
- Los Angeles - 8th Street
- Oakland - Amtrak car shop
- Oakland - Amtrak
- San Jose

Additionally, layover facilities and cleaning and inspection of equipment shall be provided at the following additional locations as required by the current Planned Deployment Plan:

- Santa Barbara
- San Jose
- Bakersfield
- Sacramento
- San Diego
- Roseville
- Colfax (future)
- San Luis Obispo (future)

Unscheduled repairs to State Provided Equipment to allow the completion of scheduled current operations may be performed at any location consistent with minimizing the disruption to service, preventing equipment damage and maintaining safety.

**5.2 General Maintenance Requirements**

Amtrak shall maintain all State Provided Equipment in accordance with a scheduled preventative maintenance program that is identified in this Agreement. The program may be modified from time-to-time by mutual agreement between Amtrak and Caltrans.

Work performed will be fully documented by individual units where possible, including equipment type worked on, person-hours expended, spares and materials consumed.

Periodic maintenance work shall be done in accordance with printed instructions. These instructions shall be found on the maintenance worksheets contained in Appendices to this Agreement which may be revised by mutual agreement of the parties. Each item of maintenance shall be signed by the mechanic when completed. The completed forms shall then be signed by the foreman in charge and Amtrak's Mechanical Department Officer. The completed forms shall be available for inspection by Caltrans representatives at any time after the completion of the relevant work and shall be kept on file for at least 3 years.

#### 5.2.1 Locomotive Maintenance Schedules

The worksheets for the maintenance of State Provided Locomotives are in Appendix 3 and cover the following maintenance cycle time periods:

- a. Daily Maintenance Analysis Program MAP reports
- b. 15 Day Maintenance Analysis Program MAP reports
- c. 92 Day Maintenance Analysis Program MAP reports
- d. 180 Day Maintenance Analysis Program MAP reports
- e. 360 Day Maintenance Analysis Program MAP reports
- f. 720 Day Maintenance Analysis Program MAP reports
- g. 1080 Day Maintenance Analysis Program MAP reports

The 720 & 1080 Day Maintenance Analysis Program MAP reports are for reference only unless the term of this Agreement is extended as allowed for by the provisions of Section 11 - Effective Date, Term and Termination, of this Agreement.

#### 5.2.2 Car Maintenance Schedules

The worksheets for the maintenance of State Provided Cars are in Appendix 4 and cover the following maintenance cycle time periods:

- a. Daily Maintenance Analysis Program MAP reports
- b. 92 Day Air Brake Inspection MAP Report
- c. 120 Day Maintenance Analysis Program MAP reports
- d. 360 Day Maintenance Analysis Program MAP reports
- e. 720 Day Maintenance Analysis Program MAP reports

The 720 Day Maintenance Analysis Program MAP reports are for reference only unless the term of this Agreement is extended as allowed for by the provisions of Section 11 - Effective Date, Term and Termination, of this Agreement.

#### 5.2.3 Food Service Car Maintenance Schedules

The worksheets for the maintenance of State Provided Food Service Cars are in Appendix 5 and cover the following maintenance cycle time periods:

---

- a. Pre-Trip Cleaning Maintenance Analysis Program MAP reports
- b. 60 Day Maintenance Analysis Program MAP reports
- c. 120 Day Maintenance Analysis Program MAP reports
- d. 360 Day Maintenance Analysis Program MAP reports
- e. 720 Day Maintenance Analysis Program MAP reports

The 720 Day Maintenance Analysis Program MAP reports are for reference only unless the term of this Agreement is extended as allowed for by the provisions of Section 11 - Effective Date, Term and Termination, of this Agreement.

### 5.3 General Repair Requirements

Notwithstanding the requirements to complete scheduled maintenance of State Provided Equipment, Amtrak shall repair in a timely manner all failures of, and damage to, State Provided Equipment in accordance with the provisions of this Agreement. Such repairs shall be carried out in such a manner that downtime for the unit of equipment is minimized. Should the necessary repairs exceed five (5) working days, Caltrans shall have access to current downtime information (work completed and planned) through the Arrow system and shall be advised immediately if there will be any anticipated impact to Service.

#### 5.3.1 Damage to State Provided Equipment

In circumstances not involving Amtrak's sole negligent acts or omissions as provided in Section 9 of the Transfer Agreement, Amtrak shall not make any repairs to any unit of State Provided Equipment without prior written approval from Caltrans if the cost of the modifications or repairs due to damage to that unit of State Provided Equipment is expected to exceed \$20,000. Requests for approval shall include an assessment of all work to be completed and a budget amount for the completion of said work. Any such requests shall be submitted to Caltrans within five (5) working days of the incident causing the work to be required. Caltrans shall respond to any such request within (five) 5 working days of its receipt. Caltrans shall have the right to inspect any such damage and review the basis for the projected budget repair amount submitted by Amtrak. Caltrans shall have the right to have such repairs or modifications carried out by a third party at Caltrans sole discretion.

#### 5.3.2 Heavy Overhaul

No heavy overhauls are anticipated to be required by State Provided Equipment in the initial terms of this Agreement. However, should heavy overhaul of components be required, this shall be considered to be within Amtrak's scope of work whereupon Amtrak shall arrange for such heavy overhaul work to be completed at a location subject to Caltrans approval. Amtrak shall also make appropriate provision for such

---



heavy overhaul work in the Maintenance Budget if Caltrans determines that heavy overhaul may become necessary.

#### 5.4 Maintenance and Repair Standards

All work to be completed on State Provided Equipment under the terms of this Agreement shall be to the minimum standards specified in the maintenance procedures in this Agreement, and specifically this Section 5. Failure to achieve these standards shall be considered to be non-performance under the terms of this Agreement, and will be handled in accordance with Transfer Agreement Section 6.3.1 and/or Section 10.

All locomotives in service shall be equipped with spare jumpers and a functioning radio and maintained in order to develop their designed horsepower and speed. Locomotives must not be operated in revenue service with non-functional auxiliary equipment except with the permission of Caltrans or in the case of an emergency.

##### 5.4.1 Equipment Cleaning and Inspection

Amtrak will actively pursue and maintain a high standard for cleanliness for both the exteriors and interiors of State Provided Equipment. Caltrans will make every effort to work together with Amtrak to realize this important goal. Other than changes due to differences in equipment and interior decor, there will be no new standards imposed by Caltrans above the existing "Amtrak Car Cleaning Standards" (MCC004 Course Handout) at the outset. The existing Amtrak cleaning procedures and frequencies for cars and locomotives will be used and closely monitored.

Amtrak shall clean, service and inspect equipment in accordance with mutually agreed upon standards, and in compliance with 49 CFR, Part 229, each day prior to placing State Provided Equipment in service.

Amtrak shall wash the exterior of all State Provided Equipment as required to ensure that the visual exterior appearance of each train set is not noticeably affected. In any event, the exterior of all State Provided Equipment shall be cleaned at least once a week. In the event that an automatic train wash is used, any areas that are not reached by this equipment shall be washed manually during periodic maintenance.

Amtrak shall ensure all State Provided Equipment is clean when dispatched from the servicing point. Amtrak shall use its best reasonable efforts to monitor and report to Caltrans any cleaning deficiencies. It is understood and agreed that the obligation to perform car cleaning is that of Amtrak. Cleaning standards to be followed by Amtrak shall be in accordance with the "Amtrak Car Cleaning Standards" publication and this Agreement, unless otherwise mutually amended by both parties.

If Service results do not meet Caltrans expectations, the Amtrak cleaning program will be adjusted, either in procedure or interval, with a commensurate adjustment of costs if required, to achieve the desired standard.

#### 5.4.2 Alterations and Modifications

Amtrak shall not undertake any alteration or modification of State Provided Equipment without the express written permission of the Caltrans Officer. If a modification is sought by Amtrak, Amtrak shall submit a written description of the work, with sketches and wiring schematics as appropriate, and a detailed cost estimate for approval. During the course of a modification program, Amtrak shall maintain current permanent records of those units which have been modified. Amtrak shall also ensure modification information is available to Caltrans through the Arrow system. Revised vendor components which replace obsolete components and which may require minor installation modifications shall not be considered as modifications under the intent of this section.

#### 5.5 Event of Non-Compliance

In the event Amtrak fails to service State Provided Equipment in accordance with the terms of this Agreement, Caltrans and Amtrak shall be guided by Section 6.3.1 and/or Section 10 of the Transfer Agreement. If, after following the procedures set forth in Sections 6.3.1 or 10, no satisfactory resolution has been reached, Caltrans may at its sole discretion transfer maintenance of all or part of the State Provided Equipment to a third party. Prior to any such transfer, Amtrak shall be given thirty (30) days written notice.

### 6. MATERIALS MANAGEMENT

#### 6.1 Material Management Systems

Amtrak shall use AAMPS for inventory control and cost effective, efficient procurement and material dispersal, accounting, and all warranty administration, including the implementation of a material purchasing accounting system.

Amtrak shall provide AAMPS training and manuals for designated Caltrans contracted consultants and Caltrans employees who will monitor Amtrak inventory control.

All materials for use on State Provided Equipment shall be stored in a physically separate location and considered a unique location by the AAMPS system. If the Oakland Maintenance Facility is available, Amtrak shall be responsible for the provision

---

of all Caltrans/Amtrak supplied storage areas, shelving and security of the storage area, unless specifically excepted by this Agreement. If a shortage in Maintenance Facility space occurs, Amtrak and Caltrans shall mutually agree upon alternative sites for storage, shelving, and security arrangements. Parts and components shall be stored only in designated areas, and under security appropriate for the nature of the part. Parts and components that are sensitive to heat, cold, moisture or humidity shall be properly stored and protected.

Amtrak will institute a materials control and management system that will maximize efficiency, reduce inventory cost through forecasting of material requirements, and control all phases of the materials handling function. A review of maximum/minimum inventory levels will be conducted at least every three months, or as directed by Caltrans. Caltrans shall attend this review and respond in writing within ten (10) working days with any disagreement of the maximum/minimum inventory levels prior to implementation.

## 6.2 Purchasing of Spare Parts and Consumables

Amtrak shall be responsible for, and shall manage the purchasing of all materials required to maintain and repair State Provided Equipment. All materials or equipment purchased by Amtrak pursuant to this Agreement shall be used solely for the repair and maintenance of State Provided Equipment and shall remain the property of Caltrans. Unless otherwise agreed, Caltrans, through Amtrak or other sources, shall purchase materials for implementation of modifications or equipment improvements not included within the Contract Services.

Caltrans will submit a list of required parts to maintain and repair State Provided Equipment. Caltrans and Amtrak will agree that all applicable items have been included. Initial spare parts will be purchased by Caltrans through their contracts with equipment Manufacturers and transferred to Amtrak. This shall be at no additional cost to Caltrans.

In circumstances where parts or supplies required for State Provided Equipment are not available from Caltrans inventory but are available in the Amtrak inventory for its intercity or commuter rail passenger service, Amtrak may use such parts or supplies to maintain or repair State Provided Equipment. Caltrans shall reimburse Amtrak for its system average cost of replacing any such parts or supplies.

Amtrak shall purchase spare parts and lubricants in accordance with the terms of the warranty agreements between the Manufacturers and Caltrans for the duration of said warranty period.

In cases where Amtrak purchases spare parts or lubricants from other than the original equipment suppliers for reason of cost or delivery, Amtrak shall notify Caltrans. In all cases, the performance of selected spare parts, lubricants or consumables shall meet or exceed the performance of the originally specified part.

In making purchasing decisions, Amtrak shall purchase, where prudent and cost-effective, from local vendors, but shall in all circumstances take into account and give full consideration to factors including, but not limited to, price, delivery schedule, freight charges and applicable local, state and federal regulations.

### 6.3 Reporting of Spare Parts Transactions

Each month Amtrak shall submit a comprehensive material accounting report showing all spare parts transactions related to State Provided Equipment for the previous month, including both parts received into stores and parts used. The comprehensive report shall include:

- Store Activity Report
- Issues by Location
- Monthly Transfers Activity
- Price Adjustments by Location
- Quantity Adjustments
- Removals by Location
- Receipt Transactions

Parts received during the month shall be listed in one of four categories listed below, showing quantity received, description, part number, unit cost and total cost:

- Purchased
- Supplied under warranty (by inquiry in AAMPS)
- Supplied under Performance guarantee (by inquiry in AAMPS)
- Transferred from Amtrak Stock

Parts used during the month shall be shown on an information only report by AAR class. Caltrans and Amtrak shall jointly agree what components shall be considered as consumable spare parts.

For consumable spare parts, the report need only show the total quantity of each component used for that month by location, along with unit price and total cost.

For all major spare parts, the report shall show the date, location, the unit of State Provided Equipment it was used on, unit price and total cost per unit as provided to Caltrans by inquiry in ARROW. This report for information only, will not result in any change to the monthly billing for spare parts submitted to Caltrans.

#### 6.4 Materials Management Budget

The materials management budget shall be included in the annual maintenance budget as written in Section 7 - Annual Maintenance Budget, and Appendix 7 - Form of Budget, of this Agreement.

#### 6.5 Invoicing and Payment

Payment shall be governed by the terms of this Agreement with spare parts included in the overall Maintenance Agreement invoice. Supporting documentation in the form of a material accounting statement, as shown in Appendix 6 - Spare Parts Invoice Format, shall be supplied to indicate the actual spare parts purchased and inventory control labor used during the invoice period.

##### 6.5.1 Invoicing for Material Management

The annual budget shall provide a position to perform the material control function required by this Agreement. Caltrans shall pay an amount not to exceed an annual salary plus benefits for one (1) PY for a Federal Fiscal Year.

Caltrans shall pay a fixed monthly amount to Amtrak for the provision of material management services in accordance with the amount contained in the current budget. This amount shall be included on the monthly invoice and shall be broken down to show direct labor costs and any applied overhead costs.

##### 6.5.2 Invoicing for Purchased Spare Parts

Caltrans shall be invoiced for the purchase of spare parts for the month in which Amtrak receives the invoice from its supplier. Amtrak shall provide, at Caltrans request, a copy of any invoices that require further clarification. The invoice to Caltrans shall show all items being charged for that month, with quantity, unit price, Amtrak part numbers, and total cost. In addition, a report of all Caltrans provided spare parts included in the material management system as a result of warranty claims and performance guarantees will be provided as outlined in Section 6.3. Suppliers part numbers are available through the materials management system.

---

**7. ANNUAL MAINTENANCE BUDGET**

For all State Provided Equipment, Amtrak shall provide equipment maintenance budget information. The total maintenance budget shall be separated among the train numbers on the basis of vehicle months that State Provided Equipment is used on each route. This amount shall be the maintenance line item shown on the budgets per Transfer Agreement, Section 5 - Budgeting Process. Maintenance budget information shall be submitted as detailed in Appendix 7- Form of Budget, of this Agreement, to be submitted concurrently with the Transfer Agreement budget.

**8. INVOICING AND PAYMENT**

For the maintenance of State Provided Equipment, Amtrak shall submit invoices for maintenance as required by the Transfer Agreement, Section 6. A monthly report of service activity as detailed in Agreement shall be submitted at the same time as the Transfer Agreement monthly invoice.

**9. DAMAGE TO EQUIPMENT**

Responsibility with respect to damage to the State Provided Equipment shall be as provided for in the terms of the Transfer Agreement, Section 9 - Damage to Equipment.

**10. DISPUTE RESOLUTION**

The process of dispute resolution embodied in the Transfer Agreement, Section 10 - Dispute Resolution, is hereby incorporated into this Agreement by this reference.

**11. EFFECTIVE DATE, TERM AND TERMINATION**

**11.1 Term**

This Agreement shall take effect November 20, 1994 and remain in effect so long as the Transfer Agreement is in effect.

**11.2 Termination for Cause by Caltrans**

Caltrans may at its sole discretion, terminate this Agreement upon thirty (30) days prior notification, upon the occurrence of material breach of this Agreement, which shall include, but not be limited to, the following:

---

1. Amtrak's refusal to perform any of the Services under this Agreement, when such refusal significantly disrupts 49-U.S.C. 24704 service and is not excused by any other provisions of this Agreement,
2. Amtrak's insolvency or inability to meet its obligations, or the filing of an involuntary petition in bankruptcy against it, or the adjudication that it is bankrupt; of Amtrak's making an assignment for the benefit of creditors, filing a petition for an arrangement, composition or compromise with its creditors under any applicable laws, or having a trustee, receiver, or other officer appointed to take charge of its assets,
3. Amtrak's failure to comply with a valid and respectable law, ordinance, rule, regulation or order of any legal entity or authority that has a material impact on Amtrak's ability or fitness to carry out its obligations to provide the Services under this Agreement, or
4. Amtrak's failure to comply with the terms and conditions of this Agreement.

### 11.3 Termination for Cause by Amtrak

Amtrak may at its sole discretion, terminate this Agreement upon the occurrence of material breach of this Agreement, which shall include, but not be limited to, the failure of Caltrans to make payments as required by this Agreement.

### 11.4 Termination for Convenience

Caltrans may, no later than thirty (30) days after the occurrence of any of the following, where the occurrence of the event makes it impossible or unsuitable for Amtrak to continue as operator of the Services, terminate this Agreement:

1. The abolition or merger of Caltrans with another entity.
  2. Legislation or court decision requiring that another entity operate or finance the Services.
  3. Funding is not available for the Services.
  4. Patronage on trains included in the Caltrans operation falls so short of projections that the Service is not deemed cost effective with respect to the transportation benefits and air quality goals.
  5. Legislation, regulation or court decision places on Caltrans, or on the operation of the Services, financial or operational burdens which are so great as to degrade service quality below acceptable levels, or which
-

imposes unforeseen and excessive liabilities on Caltrans, or which raises costs to a level where costs are deemed by Caltrans to exceed benefits.

6. Caltrans determines that continued provision of Services by Amtrak will result in imminent danger to the public health or safety.

#### 11.5 Termination Procedure

Upon termination, the party electing to terminate the Agreement shall follow the procedure set forth below:

1. The party electing to terminate shall notify the other in writing and clearly state the basis for that action.
2. The termination shall be effective no later than thirty (30) days after date of notice, except that a termination for cause shall not become effective if the other party has taken effective action to remedy the default within that thirty (30) day period.

#### 11.6 Rights and Obligations Upon Termination

1. Upon termination for cause or termination for convenience, Caltrans shall have the right to contract for Services by another party.
  2. Amtrak shall bear any incremental cost incurred by either Caltrans or Amtrak that is attributable to termination for cause by Caltrans.
  3. Caltrans shall bear any incremental cost incurred by either Caltrans or Amtrak that is attributable to termination for cause by Amtrak.
  4. Notwithstanding Subsections 2 and 3 above, Caltrans shall pay the following termination costs to Amtrak upon termination for convenience:
    - a. The reasonable cost of settling and paying claims out of the termination of Services under subcontracts or purchase orders,
    - b. Reasonable costs determined at the time of termination which are incurred pursuant to the performance of any specific written instructions received from Caltrans concerning such termination; and,
    - c. Any other reasonable costs incidental to such termination of Services.
-



MAINTENANCE AGREEMENT

- c. Any other reasonable costs incidental to such termination of Services.
- 5. Notwithstanding the foregoing, the total amount of termination costs payable to Amtrak shall not exceed 1/12 of the Approved Budget for the Fiscal Year in which the termination occurs.
- 6. No termination of this Agreement shall diminish or affect Caltrans obligation to pay for any Services rendered or to fulfill other obligations incurred prior to the effective date of the termination.

IN WITNESS WHEREOF, the parties have set their hands

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

NATIONAL RAILROAD  
PASSENGER CORPORATION

(sign) \_\_\_\_\_

\_\_\_\_\_

(print) \_\_\_\_\_

\_\_\_\_\_

(date) \_\_\_\_\_

\_\_\_\_\_

By:

By:

Its:

Its:

APPROVED AS TO FORM:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name  
Title

APPENDIX 1  
STATE PROVIDED EQUIPMENT  
VEHICLE DETAILS

Appendix 1  
State Provided Equipment  
Vehicle Details

For the purposes of this Agreement, the number of State Provided vehicles and the identity of each vehicle is listed below. At any given time during the term of this Agreement, not all the listed vehicles may be considered as State Provided Equipment. Only those vehicles that have been transferred to Amtrak under the terms of the Transfer Agreement are covered by the terms of this Agreement.

Locomotives

Type	Manufacturer	Serial No	Road No
F59PHI	GMLG	926339-01	2001
F59PHI	GMLG	926339-02	2002
F59PHI	GMLG	926339-03	2003
F59PHI	GMLG	926339-04	2004
F59PHI	GMLG	926339-05	2005
F59PHI	GMLG	926339-06	2006
F59PHI	GMLG	926339-07	2007
F59PHI	GMLG	926339-08	2008
F59PHI	GMLG	926339-09	2009
8-32BWH	GE	46837	2051
8-32BWH	GE	46838	2052

MAINTENANCE AGREEMENT

Appendix 1  
State Provided Equipment  
Vehicle Details

Rolling Stock

Type	Manufacturer	Serial No	Road No
Trailer Car	MK		8001
Trailer Car	MK		8002
Trailer Car	MK		8003
Trailer Car	MK		8004
Trailer Car	MK		8005
Trailer Car	MK		8006
Trailer Car	MK		8007
Trailer Car	MK		8008
Trailer Car	MK		8009
Trailer Car	MK		8010
Trailer Car	MK		8011
Trailer Car	MK		8012
Trailer Car	MK		8013
Trailer Car	MK		8014
Trailer Car	MK		8015
Trailer Car	MK		8016
Trailer Car	MK		8017
Trailer Car	MK		8018
Trailer Car	MK		8019
Trailer Car	MK		8020
Trailer Car	MK		8021
Trailer Car	MK		8022
Trailer Car	MK		8023
Trailer Car	MK		8024
Trailer Car	MK		8025
Trailer Car	MK		8026
Trailer Car	MK		8027
Trailer Car	MK		8028
Trailer Car	MK		8029
Trailer Car	MK		8030
Trailer Car	MK		8031
Trailer Car	MK		8032
Baggage Car	MK		8201
Baggage Car	MK		8202
Baggage Car	MK		8203
Baggage Car	MK		8204
Baggage Car	MK		8205
Baggage Car	MK		8206
Cab Car	MK		8301
Cab Car	MK		8302
Cab Car	MK		8303
Cab Car	MK		8304

MAINTENANCE AGREEMENT

---

Cab Car	MK	8305
Cab Car	MK	8306
Cab Car	MK	8307
Cab Car	MK	8308
Cab Car	MK	8309
Cab Car	MK	8310
Cab Car	MK	8311
Cab Car	MK	8312
Cab Car	MK	8313
Cab Car	MK	8314
Food Service Car	MK	8801
Food Service Car	MK	8802
Food Service Car	MK	8803
Food Service Car	MK	8804
Food Service Car	MK	8805
Food Service Car	MK	8806
Food Service Car	MK	8807
Food Service Car	MK	8808
Food Service Car	MK	8809
Food Service Car	MK	8810
Food Service Car	MK	8811
Food Service Car	MK	8812
Food Service Car	MK	8813
Food Service Car	MK	8814

---

APPENDIX 2  
AMTRAK/CALTRANS WARRANTY TAG PROCEDURE FOR  
CALTRANS OWNED LOCOMOTIVES AND CARS

**MATERIAL CONTROL WARRANTY PROCEDURES**

1. Review warranty tag for completeness.
2. Confirm that the Application for Adjustment (AFA) part number agrees with the warranty tag and that all proper signatures are affixed. **NOTE:** Forms must be filled out for all exchanges, including one for one exchanges on site.
3. Input BPA no cost release. On the release include that AFA number and for items sent to the manufacturer, include a copy of the AFA with the shipping document which is forwarded to the manufacturer.

Identify in the document number field types of warranty as listed below:

WARR1 - One for one replacement of material

WARR2 - Material for warranty labor

WARR3 - Performance guarantee parts credit

4. On receipt of material, complete a transaction code 12 (repair and return) to bring the material back into the inventory.

**MATERIAL CONTROL WARRANTY FILES**

Up to the time of material arrival, the Material Control Warranty File will be kept in an open file. After receipt of the material, a copy of the receipt screen will be placed in the Warranty File which then can be placed in the closed file.

**FILE IDENTIFICATION**

File identification will be by noun description of AAMPS number (if applicable).

MAINTENANCE AGREEMENT

YELLOW TAG FORMAT

CALTRANS/AMTRAK WARRANTY TAG

SITE

TAG #

OAK

LAX

SAN

\_\_\_\_\_  
OTH

Locomotive # \_\_\_\_\_ Car# \_\_\_\_\_ Mileage \_\_\_\_\_

Equipment Position #(for part) \_\_\_\_\_ Date Part Removed \_\_\_\_\_

Source of Part(s) Data: (Circle One) EMD MK AMMS Other \_\_\_\_\_

Part # \_\_\_\_\_

Part Name \_\_\_\_\_

Serial # Removed \_\_\_\_\_ Applied \_\_\_\_\_

Brief Description of Defect \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**Amtrak/Caltrans Warranty Tag Procedure for  
Caltrans Owned Locomotives and Cars**

---

1. Amtrak shall develop and procure a Tag (Warranty Tag) to affix to each faulty part removed from the locomotives/cars under warranty, as well as an Amtrak/Caltrans Warranty Claim Request (AWCR) form that shall serve as a control document for tracking the disposition and handling of each faulty part.
2. Each M of E facility with the new locomotives/cars will designate a "M of E Warranty Contact" as follows:
  - OAK: Robert Vandenburg, Mgr. Maintenance Facility
  - LAX: Gil Bruno, Mgr. Maintenance Facility

The M of E Warranty Contact shall be responsible for ensuring that the following tasks are accomplished:

- A Warranty Tag is completed correctly and attached to each defective part
  - An AWCR form is completed for each Warranty Tag
  - The Service Representative has signed each AWCR form and indicated the disposition of each part
  - Each tagged part is delivered to the Material Control Storehouse at the facility
  - The Material Control Warranty Representative signs each AWCR form
3. Each Material Control location shall designate a "Warranty Representative" as follows:
    - OAK: Supvr., Material Control
    - LAX: J. C. Metzger, Mgr. Material Control
  4. The steps describing each event in the Warranty Cycle are as follows:
    - a) Amtrak mechanic removes a faulty part from the locomotive/car.
    - b) The mechanic tags each faulty part with a yellow Warranty Tag, filling in the information on the tag in either pen or indelible magic marker. The mechanic shall wire or tape the Warranty Tag to the defective part.

**NOTE:** Warranty Tags numbered from \_\_\_\_\_ through \_\_\_\_\_ are interim tags made of yellow cardstock. Final tags numbered \_\_\_\_\_ and up shall be made from yellow Tyvek material.

The Warranty Tag shall contain the following information:

- The pre-printed Warranty Control Number. The Warranty Control Number shall be eight characters:

Three alpha characters indicating the facility location, followed by five numeric characters indicating the current warranty claim at that facility.

The mechanic shall circle the appropriate location and write in the correct claim number.

Example:     \_\_\_     LAX 00078  
              \_\_\_     OTHER \_\_\_\_\_

If "OTHER" is circled, the mechanic shall write the facility name in front of "OTHER".

Remaining information on the Warranty Tag shall include:

- locomotive/car number
- locomotive/car mileage from computer
- date defective part removed from locomotive/car
- locomotive/car Position Number for the defective part

Source of part(s) Data: MK, EMD, AMMS, or OTHER. If "OTHER" write in manufacturer's name:

- part number for the defective part
- serial number, if applicable of removed part and of new part applied
- part name
- brief description of fault/trouble/failure of the part that requires warranty action

- c) Using the Warranty Tag information, an AWCR form (four sheet carbonless NCR form) is prepared by the M of E Warranty Contact Person.

The AWCR form, M of E Action section, shall contain the following information:

- Warranty Tag Number, i.e. "LA - 00078"
- locomotive/car number
- locomotive/car mileage from computer
- date defective part removed from locomotive/car
- locomotive/car Position Number for the defective part
- date locomotive/car was shopped (taken out of service)

Source of Part(s) Data: MK, EMD, AMMS, or OTHER. If "OTHER" write in manufacturer's name:

- part number for the defective part
- serial number, if applicable of removed part and of new part applied
- part name from parts manual
- AMMS number corresponding to EMD or MK part number (if known)
- brief description of fault/trouble/failure that required the part to be removed from locomotive/car
- brief description of any deviations from normal appearance, function, or condition of the part
- labor manhours by craft to remove the faulty part and replace it
- M of E Warranty Contact Person to sign and date AWCR form

d) EMD or MK's Service Representative shall complete the "Disposition Action" portion of the AWCR form, and decide the disposition of each warranty claim part according to the selections in the table below. The Service Representative shall provide the M of E Warranty Contact Person with a copy of the EMD or MK WCR form corresponding to each AWCR.

The Service Representative shall add the following information to the AWCR form:

- the EMD or MK WCR number
- the disposition of the faulty part (replacement, scrap, etc.)
- where the defective part shall be sent
- sign and date the disposition portion of the AWCR form
- whether the replacement part was supplied to Amtrak directly from EMD or MK's warehouse at the facility

Disposition action shall be defined as follows:

<u>Disposition Action</u>	<u>Action/Part Responsible</u>
Scrap Faulty Part a) or b)	Material Control to dispose of defective part via Amtrak procedures. Either: a) EMD or MK to replace part at no cost to Amtrak via BPO Release Number. Matl. Cntl. to receive replacement part and issue credit to M of E Dept. Net costs of M of E Dept. is zero,

or b) EMD or MK to replace part at no cost to Amtrak from EMD or MK stock on hand at facility. Net cost to M of E Department is zero.

-----  
Replacement of Faulty  
Part/Unit Exchange

-----  
Material Control to send defective part to EMD or MK collect. Either:

a) EMD or MK to replace part at no cost to Amtrak via BPO Release Number. Material Control to receive replacement part and issue credit to M of E Department. Net cost to M of E Department is zero,

or b) EMD or MK to replace part at no cost to Amtrak from EMD or MK stock on hand at facility. Net cost to the M of E Department is zero.

-----  
Warranty Claim  
Disallowed

-----  
Amtrak and EMD or MK to conduct a joint teardown inspection of the part; final determination of allowability of the warranty claim shall be resolved at the inspection, and noted on the AWCR form.

If the part is considered a warranty claim, the Material Control Warranty Representative shall arrange for the disposition of the part in accordance with either the "Scrap Faulty Part" or "Replacement of Faulty Part/Unit Exchange" noted in this procedure.

-----

- e) When replacement parts are ordered from EMD or MK, the Material Control Warranty Representative shall take the responsibility for:
- a BPO Release Number
  - placing the BPO Release Number in the "MCA" portion of the AWCR form
  - checking each AWCR form for appropriate signature
  - confirming that appropriate signatures are affixed
  - verifying that the correct number and name are assigned to the corresponding EMD or MK part number on the AWCR form
  - initiating a system request to assign an AMMS number to the EMD or MK part number, if one has not been assigned
  - disposing of each warranty claim part according to the instructions authorized by EMD or MK's Service Representative on the AWCR form
  - assuring that all parts returned to EMD or MK are shipped collect

No action is required on the AWCR form by the Material Control Representative when the part is furnished directly to Amtrak from EMD or MK's onsite warehouse.

- f) The M of E Warranty Contact Person shall retain the original page (white copy) of the AWCR form; the Material Control Warranty Representative shall retain the yellow copy of the AWCR form; Amtrak's Manager Warranty shall retain the pink copy of the form; EMD or MK's Service Representative shall retain the blue copy; and Caltrans shall receive a xerox of the white copy.
- g) The \_\_\_\_\_ person is responsible for updating the AMMS with the serial number of the replacement part.

AMTRAK/CAL TRAN OWNED EQUIPMENT  
WARRANTY CLAIM REQUEST

=====

M OF E ACTION

WARRANTY TAG NUMBER \_\_\_\_\_ CAR NUMBER \_\_\_\_\_  
DATE CAR SHOPPED \_\_\_\_\_ CAR MILEAGE \_\_\_\_\_  
CAR POSITION NUMBER FOR PART \_\_\_\_\_  
DATE PART REMOVED FROM CAR \_\_\_\_\_

MANUFACTURER ACTION

MANUFACTURER'S NAME \_\_\_\_\_  
MANUFACTURER'S PART NUMBER \_\_\_\_\_  
MANUFACTURER'S SERIAL NUMBER REMOVED \_\_\_\_\_ APPLIED \_\_\_\_\_  
MANUFACTURER'S PART NAME \_\_\_\_\_

AMMS NUMBER \_\_\_\_\_

BRIEF DESCRIPTION OF NOTED DEVIATIONS (APPEARANCE, FUNCTION, OR  
CONDITION)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MANHOURS/CRAFT \_\_\_\_\_  
FOR AMTRAK \_\_\_\_\_

M of E Warranty Contact Person \_\_\_\_\_ Date \_\_\_\_\_

=====

MK DISPOSITION ACTION

MK WCR NUMBER \_\_\_\_\_  
SCRAP FAULTY PART \_\_\_\_\_ REPLACEMENT/UNIT EXCHANGE \_\_\_\_\_  
WARRANTY CLAIM DISALLOWED \_\_\_\_\_ (REASON) \_\_\_\_\_  
TEARDOWN INSPECTION RESOLUTION \_\_\_\_\_  
SHIP PART/ASSEMBLY TO: \_\_\_\_\_  
PART FURNISHED FROM MK WAREHOUSE AT FACILITY \_\_\_\_\_

FOR MK \_\_\_\_\_  
MK Company Authorization \_\_\_\_\_ Date \_\_\_\_\_

=====

MATERIAL CONTROL ACTION

BPO # \_\_\_\_\_ BPO RELEASE NUMBER \_\_\_\_\_  
RECEIVED \_\_\_\_\_  
Material Control Warranty Rep. \_\_\_\_\_ Date \_\_\_\_\_

=====

AMTRAK/CAL TRAN OWNED EQUIPMENT  
WARRANTY CLAIM REQUEST

=====

M OF E ACTION

WARRANTY TAG NUMBER \_\_\_\_\_ CAR NUMBER \_\_\_\_\_  
DATE CAR SHOPPED \_\_\_\_\_ CAR MILEAGE \_\_\_\_\_  
CAR POSITION NUMBER FOR PART \_\_\_\_\_  
DATE PART REMOVED FROM CAR \_\_\_\_\_

MANUFACTURER ACTION

MANUFACTURER'S NAME \_\_\_\_\_  
MANUFACTURER'S PART NUMBER \_\_\_\_\_  
MANUFACTURER'S SERIAL NUMBER REMOVED \_\_\_\_\_ APPLIED \_\_\_\_\_  
MANUFACTURER'S PART NAME \_\_\_\_\_

AMMS NUMBER \_\_\_\_\_

BRIEF DESCRIPTION OF NOTED DEVIATIONS (APPEARANCE, FUNCTION, OR  
CONDITION)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MANHOURS/CRAFT \_\_\_\_\_  
FOR AMTRAK \_\_\_\_\_

M of E Warranty Contact Person \_\_\_\_\_ Date \_\_\_\_\_

=====

EMD DISPOSITION ACTION

EMD WCR NUMBER \_\_\_\_\_  
SCRAP FAULTY PART \_\_\_\_\_ REPLACEMENT/UNIT EXCHANGE \_\_\_\_\_  
WARRANTY CLAIM DISALLOWED \_\_\_\_\_ (REASON) \_\_\_\_\_  
TEARDOWN INSPECTION RESOLUTION \_\_\_\_\_  
SHIP PART/ASSEMBLY TO: \_\_\_\_\_  
PART FURNISHED FROM EMD WAREHOUSE AT FACILITY \_\_\_\_\_

FOR EMD \_\_\_\_\_  
EMD Company Authorization \_\_\_\_\_ Date \_\_\_\_\_

=====

MATERIAL CONTROL ACTION

BPO # \_\_\_\_\_ BPO RELEASE NUMBER \_\_\_\_\_  
RECEIVED \_\_\_\_\_  
Material Control Warranty Rep. \_\_\_\_\_ Date \_\_\_\_\_

=====

APPENDIX 3  
AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM -  
F59PHI LOCOMOTIVE MAP FORMS



---

MAINTENANCE CYCLES AND MAP FORM COLORS FOR  
CALIFORNIA LOCOMOTIVE

Maintenance Cycle	Map Form Color
Daily	Blue
15 Day	Pink
90 Day	Canary
180 Day	Green
360 Day	Golden Rod
720 Day	Tan
1080 Day	White

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**DAILY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

UNIT NO \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	OK	DEFECT
1. Check fuel and sand levels.		
2. Check engine room, HEP area, cab floor and windows (FRA 229.19)		
3. Replenish supply of spare fuse (12), torpedoes (6) and tools(2)		
4. Empty trash receptacles.		
5. Clean and check operation of toilet.		
6. Record defects and corrective actions on Map 9.		

**SIGNATURE** \_\_\_\_\_

DESCRIPTION	OK	DEFECT
1. Check all fire extinguishers are in place and sealed. Check date Tags.		
2. Check main, auxiliary engine, and air compressor, oil levels. Bring level to full mark.		
3. Check cooling water system for leaks. Check cooling water level and treatment.		
4. With engine running listed for unusual noises in diesel engine, auxiliary blower assembly, AR15 main generator, air compressor, HEP 480 volt alternator and auxiliary engine. Check for fuel, oil, and exhaust leak.		
5. Drain intercooler and dirt collector condensate. Check air compressor control air system. Drain condensate. (FRA 229.46)		
6. Inspect running gear, wheels, gear cases, axle caps, pins, bushings and brake shoes.(FRA 229.61 thru 229.75). Piston travel is within prescribed limits (2 1/2 to 3 inches).		
7. Records defects and corrective actions on MAP 9.		

**SIGNATURE** \_\_\_\_\_

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
DAILY INSPECTION - F-59PHI LOCOMOTIVES  
Includes MAP 6, MAP 8ATS & MAP 9  
RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT
1. Check inspection cards for FRA compliance		
2. Inspect cabs seats and mountings, cab windows, sun visors, and doors including latching mechanisms and safety retainers.		
3. Test horn, bell and safety devices (FRA 229.46.)		
4. Test air brake and safety control devices (FRA 229.46)		
5. All air brake hoses are properly coupled and are in condition for service.		
6. All angle cocks and cutout cocks are properly positioned for services.		
7. ER and BP are within 3 pounds of each other and can be regulated.		
8. Check BP leakage, which must not exceed 3 pounds per minute.		
9. Check operation of handbrake and emergency brake valve in cab.		
10. Check operation of independent brake valve apply, release and bail-off features.		
11. Check operation of dynamic brake, alerter penalty brake application and blended brake.		
12. Check operation of sanders FRA 229.131.		
13. Check that carbody side panels are secured.		
14. Test alerter.		
15. Voice test radio.		
16. Check computer display for faults.		
17. Record defects and corrective actions on MAP 9.		

**SIGNATURE** \_\_\_\_\_

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**DAILY INSPECTION - F-59PHI LOCOMOTIVES**  
 Includes MAP 6, MAP 8ATS & MAP 9  
**RECORD DEFECTS ON MAP 9**

MAP 9 WORKSHEET

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

UNIT NUMBER:

LOCATION:

Time and date OK'd for service:

Next Air Due Date:

The above work has been performed, except as noted, and the report is approved.

Signature:

Foreman:

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 15-DAY INSPECTIONS - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS, & MAP 9  
 RECORD DEFECTS ON MAP 9**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. Take main and auxiliary engine lube oil samples, and coolant sample. Check inhibitor level.		
2. Drain moisture from main reservoirs and note that pressure is being maintained between 130 psi and 140 psi.		
3. Check manual and automatic drain valves. Set in automatic. (FRA 229.46)		
4. Inspect draft gear and safety appliances.		
5. Check gear cases for sufficient lubrication and signs of damage.		

\_\_\_\_\_  
SIGNATURE

**ELECTRICAL**

DESCRIPTION	OK	DEFECT
1. Test headlight, crossing lights, red strobe light, panel lights, red marker lights, and carbody lights. (FRA 229.125).		
2. Check operation of cab heaters and air conditioners.  Signature _____		
3. Power test traction engine in forward and reverse. Check operation of speed indicator when locomotive is moved.		
4. Inspect traction motor cables for damage.		
5. Check humidity indicators on air dryer.		
6. Assure speed recorder is operating.		
7. Records defects and corrective actions on MAP 9.		
8. Assure defects reported on MAP 9 and MAP 100 have been cleared.		

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SUPERVISOR IN CHARGE

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
15-DAY INSPECTIONS - F-59 LOCOMOTIVES  
Includes MAP 6, MAP 8ATS & MAP 9  
RECORD DEFECTS ON MAP 9**

**MAP 9 WORKSHEET**

<b>DEFECT</b>	<b>CORRECTIVE ACTION TAKEN</b>	<b>SIGNATURE</b>

UNIT NUMBER: \_\_\_\_\_

LOCATION: \_\_\_\_\_

Time and date OK'd for service: \_\_\_\_\_

Next Air Due Date: \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

Signature: \_\_\_\_\_

Foreman: \_\_\_\_\_

421133 012.05 PM 2/14

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. Inspect exhaust manifold, turbo exhaust stack, and silencer for cracks, leaks and carbon tracks with engine under self-load test.		
2. Inspect automatic fueling system adapters, dust caps, and hoses for cracks, broken parts and worn gaskets.		
3. Check operation of low water, crankcase pressure, and low oil pressure engine protective devices.		
4. Check operation of emergency fuel shutoff devices. FRA 229.93		
5. Test air gauges.		
6. Check wire connections at injectors.		
7. Remove and clean eductor tube.		
8. Check fuel gauges (engine/fuel tank) for proper operation.		
9. Drain the retention tank.		
10. Test and lubricate TM blower inlet guide vane assembly.		
11. Record defects and corrective action on MAP 9.		

\_\_\_\_\_  
**SIGNATURE**

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
Includes MAP 6, MAP 8ATS & MAP 9  
RECORD DEFECTS ON MAP 9**

**MECHANICAL**

DESCRIPTION		OK	DEFECT
1.	Check coupler wear.		
2.	Inspect couplers: - Pilots Couplers must be checked for 1 1/4" minimum clearance from bail to top of link. Insure that coupler swivel pin retainers are secure.		
		<u>Clearance Limits</u>	
		Front	Rear
	Drawbar height (above rail)	_____	_____
		FRA 34-1/2"	maximum
		FRA 31-1/2"	minimum
	Pilot/snow height (above rail)	_____	_____
		FRA 6"	maximum
		FRA 3"	minimum
	Coupler slack	_____	_____
		1/2"	maximum
3.	Inspect Trucks:		
A.	Gauge wheels - record readings. Make sure wheels are in compliance with 49 CFR 229.73 & 229.75.		
B.	Shock absorbers are properly secured and free of defects.		
C.	Truck frames must be inspected to insure that there has been no wheel contact with side frame.		
D.	Truck secondary suspension system must be Inspected to determine if any springs are missing or broken.		
E.	The secondary suspension system must be inspected for any rubbing, abrasion, or fretting cracks in the system.		
F.	The lateral stops located between spring plank and truck bolster must be inspected to determine if there is any excessive clearance.		
G.	The total clearance between pedestal liners must not exceed 3/8 inches.		
H.	The pedestal liners must be inspected to insure wear has not exceeded a thickness of 3/32 of an inch or more.		
I.	Inspect gearcase and support arms for crack and tightness.		
J.	Visual inspection of journal bearings.		



**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT																																																		
4. Inspect truck wear plates clearances.																																																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 20%; text-align: center;"><u>Front</u></th> <th style="width: 20%; text-align: center;"><u>Rear</u></th> <th style="width: 40%; text-align: center;"><u>Clearance Limits</u></th> </tr> </thead> <tbody> <tr> <td>Truck Side Bearing</td> <td style="text-align: center;">LS</td> <td style="text-align: center;">LS</td> <td>1/4" max 1/16"min per side bearing</td> </tr> <tr> <td>Clearance</td> <td style="text-align: center;">RS</td> <td style="text-align: center;">RS</td> <td>1/2" max - total per truck</td> </tr> </tbody> </table>		<u>Front</u>	<u>Rear</u>	<u>Clearance Limits</u>	Truck Side Bearing	LS	LS	1/4" max 1/16"min per side bearing	Clearance	RS	RS	1/2" max - total per truck																																								
	<u>Front</u>	<u>Rear</u>	<u>Clearance Limits</u>																																																	
Truck Side Bearing	LS	LS	1/4" max 1/16"min per side bearing																																																	
Clearance	RS	RS	1/2" max - total per truck																																																	
INSPECTOR: _____																																																				
5.																																																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">POS</th> <th style="width: 10%;">Fng Hgt</th> <th style="width: 10%;">Fng Thk</th> <th style="width: 10%;">Rim Thk</th> <th style="width: 10%;">Tread Wear</th> <th style="width: 10%;">POS</th> <th style="width: 10%;">Fng Hgt</th> <th style="width: 10%;">Fng Thg</th> <th style="width: 10%;">Rim Thg</th> <th style="width: 10%;">Tread Wear</th> </tr> </thead> <tbody> <tr> <td>L1</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>R1</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> </tr> <tr> <td>L2</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>R2</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> </tr> <tr> <td>L3</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>R3</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> </tr> <tr> <td>L4</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>R4</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td> </tr> </tbody> </table>	POS	Fng Hgt	Fng Thk	Rim Thk	Tread Wear	POS	Fng Hgt	Fng Thg	Rim Thg	Tread Wear	L1	_____	_____	_____	_____	R1	_____	_____	_____	_____	L2	_____	_____	_____	_____	R2	_____	_____	_____	_____	L3	_____	_____	_____	_____	R3	_____	_____	_____	_____	L4	_____	_____	_____	_____	R4	_____	_____	_____	_____		
POS	Fng Hgt	Fng Thk	Rim Thk	Tread Wear	POS	Fng Hgt	Fng Thg	Rim Thg	Tread Wear																																											
L1	_____	_____	_____	_____	R1	_____	_____	_____	_____																																											
L2	_____	_____	_____	_____	R2	_____	_____	_____	_____																																											
L3	_____	_____	_____	_____	R3	_____	_____	_____	_____																																											
L4	_____	_____	_____	_____	R4	_____	_____	_____	_____																																											
Front Truck No.: _____ Rear Truck No.: _____																																																				
Wear Limit Flange Height: 1-3/8" Flange Thickness: 1" Rim Thickness: 1-1/8" Tread Worn Hollow: 0"																																																				
INSPECTOR: _____																																																				

SUPERVISOR IN CHARGE: \_\_\_\_\_

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**92-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. HEP Engine Running:		
A. Check for leaks in cooling, fuel and oil systems.		
B. Check for abnormal noise from engine, turbo, generator.		
C. Check exhaust system for leaks or abnormalities.		
D. Record engine hour meter reading.		
2. Remove and clean lube oil centrifuge spinner assembly. Renew paper element.		
3. Change coolant conditioner element.		
4. Test hot engine temperature devices.		
5. Drain HEP engine sump.		
6. Check operation of engine protection device.		
7. Record defects and corrective action on MAP 9.		

SIGNATURE \_\_\_\_\_

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

**AUXILIARY ENGINE**

INSPECTION AND MAINTENANCE TASKS WILL BE BASED ON CATERPILLAR RECOMMENDATIONS	DESCRIPTION	OK	DEFECT
1.	Renew lubricating oil and filters. Bring lube oil to full mark.		
2.	Renew fuel filters.		
3.	Correct defects recorded on MAP 9.		

\_\_\_\_\_  
SIGNATURE

**MAIN ENGINE**

DESCRIPTION	OK	DEFECT
1. Check cooling level and treatment.		
2. With fuel pumps running and 15 psi. water pressure applied to cooling system, inspect air box, crankcase, liners, piston rings, radiators, hoses, pipe connections, pressure cap for leaks.		
3. Replace all fuel filter elements and clean all strainers.		
4. Clean lube oil separator screen and inner and outer eductor tubes. Inspect and clean stack and stiffener bars.		
5. Change turbo lube oil filter and soak back filter elements.		
6. Inspect and if needed blow dirt from radiators.		
7. Lubricate radiator cooling fan shutter linkages. Check for binding and worn sections.		
8. Clean main generator pit drain aspirator.		
9. Change fiberglass bag type engine air filter elements.		
10. Drain condensate from fuel tank sumps.		
11. Renew brake shoes as required and assure brake shoes are in proper alignment with wheel tread.		
12. Lubricate door hinges, locks, and miscellaneous hardware.		
13. Renew cab air conditioner filters.		

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**92-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
 Includes MAP 6, MAP 8ATS & MAP 9  
**RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT																
14. Measure and record manometer readings of air filters at filter test hose stems in cab. (LSM-4)																		
<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Inches of Water Reading</th> <th style="text-align: center;">Min</th> <th style="text-align: center;">Max</th> </tr> </thead> <tbody> <tr> <td>A = Air Filters (engine &amp; inertials)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">5"</td> <td style="text-align: center;">14"</td> </tr> <tr> <td>I = Intertial Filters</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">3"</td> <td style="text-align: center;">7"</td> </tr> <tr> <td>E = Engine Filters (A - I)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> </tbody> </table>		Inches of Water Reading	Min	Max	A = Air Filters (engine & inertials)	_____	5"	14"	I = Intertial Filters	_____	3"	7"	E = Engine Filters (A - I)	_____	NA	NA		
	Inches of Water Reading	Min	Max															
A = Air Filters (engine & inertials)	_____	5"	14"															
I = Intertial Filters	_____	3"	7"															
E = Engine Filters (A - I)	_____	NA	NA															
15. Test air brake and safety control devices. (FRA 229.46)																		
16. Clean locomotive exterior, engine room, engine sumps, and cab.																		
17. Record defects and corrective actions on MAP 9.																		

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SUPERVISOR IN CHARGE

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

**ELECTRICAL**

DESCRIPTION	OK	DEFECT
1. Check cooling fans and inertial blower for proper rotation and bearing noise. Check fan contactors for blown fuses.		
2. Check VR - 15 module. Output must be 74 - 76 volts. Record output.		
3. Inspect all electrical equipment visible insulation and electrical connections. (FRA rule 229.25) Check communications trainline transition jumper.		
4. Measure the output voltage:  A. PSM 300 _____  B. PSM 310 _____  C. PSM 320 _____		
5. Check low voltage system for grounds. Protect solid state equipment.		
6. Perform functional check of fault indicator lights (annunciator panels overhead and control stand).		
7. Visually inspect all equipment in control cabinets.		
8. Inspect high voltage switch gear (power contactors, reverser, brake transfer switch).		
9. Record defects and corrective actions in MAP 9.		

\_\_\_\_\_  
 SIGNATURE

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

**ELECTRICAL**

1.	Check high voltage system for grounds with 1,000 volt megger and record. If reading is above 400,000 ohms, DC leakage test may be used. (MAX 1000 VAC) Check operation of ground relay. Record _____		
2.	Perform self tests at EM 2000 display.		
3.	Perform operational wheel slip test. Perform module self-test on all modules equipped.		
4.	Download event recorder, reset time, make hard copy, analyze, sign and date, attach to MAP forms.		
5.	Test accuracy of speed indicator and locomotive overspeed settings.		
6.	Inspect, clean, and renew worn brushes in dynamic brake blower motor. (MI 4104)		
7.	Inspect AR - 15 slip rings. Replace worn brushes. (MI 3317)		
8.	Inspect AC cabinets.		
9.	Inspect AR - 15 alternator fuses and diodes.		
10.	Check for AC grounds.		
11.	Check fuses in control cabinet/supply spares.		
12.	Inspect HEP alternator fan blades for cracked blades or loose weights.		
13.	Visually inspect HEP wiring for loose connections and signs of overheating.		
14.	Check HEP line voltage.		
15.	Record defects and corrective actions on MAP 9.		
_____ SIGNATURE			

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**92-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT
17. HEP PLANT:		
A. Check operation of all meters, automatic voltage regulators and controls; observe voltmeter for differences in voltage between phases to ensure T.L.C. and power on indicators function.		
B. Check operation of main breaker from right side, left side and both sides together.		
C. Check all 480 volt A.C. trainline receptacles for grounds or shorts.		
D. Check condition of HEP power cables, jumper cables, and receptacles.		
E. Loop 480 Volt HEP receptacles and check for proper operation		
F. Assure that two (2) 480 Volt adaptor jumper cables are furnished and properly stored in the locomotive for the next trip.		
G. Check operation of all engine shutdown protective devices (Governor solenoid, fuel solenoid, overspeed system, and crankcase pressure device). CAT Engine		
18. Test continuity at MU receptacles.		
19. Check battery electrolyte level and specific gravity. Check electrical connections wash batteries and apply NO-OX to terminals. Record specific gravity _____		
20. Inspect all traction motors. Replace worn brushes and felt seals on covers as needed. (MI 3900) Clean string band and brush holder insulators.		
21. Correct defects recorded on MAP 9.		
 _____ SIGNATURE		

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT
22. Perform load test HEP: (Note : Test optional at this time @ no load box in Oakland)		
A. Load test HEP for 5 minutes.		
 _____ SIGNATURE		



**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

DESCRIPTION	OK	DEFECT
23. Perform load test main engine.		
A. Load test main engine for 15 minutes.		
* B. Record Main Generator Voltage _____ v. Record Main Generator Amps _____		
C. Vital Signs: <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <u>Idle</u>            Lube Oil Pressure _____ psi            Engine Temperature _____ F         </div> <div style="text-align: center;"> <u>Notch 8</u>            _____ psi            _____ F         </div> </div>		
* D. Record Cooling Fan Pickup #1 (TA) _____ F #2 (TB) _____ F		
* E. Record horsepower reading _____		
_____ SIGNATURE		
24. Power test traction engine in forward and reverse. Check operation of speed recorder when loco is moved.		
25. Assure seals are properly applied to all safety devices as required.		
26. Record defects and corrective actions on MAP 9.		

\_\_\_\_\_  
SIGNATURE

\* Readings may be obtained from EM2000 computer monitor screen

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
92-DAY INSPECTION - F-59PHI LOCOMOTIVES  
Includes MAP 6, MAP 8ATS & MAP 9  
RECORD DEFECTS ON MAP 9**

**MAP 9 WORKSHEET**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

UNIT NUMBER: \_\_\_\_\_ LOCATION: \_\_\_\_\_

Time and date OK'd for service: \_\_\_\_\_ Next Air Due Date: \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

Signature: \_\_\_\_\_ Foreman: \_\_\_\_\_

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**186-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. Retorque exhaust manifold base bolts. Tighten top deck cover bolts.		
2. Measure piston to cylinder head clearances and record lead wire measurements on MAP 1170. If higher than .100", renew power assembly. Measure piston ring to land clearance on top compression rings and record all cylinder readings on MAP 1170. If above .025", renew assembly.		
3. Clean air compressor breather. Change air compressor intake filter.		
4. Lubricate truck center bearings. Add one (1) pint		
5. Record defects and corrective action on MAP 9.		
6. Change air dryer 975-075 filter element.		
7. Inspect oil pan, rods and baskets.		
8. Record defects and corrective actions on MAP 9.		
9. Replace Cat Engine crankcase emission absorbers.		

\_\_\_\_\_  
SIGNATURE

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**186-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

**ELECTRICAL**

DESCRIPTION	OK	DEFECT
1. HEP PLANT: Renew starter motor brushes and blow out starter with low pressure air.		
2. Record defects and corrective actions on MAP 9.		
3. Wash batteries with soda.		
4. Blow our AR15 heat sinks and slip ring area with low pressure air, if required.		
5. Inspect and replace (if needed) layover heater motor brushes and blow out motor.		
6. Inspect and replace (if needed) starter motor brushes and blow out motor.		
7. Megger the HEP alternator.		
8. Record defects and corrective actions on MAP 9.		

-----  
**SIGNATURE**

-----  
**SUPERVISOR IN CHARGE**

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
186-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
Includes MAP 6, MAP 8ATS & MAP 9  
**RECORD DEFECTS ON MAP 9**

**MAP 9 WORKSHEET**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

UNIT NUMBER: \_\_\_\_\_

LOCATION: \_\_\_\_\_

Time and date OK'd for service:

Next Air Due Date:

The above work has been performed, except as noted, and the report is approved.

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 368-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. Replace fire extinguishers with properly tagged extinguishers		
2. Remove and inspect air dryer borosilicate coalescing element.		
3. Replace air dryer filter.		
4. Check air dryer regenerative orifice operation.		
5. Inspect radiator air passages and clean.		
6. Clean radiator inlet header screens.		
7. Inspect and lubricate radiator shutter linkages.		
8. Measure pressure drop across carbody internal filters.		
9. Check pressure drop across the main engine after coolers.		
10. Check soakback oil system for proper operation.		
11. Renew main electrical cabinet filters.		
12. Clean and inspect horn and bell.		
13. Remove HEP engine injectors, inspect and replace as needed.		
14. Record defects and corrective actions in MAP 9.		
15. Qualify air compressor by performing orifice test (MI 1144)		

\_\_\_\_\_  
**SIGNATURE**

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 368-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

**AUXILIARY ENGINE**

DESCRIPTION	OK	DEFECT
1. Auxiliary Engine		
A. Check rack setting, injector timing and engine speed.		
B. Auxiliary engine:		
a) Adjust fuel injector control racks.		
b) Adjust engine governor linkage.		
c) Adjust load limit.		
d) Adjust speed limit.		
e) Adjust maximum no load speed.		
f) Record defects and corrective action on MAP 9.		
2. Clean and inspect turbocharger screen.		
3. Retorque head frame to crankcase bolts.		
4. Retorque cylinder crab bolts to 1800 ft. lbs. on conventional crabs. Engines with plate crabs get torqued to 2400 ft. lbs. in two passes 400 ft. lbs. then 2400 ft. lbs.		
5. Check engine generator, air compressor, and turbo base bolts for tightness.		
6. Change air compressor oil. (MI 1144).		
7. Remove, clean, and replace HEP cabinet air filters.		
8. Perform Salem air dryer maintenance per Salem service bulletin #24B.		
9. Clean and inspect orifice of sander relay valves.		
10. Replace air filter automatic drain valve and magnet valve.		
11. Replace main reservoir automatic drain valve and magnetic valve.		
12. Clean and inspect dirt collector chamber of brake pipe branch cutout cock		
13. Replace filter in cutout cock body.		
14. Replace main reservoir safety valve.		
15. Record defects and corrective actions on MAP 9.		

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 SUPERVISOR IN CHARGE

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 368-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

**ELECTRICAL (Preliminary Checks)**

DESCRIPTION	OK	DEFECT
1. Calibrate all electric meters.		
2. Record defects and corrective actions on MAP 9.		
3. Inspect and clean control stand and contacts. Change DB rheostat brush.		
4. Replace HEP engine starter motors.		
5. Replace engine temperature regulators.		
6. Clean HEP turbo lube pump motor commutator surfaces.		
7. Record defects and corrective actions on MAP 9.		

\_\_\_\_\_  
**SIGNATURE**





**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 736-DAY INSPECTION - F-59PHI LOCOMOTIVES  
 Includes MAP 6, MAP 8ATS & MAP 9  
 RECORD DEFECTS ON MAP 9**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_

DATE: \_\_\_\_\_

**MECHANICAL**

DESCRIPTION	OK	DEFECT
1. Renew electronic fuel injectors		
2. Replace fuel preheater mixing valve, if equipped.		
3. Renew all rubber hoses & flexible Aeroquip type hoses in fuel, lube oil and water systems. Renew Marmon and Dresser coupling seals or O-rings.		
4. Remove and clean aftercoolers and inertial filter assemblies.		
5. Perform two year maintenance on Salem air dryer per Salem Air Bulletin #24B.		
6. Check temperature between lube oil and cooling water into engine.		
7. Replace thermostatic valve in fuel preheater.		
8. Replace hot oil shutdown device with new.		
9. Replace engine protector with new or rebuilt.		
10. Record defects and corrective action on MAP 9.		

\_\_\_\_\_  
SIGNATURE

**ELECTRICAL**

DESCRIPTION	OK	DEFECT
1. Clean spike suppressors, alternator slip rings, and windows.		
2. Transpose leads to AR15 slip rings		
3. Record defects and corrosive actions on MAP 9.		

\_\_\_\_\_  
SIGNATURE

**AMTRAK/CALTRANS**  
**MAINTENANCE ANALYSIS PROGRAM**  
**736-DAY INSPECTION - F-59PHI LOCOMOTIVES**  
**Includes MAP 6, MAP 8ATS & MAP 9**  
**RECORD DEFECTS ON MAP 9**

**MAP 9 WORKSHEET**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

**T NUMBER:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_

**Time and date OK'd for service:** \_\_\_\_\_ **Next Air Due Date:** \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

**Signature:** \_\_\_\_\_ **Foreman:** \_\_\_\_\_

**AMTRAK/CALTRANS  
 MAINTENANCE ANALYSIS PROGRAM  
 1084 AIRBRAKE INSPECTION - F-59PHI LOCOMOTIVES  
 Inspect in Compliance with FRA Rule #229**

UNIT NO. \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	OK	DEFECT
1. Brake cylinder relay valve (J, F or B type).		
2. Main reservoirs safety valves.		
3. Intercooler safety valve.		
4. Brake pipe vent valves.		
5. N-1 reducing valve(s).		
6. Double check valve (16 and 20 pipe).		
7. Distributing or service portion.		
8. Equalizing piston portion.		
9. Brake application portion or P2-A brake application valve.		
10. All relay air valves (H-5, HB-5, HB5D).		
11. MU2A valve.		
12. A-1 charging pilot cut-off valve.		
13. Magnet valves for: <ul style="list-style-type: none"> <li>A. Overspeed</li> <li>B. Air compressor unloader</li> <li>C. Dynamic interlock</li> <li>D. Safety control (alerter)</li> <li>E. Sander</li> <li>F. MHV, MVR, MVSR blended brake</li> </ul>		
14. Check valve between #1 and #2 main reservoir.		
15. Related dirt collectors and filters.		
16. Main reservoir cut-off valve.		
17. All double and reverse double check valves.		
18. One-way check valves.		
19. Change all air brake hoses.		
20. 26 C automatic brake valve(s).		
21. Grease generator rear seals.		

\_\_\_\_\_  
 SIGNATURE

**AMTRAK/CALTRANS  
MAINTENANCE ANALYSIS PROGRAM  
1084 AIRBRAKE INSPECTION - F-59PHI LOCOMOTIVES  
Inspect in Compliance with FRA Rule #229**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

**UNIT NUMBER:** \_\_\_\_\_

**LOCATION:** \_\_\_\_\_

**Time and date OK'd for service:** \_\_\_\_\_

**Next Air Due Date:** \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

**Signature:** \_\_\_\_\_

**Foreman:** \_\_\_\_\_

APPENDIX 4  
AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM -  
CAR MAP FORMS

MAINTENANCE CYCLES AND MAP FORM COLORS FOR  
CALIFORNIA CAR

Maintenance Cycle	Map Form Color
Daily	Blue
Pre-Trip (Food Service)	Tan
60 Day (Food Service)	Pink
90 Day *	Canary
120 Day	Green
360 Day *	Golden Rod
1080 Day *	White

\* Air Brake Inspections/Change-outs on Cab Cars

Note: 1080 Day Air Brake inspection on Cars will change to a 1440 Day (4 Year) inspection, pending FRA approval.

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
DAILY TRIP INSPECTION REPORT  
MAP 10 AC  
Include MAP 9**

UNIT NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

**TRIP INSPECTION**

DESCRIPTION	SIGNATURE
<p>1. CHECK MAP 21-A. RECORD OVERDATES AND DEFECTS.</p>	
<p>2. RUNNING GEAR Visually inspect: truck frames, bolsters, spring planks, equalizers, pedestal legs and liners, springs, primary suspension, pedestal, tie straps, ground straps, shock absorbers, piping, wheels, axles, journal bearings. Inspect brake discs, brake shoes/pads for thickness and brake rigging for damage.</p>	
<p>3. COUPLERS Visually inspect couplers and coupler components, i.e., uncoupling bracket mechanism, anti-creep protection, pin protection and pilot lugs for defects. Check uncoupling lever clearance.</p>	
<p>4. VESTIBULES AND END-OF-CAR HARDWARE Visually inspect/check operation of diaphragms, bridge-plates, curtains, safety appliances, doors and panels, handbrake for defects.</p>	
<p>5. INTERIOR HARDWARE Visually inspect emergency tools, first aid kits, seats, carpet, trash receptacles, toilets, sinks, and soap dispensers.</p> <p>Drain toilet waste retention toilet. Fill toilet hopper water tank</p> <p>Ensure that fire extinguishers are in place and sealed. Check date tags and pressure gauges. Replace if necessary. SMP 28002.</p>	
<p>6. PERFORM CAR CLEANING ACCORDING TO AMTRAK PROCEDURES. To include: <u>Passenger Area</u>: brush upholstery, wipe tables, arm rests and seat backs, empty magazine pouches, spot clean windows and walls, remove gum, vacuum and spot clean carpet, mop all rubber floor areas. <u>Restrooms</u>: disinfect wash basin, toilet and surrounding affected area, replace toilet paper, spot clean walls, and mop floor.</p>	
<p>7. AIR BRAKE Visually inspect piping, hoses, couplings. Drain reservoir condensate. Test air brakes and applied/release indicators. Check pressure switches for proper operation.</p>	



**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
DAILY TRIP INSPECTION REPORT  
MAP 10 AC  
Include MAP 9**

**UNIT NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**TRIP INSPECTION**

DESCRIPTION	SIGNATURE
<p><b>8. AIR CONDITIONING, HEAT, REFRIGERATION</b></p> <p><b>8.1</b> REPLACE AIR FILTERS EVERY 92 DAYS OR SOONER IF NECESSARY. NOTE DATE ON MAP 21-A. Check vaporizer units, coils, oil level, freon level, look for signs of leaks.</p> <p><b>8.2</b> Check shunt trip circuit.</p> <p><b>8.3</b> Check operation of fresh air dampers</p> <p><b>8.4</b> Check air conditioning /heating system for proper operation.</p> <p><b>8.5</b> Check for debris in condenser coil. Clean with back flow of low velocity air as required.</p> <p><b>8.6</b> Check compressor oil in sight glass during operation.</p> <p><b>8.7</b> Check freon sight glass for moisture and proper operation.</p> <p><b>8.8</b> Check food service temperatures:</p> <p><b>8.9</b> Freezers: 0 degrees or below.</p>	
<p><b>9. ELECTRICAL AND EQUIPMENT COMPARTMENTS</b></p> <p><b>9.1</b> Visually inspect/check operation of trainline cables, jumpers, receptacles, batteries, battery charger/low voltagepower supply, ground cables, wheel slide sensors, antifreeze circuits, wheelslide controller, and protective covers on equipment boxes.</p> <p><b>9.2</b> Wheelslide Sensor Clearance: .010"</p>	
<p><b>10. INTERIOR ELECTRICAL</b> Visually inspect/check operation of electrical locker, circuit breakers, contactors, fuses, switches, relays, lighting, water heater, water cooler, PA, intercom, message displays and lamp signs illumination, indicators, conductors signal.</p>	
<p><b>11. WHEELCHAIR</b> Cycle wheelchair lift.</p>	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
DAILY TRIP INSPECTION REPORT  
MAP 10 AC  
Include MAP 9**

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

\_\_\_\_\_  
**FOREMAN IN CHARGE**

\_\_\_\_\_  
**DATE**

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
DAILY TRIP INSPECTION REPORT  
MAP 10 AC  
Include MAP 9**

**WORK SHEET**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

**INSPECTOR:** \_\_\_\_\_

**Time and Date**  
**Ok'd for service:** \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Occupation**

\_\_\_\_\_  
**Foreman in Charge**

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
 92 DAY AIR BRAKE INSPECTION REPORT  
 FRA PERIODIC INSPECTION  
 MAP 10 AC  
 Include MAP 9**

**UNIT NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**TRIP INSPECTION**

DESCRIPTION	SIGNATURE
1. Test air gauges.	
2. Test load meter.	
3. Inspect all electrical equipment and visible insulation per FRA rule 229.25.	
4. Inspect condition of all safety appliances.	
5. Inspect running gear.	
6. Perform single car air brake test.	

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

ITEMS \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

\_\_\_\_\_  
**FOREMAN IN CHARGE**

\_\_\_\_\_  
**DATE**

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM**  
**92 DAY AIR BRAKE INSPECTION REPORT**  
**FRA PERIODIC INSPECTION**  
**MAP 10 AC**  
**Include MAP 9**

**WORK SHEET**

DEFECT	CORRECTIVE ACTION TAKEN	SIGNATURE

**INSPECTOR:** \_\_\_\_\_

**Time and Date**  
**Ok'd for service:** \_\_\_\_\_

The above work has been performed, except as noted, and the report is approved.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Occupation**

\_\_\_\_\_  
**Foreman in Charge**

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>1. Battery</b>            1.1 Check that all vent caps are closed.            1.2 Inspect for and remove all corrosion in the battery box.            Sec. 2            1.3 Wash off dirt using garden hose spray under pressure of 30-40 psi; then blow off excess water with low velocity air at 30 psi max.            1.4 Check cell voltages.            1.5 Check/refill electrolyte level, if needed. 1.6 Measure specific gravity of electrolyte.  <b>NOTE: NEVER USE VASELINE OR GREASE ON METALLIC PARTS.</b>            1.7 Check for battery grounds.            1.8 Check temperature compensator for proper resistance.</p>	Vol II	
<p><b>2. Battery Charger:</b>  <b>WARNING:</b> Turn off both external AC circuit breakers and battery circuit breaker.            2.1 Remove top and front panels from BC/LVPS and blow off dirt and dust from components (heat sink, circuit boards, etc.) with low velocity air at 30 psi.            2.2 Inspect contacts of load shed contactor PSR3 and transfer contactor PSR1. If burned or pitted replace.            2.3 Check the charging voltage and current output of charger, adjust when necessary.</p>	Vol II Sec. 2	
<p><b>3. Transformers:</b>            3.1 Check for burning or overheating.            3.2 Check electrical connections for tightness.            3.3 Blow off dust and dirt using low velocity air at 30 psi max.</p>		
<p><b>4. Electrical Lockers and Panels:</b>            4.1 Inspect each panel and its connectors for dirty or corroded contacts. Clean contacts if required.            4.2 Blow out dust and dirt using low velocity air at pressure of 30 psi.            4.3 Inspect each component for broken, discolored, overheated or loose parts. Replace if required.</p>	Vol II Sec. 5	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

CAR NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>5. Air Conditioning, Heating and Ventilation:</b></p> <p>5.1 Clean outer covers of air conditioning unit. Renew filter/dryers if required.</p> <p>5.2 Blow condenser and evaporator coils. Wash if necessary.</p> <p>5.3 Check evaporator mounting bolts for security. Check evaporator drain.</p> <p>5.4 Check blower motor, condenser fan motor, compressor motor, ventilation and exhaust blowers and motors for:</p> <p>a) Secure mounting of fan to motor shaft.  b) Motor and blower mounting bolt tightness.  c) Frayed, worn or deteriorated wiring.  d) Security of wire supports and terminals.  e) Evidence of bearing seal leakage.  f) Security of condenser grill safety switch.</p> <p>5.5 Lubricate blowers and condenser fan motors annually using approved lubricant (Shell Cytrina #3, Class 1 Lithium Base). CAUTION: Over-lubrication will damage the bearings. Never apply more than a single squirt of grease (1/2 oz) to any one fitting.</p> <p>5.6 Inspect freon moisture indicators.</p> <p>5.7 Check all freon components, lines and tubing for secure mounting and signs of leaks.</p> <p>5.8 Check unit chassis shock mounts for deteriorated or failed conditions and mounting bolts for security.</p> <p>5.9 Check overhead panels for security and damage.</p> <p>5.10 Check heater elements and high temperature limit switch for security.</p> <p>5.11 Check heating system wiring for frayed, worn or deteriorated insulation and wire supports for tightness.</p> <p>5.12 Check fresh air damper assembly for loose connections, tighten as necessary.</p> <p>5.13 Receiver tank liquid level.</p> <p>5.14 Compressor oil level.</p> <p>5.15 Inspect (evap) blower wheel (damage, security, rotation, balance).</p> <p>5.16 Inspect (evap) motor (visual/audible)</p> <p>5.17 Clean evaporator coil (clean and rinse, comb fins).</p> <p>5.18 Control panel contactors (contact voltage drop).</p> <p>5.19 Check operation of anti-freeze heaters.</p>	<p align="center">Vol II Sec. 4 &amp; 5</p>	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

CAR NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>6. Manually Operated Doors:</b>            6.1 Check operation/securement of doors, locks, and handles. Lubricate when necessary.            6.2 Check filter function, replace desiccant cartridge.            6.3 Check operator cushioning during opening.            6.4 Check function of closing lock arm.</p>	<p align="center">Vol III Sec. 6 &amp; 7</p>	
<p><b>7. Inspect seats for mechanical defects.</b></p>		
<p><b>8. Inspect fire extinguishers</b>            Record inspection tag dates _____.            If inspection date will exceed one year before next 120/180 day inspection, the tag must be redated. SMP 28002 REV 10/82.</p>		
<p><b>9. Car body:</b>            9.1 Inspect sides and roof for damage or distortion.            9.2 Inspect underframe members and equipment brackets. pressure air.            9.3 Inspection of interior walls and ceiling.            9.4 Inspect ladders, flag holder and grab handles for loose or missing hardware.            9.5 Check seals on windows for signs of leaks.            9.6 Check operation of panel lock and sash movement.</p>		
<p><b>10. Door Operators and Door Slide Assemblies:</b>            10.1 Turn air cock handle to the OFF position and check that doors may be manually opened. Return air cock handle to its NORMAL position.            10.2 Verify that operator limit switch (DLS) is deactivated when door panel is nearly closed.            10.3 Check that pressure regulator is set at 90 psi.            10.4 Check clear plastic weather seal; replace switch assembly if seal is broken or missing. Check operation of each press switch assembly.</p>		
<p><b>11. Inside Door Key switches:</b>            11.1 Check each assembly and tighten mounting hardware, if necessary.            11.2 Test door key switch operation in all modes.</p>	<p align="center">Vol III Sec. 6</p>	



**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>12. Interior and Exterior Emergency Switch:</b>            12.1 Inspect each switch assembly and tighten mounting hardware, if necessary.            12.2 With system circuit breaker ON, check the operation of all doors.</p>	<p>Vol III Sec. 6</p>	
<p><b>13. Communications System-Carborne Control Unit</b>            13.1 Remove cover and check terminals and pins for corrosion. Clean as required.            13.2 Remove 27 point electrical connection from trainline connection and inspect pins and connections for corrosion and cleanliness and clean as required. Verify trainline circuits with 27 point test unit.            13.3 Check that 2 amp fuse is properly applied.            13.4 PA wire L.E.O scanner continuity test. SMP. 11001            13.5 Inspect Conductor station selection switch, handset and cord for defect.            13.6 Inspect Engineer Station selection switch, handset and cord for defects.            13.7 Inspect PA Amplifier housing, wires, connections and hardware for defects.            13.8 Inspect External PA speakers, terminal boards, grilles and cones for defects.            13.9 Inspect CD player cable connections, wire for defects.            13.10 Inspect AM/FM Radio Cassette unit, wire and hardware for defects.            13.11 Inspect Passenger Seat Control units for defects.            13.12 Inspect Entertainment Amplifier (EA) and cable connections for defects.            13.13 Inspect EA power supply and cable connections for defects.            13.14 Inspect Communication Control unit and connections for defects.            13.15 Inspect Audio Sources power supply and connectors for Defects.</p>	<p>Vol III Sec. 9</p>	
<p><b>14. Lighting System:</b>            14.1 Check operation of all systems and replace burned out bulbs as needed.</p>		
<p><b>15. Drain and flush water tanks. SMP 47601</b></p>		

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<b>16. Water Raising System:</b> 16.1 Check adjustable reducing valve, cut-out cocks, E-1 Safety valve, and all piping for external damage and air leakage.	Vol III Sec. 11	
<b>17. Lavatories and Waste Treatment System:</b> 17.1 Check spigots, changing tables, signage, wash basins and plumbing systems for defects. 17.2 Drain air filter regulator. 17.3 Verify regulator pressure of 60 PSI. 17.4 Clean air filter regulator. 17.5 Remove obstructions in regulator piping. 17.6 Open strainer on water panel and drain. 17.7 Inspect water lines for defects. 17.8 Inspect toilet flapper and flapper gasket. 17.9 Check flapper and air cylinder operation. 17.10 Inspect air cylinder O rings. 17.11 Inspect air cylinder retainer rings. 17.12 Inspect spray O rings. 17.13 Clean spring ring. 17.14 Inspect macerator boot. 17.15 Clean level sensor.	Vol III Sec. 10	
<b>18. Brakes:</b> 18.1 Conduct single car test. 18.2 Check brake cylinder pressure. (55-57 psi full service, 71-73 psi emergency). 18.3 Inspect handbrake. Clean and lubricate as required. 18.4 Lubricate hanger and brake head bolts (tread brakes). 18.5 Lubricate alemite fitting in head of hanger arm bolt (disc brakes). 18.6 Fill body reservoir with lubricant (tread brakes). 18.7 Clean magnetic pick-up and check for loose locknut (if loose, check gap). 18.8 Perform Decelostat self test. 18.9 Check duplex air gauge.		

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
 120-DAY INSPECTION REPORT  
 MAP 120A  
 Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>19. Brake Control:</b>            Drain condensate from combined control and selector volume reservoirs by removing the 1/2 inch NPT drain plug from the bottom of each reservoir.</p> <p><b>Diaphragms:</b>            19.1 Inspect gatke faceplate. Replace if broken or worn.            19.2 Inspect faceplate. Replace diaphragm if bent or twisted.            19.3 Inspect shear mounts. Replace as necessary.            19.4 Inspect diaphragm to car mounting to assure proper weather seal.            19.5 Couple to adjacent car. Spray water on top of diaphragms assure proper weather seal.</p>	<p align="center">Vol IV Sec. 12</p>	
<p><b>20. Air Bag System:</b>            20.1 Remove leveling valve and clean screens.            20.2 Remove OB-1 strainer and clean filter.</p>	<p align="center">Vol III Sec. 11</p>	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

CAR NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>21. Truck Mechanical:</b></p> <p>21.1 Inspect and gauge wheels. Clean road dirt from wheel plates. Record measurements on MAP # ALL AW.</p> <p>21.2 Inspect crossbars.</p> <p>21.3 Inspect equalizers, equalizer seats, and associated parts for wear.</p> <p>21.4 Inspect pedestal liners for wear, renew as required.</p> <p>21.5 Inspect pedestal tie straps (tighten if necessary).</p> <p>21.6 Inspect bolster anchor rods (if necessary, shim to obtain proper tightness).</p> <p>21.7 (Horizon) Inspect condition of lateral bumpers. Assure proper clearance. 1/8" lateral clearance, 3/8" total lateral play.</p> <p>21.8 Check leveling of car body.</p> <p>21.9 Inspect rubber bushings between links of the vertical and horizontal shock absorbers and respective pivot points.</p> <p>21.10 Check rubber bushings on car body bolster connections at car body bolster and truck bolster.</p> <p>21.11 Check all piping and connections for loose fittings and damaged components.</p> <p>21.12 Check shock absorbers for proper mechanical operation. Repair or renew as needed.</p> <p>21.13 Check the locking center pin which affects securement of the two truck halves (bolster and truck frame) at the center pivot for security.</p> <p>21.14 Check for proper handbrake connection to axle disc of the B-end truck.</p> <p>21.15 Check handbrake cable attachment and handbrake for proper operation. Check for proper operation of brake indicating light.</p>	<p align="center">10</p>	
<p><b>22. Make visual inspection of yoke, yoke pin, wear strap and radial connector bushings for excessive wear.</b></p>	<p align="center">Vol IV Sec. 14 &amp; Running Maintenance and Service Manual Pgs 3-40</p>	



**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<p><b>26. Trucks-Wheel Slide:</b></p> <p>26.1 Check that input sensor cable assemblies, control cable assemblies for magnetic sensors and power input wires to wheel slide controller as well as output wires to toilet relay and wires and cable assemblies to wheel slip dump valve and reservoir assemblies are secure and are not broken. Replace any if damaged.</p> <p>26.2 Check wheel slide dump valve and reservoir for air leakage.</p> <p>26.3 Record sensor resistance (800-1200 ohms).</p> <p>_____</p>	Vol III	
<p><b>27. Inspect all exposed 480V cables for nicks, cracks, or deterioration. Record meter readings (must be at least 2 meg).</b></p> <p>1-2 _____ 1-3 _____ 2-3 _____</p> <p>1-GND _____ 2-GND _____ 3-GND _____</p>	SMP 26601 SMP 48001	
<p><b>28. Observe safety precautions. Assure that 480V. power is not connected to the car and that the main circuit breaker is open, locked out, and tagged. Then use a non-metallic brush and approved electrical parts cleaner to clean the small control pins in the 480V. receptacles.</b></p>		
<p><b>29. Trainline Jumpers and Receptacles: HEP</b></p> <p>29.1 Inspect cover spring.</p> <p>29.2 Check jumpers and receptacles for shorted wires.</p> <p>29.3 Inspect all (5) cable support cleat blocks.</p> <p>29.4 Inspect for loose or missing hardware.</p>		

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	PS MANUAL REF SECTION	SIGNATURE
<b>30. Refrigeration: (30)</b> 30.1 Renew inlet filters on and coffee-maker. 30.2 Check operation of freezer cabinet: hinges, latches, locks, seats, temperature indicators and all cabinet drains. 30.3 Check operation of convection ovens, coffee-makers, faucets and sink drains. 30.4 Test microwave ovens.	SMP 23604	
<b>31. Check for proper operation of convection and microwave ovens and coffee pots.</b>	Vol IV Sec. 16	
<b>32. Wheelchair Lift:</b> 32.1 Inspect main rollers for excessive wear or flat spots. 32.2 Inspect inner frame tube for galling. 32.3 Inspect cylinders for leaks. 32.4 Inspect power unit for leak & test hand pump operation. 32.5 Inspect all hydraulic hoses & fittings for damage & leaks. 32.6 Inspect for loose or missing fasteners or hardware. 32.7 Inspect non-skid surface for wear. 32.8 Inspect power unit filter. 32.9 Lubricate platform hinge.		
<b>33. Check emergency window handles to ensure they are connected to, and will pull out, the rubber bead on emergency sash window. If not, corrected to meet proper specifications.</b>	Vol. I Sec. 1.4	
<b>34. Inspect all non-concealed lights, marker lights, and switches. Replace all burnt out lamps and broken or missing glassware.</b>		

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
120-DAY INSPECTION REPORT  
MAP 120A  
Includes #9, 10AC, 60SE**

**CAR NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**EQUIPMENT ACCEPTANCE FOR SERVICE APPROVALS:**

**PM Supervisor:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**OBS QA Inspector:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Mech. Dept. QC Inspector:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Date car release for service:** \_\_\_\_\_ **Date:** \_\_\_\_\_



**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
360-DAY INSPECTION REPORT  
MAP 360 AC**

Includes: #9, 120 AC, 60 AC, 60 PTC, 10 AC

UNIT NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	SIGNATURE
<p><b>1. BATTERIES:</b></p> <ul style="list-style-type: none"> <li>1.1 Check rigid intercell connections.</li> <li>1.2 Check intercrate connections.</li> <li>1.3 Check protective coating on terminals and interconnects.</li> <li>1.3.1 Torque all bolts and jumpers( 14 ft. lbs. )</li> <li>1.3.2 Apply Nife Cota or equivalent to all connector terminals and bolts.</li> </ul>	
<p><b>2. LIGHTING:</b></p> <p><u>FLUORESCENT</u></p> <ul style="list-style-type: none"> <li>2.1 Ensure light assemblies are properly secured.</li> <li>2.2 Check light assembly for breaks and cracks.</li> <li>2.3 Check sockets for breaks and cracks.</li> <li>2.4 Check electrical contacts for corrosion.</li> <li>2.5 Inspect wires.</li> <li>2.6 Check ballast assembly for breaks and cracks.</li> <li>2.7 Clean fluorescent lamps.</li> <li>2.8 Clean light assembly surfaces (inside and outside).</li> <li>2.9 Check and clean dust and residue buildup on light assemblies.</li> <li>2.10 Verify function of lights.</li> <li>2.11 Check wiring for defective insulation and wire terminations for proper physical connections, also check condition of connections and connector pins.</li> <li>2.12 Check ballasts for evidence of overheating, arcing and other visible defects: check ballast wiring leads and make sure ballast are mounted securely.</li> </ul> <p><u>LCD SIGNS</u></p> <ul style="list-style-type: none"> <li>2.13 Ensure LCD signs are secure.</li> <li>2.14 Inspect lamp pins for damage and corrosion.</li> <li>2.15 Inspect sockets for electrical damage and corrosion.</li> <li>2.16 Inspect wire harness for damage and corrosion.</li> <li>2.17 Inspect PWAs and LCD modules for defects.</li> </ul>	
<p><b>3. COMMUNICATIONS:</b></p> <ul style="list-style-type: none"> <li>3.1 Clean unit and replace laser.</li> </ul>	
<p><b>4. HVAC:</b></p> <ul style="list-style-type: none"> <li>4.1 R&amp;R dehydrator.</li> <li>4.2 Check heater resistance and current.</li> </ul>	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
360-DAY INSPECTION REPORT  
MAP 360 AC**

Includes: #9, 120 AC, 60 AC, 60 PTC, 10 AC

UNIT NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	SIGNATURE
-------------	-----------

**5. DOORS:**

END DOORS

- 5.1 Inspect pneumatic door operator.
- 5.2 Check security of spring eyebolt locknuts.
- 5.3 Check cylinder piston rod clearance.
- 5.4 Check and adjust door speeds.
- 5.5 Clean and lubricate door hangers and tracks.

SIDE DOORS:

- 5.6 Check security of system components, wire leads, base plate mounting bolts, operator to car structure nuts, and slide mountings.
- 5.7 Check solenoid valve mounting, slide valve function, and alignment of operator and door centerlines (parallel).
- 5.8 Verify hanger side movement is within specifications.
- 5.9 Check cleanliness and freedom of door hangers and clean door tracks and pockets as needed.
- 5.10 Lubricate door tracks.

GENERAL

- 5.11 Inspect solenoid (air) valve and air cylinder.
- 5.12 Inspect and clean wiring for door control box.
- 5.13 Vacuum or brush all dirt from the operator assembly.
- 5.14 Remove oil and grease from assembly surface using a lint free cloth dampened with clorethene NU or equivalent
- 5.15 Check resistance of varistor assemblies used across magnet valve coils and time-delay relay coil. Ref. Vapor manual: Pgs 5-9.
- 5.16 Verify that all electric wiring is free from mechanical interference; dress and secure if necessary.
- 5.17 Operate each door panel and check each operator for leaks in the piping connections.
- 5.18 Check that door panel opens in 2-1/2 seconds and closes in 3-1/2 seconds. Adjust opening and closing speed fittings, if necessary. Tighten speed setting jamnuts after each adjustment.
- 5.19 Open door panel and check that it remains open for 15 seconds.
- 5.20 Check that miniature control valve is activated when the door panel is closed.
- 5.21 Inspect each press switch assembly and tighten mounting hardware if necessary.
- 5.22 Check sensitive edge and sensitive edge switch for security.
- 5.23 Check each door slide assembly and tighten mounting hardware if necessary.
- 5.24 Verify that each door slide is mounted parallel to its door edge.
- 5.25 Check that sensitive edge switch is securely mounted to the door slide plate.
- 5.26 Verify that the switch wiring and PVC tubing are free from mechanical

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
360-DAY INSPECTION REPORT  
MAP 360 AC**

Includes: #9, 120 AC, 60 AC, 60 PTC, 10 AC

UNIT NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	SIGNATURE
<p><b>6. INTERIOR:</b> 6.1 Remove drapes for dry cleaning.</p>	
<p><b>7. BRAKES:</b> 7.1 Clean and inspect OB-4 Type strainer and replace strainer material. 7.2 Clean and inspect H type sir filter and replace filter cartridge.</p> <p><u>BRAKES (AIR):</u> 7.3 Check for proper hand brake connection to axle disc of the 3-end truck. 7.4 Check hand brake cable attachment and hand brake for proper operation. Check for proper operation of brake indicating light. 7.5 Clean and inspect C-1 Strainer and check valve. 7.6 Clean and inspect orifice of sander relay valves. 7.7 Replace air filter automatic drain valve and magnetic valve. 7.8 Replace main reservoir automatic drain valve and magnetic valve. 7.9 Clean and inspect dirt collector chamber of brake pipe branch cutout cock. 7.10 Replace filter in cutout cock body. 7.11 Clean out sump and replace paper filter in dirt collector/cut out cock. 7.12 Replace main reservoir strainer.</p>	

**EQUIPMENT-ACCEPTANCE FOR SERVICE APPROVALS:**

PM Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

OBS QA Inspector: \_\_\_\_\_ Date: \_\_\_\_\_

Mech. Dept. QC Inspector: \_\_\_\_\_ Date: \_\_\_\_\_

Date car released for service: \_\_\_\_\_

APPENDIX 5  
AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM -  
FOOD SERVICE CAR MAP FORMS

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
 FOOD SERVICE CARS  
 PRE-TRIP CLEANING REPORT  
 MAP 110PTC/60SPT  
 Includes #9, 10AC**

UNIT NO.: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DESCRIPTION	REFERENCE	SIGNATURE
8. Elevator: Scrub and wipe interior and floor of shaft.		
9. Remove floor mats in kitchen area and scrub floor with an approved germicidal cleaner, steam clean the floor mats and/or apply new floor matting.	MCC-004 Page-18	
10. Inspect and clean out all areas under cabinets and sinks that may be open to food/debris/rodent buildup.		
11. Review MAP 21A, clean all cleaning related defects. (ALL CARS).		

**REFRIGERATION / MECHANICAL**

DESCRIPTION	SIGNATURE
1. Check all refrigeration and freezers for proper operation and cooling temperatures. <ul style="list-style-type: none"> <li>• Freezer temperature 0 degrees F. or below.</li> <li>• Refrigeration temperature 40 degrees F. or below.</li> <li>• Refrigeration temperature 33 degrees F. or above.</li> <li>• Thermometer accurate to +/- 3 degree.</li> </ul>	
2. Ensure toilets are working properly. If a car has an inoperative toilet, it must be repaired, or the car is to be shopped prior to dispatchment. (ALL CARS)	
3. Check hand washing facilities for proper operation. If car has an inoperative wash basin, they must be repaired or the car is to be shopped prior to dispatchment. (ALL CARS) <ul style="list-style-type: none"> <li>• Cold and hot (110-140 degrees) water available.</li> <li>• Metering faucet (if present) hold for at least 15 sec.</li> </ul>	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
 FOOD SERVICE CARS  
 60-DAY CLEANING REPORT  
 MAP 60AC  
 Includes: #9, 10AC**

**UNIT NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

DESCRIPTION	REFERENCE	SIGNATURE
4. Elevators-Scrub and clean interior and floor of elevator shaft.	Sec. 15.1	
5. Hot Food Servers-Remove and clean trays and drawer slides. Clean underneath, inside and out.	MM V-4 Sec. 16	
6. Toasters-If equipped, wipe clean with germicidal cleaner. Remove and clean crumb tray.		
7. Scrub and wipe the following with approved germicidal cleaner:  7.1 All storage cabinets inside and out. 7.2 All sinks and ice storage chests. 7.3 All booth table tops, and booth seats.	MCC-004 Page 42	
8. Remove floor mats behind the bar area and scrub floor, steam clean the floor mats and/or apply new floor matting.	MCC-004 Page 18	
9. Inspect and clean out all areas under cabinets and sinks that may be open.  Date car released for service: _____		
10. Scrub and wipe clean with germicidal cleaner all cabinets, drawers, bins, lockers, counter and work surfaces.	MCC-004 Page 18	

**AMTRAK/CALTRANS MAINTENANCE ANALYSIS PROGRAM  
FOOD SERVICE CARS  
60-DAY CLEANING REPORT  
MAP 60AC  
Includes: #9, 10AC**

**UNIT NO.:** \_\_\_\_\_ **LOCATION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**EQUIPMENT-ACCEPTANCE FOR SERVICE APPROVALS:**

**PM Supervisor:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**OBS QA Inspector:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Mech. Dept. QC Inspector:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Date car released for service:** \_\_\_\_\_

**MAINTENANCE REFERENCES:**

- Amtrak Car Cleaning Standards ..... MC-004
- FDA Food Service Manual ..... DHEW Pub. No. (FDA) 78-2081
- Mech. Dept. SMP Manual
- Superliner Maintenance Manuals

APPENDIX 6  
MATERIAL ACCOUNTING STATEMENT



MAINTENANCE AGREEMENT  
APPENDIX 6

SPARE PARTS INVOICE FORMAT

Spare Parts Invoice for the month of \_\_\_\_\_

**Consumable parts Purchased**

Description	Part No	Quantity	Price	Total
Total				_____

**Spare parts Purchased**

Description	Part No	Quantity	Price	Total
Total				_____

Total Spare Parts Purchased \_\_\_\_\_

Inventory Control Labor (1 PY) \_\_\_\_\_ (2) \_\_\_\_\_

TOTAL \_\_\_\_\_

**Consumable parts Used (1)**

Description	Part No	Quantity	Price	Total
Total				_____

**Spare parts Used (1)**

Vehicle No	Work Order No	Description	Part No	Quantity	Price	Total
Total						_____

Total Spare Parts Used \_\_\_\_\_

**NOTES**

1. Only Spare parts purchased are invoiced to Caltrans each month, spare parts used will determine usage patterns and provide a true cost of running State Provided Equipment.
2. Inventory control labor not to exceed one Person Year (PY), annual salary and benefits up to \$44,000.

## MAINTENANCE AGREEMENT

	Projected vehicle Months	Spares cost per vehicle per Month	Total Cost
Cab Cars			
Trailer Cars			
Food Service Cars			
Baggage Cars			
F59 PHI			
Dash-8			

Total Spares Costs \_\_\_\_\_  
For year

Maintenance Labor Costs	
Management overhead for Labor	
Spare Parts Costs	
Inventory Control Personnel (4)	
Other Costs(3)	

**Total Maintenance Cost For State  
Provided Equipment** \_\_\_\_\_

### NOTES

1. Scheduled maintenance includes all work included on MAP forms including car/locomotive cleaning
2. Consumable spare parts includes lamps, brake shoes and lubrication oils etc. which are changed on a regular basis due to normal wear and tear.
3. Other costs must be supported by additional information on the requirements.
4. Inventory Control Personnel shall be limited to one (1) Person Year (PY) with annual salary plus benefits not to exceed \$44,000/year.

**APPENDIX I**

**FISCAL YEARS 2017-18 AND 2018-19  
AGREEMENT FOR THE PROVISION OF PASSENGER RAIL SERVICE BETWEEN  
NATIONAL RAILROAD PASSENGER CORPORATION  
AND  
LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR AGENCY  
OCTOBER 1, 2017**

**Fiscal Years 2017-18 and 2018-19`  
Agreement for the Provision of Passenger Rail  
Service**

**Between**

**National Railroad Passenger Corporation**

**and**

**Los Angeles – San Diego – San Luis Obispo  
Rail Corridor Agency**

**October 1, 2017**

## TABLE OF CONTENTS

### RECITALS

### AGREEMENT

Section 1	Definitions
Section 2	Service to be Provided
Section 3	Decisions Affecting Service
Section 4	Calculation of Costs and Schedule of Payments by the LOSSAN Agency
Section 5	Manner of Reconciliation and Reimbursement
Section 6	Defense of Claims
Section 7	Informal Dispute Resolution
Section 8	Arbitration
Section 9	Inspection and Audit
Section 10	Force Majeure
Section 11	Termination
Section 12	Notices
Section 13	General Correspondence
Section 14	Agreement Content
Section 15	Construction
Section 16	Severability
Section 17	Fair Employment Practices
Section 18	Confidentiality
Section 19	Compliance with Laws
Section 20	Employee Conduct, Discipline and Removal
Section 21	Approval
Section 22	Assignment
Section 23	Third Party Beneficiary
Section 24	Independent Contractor
Section 25	Non-Discrimination Clause
Section 26	Child Support Compliance Act
Section 27	Timelines

- Section 28 Priority Hiring and Considerations
- Section 29 State Prevailing Wage Rates
- Section 30 Certification Clauses

## LIST OF APPENDICES

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor – Corridor Description
- B. Service to be Provided: Train Route Description and Schedule
- C. National Railroad Passenger Corporation (Amtrak) – United States and International Trademark Registrations/Applications
- D. Budget and Payment Schedule
- E. Standards for Employee Conduct and Revenue Collection
- F. eCSI (Customer Satisfaction Indices)
- G. On-Time Performance Standards
- H. PRIIA Section 209 - Adopted Cost Methodology Policy
- I. Equipment (Rolling Stock): Availability and Serviceability Standards
- J. Standards for Station Maintenance
- K. Uniform Performance Standards – Adopted June 2014
- L. Required Reports
- M. California Equipment Deployment Summary
- N. Summary Invoice and Sample Reconciliation Statement
- O. Fair Employment Practices Addendum
- P. Amtrak Food and Beverage Operations
- Q. Standard Entry Permit for JPA Contractors or Agents
- R. Equipment Capital Agreement between Amtrak and Caltrans

## RECITALS

This agreement (“Agreement”) is made with reference to the following facts.

**THIS AGREEMENT** made as of the first day of October 2017, by and between the National Railroad Passenger Corporation, a corporation organized under the Rail Passenger Service Act (recodified at 49 U.S.C. § 24101 et seq.) and the laws of the District of Columbia and having its principal office and place of business in Washington, D.C. (hereinafter referred to as “Amtrak”), and the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (hereinafter referred to as the “LOSSAN Agency”), a joint powers authority (JPA) established under the laws of the State of California and as amended pursuant to Senate Bill 1225 (Chapter 802, Statutes of 2012), established under the laws of the State of California and further described in Appendix A.

This Agreement complies with the provisions of California law (California Government Code § 14072.2, S.B. 1225, Padilla, 2012) which authorize the State of California (hereinafter referred to as the “State”) to enter into agreements with specified joint exercise of powers entities, including the LOSSAN Agency, pursuant to which the LOSSAN Agency assumes administrative and management responsibility for State-supported intercity passenger rail service within the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor (LOSSAN Corridor), commonly referred to as the Pacific Surfliner service.

The LOSSAN Corridor stretches 351 miles through the counties of San Diego, Orange, Los Angeles, Ventura, Santa Barbara, and San Luis Obispo. There are 31 stations along the corridor, 29 of which are currently served by the Pacific Surfliner. The LOSSAN rail corridor is further described in Appendix A.

The LOSSAN Agency has requested that Amtrak provide Pacific Surfliner intercity passenger rail service and connecting Bus Feeder Service in and connecting to the LOSSAN Corridor as further described in Appendix B (hereinafter referred to as the “Service”); the cost of which will be borne by the LOSSAN Agency, subject to the Adopted 209 Methodology as updated through October 10, 2016 with changes approved by the State-Amtrak Intercity Passenger Rail Committee (SAIPRC).

For the period of October 1, 2017 through September 30, 2019, the Service will be provided through this Agreement.

All costs for the Service shall be reimbursed based on actual costs as documented and reported in the Amtrak Performance Tracking (APT) System for the associated “operating losses” (expenses not covered by revenue) of such Service.

The LOSSAN Agency is authorized by applicable State law to enter into this Agreement with Amtrak, on the terms and conditions hereinafter set forth, and funds for this purpose have been made available to the LOSSAN Agency by the State as set forth herein.

The LOSSAN Agency and Amtrak (collectively referred to herein as the “Parties” and individually as a “Party”) are committed to providing a safe, high-quality, reliable passenger rail service at a reasonable cost, and are mutually pursuing ongoing cost reduction and revenue enhancement strategies which are intended to be applied to enhanced service.

The Parties will work with the State, regional and local governments and agencies to concentrate on further improving the transportation services along and on the LOSSAN Corridor to ensure that the Service becomes an increasingly efficient part of the region’s transportation network.

Under Section 209 of the Passenger Rail Investment and Improvement Act of 2008, Pub. L. No. 110-432, 122 Stat. 4848 (“PRIIA”), Congress required, among other things, that Amtrak, in consultation with the relevant states and the District of Columbia, develop and implement a methodology for allocating the operating and capital costs of rail routes of not more than 750 miles outside the segment of the continuous Northeast Corridor railroad line between Boston, Massachusetts and Washington, District of Columbia among the relevant states and the District of Columbia, and Amtrak.

Amtrak developed such a methodology in consultation with a group of states, but was unable to achieve the necessary concurrence on the methodology from all relevant states and the District of Columbia as required by PRIIA. Accordingly, on November 21, 2011, Amtrak petitioned the Surface Transportation Board (the “STB”) to adopt Amtrak’s proposed methodology.

The STB, in a decision dated April 14, 2012, adopted Amtrak’s proposed methodology to meet the requirements of PRIIA (the “Adopted 209 Methodology”), which methodology has been updated as of October 10, 2016, as approved by SAIPRC and is incorporated herein as Appendix H.

Provisions of the cost estimates and reconciliations for providing the Service are subject to the Adopted 209 Methodology.

## **AGREEMENT**

**NOW THEREFORE**, in consideration of the recitals and the rights, duties and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LOSSAN Agency and Amtrak hereby agree to the following:

### **SECTION I. DEFINITIONS**

- 1.1 Allocated Revenues: means Passenger and Other Allocated Revenues as that term is defined in the Adopted 209 Methodology.
- 1.2 Amtrak: means the National Railroad Passenger Corporation.
- 1.3 Additional Service: means services other than those specifically included in this Agreement and Appendix B.
- 1.4 Additives shall have the meaning set forth in the Adopted 209 Methodology.
- 1.5 Agreement: means this federal fiscal year 2018 and 2019 Agreement for the Provision of Passenger Rail Service and its Appendices between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and the National Railroad Passenger Corporation.



- 1.6 Adopted 209 Methodology: means the single, nationwide standardized methodology for establishing and allocating operating and capital costs among the States and Amtrak, as approved by the Surface Transportation Board on April 4, 2012.
- 1.7 Amtrak Performance Tracking (APT) system: shall have the meaning set forth in the Adopted 209 Methodology.
- 1.8 Amtrak Purchase Order: is an order by which Amtrak purchases goods or services
- 1.9 Assessments: shall have the meaning set forth in Section 2(j)(i).
- 1.10 Continuation Period: means the provision for the continuation of this Agreement as outlined in Section 4(p).
- 1.11 Contract Bus Operator: shall have the meaning set forth in Section 2(i)i.
- 1.12 Equipment Capital Charges: shall have the meaning set forth in the Adopted 209 Methodology.
- 1.13 Incentives: shall have the meaning set forth in Section 2(j)(i).
- 1.14 LOSSAN Agency: means the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, the public agency created and organized as a joint powers agency pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California.
- 1.15 LOSSAN Corridor: LOSSAN Rail Corridor, Pacific Surfliner Corridor, mean the rail corridor which has its termini at San Diego and San Luis Obispo with intermediate stations located in San Diego County, Orange County, Los Angeles County, Ventura County, Santa Barbara County and San Luis Obispo County.
- 1.16 Managing Agency: means the agency under contract with the LOSSAN Agency to provide necessary administrative, professional and technical support to the LOSSAN Agency and for the oversight of the Pacific Surfliner Corridor.
- 1.17 Marks: shall have the meaning set forth in Section 2(d).
- 1.18 Member Agency(ies): means those public entity members of the LOSSAN Agency.
- 1.19 Monthly Reconciliation Statements: shall have the meaning set forth in Section 5(a).
- 1.20 Operating Cost: shall have the meaning set forth in Section 4(b).
- 1.21 Operating Loss: means expenses not covered by revenue.
- 1.22 Parties or Party: means the signatories to this Agreement including Amtrak/National Railroad Passenger Corporation and the LOSSAN Agency.
- 1.23 Performance Standards: shall have the meaning set forth in Section 2(j)(i).
- 1.24 Passenger Rail Investment and Improvement Act (PRIIA): means that federal statute found at P.L. 110-432, Div. B, Title II, §209, codified at 49 U.S.C. § 24101 et seq..
- 1.25 Route Advertising: shall have the meaning set forth in the Adopted 209 Methodology.
- 1.26 Route Cost: shall have the meaning set forth in the Adopted 209 Methodology.

- 1.27 Service: shall have the meaning set forth in Section 2.
- 1.28 Standard Supporting Documentation: shall include all necessary supporting documentation to substantiate costs.
- 1.29 State: means the State of California.
- 1.30 Supplemental Agreements: means any written agreement between the LOSSAN Agency and Amtrak that is not covered in this Agreement and may be necessary or requested for the Service.
- 1.31 Third Party Costs: shall have the meaning set forth in the Adopted 209 Methodology.

**SECTION 2 – SERVICE TO BE PROVIDED**

- (a) Amtrak shall provide intercity passenger rail service in the LOSSAN Corridor as set forth in Appendix B hereto and substantially in accordance with the schedules prescribed therein. Except for safety, legal, or operational requirements, Amtrak shall not make changes to the Service without prior notice and approval from the LOSSAN Agency. Amtrak shall not be required to increase or modify the schedule except as may be mutually agreed by the Parties. Amtrak shall not be required to increase the level of service except as may be mutually agreed to by the Parties and will require an amendment to Appendix B.
- (b) Amtrak shall not be required to provide passenger rail service on any other route additional to the route set forth in Appendix B hereto except pursuant to a mutually agreed and duly executed amendment to this Agreement, including an amended Appendix B. The LOSSAN Agency may request Amtrak or others to conduct market analysis and studies for specific service changes. Should the LOSSAN Agency request Amtrak to provide a market analysis for additional service or expanded service, the Parties agree to collaborate and to develop promptly a mutually agreed upon type and form of market analysis.
- (c) Amtrak shall diligently work to provide high quality, intercity passenger rail service. The Parties shall cooperate in efforts to improve the Service, as may be appropriate. Unless expressly and mutually agreed in writing between the Parties, the Service shall be at least equal in quality and consistent in type to that which exists as of the date hereof. The LOSSAN Agency will consult with Amtrak when requesting Amtrak to implement LOSSAN Agency directives impacting such things as menu items and prices, level of on-board amenities, fares, on-board operating policies (including procedures for disabled access, train crew procedures and stationing, and checked baggage service), and reservations requirements. Any such directive will be subject to the written approval of the Parties. Both Parties agree that in order to provide a consistent level of Service across all Amtrak-operated services, tariff related policies for the *Pacific Surfliner* Service (including age or membership restrictions to qualify for passenger-type discounts, and rules, procedures and fees for handling reservations, reservation cancellations, ticket exchanges, and ticket or payment refunds) will be handled consistent with Amtrak national tariff related policies. Amtrak will provide the LOSSAN Agency at least fifteen (15) days written notice of any changes to the general tariff related policies.

- (d) **Trade and Service Marks:** The Parties shall cooperate for the purpose of effecting the continuing existence and use of the Service herein, and shall take such other actions as they may mutually agree is conducive to the establishment and provision of the Service on a regular, efficient and economic basis. To that end, Amtrak may continue to market its long-distance service and National Brand through which efforts Amtrak may incorporate the Service in its general advertising and promotional programs as it may deem appropriate to the area in which the Service is provided. By mutual agreement between the Parties, confirmed in writing, Amtrak shall also arrange for advertising directed specifically to the Service (“Route Advertising”). The cost of such Route Advertising shall be borne by the LOSSAN Agency as a Route Advertising cost, in accordance with the Adopted 209 Methodology, and will be subject to any changes to the Adopted 209 Methodology.

Each Party grants the other a limited, non-exclusive license to use its name, trade names, trademarks and service marks (collectively referred to as “Marks”), as further described in Appendix C, for the purpose of implementing the regional marketing and advertising plan. Except as expressly provided herein, no right, property, license, permission or interest of any kind in or to the use of any Mark owned or used by a Party is or is intended to be given or transferred to or acquired by the other Party by the execution, performance or nonperformance of this Agreement or any part thereof. Each Party agrees to comply with all of the other Party’s instructions regarding the other Party’s Marks. Neither Party shall use any Marks of the other in any manner that would diminish its value or harm the reputation of the other Party.

Each Party acknowledges that the other Party’s Marks and copyrights are considered to be valuable and that it (or its licensors) claims to own all worldwide right, title and interest therein and thereto. Each Party agrees that it shall in no way contest or deny the validity of, or the right or title of, the other Party’s Marks by reason of this Agreement. Each Party further agrees not to register anywhere in the world any domain name, name, mark, symbol, logo, copyright, company, product name, service name or description that could be confused with or is similar to or which dilutes the other Party’s Marks.

Each Party shall have the right to review and approve, prior to publication or display, the portion of any and all content, artwork, copy, advertising, promotional materials, direct mail, inserts, press releases, newsletters, web pages or other communications or any other publicity published or distributed by the other (or at its direction or authorization) that specifically references this Agreement, the Party’s name or uses any of the Party’s Marks. Approval shall not be unreasonably withheld, conditioned or delayed, and in no event shall the time period to respond to a request for

approval exceed fifteen (15) days. All advertising and promotional materials shall contain disclaimers, limitations of liability notices, proprietary notices (e.g., trademark and copyright notices) and such other notices as required by the other Party. Notwithstanding any notice provision in this Agreement, the Parties may provide notice of approval or rejection as mutually agreed upon by the Parties.

The Parties acknowledge that they each maintain websites and social media accounts promoting the Service, commonly referred to as the *Pacific Surfliner*. In an effort to maintain consistent websites, each Party will timely notify the other of any updates or changes to their respective website.

- (e) The sections above notwithstanding, the Parties may work together on marketing campaigns and media advertising, advertising campaigns, and any advertising elements that may be included in the cost estimate as part of Appendix D.
- (f) Amtrak agrees to insert, in all published timetables related to the Service herein, the following statement: *“This Service is financed primarily through funds made available by the LOSSAN Agency through the California Department of Transportation”*.
- (g) **Extra Work:** The Parties may, from time to time, identify “extra work” consisting of (1) new or additional services requiring additional, unanticipated expenditures resulting from changes in the requirements set forth in this Agreement, including the Appendices; (2) new or additional services required to support and facilitate third party projects approved by the LOSSAN Agency; and (3) projects of limited duration for which the services are not included in this Agreement or the Appendices (collectively, “Extra Work”).

Prior to undertaking any Extra Work, the Parties will document in writing the proposed scope of work, schedule, and shall agree upon the estimated direct and indirect cost of performing the Extra Work, and in accordance with the Adopted 209 Methodology if applicable. Any Extra Work will also be subject to a supplemental agreement or Amendment to this Agreement.

- (h) **Insurance:** Amtrak shall cause the LOSSAN Agency, the Member Agencies, and the State to be named as additional insureds on applicable Amtrak excess liability insurance policies and as loss payees, as their interests may appear on property insurance policies, as they relate to the services being provided by Amtrak through this Agreement, including coverage for all State-owned rolling stock utilized in the operation of the Pacific Surfliner Service. Such excess liability and property insurance

policies which will collectively be named the “Master Policies”. The LOSSAN Agency shall pay its allocated share of the cost of the Master Policies, including an allocated cost for the self-insured retention under the excess liability insurance policies (currently \$20 million per occurrence), as part of Route Costs.

- (i) **Bus Feeder Service:** Amtrak agrees to provide the following feeder bus services as part of the budget and scope of services identified in Appendix B:
- i. Amtrak shall contract with one or more bus operators (“Contract Bus Operator(s)”) for the provision of connecting bus service between a station or stations served by the Service or other State-supported passenger rail service and other points, over such route(s) and in accordance with service levels as are specifically set forth in Appendix B. Only passengers in possession of valid Amtrak tickets, vouchers or passes for transportation to, from, or through the Amtrak station or stations set forth in Appendix B shall be accepted for carriage. Amtrak shall observe all provisions set forth Section 14035.55 of the Government Code, unless otherwise modified by legislation in regards to Amtrak feeder buses. No checked baggage shall be carried, except between such specific points as may hereafter be agreed to by Amtrak and the LOSSAN Agency. Changes in the aforesaid schedules(s) may be made, as necessary, to coordinate with changes in applicable Pacific Surfliner train schedules, and/or changes to relevant connecting San Joaquin bus and train schedules. Amtrak shall provide the LOSSAN Agency an opportunity to provide input on the solicitations for Contract Bus Operators. Amtrak shall provide or make available for review copies of all bus service contracts to the LOSSAN Agency. The LOSSAN Agency may elect to have such services performed by others. Should the LOSSAN Agency’s election to have services performed by others result in early termination of a bus service contract(s), the LOSSAN Agency shall be responsible for any termination costs incurred by Amtrak associated with early termination of such bus contract(s).
  - ii. By means of its standard form of Amtrak Purchase Order, Amtrak shall contract with a bus operator or operators for connecting bus service(s), as set forth in this Section 2 (ii) and Appendix B of this Agreement and also provide the LOSSAN Agency with a copy of each contract, purchase order or amendment thereto. Each such service shall commence on the applicable commencement date set forth in Appendix B hereto or date of execution of this Agreement, whichever is



later, or a date of mutual agreement, and shall terminate without further notice upon expiration or termination of this Agreement; provided, however, that any such service may be terminated by Amtrak (with concurrence of the LOSSAN Agency) or the Contract Bus Operator on seventy-five (75) day's prior written notice; provided, further, that termination hereunder shall not relieve either Party hereto of financial obligations incurred prior to terminating. Provided, further, that breach of any of the conditions of subdivision (c) of Section 14035.55 of the Government Code shall be grounds for termination of the State supported intercity passenger bus service. Prior to any termination by Amtrak, Amtrak will notify the LOSSAN Agency of its intent to terminate.

- iii. Purchase Orders will not be revised during a term of contract, except for fuel cost adjustments as follows, service expansions or deletions per the request of the LOSSAN Agency or a contract extension. All Purchase Order proposals for bus operations shall contain a separate identifiable fuel cost component, which shall be indexed based upon the Oil Price Information Services (OPIS) or the Energy Information Administration (EIA) index, with adjustments allowed, per the terms of the Purchase Order. During the period of contract performance, and depending on the terms of the respective Purchase Order, Amtrak will make an adjustment in contract value, in the manner specified below, should the OPIS/EIA average price per gallon increase or decrease by more than 10% in a three month period from the fuel price per gallon submitted with a bid.
  - (a) The three month OPIS/EIA average price shall be subtracted from "OPIS/EIA average price" provided as part of the proposal (herein referred to as the base price) to determine the price differential.
  - (b) The price differential shall be converted to a percent. If the difference is more than 10% from the base price, in a three month period depending on the terms of the respective Purchase Order, the amount above the 10% will be converted back to price per gallon (herein referred to as the differential price).
  - (c) The formulas for calculating the cost differential is:  

$$\text{three months (cumulative daily route miles operated)} \times (\text{differential price per gallon}) / (\text{fleet miles per gallon of fuel}).$$
- iv. Amtrak shall provide the LOSSAN Agency with details of all fuel adjustments made, including the computation of the three-month OPIS/EIA average. At the onset of any Amtrak procurement process soliciting bids for contract bus services, both Amtrak and the LOSSAN

Agency may jointly agree to modify the above provisions via an amendment to this Agreement. Amtrak assumes no financial risk in this regard, as excess fuel costs are absorbed jointly by the Contract Bus Operator and the LOSSAN Agency.

- v. Each Contract Bus Operator will invoice Amtrak monthly for the cost of the applicable service hereunder. In the event additional bus miles are operated on a trip-by-trip basis as a result of a natural disaster or man-made road closure (or any other reason mutually agreed to by the LOSSAN Agency and Amtrak confirmed in writing in advance where possible), said additional service shall be paid for at the established rate and will be incorporated in a separate monthly invoice to Amtrak, accompanied by a written explanation documenting the date, time and necessity for the additional miles operated.

**vi. Rates for Short Non-Established Route Segments:**

Extra buses are sometimes required for segments of existing routes included in Appendix B for which there is no agreed-to price. Amtrak may pay for such extra bus segments in any of the following ways.

- (a) Amtrak may pay the Contract Bus Operator at the rate provided by the Amtrak Purchase Order for the shortest route segment that includes the segment to be covered by the extra bus. Amtrak will notify the LOSSAN Agency of the rate to be paid for such extra bus segments by providing the LOSSAN Agency with a written notice of such a negotiated rate which will be signed by Amtrak's Director of Bus Operations or other authorized representative; or
- (b) If Amtrak is able to negotiate with the Contract Bus Operator a limited time rate for such a short extra bus segment that will lower the cost of segments (as compared to the cost under subsection (a) above), Amtrak may pay the Contract Bus Operator for such extra segments based on that limited time rate. Amtrak will provide written notice to the LOSSAN Agency of such a limited time rate with a provision of a notice to the LOSSAN Agency of such negotiated rate including invoiced charges based on that rate, which will be signed by Amtrak's Director of Bus Operations or other authorized representative; or
- (c) If Amtrak is able to negotiate with the Contract Bus Operator for a negotiated rate for such an extra bus



segment that will lower the cost of such extra bus segments (as compared to the cost under subsection a above), Amtrak may pay the Contract Bus Operator for such extra segments based on that negotiated rate. Amtrak will provide written notice to the LOSSAN Agency of such a limited time rate with the provision of a notice to the LOSSAN Agency of such negotiated rate including invoiced charges based on that rate, which will be signed by Amtrak's Director of Bus Operations or other authorized representative.

- (d) Amtrak may negotiate such rates under the preceding Sections Items vi(b) and vi(c) on the basis of multiple trips, daily usage, flat mileage, the cost of upgrading to a larger capacity bus, or any other reasonable basis.

**vii. Rates for Temporary and Long-Term Special Service due to Service Disruptions**

- (a) If natural disasters or other events cause bus service to be temporarily detoured or otherwise disrupted (30 days or less), Amtrak may secure special bus service from a Contract Bus Operator at the lowest available rate that provides service acceptable to Amtrak and the LOSSAN Agency. If Amtrak determines that the Contract Bus Operator cannot provide any or all of the special service sought at a rate acceptable to Amtrak, Amtrak may secure such special bus service from one or more non-contract transportation providers (including taxi or van service providers) at the lowest available rate that provides service acceptable to Amtrak and the LOSSAN Agency. Amtrak will notify the LOSSAN Agency of such special rates with any Contract Bus Operator and/or non-contract transportation providers by providing the LOSSAN Agency with a written notice of such a negotiated rate and incorporating such rates, in all invoices which will be signed by Amtrak's Senior Manager of Bus Operations or other authorized Amtrak representative.
- (b) If natural disasters or other events cause long-term (expected to exceed 30 days) disruptions to bus service, Amtrak and the LOSSAN Agency will agree upon the basic level of service to be provided during such disruptions, and Amtrak may negotiate with a

Contract Bus Operator for establishing or continuing special bus service at the lowest available rate that provides service acceptable to Amtrak and the LOSSAN Agency. Amtrak will also obtain the LOSSAN Agency's concurrence with such special long-term service arrangements prior to confirmation to the Contract Bus Operator. Such rates may cover additional route miles, extra equipment needed to provide service, driver housing, and any other additional elements involved in providing the special bus service. Amtrak will notify the LOSSAN Agency of such special rates with any Contract Bus Operator by providing the LOSSAN Agency with a written notice of such a negotiated rate and incorporating such rates, in all invoices which will be signed by Amtrak's Director of Bus Operations or other authorized Amtrak representative.

**viii. Rates for Short-Notice Bus Service from Non-Contract Bus Operators**

- (a) When a Contract Bus Operator is unable to meet a request for extra bus service, made on less than three hours' notice of need (or less than the call-time stated, if any, in the Contract Bus Operator's agreement with Amtrak), Amtrak may secure such extra bus service from a non-contract transportation provider (including taxi or van service provider) at the lowest cost available rate, provided such service is acceptable to Amtrak and the LOSSAN Agency. In the monthly bus bill provided by Amtrak to the LOSSAN Agency, Amtrak will notify the LOSSAN Agency of such special rates with any non-contract transportation providers by providing the LOSSAN Agency with a copy of the invoice from the non-contract transportation provider, which includes such rates and will be signed by Amtrak's Director of Bus Operations or authorized Amtrak representative.
- (b) Where Amtrak anticipates a future need to secure such short-notice extra bus service from a non-contract transportation provider, Amtrak may negotiate a rate for such service. Amtrak's provision of notice to the LOSSAN Agency of such a negotiated rate, signed by Amtrak's Senior Manager of Bus Operations or authorized Amtrak representative, will

satisfy the notice requirements under the preceding section.

**ix. LOSSAN Agency Payment of Short-Segment, Disruption-Service and Short-Notice Rates**

Subject to any rates obtained by Amtrak (with notice to the LOSSAN Agency) under the preceding Section 2(i), subsections vi, vii, and viii, Amtrak agrees to provide services in full pursuant to the budget established under Appendix D.

**x. Cost Allocation of Extra Buses Required by Late Trains**

- (a) When an extra bus must be ordered solely because of a late connecting Pacific Surfliner train included in the Service, Amtrak will charge the cost of the extra bus to the LOSSAN Agency supported train's operations rather than to the bus service.
- (b) The Parties will attempt in good faith to negotiate one or more separate agreements (which may take the form of a letter of understanding), providing that where a train frequently operates late for reasons not within Amtrak's direct control, and in consideration of the bus schedule or other factors, Amtrak holds the bus for less than an hour, Section 2 vii and viii would not apply and the cost of any extra bus required by the late connecting train would be charged to the bus service rather than to the late train's operation.
- (c) When a Pacific Surfliner train connecting to bus service is late, Amtrak will attempt to minimize the overall costs resulting from the late Pacific Surfliner train by holding scheduled buses for a limited period of time, recognizing after a certain period that continuing to hold a bus will increase rather than decrease costs. In determining how long to hold a connecting bus, Amtrak will consider the bus driver's hours-of-service limitation, safety-related conditions, and the needs of the customers other than those on the late arriving Pacific Surfliner train to reach their destinations or to make other connections among the relevant factors.

- xi.** The LOSSAN Agency may upon seventy-five (75) days' written notice, request Amtrak to terminate any portion of the Service provided in Appendix B; provided that any such termination shall not relieve the LOSSAN Agency of financial obligations incurred prior to the date of

such termination including any termination fees or costs incurred by Amtrak. Feeder Bus services may be terminated in less than seventy-five (75) days' notice upon joint written approval by the Parties.

(j) **PERFORMANCE STANDARDS**

- (i) **Performance Standards, Incentives, and Assessments:** Amtrak will endeavor to operate the Service so as to achieve the performance standards set forth in Appendix E, F, G, I and J ("Performance Standards"). In the event that Amtrak achieves or exceeds a certain level of performance established for each Performance Standard as set forth in Appendix E, F, G, I and J, the LOSSAN Agency agrees to make additional payments to Amtrak in the incentive amounts set forth in Appendix E, F, G, I and/or J ("Incentives"). In the event that Amtrak does not achieve a certain level of performance established for each Performance Standard as set forth in Appendix E, F, G, I and J, Amtrak agrees to credit the LOSSAN Agency the assessments amounts set forth in Appendix E, F, G, I and/or J ("Assessments").
- (ii) **Data-Based Standards:** Certain Performance Standards will be based on data that is regularly collected by Amtrak regarding the performance of its trains ("Data-Based Standards"). Each Data-Based Standard used to determine Incentives and Assessments is described in detail in Appendix F and G, including method and frequency of data collection.
- (iii) **Observation-Based Standards:** Amtrak has created and maintains standards for many elements of the services provided under this Agreement, including but not limited to the condition of passenger rail equipment, the condition of station facilities, and the conduct of its employees. For many of these standards, Amtrak utilizes internal quality control processes to monitor adherence to the standards. The LOSSAN Agency desires to supplement Amtrak's quality control processes with additional LOSSAN Agency inspections, which will be accomplished through the LOSSAN Agency-directed inspection as outlined in Appendix E, I and J and/or ("Observation-Based Standards").
- (iv) **Determination, calculation and disposition of Incentives and Assessments:** During the term of this Agreement, Incentives and Assessments shall be calculated in the manner set forth below and recorded, though the amounts shall not be

included in the LOSSAN Agency's regular invoices. On a quarterly basis, total Assessments shall be subtracted from total Incentives. If the result is a negative number, it shall represent a net Assessment to be credited by Amtrak against payments otherwise due by the LOSSAN Agency. If the result is a positive number, it shall represent a net Incentive to be invoiced by Amtrak and paid by the LOSSAN Agency. The LOSSAN Agency and Amtrak shall have no further obligations toward each other as to how any Incentive or Assessment amounts are spent.

For Data-Based Standards set forth in Appendix F, Amtrak will collect the required data derived from the sources outlined in Appendix F, and for the time period (monthly/quarterly) defined in Appendix F, calculate any applicable Incentives and Assessments, and present this calculation to the LOSSAN Agency on a regular (quarterly) basis. Once both Parties are satisfied with the calculation, the net amount of any Incentives and Assessments shall be recorded for future disposition as described above.

For Observation-Based Standards, representatives of the LOSSAN Agency and/or the State shall conduct inspections in the manner set forth in Appendix E, I and J. Once both Parties are satisfied with the conclusion of the inspection and any applicable Incentives or Assessments, the net amount shall be recorded for future disposition as described above.

The Parties agree that they will limit the net amount of Incentives or Assessments to no more than \$12,500 per month, even in cases where the calculations in Appendix E, F, G, I and/or J would result in higher amounts.

If, in the course of administering the calculation of Incentives and Assessments relating to the Observation-Based Standards, the LOSSAN Agency and Amtrak are unable to agree on a specific fact related to calculating an Incentive or Assessment, the Parties may document the basis for the dispute in writing within sixty (60) days following the date the alleged fact was first presented by one Party to another, and this fact may then be resolved in accordance with Section 8 of this Agreement. Except for disputes identified in writing pursuant to this paragraph, the Parties shall be deemed to be in agreement with all Incentive and Assessment calculations made pursuant to this Section and Appendix E, F, G, I and/or

J, and neither Party shall be entitled to adjust or make a claim concerning any such calculation.

- (v) The Parties acknowledge that they have agreed to these Incentives and Assessments based on the expectation of a certain level of operating and capital funding provided to Amtrak by a variety of sources, including, but not limited to, the State sources administered by the LOSSAN Agency and Federal sources. In the event of a material change in these funding levels during the term of this Agreement, the terms of these Incentives and Assessments shall be modified in writing in accordance with such change by the Parties. Performance Standards, Incentives and Assessments will be renegotiated or adjusted on an annual basis, as conditions warrant.
- (vi) The LOSSAN Agency and Amtrak agree that the following standards outlined in Appendix E, F, G, I and/or J shall apply during the term of this Agreement:

Data-Based Standards:

- Delay Minutes – Train Operations
- eCSI – Customer Service Indices

Observation Based Standards:

- Employee Conduct and Revenue Collection (Appendix E)
- Rolling Stock Availability, Serviceability, Cleaning and Maintenance (Appendix I)
- Maintenance of Stations (Appendix J)
- Connecting Motor Coach

During the term of this Agreement, the Parties shall confer not less than quarterly to review the performance data for the previous quarter; to diagnose the root cause(s) of performance results that are below the minimum acceptable level of performance; and to propose initiatives that may improve performance.

- (k) Uniform Performance Standards and Required Reports: The LOSSAN Agency is required to ensure that the Service meets certain minimum performance standards, including the Uniform Performance Standards (UPS) as adopted by the California State Transportation Agency in June 2014, Appendix K. Amtrak acknowledges these UPS and will strive to provide the Service in a manner consistent with the UPS. To appropriately monitor the operational and fiscal performance of the Service, Amtrak shall provide the operational and financial reports as



described in Appendix L to the LOSSAN Agency. The Parties agree to meet or confer on a quarterly basis to review and discuss actual results versus budget, current LOSSAN Corridor related job vacancies, and to make adjustments to this Agreement and other service-related documents as necessary and appropriate.

(l) **Equipment:**

- i. Amtrak shall deploy State-owned equipment among the LOSSAN (Pacific Surfliner), Capitol, and San Joaquin Corridors consistent with the Deployment Plan for State-Provided Equipment as set forth in Appendix M (California Equipment Deployment Summary). The Parties agree to meet or confer on a monthly basis with the State, the San Joaquin Joint Powers Authority (SJJPA) and the Capitol Corridor Joint Powers Authority (CCJPA) to review and update, as necessary, the California Equipment Deployment Summary. Further, the LOSSAN Agency agrees to meet and confer with Amtrak and the State within 48 hours of an event that causes a reduction in the number of available units of equipment identified in Appendix M, the California Equipment Deployment Summary, in order to modify the California Equipment Deployment Summary to meet the reduced level of equipment. The Parties agree that California Equipment Deployment Summary as adopted by the State may be amended by the State from time to time.
- ii. In the event that the Service may, from time to time, be fully utilized by the traveling public, Amtrak shall exercise reasonable efforts to provide additional rail passenger equipment from its available resources consistent with the funding requirements of Appendix D, unless otherwise identified within this Agreement. By mutual agreement, upon request of the LOSSAN Agency, Amtrak shall deploy such additional compatible equipment as the LOSSAN Agency may, in its discretion, make available for use in the Service on a route provided for herein.
- iii. Amtrak shall deploy Amtrak-owned equipment as specified in the then current version of the Equipment Capital Agreement between the State and Amtrak. During the term of this Agreement, Amtrak shall not remove its equipment currently deployed to the Pacific Surfliner service from the Service without prior written approval from the LOSSAN Agency and the State, which approval shall not be unreasonably delayed, conditioned or withheld. The LOSSAN Agency understands and agrees that under a force majeure event, Amtrak may redeploy one or more units of its equipment into another Amtrak service for a period of up to thirty (30) continuous

days. If the duration of the force majeure event is longer than thirty (30) days, Amtrak must obtain the State's written approval to continue to redeploy the equipment. This approval will not be unreasonably delayed, conditioned or withheld.

- iv. During the term of this Agreement, Amtrak shall not remove State-owned equipment from the Service without prior written approval from the State.
  - v. The State shall have the ability to make all final decisions regarding modifications to State-owned equipment. The LOSSAN Agency and Amtrak understand and agree that Amtrak shall not modify State-owned rolling stock without the State's prior written approval. In the event Amtrak modifies State-owned rolling stock without the State's prior written approval, Amtrak shall be responsible for all costs associated with restoring the rolling stock to its prior condition.
  - vi. **Additional Service:** In order to maximize rolling stock for certain peak travel periods, including but not limited to the week of Thanksgiving, the Del Mar Race season and Comic-Con San Diego, and for special events, Amtrak may increase the standard consist size or provide additional service utilizing existing equipment and additional crew to effectively provide the Service. Additional equipment may also be provided through a lease-in of rolling stock from third Parties to accommodate additional demand ("Additional Service"). The costs relating to the lease of the additional rolling stock may include, but are not limited to, inspections to verify the condition of the rolling stock, cleaning and maintenance costs, and costs directly related to the operation of the leased rolling stock. Any lease of additional equipment must be jointly approved and agreed to in writing by the LOSSAN Agency and Amtrak. The LOSSAN Agency acknowledges that Amtrak has assumed, for pricing purposes that the LOSSAN Agency will reimburse Amtrak on an actual cost basis for Additional Service in accordance with the Adopted 209 Methodology, and such costs are not included in the not-to-exceed limit set forth in Section 4(b). Net revenues from the provision of additional service, as allocated by APT, shall be credited to the route.
- (m) **Privately Owned Rail Passenger Cars:** Amtrak may attempt to accommodate private rail cars on the Service, provided that such accommodations do not negatively impact the operations of the Service. Amtrak reserves the right to refuse any request which in Amtrak's judgment would cause a delay in movement of one of its trains (including trains operated pursuant to this Agreement) or would result in any



additional uncompensated costs. Movement and parking of private cars shall be pursuant to Amtrak's national tariffs and policies. The LOSSAN Agency shall incur no additional costs under this Agreement for the provision of accommodating private cars, and net revenues from the provision, as allocated by APT, shall be credited to the routes carrying the private cars per the Section 209: Adopted Cost Methodology Policy, Appendix H. Amtrak shall notify the LOSSAN Agency of its intent to accommodate any private car on a train included in the Service as soon as possible but not less than 24 hours before the train is due to depart.

- (n) **Dedicated Positions to State Route Service:** Amtrak and the LOSSAN Agency have agreed on certain positions as dedicated to the support of the Service. A list of these positions, including those that may be shared with other State intercity rail corridors is included in Appendix B. Amtrak may recommend additional Amtrak administered positions dedicated solely or partially to support the Service. Amtrak shall provide justification for additional labor, job descriptions and full cost impacts for the LOSSAN Agency prior to increasing the existing number of dedicated positions for the Service. Both parties agree that maintaining appropriate staffing levels is key to the continued success of the Service, and Amtrak is committed to sourcing qualified job applicants and filling vacancies in a timely and efficient manner.

### **SECTION 3 – DECISIONS AFFECTING SERVICE**

- (a) **LOSSAN Agency Changes to the Service:** The LOSSAN Agency shall give Amtrak not less than thirty (30) days' prior notice in writing of implementation of any LOSSAN Agency request which is likely to have a significant effect on the scheduling, marketing (including fares and ticketing), or operations of the passenger rail service provided pursuant to this Agreement. Such notice shall contain information in sufficient detail to support such request. Accordingly, the Parties shall work in good faith to reach mutual accord on any such request as aforesaid pursuant to the following procedure:
- i. If any proposed aforesaid request relates only to the train and bus services provided pursuant to this Agreement, and if it can be implemented, in the reasonable judgment of Amtrak, without adversely affecting the Service, Amtrak shall implement said request. If Amtrak does not concur, Amtrak shall promptly respond in writing to notice as aforesaid stating the reasons in sufficient detail why it does not concur. In the latter event, the Parties shall promptly confer in an effort to reach agreement and concurrence within the period of the notice. Neither Party shall unreasonably withhold its concurrence.

- (b) **Amtrak Requested Changes to the Service:** If Amtrak identifies modifications that would benefit the Service; Amtrak shall provide written notice to the LOSSAN Agency of the desired modifications, and such notice shall contain information in sufficient detail to support the concept included in the notice. The LOSSAN Agency will in good faith review the proposed modifications and confer with Amtrak to negotiate the proposed modifications. If the Parties agree to the modifications to the Service, the Agreement will be amended as required by the modification to the Service. The Parties may not unreasonably withhold consent to modify the Service following these negotiations.
- (c) The foregoing notwithstanding, either Party may withhold such consent at its sole discretion due to an adverse impact on the quality of the Service or safety. The LOSSAN Agency may also withhold consent at its sole discretion if such modification would adversely impact ridership, financial performance, and/or any legal obligations contained in the interagency transfer agreement between the LOSSAN Agency and the State. Amtrak shall inform the LOSSAN Agency of discussions or negotiations with railroads or other regional rail authorities regarding schedule changes or any planned track work which may impact the Service.
- (d) **Service Levels and Frequency:** Amtrak shall provide the Service levels and frequencies as outlined in Appendix B. Notwithstanding Section 3, subsections (a) and (b) above, the Service levels and frequencies may be modified as follows:
- i. The LOSSAN Agency may, upon not less than ninety (90) days prior written notice, request that Amtrak increase the level of Service (other than changes in the frequency of trains operated in Service which are addressed in Subsection (d)(ii) below) and/or the amount of equipment used in the Service, or upon not less than sixty (60) days' notice request that Amtrak decrease the level of Service, so as to meet the needs of the traveling public. If the request is to increase either the Service or the amount of equipment used, Amtrak shall exercise reasonable efforts to accommodate such request, which may include providing additional compatible passenger rail equipment that the LOSSAN Agency or the State makes available from its other available other resources or, by written agreement with the LOSSAN Agency or the State, to employ such additional compatible equipment as the LOSSAN Agency or the State may choose to make available for use to augment the Service, consistent with the funding requirements of the Adopted 209 Methodology. In the event that equipment is

made available by the LOSSAN Agency, or because the LOSSAN Agency desires to substitute State-owned or leased equipment for Amtrak-owned equipment, such equipment will be used in the Service only if it complies with all applicable laws and regulations, and by mutual agreement of the Parties, is compatible with Amtrak operations and associated equipment. The LOSSAN Agency and Amtrak will use all good faith efforts to resolve discrepancies. The Parties will work together to obtain the approval of any railroads over which such equipment is to be operated. Equipment includes locomotives, cab cars, café cars, coaches and any other type of car used in a passenger train.

- ii. The LOSSAN Agency may, upon not less than ninety (90) days prior written notice, request that Amtrak increase or decrease frequency of Service. Amtrak shall work cooperatively with the LOSSAN Agency and/or the State to obtain the approval of any railroads over which such increased frequency of service is to be operated. An increase or decrease in frequency of service will require a written amendment to this Agreement.
- (e) If equipment normally used for the Service becomes unavailable for any reason, Amtrak shall exercise reasonable efforts to substitute additional compatible passenger rail equipment from its available resources, consistent with the funding requirements of the PRIIA Section 209: Adopted Cost Methodology Policy, including Equipment Capital Charges associated with the LOSSAN Agency's use of such substitute equipment. Any substituted passenger rail equipment will be subject to approval for use by the LOSSAN Agency. Alternatively, the LOSSAN Agency and Amtrak may, by written agreement, agree to use such additional compatible equipment as the LOSSAN Agency or the State may choose to make available.
- (f) Notwithstanding the notice procedures contained in this Section 3, if access to or over rail lines on any route provided herein shall be unavailable by reason of obstruction or otherwise, Amtrak may suspend or reroute any part of the Service provided pursuant to this Agreement for so long as such access shall be unavailable. Amtrak shall promptly notify the LOSSAN Agency of any such suspension or rerouting, and the Parties shall cooperate to restore the rail service provided for herein. Amtrak shall coordinate with the LOSSAN Agency on communication strategies to notify passengers of any service change or disruption to service, and the anticipated return to normal service.
- (g) Amtrak shall make no operational decisions that will adversely unreasonably affect the performance of the Service. This shall include, but is not limited to, the holding of a regular train that is part of the Service for

other Amtrak operated trains, in excess of 20 minutes or cancelling any Pacific Surfliner train for the benefit of other Amtrak services.

- (h) If during the term of this Agreement, new State-acquired Siemens Charger Locomotives are accepted by the Parties for operation in the Service, use of Diesel Exhaust Fluid (“DEF”) will be required. All costs from outside vendors related to the use of DEF will be charged to the Agencies as part of the Fuel and Power Cost Category of Third Party Costs, as allocated by the APT System. Any costs incurred by Amtrak’s Mechanical forces to support the provision of DEF to the Service will be charged to the Agency as part of the Car & Locomotive Maintenance and Turnaround Cost Category, as allocated by the APT System.

#### **SECTION 4 – CALCULATION OF COSTS AND SCHEDULE OF PAYMENTS BY THE LOSSAN AGENCY**

Capitalized terms shall have the meaning set forth in the Adopted 209 Methodology, Appendix H, unless otherwise specified or defined in this Agreement.

- (a) The LOSSAN Agency shall pay Amtrak the following financial support for the operation of the Service described in Appendix B for the period from October 1, 2017 through and including September 30, 2019:
- (i) For the period of October 1, 2017 through and including September 30, 2018, the estimated sum of \$26,891,144 for all projected Route Costs and Additives, and Third Party Costs for the Service, as set forth in Appendix D. The LOSSAN Agency and Amtrak agree that Appendix D is an estimate and that Amtrak will be reimbursed for documented costs as reported by Amtrak Performance Tracking (APT), subject to Section 4(b).
  - (ii) For the period of October 1, 2018 through and including September 30, 2019 (Federal Fiscal Year (FFY) 2019), the estimated sum of \$26,591,717 for all projected Route Costs and Additives, and Third Party Costs for the Service. The LOSSAN Agency and Amtrak agree that the cost and revenue estimate for FFY 2019 will be updated consistent with the annual forecasting process, and an updated estimate will be provided to the LOSSAN Agency on or before March 31, 2018. Financial support for FFY 2019 will be subject to future LOSSAN Agency Board of Directors approval and mutual agreement of the Parties to exercise the second year of this Agreement. will Upon mutual agreement, Amtrak will be reimbursed for documented costs as reported by the APT, subject to Section 4(b); should the Parties fail to reach agreement on or before September 30, 2018, the continuance provisions outlined in

Section 4 (q) shall take effect.

- (ii) Any Extra Work will be subject to an Amendment to this Agreement.
- (b) **Operating Costs – General:** Service costs have been calculated according to Appendix D which is primarily based upon the “The LOSSAN Agency FY2018 PRIIA 209 State Payment Forecast” and unless noted otherwise below, payments shall be made in accordance with Appendix D, Schedule A. Route Costs and Additives, Third Party Costs, and credits for Passenger and Other Allocated Revenue shall be charged based on actual costs incurred and revenues received as reported by APT. For purposes of estimating the net Operating Cost, estimates of Route Costs, Additives, Third Party Costs and Passenger and Other Allocated Revenues are provided, as identified in Appendix D.
- (c) **Third Party Costs – Fuel:** For the purpose of determining the basis for Fuel Cost allocations, Fuel Cost shall be based upon the gallons allocated to the Pacific Surfliner as reported by APT for each billing period multiplied by the average cost per gallon paid for fuel by Amtrak, on a monthly basis in, Los Angeles, San Diego, or other fueling location(s) as appropriate. Billed fuel charges will be reconciled monthly against documented costs as reported by APT.
- (d) **Third Party Costs – Host Railroad Access Fees, Performance Incentives and Other Costs:** Host railroad expenses shall be computed by Amtrak on a monthly basis, as billed to Amtrak by the host railroads. Host railroad expenses shall be billed to the LOSSAN Agency. On a quarterly basis, Amtrak shall provide documentation for in-person review at an Amtrak location of APT host railroad Maintenance of Way and other costs. LOSSAN Agency will not disclose to any third party without Amtrak's prior approval any confidential or proprietary data provided hereunder.
- (e) **Capital Costs – Passenger Service Equipment:** Capital Costs for Passenger Service Equipment are excluded from this Agreement. The State will be responsible for payment of Capital Costs - Passenger Service Equipment under the terms of the then current Agreement for the Provision of Equipment Capital Agreement between Amtrak and the State of California, unless otherwise required by state or federal law.
- (f) **Capital Costs – Fixed Assets:** Under the provisions of PRIIA Section 209, Capital Costs associated with the utilization of Amtrak owned fixed asset capital investments and/or various other non-Amtrak owned fixed

- assets utilized for the operation of the State-supported route, if any, are to be calculated according to the PRIIA Section 209: Adopted Cost Methodology Policy and charged to the applicable State-supported routes utilizing such assets. As of the present time, no specific calculations have yet been developed for the allocation of such costs and accordingly, no such costs have been allocated, nor are currently being assessed under the provisions of this Agreement.
- (g) **Total Obligation:** The total amount of the LOSSAN Agency's financial obligation to Amtrak under this Agreement for the Service to be rendered by Amtrak pursuant thereto shall not exceed, \$26,891,144 as set forth in Appendix D unless otherwise provided in, or by amendment to, this Agreement (shall not include Extra Work).
- (h) **Invoicing of Scheduled Payments:** On or before the first (1st) day of each month from the first month after the date of this Agreement through the last month, inclusive, of the FFY specified in Appendix D hereto, Amtrak shall submit an invoice to the LOSSAN Agency including, as required, any debits or credits resulting from the most recently completed monthly reconciliation. The LOSSAN Agency agrees to pay Amtrak in accordance with the estimated monthly payment schedule included in Appendix D, in response to receipt of an undisputed invoice rendered by Amtrak. Amtrak shall also submit an invoice for the cost incurred during the month in which this Agreement is executed. Invoices shall be rendered not less than forty-five (45) days prior to the due date and shall specify the address to which the said remittance shall be made. Payment of all invoices will be due within forty-five (45) days of receipt of an invoice, consistent with the California Prompt Payment Act (Government Code § 927, et seq.).
- (i) **Extra Work Invoices:** Extra Work projects are not subject to the Total Obligation set forth in Section 4(g). If any Extra Work projects are implemented in accordance with Section 2(g) above, Amtrak shall render separate invoices for the LOSSAN Agency's share of documented costs incurred for each project, accompanied by supporting documentation to be agreed upon by the parties prior to Amtrak undertaking the Extra Work project. Such invoices shall be rendered monthly. Invoices shall be rendered not less than forty-five (45) days prior to the due date and shall specify the address to which remittance shall be made. Payment will be made in accordance with the California Prompt Payment Act (Government Code §927 et seq.).
- (j) **Additional Services Invoices:** Additional Services are not subject to the Total Obligation set forth in Section 4(g). If any Additional Services are implemented in accordance with Section 2(l)(vi) above, Amtrak shall



render separate invoices for the LOSSAN Agency's share of documented costs incurred for each project, accompanied by supporting documentation to be agreed upon by the parties prior to Amtrak undertaking the Additional Services. Such invoices shall be rendered monthly. Invoices shall be rendered not less than forty-five (45) days prior to the due date and shall specify the address to which remittance shall be made. Payment will be made in accordance with the California Prompt Payment Act (Government Code §927 et seq.).

(k) **Payment for Services Performed Prior to the Expiration or Termination:** Notwithstanding the expiration or termination of this Agreement, the LOSSAN Agency will pay Amtrak for actual costs for services performed during the term of the Agreement and for the allowable costs of specific projects authorized during the term of this Agreement, but invoiced after expiration of this Agreement consistent with funding sources, work schedules and invoice dates in this Agreement. Not later than ninety (90) days following the expiration or termination of this Agreement as provided herein, each Party hereto shall remit to the other the full balance due with respect to the underpayment or overpayment, if any, relating to the obligations of Party to the other pursuant to the terms of this Agreement.

(l) **Withholding Payment:** In the event that Amtrak fails to perform the Service as required by this Agreement, or an invoiced amount is disputed by the LOSSAN Agency, the provisions of this subsection shall apply.

i. **Withholding Payment Due to Failure to Comply**

In the event Amtrak does not comply with the requirements of this Agreement, the LOSSAN Agency shall compute the value of the perceived failure and notify Amtrak in writing that a corresponding amount will be withheld from the monthly advance payment following the next monthly payment if the perceived failure has not been resolved to the LOSSAN Agency's satisfaction. The LOSSAN Agency shall detail the reason for the proposed withholding of payment and the actions it considers necessary to resolve the perceived failure.

Once resolution of the failure to comply is achieved between the LOSSAN Agency and Amtrak, the notice to withhold will be withdrawn, or the monthly payment withheld will be remitted with the next monthly advance payment. Should resolution of the non-compliance not be achieved through

negotiation or the provisions of Section 7, "Informal Dispute Resolution."

ii. Withholding Payment Due to Invoice Dispute

In the event the LOSSAN Agency disputes a charge detailed in a Monthly Reconciliation Statement, as included in Appendix N, including whether APT properly allocated costs to a route covered under this Agreement, and Amtrak cannot substantiate said charge, the LOSSAN Agency shall have the right to withhold the amount in dispute as specified herein and shall be required to pay the remainder of the invoice. The LOSSAN Agency shall advise Amtrak, in writing, of the amount of disputed charges to be withheld, detailed reasons for the withholding, and the actions that the LOSSAN Agency considers necessary to resolve the disputed invoice amount.

Once resolution of the disputed invoice amount is achieved between the LOSSAN Agency and Amtrak, the notice to withhold will either be accepted, withdrawn, or modified. In the event the disputed invoice item is withdrawn or modified, the portion of the disputed invoice will be remitted promptly, not more than thirty (30) days after resolution of the dispute.

Should resolution of the disputed invoice amount not be achieved through negotiation or the dispute resolution provisions of Section 7 of this Agreement, the withheld amount will be paid under protest after three (3) calendar months of withholding. Such payment shall not be considered as resolution of the dispute and the process outlined in Section 8 of this Agreement shall be carried to its conclusion. Should the resolution of the dispute result in a refund to the LOSSAN Agency, said refund shall be applied as a credit to the next monthly payment, and shall be expressly accounted for therein. Should resolution of the dispute result in a remittance or payment to Amtrak, said payment, if not already paid under protest, will be made to Amtrak in the next monthly payment due and shall be expressly accounted for therein.

(m) **Natural Disasters:** In the event of a natural disaster that causes revenue derived from the Service to increase or decrease, Amtrak and the LOSSAN Agency mutually agree to review projected revenue and



- expense identified in the monthly payment schedule included in Appendix D. As a result of the review described in the previous sentence, should the Parties determine that the funds available to the LOSSAN Agency for the remainder of the year are insufficient to support the service levels described in Appendix B, the LOSSAN Agency agrees to: (a) obtain supplemental funding and/or (b) work with Amtrak to implement any and all necessary service modifications to reduce projected contract payments to match the level of anticipated funding.
- (n) **Connecting Bus Service:** With respect to each connecting bus service authorized in Appendix B, Amtrak agrees that it will pay all documented monthly invoices from the Contract Bus Operators and non-contract transportation providers, subject to the terms of the Amtrak Purchase Orders.
- i. Amtrak agrees to provide the LOSSAN Agency with a copy of the monthly billing from the Contract Bus Operator within forty-five (45) days after the end of that month. These bus billings shall be considered acceptable documentation to support Amtrak's documented costs.
- (o) **Changes and Updates to APT:** From time to time, Amtrak may make updates to the APT system which is the basis of many cost allocations within the Adopted 209 Methodology, or may make updates to Operating or Capital Cost forecasts derived from APT data. In the event any such updates are, consistent with the requirements of Adopted Section 209 Methodology, determined by Amtrak to warrant the revision of any such costs in a manner that would result in an adjustment of the amounts paid by or to be paid to the LOSSAN Agency under the terms of this Agreement, Amtrak will notify the LOSSAN Agency of such adjustment(s) and, subject to mutual agreement of the Parties, amend this Agreement accordingly.
- (p) **Continuation Clause:** In the event that the LOSSAN Agency continues to act in the management of the Service as set forth in this Agreement and the Parties fail to reach agreement for the operation of the Service for the period beginning October 1, 2019 through September 30, 2020 (FFY 2020 Agreement) prior to September 30, 2019, the Parties agree that the terms of this Agreement shall govern continued operation of the Service until a new agreement is executed by the Parties ("Continuation Period"). In such an event, the LOSSAN Agency agrees to continue to reimburse Amtrak for the costs, at the levels established for the period of this Agreement, including adjustments to monthly payments based upon the reconciliation process throughout the year, plus the addition of a 3% escalation component, for the term of the Continuation Period. Once an FFY 2020 Agreement is executed by the Parties, Amtrak will credit the LOSSAN Agency's payments made during the Continuation Period to the LOSSAN

Agency's reconciled financial obligations under the FFY 2020 Agreement. In no event shall the Continuation Period extend beyond March 30, 2020.

## **SECTION 5 – MANNER OF RECONCILIATION AND REIMBURSEMENT**

- (a) **Monthly Reconciliation Statements for Service Costs:** Amtrak shall submit Monthly Reconciliation Statements with Standard Supporting Documentation to the LOSSAN Agency as soon as practicable but in any event not more than forty-five (45) days after the end of each month. These reconciliations will include the APT-based actual monthly Passenger Related and Other Revenue, APT-based actual monthly Route Costs and Additives, and APT-based actual monthly Third Party Costs (including Fuel costs, Host Railroad Costs and Performance Incentives), for operating the Service. As provided by the Adopted 209 Methodology, the actual cost of providing the Service will be calculated using APT and supplemental financial data in accordance with Section 4(a)-(e). Any fuel hedges utilized by Amtrak are reflected in the estimated fuel costs, and will be applied in the calculation of fuel expenses, regardless of economic conditions. Credits or debits resulting from the monthly reconciliation process will be credited or billed to the LOSSAN Agency as set forth in Section 4(h) of this Agreement. The LOSSAN Agency shall remit all undisputed payment(s) to Amtrak of any unpaid supplemental reimbursement resulting from the monthly reconciliation, processed according to the California Prompt Payment Act, or not more than forty-five (45) days after receipt of such invoice for supplemental reimbursement and Standard Supporting Documentation. If, after reconciliation of the monthly invoice, it is determined that the amount of the scheduled monthly payment by the LOSSAN Agency exceeded the amount of payment owed by the LOSSAN Agency for such month, Amtrak shall credit on the next monthly invoice an amount equal to such overpayment by the LOSSAN Agency. If, after reconciliation of the final monthly invoice, it is determined that the amount of scheduled monthly payment by the LOSSAN Agency exceeded the amount of payment owed by the LOSSAN Agency for the final month of this Agreement, and if there are no outstanding obligations due from the LOSSAN Agency to Amtrak shall at the LOSSAN Agency's option, credit or pay to the LOSSAN Agency an amount equal to any such overpayment by the LOSSAN Agency. Any overpayment will be reimbursed to the LOSSAN Agency or may be applied against LOSSAN Agency payments due under the FY18 Agreement with approval from the LOSSAN Agency. A sample of the Monthly Reconciliation statement and Standard Supporting Documentation is set forth in Appendix N and has been agreed upon by the Parties as providing a satisfactory level of supporting documentation for reconciliation. The LOSSAN Agency reserves the right to request additional reasonable documentation for any particular item claimed by Amtrak, but supplemental reimbursement due to Amtrak resulting from the

monthly reconciliation shall be made in full regardless of whether Amtrak produces such additional documentation. Amtrak shall not unreasonably withhold or delay the requested documents.

Reconciliation invoices submitted to the LOSSAN Agency must contain all information and supporting documentation required by this Agreement.

All payments required under this Agreement shall be made by wire transfer using the following instructions:

Bank Name:	JP Morgan Chase
Account No.:	512097054
ABA Routing No.:	021-000-021
Account Name:	Amtrak (National Railroad Passenger Corporation)

- (b) **Quarterly Reconciliation Assessment:** The Parties agree that within forty-five (45) days of the end of each quarter of the contract year, the Parties will review in person or via conference call the Monthly Reconciliation Statements described in Section 5(a) above, Standard Supporting Documentation and any other documentation necessary to fully identify costs and reconcile and validate charges billed to the LOSSAN Agency. The Parties will also evaluate positive and negative variances affecting individual budget line items Appendix D and discuss strategies to match up the remaining funds available to the LOSSAN Agency with a jointly strategized Amtrak estimated contract budget for the remainder of the contract year. In the event that the amount of forecasted Operating Costs for the remainder of the year exceeds the remaining LOSSAN Agency funds, the LOSSAN Agency agrees to (a) obtain supplemental funding; and/or (b) work with Amtrak to implement any and all necessary service modifications to reduce projected contract payments to match the level of anticipated remaining LOSSAN Agency funding. However, Amtrak shall not be required to provide any of the said Service or any services whatsoever for which the LOSSAN Agency is not bound hereunder or for which the cost to the LOSSAN Agency, as determined hereunder, exceeds the aforesaid amount(s), unless supplemental funding is obtained and incorporated through an amendment to this Agreement for any single quarter based on mutual agreement.
- (c) **Third Party Costs – Host Railroad Access Fees, Performance Incentives and Other Costs Reconciliation:** On a quarterly basis, Amtrak shall provide documentation for an in-person review of all APT host railroad costs, by the LOSSAN Agency at Amtrak's offices located in California. The LOSSAN Agency shall not disclose to any third party,

- without Amtrak's prior approval, any confidential or proprietary data provided in such review or hereunder. The Parties shall meet in person at Amtrak offices located in California and via conference call to review Host Railroad Costs for the billing periods. Amtrak shall make available for review the APT Train Movement Host Railroad Report for review at this reconciliation meeting.
- (d) **Incentives and Assessments Reconciliation:** The Parties agree that Incentives and Assessments will be reconciled on a quarterly basis as set for in Section 2(j).
  - (e) **Annual Reconciliations:** Amtrak shall also submit a year-end final line item reconciliation to the LOSSAN Agency following the Appendix N format.
  - (f) In the event that the LOSSAN Agency shall fail to remit any undisputed payment in full, as provided in this Section, Amtrak may suspend the applicable portion or portions of the Service provided for herein on ten (10) days' prior notice in writing to the LOSSAN Agency of intended suspension. Notwithstanding the 180-day notice requirement contained in 49 U.S.C. § 24706(a), if the LOSSAN Agency fails to remit payment in full within the period of the said notice, Amtrak may discontinue the portion or portions of the said service referred to therein after thirty (30) days' prior written notice to the LOSSAN Agency; provided, however, that such discontinuance shall not constitute or be construed as a waiver by Amtrak of any such payment; provided, further, that any such discontinuance shall be without prejudice to the continued operation of any remaining portion or portions of the said service.

## **SECTION 6 DEFENSE OF CLAIMS**

- (a) Amtrak shall bear the expense of prosecuting the settlement and defense of, and shall pay any settlement or final judgment disposing of, any claim, action or proceeding against Amtrak, the LOSSAN Agency, the Member Agencies and the State, involving injury to or death of any person or damage to or loss of any property arising directly from Amtrak's operation of the rail passenger and bus feeder service provided for hereunder, or directly from its performance of maintenance services provided by Amtrak hereunder at stations or the Los Angeles Maintenance Facility. If any claim, action or proceeding shall at any time be brought against the LOSSAN Agency, the Member Agencies, and the State asserting a liability for such injury, death, damage or loss, the LOSSAN Agency shall promptly

give notice to Amtrak of such claim, action, or proceeding and shall thereafter provide all such information as Amtrak may from time to time request.

(b) Because Section 6(a) above presents certain risks to Amtrak with respect to injuries to the employees of the LOSSAN Agency performing inspections as described in Section 6(c) below, the LOSSAN Agency agrees to pay Amtrak, in addition to any other payment under this Agreement, two thousand dollars (\$2,000.00) per month.

(c) Any inspection by an employee of the LOSSAN Agency that requires access to property that is owned, controlled or used by Amtrak and that is not generally accessible to the public, including the Los Angeles Maintenance Facility, shall conform with all of the following requirements:

i. The LOSSAN Agency shall notify Amtrak, in writing, of the names of those employees whose job descriptions require such access.

ii. The number of such inspections shall not exceed five (5) per month.

iii. Each such employee must successfully complete Amtrak's Contractor Employee Right of Way Safety Orientation 60000312 in order to be placed on the list of employees eligible for access. Annual re-training is necessary.

iv. The LOSSAN Agency must provide the Amtrak facility manager no less than twenty-four (24) hours' notice of an inspection, and the facility manager will add the employee's name to the visitor's log.

v. On the designated inspection day, the employee(s) shall arrive at the facility and check-in with facility manager.

vi. Prior to proceeding with an inspection, the employee(s) shall participate in a job briefing.

vii. The employee(s) will be accompanied AT ALL TIMES by an Amtrak employee.

viii. The employee(s) must abide by all Amtrak safety and operating rules while on Amtrak property.

ix. Amtrak reserves the right to bar any employee from accessing property in the event of a safety violation.

## **SECTION 7 – INFORMAL DISPUTE RESOLUTION**

The Parties shall employ a mutually agreed upon issue resolution process, as described below, with a primary objective to ensure the Service stays on schedule and issues between the Parties are resolved in a timely manner. The Parties agree to the following:

a. If the Parties are unable to reach agreement on any particular issue relating to either Party's obligations pursuant to this Agreement, the Parties agree to promptly follow the issue resolution process as outlined below:

i. Step One: Amtrak's Senior Manager State Services and Deputy General Manager, or their respective designee, and the LOSSAN Agency's Managing Director, or designee, may initiate the process of informal dispute resolution by providing the other Party with written notice of a dispute. The written notice shall provide a clear statement of the dispute, and shall refer to the specific provisions of this Agreement that pertain to the dispute. Amtrak's Senior Manager State Services and/or Deputy General Manager and the LOSSAN Agency's Deputy Managing Director shall meet either in person or telephonically and attempt to resolve the dispute within seven (7) days following the written notice of dispute. If the dispute is resolved, the Parties shall document and sign a short description of the facts and the resolution that was agreed upon.

ii. Step Two: If the dispute is not resolved by the fourteenth (14<sup>th</sup>) day following the written notice described in Section 7(a)(i) above, Amtrak's Senior Regional Director of State Supported Services, or designee, and the LOSSAN Agency's Managing Director, or designee, shall meet and review the dispute within seven (7) days (within twenty-one (21) days following the written notice). Amtrak's Senior Regional Director of State Supported Services, or designee, and the LOSSAN Agency's Managing Director, or designee, will in good faith attempt to resolve the dispute. If the dispute is resolved, the Parties shall document and sign a short description of the facts and the resolution that was agreed upon.

(b) All disputes must exhaust the informal dispute resolution process outlined in Section 7 prior to proceeding to arbitration. In the event that the dispute is not resolved with the informal dispute resolution, either Party may pursue any right or remedy available to it by law or may propose a method of alternative



dispute resolution prior to proceeding to arbitration. The Parties shall then follow the arbitration process outlined in Section 8.

### **SECTION 8 - ARBITRATION**

(a) Unless otherwise provided for in applicable law, or agreed to by the Parties, in the event of a dispute between the Parties which has not been satisfactorily resolved by the Parties under Section 7 above within sixty (60) days of the commencement of the dispute, said dispute may be submitted by either Party to arbitration by a panel of three arbitrators who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. The panel of arbitrators shall consist of one arbitrator appointed by each Party, and the third arbitrator to be appointed by mutual consent of the other two arbitrators.

(b) The arbitration panel shall resolve the dispute in accordance with the terms of this Agreement, and such resolution shall be final and binding upon the Parties. Each Party shall bear its own costs of arbitration, including its appointed arbitrator and reasonable attorney's fees. The cost of the third arbitrator shall be divided equally between the disputants. Any proceeding convened under this provision shall be conducted in the City of Los Angeles, California. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Upon failure of a Party to comply with an arbitration award issued pursuant to this Section, the other Party may refer the matter to a court of competent jurisdiction for enforcement of the award.

(c) Unless otherwise agreed by the Parties, only disputes regarding a Party's rights and obligations arising under the terms of: (i) this Agreement, (ii) any Supplemental Agreements, or (iii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration pursuant to Section 8.

### **SECTION 9 - INSPECTION AND AUDIT**

(a) The LOSSAN Agency may, at any time, inspect the Service, including the connecting bus services, facilities and equipment provided hereunder; provided, however, that such inspection shall comply with all applicable safety rules and regulations and shall not hinder or delay the operation of the Service. Any contractor or agent of the LOSSAN Agency shall first execute Amtrak's then-current Temporary Permit to Enter. A copy of such Permit, as is in effect on the date hereof, is attached hereto as Appendix S. Upon reasonable notice, Amtrak shall permit auditors or any other duly authorized agents of the LOSSAN Agency and/or the State to inspect all books, records and accounts relating to the Service, including supporting documentation provided to Amtrak by operating railroads, vendors, or any other subcontracted services in connection therewith and further including all records and documents relating to the

determination and allocation of the costs and revenues of the Service. All such books, records, accounts and documents shall be maintained by Amtrak in accordance with generally accepted accounting principles and shall be accessible to the LOSSAN Agency and/or the State for a period of three (3) years following the expiration of each contract period as described in this Agreement. Any such inspection shall be performed at an Amtrak designated facility. Copies of Amtrak confidential and proprietary records may be viewed by the LOSSAN Agency or its authorized agents only upon the Parties first executing a Non-Disclosure Agreement specific to the audit. Amtrak recognizes that the LOSSAN Agency and the State are subject to the California Public Records Act and this Agreement will in no way contradict the California Public Records Act. During the audit period and pending the results of the audit, the LOSSAN Agency may not withhold or short pay any advance or reconciliation amounts either based upon preliminary audit findings or awaiting the results of the audit. However, nothing in this Section shall prevent the LOSSAN Agency from exercising its rights under Section 4(l) of this Agreement.

- (b) Amtrak shall, without cost to the LOSSAN Agency, make available such financial, operating and ridership data relating to the Service provided hereunder as may be available in Amtrak's information and data retrieval systems. Operating and ridership data shall be supplied for each train and bus hereunder and shall include numbers of (i) passengers carried, (ii) passenger miles, (iii) city pairs for each sold ticket, dates of sales, food and beverage sales and revenue. Such data shall be computed and furnished on a monthly basis. Amtrak will provide the LOSSAN Agency with the monthly ridership tape of origin-destination data for all tickets collected on the train and feeder bus network provided for in this Agreement. Furthermore, Amtrak will take reasonable steps to provide such supplemental data relating to said Service as may be reasonably requested by the LOSSAN Agency. In the event of changes in data format, Amtrak will make reasonable efforts to inform the LOSSAN Agency in sufficient time so that the LOSSAN Agency may make appropriate changes to use the reformatted data.

## **SECTION 10- FORCE MAJEURE**

The obligations of the Parties hereunder shall be subject to force majeure. Neither Party shall be liable for any failure to perform, or for any delay or cancellation in connection with the performance of any obligation hereunder if such failure, delay or cancellation is due to or in any manner caused by the subsequent enactment of statutes, laws, regulations, acts, demands, orders or interpositions of any federal, state, county or local government agency or joint powers authority having jurisdiction thereof, or by Acts of God or of the public enemy, strikes, fire, flood, weather, theft, vandalism, war, acts of picketing,



rebellion, insurrection or terrorism, track condition, or any other cause beyond each Party's control.

## **SECTION 11 –TERMINATION**

- (a) **Termination for Convenience:** Except if continued pursuant to Section 4(p), this Agreement shall expire September 30, 2019, and may be terminated upon ninety (90) days' prior notice in writing from the LOSSAN Agency to Amtrak. Upon termination of this Agreement for any reason at any time other than at the end of a fiscal year, the LOSSAN Agency shall pay the following termination costs to Amtrak:
- (i) The reasonable costs of settling and paying claims arising out of the termination of Services under subcontracts or purchase orders;
  - (ii) Reasonable costs determined at the time of termination which are incurred pursuant to the performance of any specific written instructions received from the LOSSAN Agency; and
  - (iii) Any other reasonable costs incidental to such termination of Service, specifically excluding, however, any costs of labor protection arising from such termination.
- (b) **Termination of Interagency Transfer Agreement:** This Agreement shall terminate effective upon termination of the Interagency Transfer Agreement between the State and the LOSSAN Agency. The LOSSAN Agency agrees to give notice to Amtrak, in writing and sent by email communication followed by a hard copy overnight courier with confirmed delivery, promptly upon receipt of notice from the State of termination of the ITA in accordance with its provisions, or if given by the LOSSAN Agency, promptly upon giving such notice to the State.
- (c) **Termination Compensation:** Notwithstanding the foregoing, the total amount of termination costs payable to Amtrak shall not exceed a one-month average of the approved contract amount as set forth in Appendix D for the fiscal year in which the termination occurs. No termination of this Agreement shall diminish or affect the LOSSAN Agency's obligation to pay for any service rendered or to fulfill any other obligation incurred prior to the effective date of the termination.

Termination pursuant to this Section 11 shall be without prejudice to Amtrak's right to receive compensation and reimbursement pursuant to the provisions

under this Agreement for the Service provided until and including the date of termination.

**SECTION 12 – NOTICES**

Any notices required by this Agreement or related to the Service provided for under this Agreement by either Party shall be in writing and shall be directed to the officials identified herein by personal delivery or by deposit in the United States mail via first class mail, postage prepaid, or by overnight courier.

For Amtrak: Contractual Issues:  
Senior Manager State Supported Services  
National Railroad Passenger Corporation  
530 Water Street, 5<sup>th</sup> Floor  
Oakland, California 94607

All Other Issues:  
Deputy General Manager Southwest  
National Railroad Passenger Corporation  
810 North Alameda Street, Suite 335  
Los Angeles, California 90012

For LOSSAN Agency: Managing Director  
LOSSAN Agency  
600 S. Main Street  
Orange, California 92863

The titles and addresses set forth herein may be changed at any time by either Party hereto by notice in writing to the other.

**SECTION 13 - GENERAL CORRESPONDENCE**

- (a) The LOSSAN Agency shall respond in writing, within fifteen (15) working days of receipt, to all written questions and requests from Amtrak concerning approvals, interpretations, and other matters pertaining to this Agreement, unless otherwise allowed for by this Agreement.
- (b) Amtrak shall respond in writing, within fifteen (15) working days of receipt, to all written questions and requests from the LOSSAN Agency concerning approvals, interpretations, and other matters pertaining to this Agreement, unless otherwise allowed for by this Agreement.

**SECTION 14 – AGREEMENT CONTENT**

This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof. There are no agreements, whether express or implied except as are expressly set forth herein. All prior agreements and understandings between the Parties with respect to the provision of the Services herein and after the effective date of this Agreement are subsumed within this Agreement. No change or modification in or to this Agreement, shall be of any force or effect unless in writing, dated and executed by duly authorized representatives of the Parties.

### **SECTION 15 - CONSTRUCTION**

The Section headings used in this Agreement are for reference only and shall not affect the construction of any of the terms hereof.

### **SECTION 16 – SEVERABILITY**

If any part 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 of this Agreement and the remaining parts of this Agreement shall be enforced as if such invalid, illegal or unenforceable part were not contained herein.

### **SECTION 17 – FAIR EMPLOYMENT PRACTICES**

To the extent applicable, Amtrak shall observe the terms and conditions set forth in Appendix O, titled FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto. In said Appendix, the term “Contractor” shall be deemed to mean “Amtrak”.

### **SECTION 18 – CONFIDENTIALITY**

The LOSSAN Agency desires that Amtrak disclose to the LOSSAN Agency certain proprietary and confidential commercial and financial information of Amtrak pursuant to this Agreement and the services provided hereunder. The LOSSAN Agency agrees that, subject to the requirements of the California Public Records Act (Government Code §§ 6250 *et seq.*), its employees, contractors and agents will not, either during or at any time after the term of this Agreement, publish or disclose to any third party or the public any identified Amtrak proprietary or confidential information of any kind or nature disclosed by Amtrak to the LOSSAN Agency hereunder without first providing Amtrak with written notice of the request and allowing Amtrak the opportunity to seek a protective order. This Section shall survive termination or expiration of this Agreement.

### **SECTION 19 – COMPLIANCE WITH LAWS**

The Parties will comply with all applicable state, federal and local laws and regulations in the performance of this Agreement.

## **SECTION 20 - EMPLOYEE CONDUCT, DISCIPLINE AND REMOVAL**

- (a) Nothing herein shall require Amtrak to perform any service or to take any action that would violate any term or condition of any labor agreement between Amtrak and any organization representing Amtrak's employees or any other labor agreement applicable to Amtrak.
- (b) All Amtrak employees/subcontractors exclusively engaged in providing the Service shall perform their duties in a safe, courteous, and efficient manner in accordance with Appendix E.
- (c) The LOSSAN Agency reserves the right to request an employee be removed from the Service.

## **SECTION 21 - APPROVAL**

This Agreement is of no force or effect until signed by both Parties.

## **SECTION 22 – ASSIGNMENT**

This Agreement may be assigned to the State on behalf of the LOSSAN Agency upon thirty (30) days' written notice to Amtrak. This Agreement is not assignable to any other agency by either Party, either in whole or in part, without the consent of the other Party in the form of a formal written amendment, which consent shall not be unreasonably withheld, conditioned or delayed.

## **SECTION 23 – THIRD PARTY BENEFICIARY**

The State is expressly recognized as being an intended, direct third-party beneficiary under the provisions of this Agreement and may enforce any rights, remedies or claims conferred, given or granted thereunder.

## **SECTION 24 - INDEPENDENT CONTRACTOR**

Amtrak, and the agents and employees of Amtrak, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the LOSSAN Agency.

## **SECTION 25 - NON-DISCRIMINATION CLAUSE**

During the performance of this Agreement, Amtrak and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Amtrak and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Amtrak and subcontractors shall comply with the applicable provisions of the Fair Employment and Housing Act (Government Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, § 7285 et seq.). The regulations of the Fair Employment and Housing Commission implementing Government Code § 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Amtrak and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Amtrak shall include the nondiscrimination and compliance provisions of this clause in all subcontracts awarded under this Agreement to perform work under the Agreement. Provisions of this section are also included in Appendix O.

## **SECTION 26 - CHILD SUPPORT COMPLIANCE ACT**

For any Agreement in excess of \$100,000, the Amtrak acknowledges in accordance with Public Contract Code § 7110, that:

- A. Amtrak recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with

Section 5200) of Part 5 of Division 9 of the Family Code, if applicable;  
and

- B. Amtrak, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

### **SECTION 27 - TIMELINESS**

Time is of the essence in this Agreement.

### **SECTION 28- PRIORITY HIRING CONSIDERATIONS**

If this Agreement includes services in excess of \$200,000, Amtrak shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code § 11200 et seq. in accordance with Public Contract Code §10353 et seq.

### **SECTION 29 - STATE PREVAILING WAGE RATES**

Amtrak shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. General Prevailing Wage Rate Determinations may be obtained from the Department of Industrial Relations Internet site at <http://www.dir.ca.gov>.

### **SECTION 30- CERTIFICATION CLAUSES**

By executing this Agreement, Amtrak certifies to the best of its knowledge and belief the following:

- (a) Statement of Compliance

Amtrak has, unless exempted, complied with the nondiscrimination program requirements. (Government Code §12990 (a-f) and California Code of Regulations, Title 2, § 11102) (Not applicable to public entities).

- (b) Drug-Free Workplace Requirements

Amtrak will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
  - a) The dangers of drug abuse in the workplace;
  - b) The person's or organization's policy of maintaining a drug-free workplace;
  - c) Any available counseling, rehabilitation and employee assistance programs; and
  - d) Penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed Agreement will:
  - a) Receive a copy of the company's drug-free workplace policy statement, Amtrak – Drug and Alcohol Testing Program & Policy
  - b) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.
4. Failure to comply with these requirements may result in suspension of payments under the Agreement, or termination of the Agreement, or both, and Amtrak may be ineligible for award of any future LOSSAN Agency agreements if the LOSSAN Agency determines that any of the following has occurred: Amtrak has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Government Code §8350 et seq.)

(c) National Labor Relations Board Certification

Amtrak certifies that no more than one (1) final non-appealable finding of contempt of court by a Federal court has been issued against Amtrak within the immediately preceding two-year period because of Amtrak's failure to comply with an order of a Federal court, which orders Amtrak to comply with an order of the National Labor Relations Board. (Public Contract Code § 10296) (Not applicable to public entities.)

(d) Expatriate Corporations

Amtrak declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code §§ 10286 and 10286.1, and is eligible to contract with the LOSSAN Agency.

(e) Domestic Partners

For contracts over \$100,000 executed or amended after January 1, 2007, Amtrak certifies that it is in compliance with Public Contract Code § 102953.





**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives in multiple original counterparts as of the day and year first above written.

NATIONAL RAILROAD PASSENGER CORPORATION

By:   
Richard H. Anderson  
President and Chief Executive Officer

Approved as to Form:

By:   
Jared I. Roberts  
Amtrak Law Department

and

LOSSAN RAIL CORRIDOR AGENCY

By: \_\_\_\_\_  
Jennifer L. Bergener  
Managing Director

Approved as to Form:

By: \_\_\_\_\_  
James Donich  
Chief Counsel

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives in multiple original counterparts as of the day and year first above written.

NATIONAL RAILROAD PASSENGER CORPORATION

By: \_\_\_\_\_  
Richard H. Anderson  
President and Chief Executive Officer

Approved as to Form:

By: \_\_\_\_\_  
Jared I. Roberts  
Amtrak Law Department

and

LOSSAN RAIL CORRIDOR AGENCY

By: \_\_\_\_\_  
Jennifer L. Bergener  
Managing Director

Approved as to Form:

By: \_\_\_\_\_  
James Donich  
Chief Counsel

## **APPENDIX J**

### **FUNCTIONS ASSUMED BY THE LOSSAN AGENCY**

## APPENDIX J

### FUNCTIONS ASSUMED BY THE LOSSAN AGENCY

Senate Bill (SB) 1225, approved in September 2012, enables the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN Agency) to “assume all responsibility for administering the state-funded intercity passenger rail service in the corridor.” This service is commonly referred to as the “Pacific Surfliner.” In accordance with the assumption of this responsibility, the LOSSAN Agency shall carry out the roles, responsibilities and functions set forth below.

#### SECTION 1. STATEWIDE WORKING GROUP

- 1.1 The LOSSAN Agency acknowledges the need for and shall participate in the Statewide Working Group as established by the Department, in consultation with the Secretary (see Statewide Working Group in **Appendix K**). In order to effectuate the seamless connectivity of the Intercity Passenger Rail Service and system throughout the State, the LOSSAN Agency in coordination with the Department, shall participate in the statewide working group (Statewide Working Group) in a manner as provided below. A primary purpose of the Statewide Working Group is to ensure appropriate assignment of work efforts and funding that supports analysis and decision making to either the Department or one or more JPAs, taking into account available contracting authority as well as efficiency in conducting analysis, and statewide consistency across intercity rail corridors or requiring changes in the commitment or allocation of State resources. The Department acknowledges that it is not the intent of the Department or the Secretary to limit or hinder the ability of the respective JPAs from administering the respective services.
- 1.2 The issues addressed by the Statewide Working Group may include, but are not limited to:
  - a. Fleet acquisition, management, and deployment
  - b. Negotiation with host railroads and passenger terminal operators related to capital investments and allocation of host railroad or passenger terminal capacity for passenger rail operations
  - c. Implementation of integrated schedules and fare policies
  - d. Terms, conditions, and financial commitments contained in agreements with Amtrak or other intercity rail passenger operators, including CHSRA
  - e. Statewide market research, marketing or branding initiatives
  - f. Statewide integration of reservations, call center or ticketing initiatives
  - g. Statewide analysis and modeling of network-impacting capital and operating initiatives
  - h. Assignment of capital projects required for network or corridor development to one or more eligible applicants (including The Department)

- 1.3 As appropriate, all the LOSSAN Agency responsibilities below will be consistent with Statewide Working Group efforts.
- 1.4 Disputes Between Statewide Working Group Members
- a. Members of the Statewide Working Group shall use their best efforts to resolve matters affecting the statewide connectivity of the system. The members of the Statewide Working Group also agree that matters affecting the connectivity of the statewide system shall not be subject to the arbitration process outlined in Section 18.2 of this ITA. While every effort will be made to achieve consensus on an issue impacting the statewide system, notwithstanding any other provision of this ITA, any disputes between members of the Statewide Working Group relating to matters affecting the connectivity of the statewide system shall be resolved as follows:
- i. If the Statewide Working Group is unable to resolve matters before it, any member of the Statewide Working Group may escalate the matter to the Executive Steering Committee (ESC) as part of the issue resolution process. The ESC will be convened no later than 30 days after the Effective Date of this ITA. The ESC will be available to provide direction to the Statewide Working Group as issues are elevated to the ESC. The ESC shall be comprised of the Department's Chief the Division of Rail and Mass Transportation and the Executive or Managing Director or (or equivalent position) of each JPA. The ESC shall work expeditiously to reach a consensus. If the ESC is unable to reach an agreement regarding matters affecting the connectivity of the statewide system, any member of the Statewide Working Group shall elevate the matter to the Secretary for final and binding resolution.

## **SECTION 2. MANAGEMENT AND ADMINISTRATION**

With respect to the management and administration of the Service, the LOSSAN Agency shall comply with the following:

- 2.1 Manage and direct intercity train and bus operations in accordance with the annually approved Business Plan, applicable government codes, and the Uniform Performance Standards.
- 2.2 Work collaboratively on statewide issues assigned to the various Statewide Working Group.
- 2.3 Seek the LOSSAN Agency's Board of Directors approval (Board) to implement decisions reached in the Statewide Working Group and incorporate into the annual Business Plan.
- 2.4 Negotiate and execute all necessary agreements for the administration, operation and maintenance of the Service. These agreements will be developed in coordination with the Department and will support an integrated statewide Intercity Passenger Rail Service. Notwithstanding the foregoing, the LOSSAN Agency shall not enter into any agreement related to the terms, amendments or modifications of the operating, maintenance agreements, and thruway bus service agreements without the prior approval of the Department. The Department will provide approval or requested modifications for approval within 14 business days of request from the LOSSAN

- Agency. The LOSSAN Agency shall afford the Department an opportunity to provide its review and comments to any terms, amendments or modifications to any professional services agreements between the LOSSAN Agency and any other party which would have an impact upon the funding, cost or coordination of the Service or impact the coordination of the Service with other intercity rail corridors.
- 2.5 Develop policies, plans, and programs specific to the implementation of the LOSSAN Agency's management responsibilities.
  - 2.6 Ensure consistency with and support of statewide policies, plans and programs identified through Statewide Working Groups where applicable.
  - 2.7 Develop and implement changes to schedules and fares for the service. As appropriate, these changes will be consistent with decisions of the Statewide Working Group responsible for statewide integration of schedule and fare policies and will be subject to the LOSSAN Agency Board approval.
  - 2.8 Prepare and implement risk management and safety programs consistent with state and federal requirements.
  - 2.9 Provide all necessary administration to support the daily operations of the Service, including but not limited to:
    - a. Administration of the respective Joint Powers Authority (LOSSAN Agency)
    - b. Annual reporting to the state
    - c. Procurement of goods and/or services necessary for the Service
  - 2.10 Provide necessary staff resources, contracted or directly employed as necessary for the Service.
  - 2.11 Provide necessary staff resources to represent the respective the LOSSAN Agency rail corridor in statewide planning, programming, integration, and other efforts.

### **SECTION 3. PLANNING AND OPERATIONS**

With respect to the planning and operations of the Service, the LOSSAN Agency shall comply with the following:

- 3.1 Develop service and operations plans in coordination with partner agencies to support the annual Business Plan and statewide network integration efforts
- 3.2 Manage, administer, review, and evaluate operator, maintenance and other contracted services.
- 3.3 Manage and monitor contractors' service productivity, on-time performance, and other performance standards and objectives and develop corrective action plans to address any deficiencies.
- 3.4 Monitor and report on usage, cost efficiency, and service quality measures as defined in the Uniform Performance Standards.

- 3.5 Oversee implementation of food and beverage service, ensure best use of resources and develop improvement plans for the use of equipment and administration of food/beverage service.
- 3.6 Include in each Annual Business Plan a food service plan with annual goals and objectives that support a cost neutral program.
- 3.7 Manage and coordinate fare collection, update and publish schedules, manage and coordinate station maintenance, and security with affected jurisdictions and agencies, in coordination with Amtrak or any subsequent operator.
- 3.8 Review train dispatching policies (including priorities) and control procedures, and work with the Host Railroads or dispatching agencies to implement revisions to those policies and procedures to ensure performance standards can be achieved.
- 3.9 Conduct on-site field audits, including those pursuant to any national standards of service and the Uniform Performance Standards.
- 3.10 Oversee the implementation and delivery of service amenities, such as onboard WiFi and other existing and planned passenger amenities.
- 3.11 Review equipment and crew utilization, develop service plan to optimize utilization.
- 3.12 Ensure coordinated and seamless operations with other Intercity Passenger Rail Service and their Thruway bus connections (including, but not limited to scheduling, reservations systems, ticketing, security, marketing, advertising, and accessibility services). As appropriate, these efforts shall be consistent with efforts of the Statewide Working Group responsible for statewide operations and/or network integration.
- 3.13 Plan for and implement improvements in connectivity with local transit providers, commercial bus operators, car sharing and active transportation modes, consistent with the efforts of the Statewide Working Group responsible for statewide integration of public transportation services.

#### **SECTION 4. MARKETING**

With respect to the marketing of the Service, the LOSSAN Agency shall comply with the following:

- 4.1 Develop, implement, update and manage local and regional advertising campaigns. As appropriate marketing efforts will be consistent with the efforts of the Statewide Working Group responsible for statewide integration of market research, marketing and branding.
- 4.2 Ensure compliance with Government Code Section 14036.1, which addresses college student outreach.
- 4.3 Manage marketing contracts for the Service including community outreach and market research efforts.
- 4.4 Work cooperatively with the Department to comply with Government Code Section 14036.8, which requires full participation in the railroad public safety awareness



program known as “Operation Lifesaver,” whether funded through state retained marketing funds or through inclusion in future the LOSSAN Agency budget requests.

- 4.5 Participate in Statewide Working Group addressing market research, marketing, branding, reservations, call centers and ticketing. The Statewide Working Group may create metrics for determine overall goals and effectiveness of marketing campaigns, and also determine the appropriate rights and responsibilities related to uses of logos or trademarks identified by the Statewide Working Group.
- 4.6 Develop and include in the Annual Business Plan annual marketing and outreach efforts, goals, implementation, and outcomes.

## **SECTION 5. THRUWAY BUS SERVICES**

With respect to the Thruway bus services, the LOSSAN Agency shall comply with the following:

- 5.1 The coordination and operational management of all Thruway bus services and connections to other intercity passenger rail routes, commercial bus services, and regional/local transit agencies for which the LOSSAN Agency has management responsibility, as identified in **Appendix A** of the ITA.
- 5.2 Report annual ridership and financial statistics of each Thruway Bus route using a methodology based on information as established by the coordinated efforts of the Department and the LOSSAN Agency and further defined in **Appendix K**.
- 5.3 Participate in Statewide Working Group to address statewide improvements in Thruway bus services as well as opportunities for partnership with commercial bus operators and transit operators.
- 5.4 Manage Thruway bus service and monitor productivity.
- 5.5 Develop strategies for improvement including changes in schedules or frequency or discontinuation of bus routes or frequencies on poorly performing routes, including such recommendations in the annual Business Plan.

## **SECTION 6. EQUIPMENT**

With respect to the equipment necessary to run the Service, the LOSSAN Agency shall comply with the following:

- 6.1 Oversee maintenance and operation of equipment used in daily service in accordance with statewide policies and standards as included in the ITA and subject to update through the Statewide Working Group
- 6.2 Ensure quality and cleanliness of equipment operated in revenue service.
- 6.3 Oversee contractors engaged in operations and capital projects assigned to the LOSSAN Agency.
- 6.4 Participate in the Statewide Working Group to address statewide fleet acquisition, management and deployment, and implement any decisions reached in such working group

- 6.5 Manage and administer equipment assignments, and monitor maintenance and repair contracts for all rolling stock assigned to the Pacific Surfliner service.
- 6.6 In coordination with Amtrak (or any subsequent operator), and consultation with the Department, establish the most efficient, cost-effective daily equipment cycles attainable that meet the service needs.
- 6.7 Implement and augment as necessary state established equipment maintenance programs consistent with the maintenance agreement and fleet management plan.
- 6.8 Prepare and administer contract familiarization programs and briefings for the service operator's equipment maintenance management personnel as necessary and appropriate.
- 6.9 Monitor operator's compliance with operating and safety regulations through both contracted and direct forces.
- 6.10 Monitor ongoing maintenance processes and procedures, review and implement revisions designed to improve equipment reliability, availability, and performance consistent with the maintenance and equipment agreements, generally in the context of an appropriate Statewide Working Group
- 6.11 Conduct on-site field audits of equipment maintenance activities and overall equipment condition.

## **SECTION 7. FACILITIES**

With respect to the facilities required to perform the Service, the LOSSAN Agency shall comply with the following:

- 7.1 Inventory, review and assess existing structures and facilities served or used by the Service's operations and identify capital needs.
- 7.2 Minor Capital Improvement project is defined by Government Code 14037. Minor Capital Improvement project shall be funded from the existing budget resources allocated annually to the corridor the LOSSAN Agency.
- 7.3 Major capital improvement projects are the responsibility of the property owner. In the event major capital improvement projects are required for State-owned property, the LOSSAN Agency shall work with the Department to define the project scope, schedule and work cooperatively with the Department to obtain funding.
- 7.4 Work cooperatively with the Department to identify and seek funding for necessary station improvements.
- 7.5 Monitor and participate in station development plans and programs.
- 7.6 Manage and coordinate railroad facility programs to limit impacts on service.
- 7.7 Acquire, by lease, purchase, lease-purchase, or eminent domain, and to hold and dispose of real and personal property as necessary.

- 7.8 Construct, manage, and maintain station facilities and services.

## **SECTION 8. BUSINESS PLAN**

With respect to the business plan the LOSSAN Agency shall comply with the following:

- 8.1 Pursuant to Section 14070.4 (b) of the Government Code, the LOSSAN Agency shall submit its Annual Business Plan to the Department and the Secretary by April 1 of each year. In the event Amtrak is unable to provide, in a timely manner, the necessary financial forecasts in for inclusion in the annual Business Plan, the LOSSAN Agency shall inform the Department and provide the Annual Business Plan as soon as practicable.
- 8.2 The Annual Business Plan shall include the information required by the Act. The Annual Business Plan as approved by the Board of Directors and submitted to the Secretary of the CalSTA is a two-year budget and planning document that is updated annually and must be approved by CalSTA each year.
- 8.3 The Annual Business Plan must be consistent with the ITA, the most recent State Rail Plan, and other CAHSR plans which have been provided to the LOSSAN Agency by the Department and the most recent business plan developed by the California High-Speed Rail Authority. The Annual Business Plan shall cover a minimum of two years (the upcoming fiscal year and the one after that) and should include relevant details outlined under Section 8 to assist the Department with its annual budget process.

## **SECTION 9. ANNUAL BUDGET PROCESS**

With respect to the annual budget process which requires the Department to submit critical information for the annual appropriation in support of the passenger rail services provided pursuant to the ITA, the LOSSAN Agency shall comply with the following:

- 9.1 The LOSSAN Agency shall cooperate with the Department during the annual budget process to provide necessary documents and data. The State will consider the second year of each annual Business Plan, subject to any modifications included in the Secretary's approval, for inclusion in the Governor's Proposed Budget (e.g., the FY16-17 budget request will be based on the second year of the Business Plan submitted by April 1, 2015, as approved by the Secretary by July 31, 2015) and should include adequate information necessary for the budget request such as:
  - a. Revenue
  - b. Operating Costs
  - c. Marketing Expenses
  - d. Administrative Expenses
  - e. Total budget and details of any anticipated increases/decreases in operating costs for the upcoming year
  - f. Justification to support increases or reductions to any of the cost categories.

- 9.2 Following approval of the Business Plan, the LOSSAN Agency shall provide all necessary support to the Department during the ensuing annual budget process. This will include but not be limited to answering questions about the proposed budget, providing additional data to support that budget, revising the budget request as requested by the Department, or CalSTA through the Department, in order to conform with Department of Finance or legislative direction or by mutual agreement, and submitting any other document necessary to support the budget.

## **SECTION 10. LEGISLATIVE OUTREACH**

With respect to the legislative outreach efforts, the LOSSAN Agency shall consult with the Department and shall comply with the following:

- 10.1 Develop and maintain existing relationships with all stakeholders at the local, state, and federal level.
- 10.2 Develop an annual legislative platform that supports the Annual Business Plan.
- 10.3 Communicate to federal and state legislative members on issues affecting service.
- 10.4 Monitor and participate in the development of legislation that will influence funding for the Service.
- 10.5 Advocate before local, regional, state, and federal officials and agencies for improvements to services and facilities for the Service.

## **SECTION 11. SERVICE PLANNING**

With respect to Service planning, the LOSSAN Agency shall comply with the following:

- 11.1 Develop short-term and long-term service planning in coordination with the Department, other intercity rail corridors and the California High-Speed Rail Authority (CHSRA), including participation in the State Rail Plan, network integration efforts, and other planning efforts involving state or regional agencies.
- 11.2 Prepare and include detailed service planning efforts as part of the annual Business Plan update.
- 11.3 Participate in the development of joint-ticketing program as appropriate.
- 11.4 Coordinate and integrate service and operational plans and programs for the Service with railroad rights-of-way owners, dispatchers, operators, and other stakeholders.
- 11.5 Subject to consultation with the Department, negotiate with any other public or private transportation providers as necessary to ensure coordinated service with the Service.
- 11.6 Coordinate above activities with relevant Statewide Working Group when appropriate.
- 11.7 Notwithstanding the foregoing, the LOSSAN Agency shall provide all complete and accurate documentation related to the negotiation of a contract required for any service planning to the Department for review. The Department's review and approval shall not be unreasonably withheld and shall be provided no later than 14 business days

from the receipt of complete and accurate submittal from the LOSSAN Agency. If the Department is unable to comply with the timelines provided in this Section 5.1, the Department shall provide prompt notice to the LOSSAN Agency and provide an alternate review timeline.

## **SECTION 12. CAPITAL DEVELOPMENT**

With respect to the capital development of the Service, the LOSSAN Agency shall comply with the following:

- 12.1 Develop and/or update comprehensive capital plan for projects along the LOSSAN Agency rail corridor for rehabilitation and new capital to support the Service in coordination with corridor stakeholders and the Department.
- 12.2 Coordinate and manage various capital projects and programs in the corridor. Manage capital projects along the rail corridor and work in coordination with the LOSSAN Agency member agencies and host railroads.
- 12.3 Work with local, state, and federal agencies to plan, program, and secure funding for improvements for the Service.
- 12.4 Negotiate for and accept funds to be expended for the purpose of providing and improving the Service.
- 12.5 Prepares and coordinates grant proposals.
- 12.6 Apply for and execute and administer grants for financial aid pursuant to any applicable state or federal statutes or local requirements.
- 12.7 Request programming through appropriate procedures.
- 12.8 Coordinate above activities with relevant Statewide Working Group when appropriate.

## **SECTION 13. ATTORNEY**

- 13.1 The LOSSAN Agency may choose to retain legal services to provide legal advice, including support in developing legal and institutional arrangements. Legal services shall be identified in the Annual Business Plan and budget.

## **APPENDIX K**

### **FUNCTIONS RETAINED OR ASSUMED BY THE DEPARTMENT**

## APPENDIX K

### FUNCTIONS RETAINED OR ASSUMED BY THE DEPARTMENT

The Secretary is responsible for the overall planning, coordination, and budgeting of the State's Intercity Passenger Rail Services. Such responsibilities have been delegated to the Department to ensure that the Intercity Passenger Rail Service and Thruway bus networks, including connectivity to other rail, High-Speed Rail, and transit systems, are integrated and seamless. It is the Department's responsibility to ensure that the existing and planned intercity and High-Speed Rail corridors function as a unified system. The intercity passenger rail network is part of a larger rail network that includes commuter/regional rail and the planned High-Speed Rail system.

To that end, the Department shall be responsible for the following:

#### SECTION 1. GENERAL RESPONSIBILITIES

- 1.1 The Department shall retain responsibility for the overall planning, coordination and budgeting of the Intercity Passenger Rail Services in the State.
- 1.2 The Department is responsible for the development of a statewide passenger rail network that meets statewide and regional goals and objectives.
- 1.3 The Department remains the designated "State Rail Transportation Authority" pursuant to Title 49 United States Code which requires that the Department prepare, maintain, coordinate and administer the State rail plan.
- 1.4 The Department has the responsibility for preparing the Interregional Transportation Improvement Program which includes projects to improve interregional movement of people, vehicles and goods and projects to improve the Intercity Passenger Rail Services, as well as the state-wide transit systems.
- 1.5 The Department shall furnish historical performance, planning and budget data and documents to the LOSSAN Agency as requested and in order to facilitate sound and efficient planning and administration of the Service.

#### SECTION 2. STATEWIDE WORKING GROUP

The Department recognizes that multiple JPAs shall be responsible for the administration of certain services for specific Intercity Passenger Rail corridors. In order to effectuate the seamless connectivity of the Intercity Passenger Rail system throughout the State, the Department, in consultation with the Secretary, shall lead the Statewide Working Group (Statewide Working Group) as provided below. A primary purpose of the Statewide Working Group is to ensure appropriate assignment of work efforts and funding that supports analysis and decision making to either the State or one or more JPAs, taking into account available contracting authority as well as efficiency in conducting analysis. The Department acknowledges that it is not the intent of the Department or the Secretary to limit or hinder the ability of the respective JPAs from administering the respective services and statewide consistency across intercity rail corridors or requiring changes in the commitment or allocation of State resources.

## 2.1 Participants

- a. The participants of the Statewide Working Group shall be:
  - i. The designated representatives or staff of the Department;
  - ii. The designated representatives or staff of each JPA, authorized by law to administer a specific Intercity Passenger Rail corridor, respectively; and
  - iii. The designated representative or staff of the CHSRA who may participate on an as needed basis and from time to time, to address issues impacting the High-Speed Rail system.

## 2.2 Organization

- a. The Department shall lead the Statewide Working Group.
- b. The Statewide Working Group shall be tasked and specifically focusing primarily on matters that affect the statewide network or involving more than one JPA. On a monthly basis, either in person or by phone, the Department shall convene the Statewide Working Group. The members of the Statewide Working Group shall establish a specific scope and timeframe for each monthly meeting. Notwithstanding the foregoing, any member of the Statewide Working Group may request a meeting to discuss issues which cannot be postponed to the next regularly scheduled monthly meeting.
- c. The Department shall work collaboratively with the members of the Statewide Working Group to bring swift resolution to the issues impacting the entirety of the system and service. The Department shall not unreasonably withhold reviews and/or approvals that are necessary to operate the services of each respective JPA.
- d. The Department shall maintain a current list of activities on which collaboration and coordination is occurring through the Statewide Working Group. The Department shall prepare meeting minutes that document and record the final plans and decisions developed pursuant to discussions of the Statewide Working Group and provide them to the other members of the Statewide Working Group no later than 15 days from the date of such resolution or meeting.

## 2.3 Discussion

- a. The Department shall lead the Statewide Working Group on all matters requiring statewide consistency across intercity rail corridors or requiring changes in the commitment or allocation of State resources. The issues addressed in the Statewide Working Group, may include, but not be limited to, the following:
  - i. Fleet acquisition, management, and deployment.
  - ii. Negotiation with host railroads and passenger terminal operators related to capital investments and allocation of host railroad or passenger terminal capacity for passenger rail operations.
  - iii. Implementation of integrated schedules and fare policies.



- iv. Terms, conditions, and financial commitments contained in agreements with Amtrak or other intercity rail passenger operators
- v. Statewide market research, marketing or branding initiatives.
- vi. Statewide integration of reservations, call center or ticketing initiatives.
- vii. Statewide analysis and modeling of network-impacting capital and operating initiatives.
- viii. Assignment of capital projects required for network or corridor development to one or more eligible applicants (including the Department).
- ix. Statewide integration of schedules and fare policies.
- x. Statewide integration of reservations, call center and ticketing.

2.4 The Department, in consultation with the members of the Statewide Working Group, may establish focused groups within the Statewide Working Group which to address specific issues identified by one or more member of the Statewide Working Group. Such focused groups may include, but not be limited to the activities identified in either **Appendix J** or **K**, respectively. Not all focused groups will need to be active at all times, and some of the issues above may be most effectively consolidated into a single working group.

2.5 Disputes Between Statewide Working Group Members

- a. Members of the Statewide Working Group shall use their best efforts to resolve matters affecting the statewide connectivity of the system. The members of the Statewide Working Group also agree that matters affecting the connectivity of the statewide system shall not be subject to the arbitration process outlined in Article 16.2 of this Agreement. While every effort will be made to achieve consensus on an issue impacting the Statewide system, notwithstanding any other provision of this Agreement, any disputes between members of the Statewide Working Group relating to matters affecting the connectivity of the Statewide system shall be resolved as follows:
  - i. If the Statewide Working Group is unable to resolve matters before it, any member of the Statewide Working Group may escalate the matter to the Executive Steering Committee (ESC) as part of the issue resolution process. The ESC will be convened no later than 30 days after the Effective Date of this Agreement. The ESC will be available to provide direction to the Statewide Working Group as issues are elevated to the ESC. The ESC shall be comprised of the Department's Chief the Division of Rail and Mass Transportation and the Executive or Managing Director or (or equivalent position) of each JPA. The ESC shall work expeditiously to reach a consensus. If the ESC is unable to reach an agreement regarding matters affecting the connectivity of the statewide system, any member of the Statewide Working Group shall elevate the matter to the Secretary for final and binding resolution.

### **SECTION 3. STATE RAIL PLANNING AND NETWORK INTEGRATION**

With respect to State rail planning and networking integration, the Department, in consultation with CalSTA, shall be responsible for the following:

- 3.1 Leading Network Integration activities, which shall include but not be limited to the statewide effort to integrate all existing and planned rail systems (intercity, commuter/regional, and High-Speed Rail) into a coordinated and integrated system.
- 3.2 Defining the roles and responsibilities of the California High-Speed Rail Authority and the JPAs in Network Integration efforts, including integration with planned High-Speed Rail.
- 3.3 Ensuring that the consistency of planning efforts across statewide transportation planning documents, including but not limited to, the California Transportation Plan, the Caltrans State Rail Plan, the Caltrans Interregional Transportation Strategic Plan, California Freight Mobility Plan, the CHSRA Business Plan and the planning efforts of the JPAs.
- 3.4 Reviewing the JPA Business Plans and other planning documents (such as Corridor Development Plans, Service Development Plans or Strategic Plans) for consistency with statewide network planning, including integration with local transit and High-Speed Rail.
- 3.5 Conducting statewide planning, primarily through the State Rail Plan (process and in collaboration with CalSTA, the intercity rail JPAs and other stakeholders, to develop vision and long-range plans for the development and continuance of a statewide, integrated, and comprehensive passenger rail network, inclusive of High-Speed Rail, as well as connections to feeder bus and local transit systems.
  - a. The State Rail Plan will reference relevant areas of each JPA's approved Business Plan in effect at the time of State Rail Plan development (with particular emphasis on near term operational or capital plans expected to impact the 4 to 5 year horizon of the State Rail Plan), but will also serve as a tool to develop long-range, integrated statewide rail planning that will guide future JPA Business Plan development.
  - b. Statewide analysis of proposed or funded capital investments is expected to occur in a detailed manner during the process of developing the State Rail Plan on a five-year cycle, with additional updates if necessary to address new projects that have a significant impact on service or network connectivity.

### **SECTION 4. STATEWIDE ANALYSIS AND MODELING**

- 4.1 In coordination with the Statewide Working Group, the Department shall be responsible for statewide analysis and modeling of network-impacting capital and operating initiatives.
- 4.2 The Department shall conduct, manage or assign integrated statewide analysis related to proposed improvements that will impact the statewide passenger rail network (inclusive of both capital and operating improvements), in collaboration with the intercity rail JPAs and other relevant stakeholders, primarily through adoption and

utilization of standard modeling tools for the statewide analysis of ridership and revenue, as well as railroad operations. Statewide analysis is not expected to be necessary for every capital project or operating change advanced by an infrastructure owner; rather, the analytical tools are intended to foster understanding and support decision making related to how projects affect significant changes in service and network connectivity.

- 4.3 The Department shall ensure a consistent statewide approach is followed both for statewide network planning (by the Department) and for individual corridor planning (by the JPAs for existing corridors and by the Department for corridors under development).

## **SECTION 5. SERVICE COORDINATION**

- 5.1 The Department, in consultation with CalSTA, is responsible for overseeing coordination among the state-funded intercity rail corridors. In connection with the operation of the Service, the Department shall have the right to approve the terms, amendments or modifications of the operating, maintenance agreements, and thruway bus service agreements between the LOSSAN Agency and any other party which would have an impact upon the funding, cost or coordination of the Service or impact the coordination of the Service with other intercity rail corridors. The Department shall have the opportunity to provide review and comment of any terms, amendments or modifications to any professional services agreement between the LOSSAN Agency and any other party which would have a material impact upon the funding, cost or coordination of the Service or impact the coordination of the Service with other intercity rail corridors. Such review and approvals shall be consistent with and supportive of the ridership, growth, cost efficiencies, and revenue enhancements and other strategies identified in **Appendix C**.
- 5.2 Notwithstanding the foregoing, the Department will provide its review and approval of any terms, amendments, or modifications to agreements between LOSSAN Agency and a third-party provider (i.e.: operator, service provider). The Department's review and approval shall not be unreasonably withheld and shall be provided no later than 14 business days from the receipt of complete and accurate submittal from LOSSAN Agency. If the Department is unable to comply with the timelines provided in this Section 5.1, the Department shall provide prompt notice to LOSSAN Agency and provide an alternate review timeline.
- 5.3 Operations and Marketing
  - a. The Department, in consultation with CalSTA, shall review the Annual Business Plan submitted by the LOSSAN Agency. The review shall include, but not be limited to, an assessment of the integration between the intercity rail corridors, local transit and High-Speed Rail as applicable.
  - b. The Department shall provide LOSSAN Agency access to its modeling resources necessary to analyze scenarios, supported by necessary financial resources for the modeling effort as identified by the relevant Statewide Working Group member, in its approved Annual Business Plan, related to the ridership and revenue impacts of proposed operational changes, as well as the viability of proposed schedule changes. Modeling and analysis shall be in the context of long term network connectivity and host railroad agreements, subject to collaborative efforts among

the JPAs and the Department to prioritize requests within available resources.

- c. The Department shall work cooperatively with LOSSAN Agency to clarify modeling requests and submit such requests to the current contractor for such analysis to the extent that the modeling resources necessary to conduct the work are under the Department control. The Department shall review proposed schedules for their impact on network integration in a timely fashion.
- d. The Department may, but is not required to, independently analyze and evaluate scenarios related to proposed operational changes across the statewide network, including use of modeling resources related to ridership and revenue and operational impacts. The results of such analysis shall be made available to any relevant working group for consideration and comment.
- e. The Department, in coordination with the Statewide Working Group, shall develop and manage a listing of efforts requiring statewide collaboration, as well as develop a schedule and charter and work plan for addressing such recommended efforts, and the current or proposed staffing and financial resources available for such efforts.

#### 5.4 Thruway Bus Services

- a. The Department shall review and comment on proposed changes to Thruway bus services as part of the annual review of the business plan and evaluate any significant changes that may impact the service in order to ensure a reliable, integrated statewide passenger rail network is maintained. The Department may recommend implementation of such changes in its submission of business plan comments to the Secretary.
- b. The Department will, in coordination with LOSSAN Agency, develop and publish standard methods for evaluating the performance of feeder bus routes, consistent with but not limited to State Government Code Section 14035.2 (3) and notwithstanding Government Code section 14070.4(5)(d).

### **SECTION 6. PERFORMANCE MEASURES AND MONITORING**

- 6.1 The Department shall monitor the administration of the Service and the performance standards adopted by the Secretary pursuant to the Uniform Performance Standards. This shall primarily be performed through the standard quarterly reports prepared by the Department and Annual Business Plan submissions of LOSSAN Agency.
- 6.2 The Department shall prepare a report of findings outlining any efficiencies or deficiencies in the performance of the Service which may be below the Uniform Performance Standards. The Department's findings shall be provided to LOSSAN Agency for review. The Department's findings shall include, if required, a corrective action plan which shall be aimed at bringing the service back into compliance with the Uniform Performance Standards. The Department will provide its findings and any corrective actions, with regular updates, to CalSTA.

## **SECTION 7. EQUIPMENT**

- 7.1 Develop, maintain and update the California Rail Fleet Plan, to provide a guiding document to be used for long-range planning for fleet maintenance, overhaul, modification, expansion, replacement, disposition and deployment, based on service needs, manufacturer recommendations, Federal requirements, reliability and availability performance measures, available funding, and input from the three JPAs.

## **SECTION 8. REPORTS**

- 8.1 The Department, in coordination and with input from LOSSAN Agency, shall prepare reports and summaries, as required by the Legislature, the California Transportation Commission, CalSTA, or otherwise required or deemed advisable by the State.

## **SECTION 9. FUNDING REQUESTS AND BUDGETS**

### **9.1 Operation Support**

- a. The Department shall prepare an annual funding and budget request for intercity Service and minor capital based on the second year of each Annual Business Plan approved by the Secretary, to be considered during the annual State budget development process.
- b. Following release of the legislatively-approved Budget, the Department shall provide recommendations to CalSTA regarding proposed actions necessary to align resources included in the Budget with the approved Business Plan level of funding. Final allocation of annual funding will be determined by the Secretary or their designee.
- c. With the assistance of the LOSSAN Agency, report as required to the Department of Finance or any other required party on the financial status of the state-supported services.

### **9.2 Capital Projects**

- a. Capital projects may be managed by LOSSAN Agency subject to the provisions of LOSSAN Agency's joint powers agreement and agency bylaws or any other agreement between LOSSAN Agency and its members or local project sponsor.
- b. The Department may establish a focus group to assist in assignment of management responsibilities for capital projects to one or more eligible applicants, including one or more JPAs, the Department and/or other stakeholders. Such focus group will also provide a forum for determination of whether a proposed capital project is consistent with the State's priorities, State Rail Plan and other supporting plans, and may be a forum for recommending assignment of project management responsibilities if such funding is successfully obtained
- c. The Department will request funding through Department of Finance, California Transportation Commission and other agencies to sustain and expand rail service on the state-supported Intercity Passenger Rail Service, in accordance with the California State Rail Plan when it is assigned responsibility for such capital projects.

- d. The Department shall support the funding requests of JPAs and other eligible applicants when such entities are assigned responsibility for advancing such capital projects as long as such projects are not in conflict with statewide plans.
- e. The Department shall submit project programming and allocation requirements to the appropriate state entity, or support JPAs in their submissions, based on assignment of the capital project to a responsible agency.
- f. The Department shall provide oversight of state-funded projects assigned to JPAs for capital project management, consistent with any grant or funding program requirements.
- g. Capital projects assigned to the Department for management may be implemented by Host Railroads, Terminal Operators or other public agencies with which the Department develops appropriate environmental, engineering and/or construction agreements.
- h. These roles and responsibilities are not intended to in any way impact an individual JPA member's ability to implement capital improvements on properties within their jurisdictions.

### 9.3 Grant Programs

With respect to grant programs, the Department shall:

- a. Ensure consistency of proposed capital projects and proposed operational changes with the state rail and long-range plans, including confirming for purposes of federal, state or regional grant funding opportunities that such projects or changes are consistent with the state rail plan and other supporting plans.
- b. Administer the Section 190 and other safety related funding programs.

### 9.4 Amtrak and Other Operator Negotiations and Contracts

- a. The Department has an existing contract between the Department and Amtrak for services provided by Amtrak to the State in support of Intercity Passenger Rail Service. These support services currently include but are not limited to: ridership modeling; rail equipment insurance coverage; wreck repair and third-party recovery fund management; equipment overhaul and modifications; and ownership of the Oakland Maintenance Facility. Future assignment of services currently contained in the contract between the Department and Amtrak to LOSSAN Agency is permitted, and no later than the Effective Date of this Agreement, the Department will cause to be executed a delegation of certain duties to LOSSAN Agency.
- b. The Department shall review and provide comment to CalSTA regarding proposed agreements between the JPAs and Amtrak or any other operator under contract to provide passenger rail service.
- c. The Department shall establish a focus group to promote consistency among the Department and JPA contracts in areas of terms, conditions, and financial commitments. Such working group will also provide a forum for developing consensus on expression of statewide policy in national forums including but not

limited to national negotiations related to state pricing and policy.

9.5 Host Railroad and Passenger Terminal Operator Negotiations and Agreements

- a. The Department shall establish a working group to support negotiations with host railroads and passenger terminal operators related to capital investments and allocation of host railroad or passenger terminal capacity for passenger rail operations. Such working group shall:
  - i. Recommend assignment of negotiating responsibilities to each party impacted by the proposed agreement, and ensure both consistency with statewide network requirements and the ability of both state and JPA parties to support the resulting agreements
  - ii. Recommend assignment of engineering agreements to perform modeling by the host railroads or passenger terminal operators for the purpose of improving statewide passenger operations through on-time performance, ride quality, safety and increased service frequency. Such requests shall, under normal conditions, be submitted only for projects that are already determined to be supportive of and consistent with statewide network visions and plans.
- b. When capital project management related to Host Railroad or Passenger Terminal Operator projects has been assigned to the Department, the Department shall prepare appropriate engineering and construction management agreements with the railroad or terminal operator to support the design, development and construction of capital projects and prepare environmental documents.