

LOSSAN Corridorwide STRATEGIC IMPLEMENTATION PLAN



MEMBERS AGENCIES:

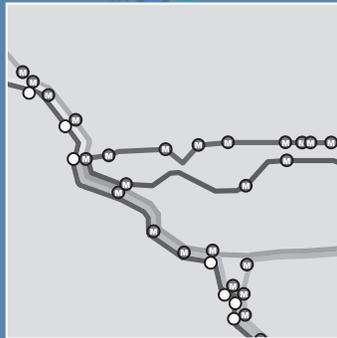
- California Department of Transportation (Caltrans)
- Los Angeles County Metropolitan Transportation Authority (LACMTA)
- North County Transit District (NCTD)
- Orange County Transportation Authority (OCTA)
- San Diego Association of Governments (SANDAG)
- San Diego Metropolitan Transit System (MTS)
- San Luis Obispo Council of Governments (SLOCOG)
- Santa Barbara County Association of Governments (SBCAG)
- Ventura County Transportation Commission (VCTC)

EX-OFFICIO MEMBERS:

- Amtrak
- California High-Speed Rail Authority (CHSRA)
- Riverside County Transportation Commission (RCTC)
- Southern California Association of Governments (SCAG)

ADDITIONAL TECHNICAL ADVISORY COMMITTEE MEMBERS:

- Burnlington Northern Santa Fe (BNSF)
- California Public Utilities Commission (CPUC)
- Southern California Regional Rail Authority (SCRRA)
- Union Pacific (UP)



STAFFED BY:

SANDAG
401 B Street, Suite 800
San Diego, CA 92101
Phone: (619) 699-1900
Fax: (619) 699-1905
www.lossan.org

PREPARED BY



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[Note: The full *LOSSAN SIP Final Report April 2012* is available upon request from LOSSAN, phone # (619) 699-1900, www.lossan.org]

GLOSSARY Acronyms and Terms

Amtrak:	National Railroad Passenger Corporation
BART:	San Francisco Bay Area Rapid Transit District
BNSF:	Burlington Northern Santa Fe Railway
BT&H:	Business, Transportation & Housing Agency
Caltrans:	California Department of Transportation
CCJPA:	Capitol Corridor Joint Powers Authority
CEOs:	Chief Executive Officers
CHSRA:	California High-Speed Rail Authority
CTC:	California Transportation Commission
DOR:	Caltrans Division of Rail
FRA:	Federal Railroad Administration
FTE:	Full-Time Equivalent
IRMT:	Intercity Rail Management Team
ITA:	Interagency Transfer Agreement
JPA:	Joint Powers Authority
LACMTA:	Los Angeles County Metropolitan Transportation Authority (MTA)
LOSSAN:	Los Angeles-San Diego-San Luis Obispo Intercity Rail Corridor
MBTA:	Massachusetts Bay Transportation Authority
MOU:	Memorandum of Understanding
MPO:	Metropolitan Planning Organization
NCTD:	North County Transit District
NNEPRA:	Northern New England Passenger Rail Authority
OCTA:	Orange County Transportation Authority
PRIIA:	Passenger Rail Improvement and Investment Act
PTA:	State of California Public Transportation Account
PTC:	Positive Train Control
PWG:	Project Working Group
RCTC:	Riverside County Transportation Commission
SANDAG:	San Diego Association of Governments
SBCAG:	Santa Barbara County Association of Governments
SCG:	Staff Coordinating Group
SCRRA:	Southern California Regional Rail Authority (Metrolink)
SDMTS:	San Diego Metropolitan Transit System

GLOSSARY Acronyms and Terms (continued)

SLOCOG:	San Luis Obispo Council of Governments
STIP:	State Transportation Improvement Program
TAC:	Technical Advisory Committee
UPRR:	Union Pacific Railroad
VCTC:	Ventura County Transportation Commission

Definitions

Commuter Rail:	An electric or diesel propelled railway for urban passenger train service consisting of local short distance travel operating between a central city and adjacent suburbs. Service must be operated on a regular basis by or under contract with a transit operator for the purpose of transporting passengers within urbanized areas or between urbanized areas and outlying areas. Commuter rail service is generally characterized by: multi-trip tickets, the highest frequency of service during Monday-Friday morning and evening peak-period travel times, specific station to station fares, and usually only one or two stations in the central business district.
Intercity Rail:	Intercity Rail is generally defined as passenger rail service interconnecting major cities and/or populated areas with heavily traveled corridors to and between metropolitan areas. These corridors are generally more than 100 miles, but less than 750 miles long, have frequent service throughout the day, and usually offer business class service, as well as café/beverage service for all customers. Some trains also handle checked baggage. The LOSSAN Corridor is defined as ‘Intercity Rail’.
Long Distance or National Network Trains:	These types of trains are also intercity trains but travel long distances (generally 750 miles or longer) serving both major cities as well a small communities and serve to form a national network across the country, similar to interstate highways built in sparsely populated states and regions. These trains usually operate only once daily in each direction, and offer sleeping accommodations, full meal and beverage service, and other amenities attractive to travelers, in addition to economy coach services. They often are the only means of public transport to rural communities along their route.
LOSSAN North:	LOSSAN North is defined as the segment of the LOSSAN Corridor stretching north from Los Angeles to Ventura, Santa Barbara and San Luis Obispo Counties.
LOSSAN South:	LOSSAN South is defined as the segment of the LOSSAN Corridor extending south from Los Angeles to Orange and San Diego Counties.
Managing Agency:	A Managing Agency is defined as the agency which provides the JPA staff, office space, financial and accounting support, and human resource support to the JPA. An example is that BART actually employs and “houses” the Capitol Corridor JPA staff under a contract with the CCJPA Board.

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Executive Summary

The Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency initiated the LOSSAN Corridorwide Strategic Implementation Plan as a first step in implementing a new corridorwide vision for passenger rail services. This vision was adopted by the LOSSAN Board of Directors in 2009 and calls for a fresh look at the future of the entire rail corridor with an emphasis on Intercity Rail service. The *LOSSAN Corridor Strategic Assessment* (2010) and *LOSSAN Corridor Quick Improvement Study* (2008) were the foundation for this work, and twelve stakeholders signed a Memorandum of Understanding (MOU) in 2010 to jointly participate in this effort.

The goals of this LOSSAN Corridorwide Strategic Implementation Plan study are:

- Collectively provide the infrastructure to allow more peak period trains, faster through-express trains and additional service improvements that meet current and future conventional and high-speed intercity, commuter, and freight demands both north and south of Los Angeles Union Station.
- Integrate regional fare policy and develop common fare media that are based in part on early implementation lessons in the corridor as appropriate (electronic revenue collection).
- Integrate and/or coordinate operations and develop more efficient operating schedules and dispatching for corridor services.
- Implement a strategy for seamless rail travel in the corridor.
- Collaborate to identify and establish new services for un-served and underserved markets.
- Integrate and improve traveler information, standardized to the extent possible.
- Coordinate with Long-Distance Passenger Rail and connecting Motorcoach Services.

As background, the LOSSAN Rail Corridor Agency is a joint powers agency that was formed in 1989 to coordinate intercity rail service between Los Angeles and San Diego. The LOSSAN Rail Corridor Agency works to increase ridership, revenue, capacity, reliability, and safety on the coastal rail line from San Diego to Los Angeles to San Luis Obispo. In 2001, the agency expanded to include rail agencies and operators north of Los Angeles to San Luis Obispo. With this change, all rail agencies along the entire Pacific Surfliner corridor are represented on LOSSAN. In 2011, representation was expanded to include Amtrak, the California High-Speed Rail Authority and the Riverside County Transportation Commission, as ex-officio members.¹

¹ Current LOSSAN Board: Voting members are: SANDAG, SDMTS, NCTD, OCTA, LACMTA, VCTC, SBCAG, SLOCOG and Caltrans; Ex-Officio Members are: Amtrak, CHSRA, SCAG and RCTC.

Existing Conditions

The LOSSAN Corridor is a 351 mile long intercity and commuter rail corridor, stretching from San Diego in the south, up the coast to Orange County, Los Angeles County, Ventura County, and Santa Barbara County to San Luis Obispo County (Figure ES-1). This six-county area has a population of approximately 17.4 million (2010 US Census) and based on state and regional projections is forecasted to grow to just over 21 million by 2030. The LOSSAN corridor annually transports more than 2.7 million intercity passengers, the second busiest for Amtrak nationwide. One in every nine Amtrak riders uses the corridor.

In addition to Amtrak, there are 4.5 million passengers each year on the commuter rail systems: Metrolink and COASTER. These services help reduce congestion and improve mobility and air quality along the I-5 and SR 101 freeway corridors. Estimates for Metrolink ridership show that rail commuters in the Los Angeles area take the equivalent of one lane off the busy I-5 corridor alone. Also known as Amtrak's Pacific Surfliner corridor, this 351-mile rail line serves Southern California's key coastal population centers and two of the state's most congested regions: Los Angeles and San Diego.

The increasing ridership and demand for additional frequency on both commuter and intercity rail services has strained the capacity of the LOSSAN corridor to accommodate the reliable operation of more trains. Since Amtrak's initial 1971 passenger rail service, funding for both operating and capital improvements has been provided by a series of local, state and federal funding mechanisms. However, even with the past and planned improvements, a number of constraints remain that limit future ridership and revenue growth in the LOSSAN Corridor. These include constrained capital infrastructure, railroad right-of-way and exclusive operational rights by multiple owners, as well as multiple services competing for track time, which is becoming increasingly scarce.

Stakeholder Outreach and Data Gathering

The first step in the planning effort was to meet with Chief Executive Officers (CEOs) and senior staff from corridor stakeholders and member agencies to further discuss the objectives of this study and to gain a better understanding of local, regional, and corridor priorities. These meetings took place in the fall of 2010 and early 2011 and included technical staff, executives and Board Members of 13 agencies: Amtrak, Caltrans, LACMTA, NCTD, OCTA, RCTC, SANDAG, SDMTS, SLOCOG, SBCAG, SCAG, SCRRA, and VCTC.

In addition, small groups of technical staff and consultants formed to review the existing conditions at stations along the corridor.

While each agency has its own issues specific to their location, certain common elements emerged from these meetings as goals or objectives of the Strategic Implementation Plan – the following is a summary of the observations, goals and objectives that were identified.

- The desire to utilize the LOSSAN Corridor to its full potential, including better coordination of intercity and commuter rail services, transit connectivity, and providing new travel options for under or un-served markets.
- Solidify the Rail 2 Rail program, or a similar program which offers travel flexibility to passengers.
- Implement an electronic fare collection along the coordinated LOSSAN Corridor, in developed/integrated with all three existing passenger rail providers (Amtrak, Metrolink and COASTER).
- Provide convenient and common ticketing and transfers between modes of transportation, working with the member agencies and the associated transit systems.
- Develop a cohesive business plan that utilizes all modes of transportation to serve the most potential patrons.

- Develop a rail system that minimizes travel times for each service, yet also provides convenient connection points.
- Improve Amtrak on-time statistics for Pacific Surfliner intercity trains.
- Establish a forum of stakeholders for the development of a business plan.
- Synchronize arrivals and departures to provide the maximum benefit to the passengers.
- Plan and obtain funding and permits for additional double tracking and multiple tracking to improve operations.

A listing of the stakeholder meetings and attendees is shown in Appendix A. A summary of the station information assessment of the corridor is included in Appendix C.

Quick Improvements

The LOSSAN Corridor Quick Improvements Study final report lists 20 concepts for near-term improvements that could be implemented fairly quickly and at minimal cost. Four additional items were added by the LOSSAN Board through other actions since the publication of the final report. The LOSSAN Technical Advisory Committee (TAC) members originally volunteered to implement various improvements and met with limited success, due to other priorities competing for the same resources.

Since August 2010, implementation of the remaining quick improvements has been advanced by a LOSSAN project manager in coordination with member agencies and other stakeholders. Many improvements have been completed. Several improvements have reached a level where implementation is fully dependent on an agency complementary project that is currently underway or additional resources that have not currently been identified. Lastly, there are some improvements that have evolved over time or have been dropped due to various circumstances.

Section 2 of this report summarizes these improvements. Further details are included in Appendix B.

Preferred Service Plan Business Case

Working with OCTA and their consultant (Parsons Brinckerhoff) and Caltrans and Amtrak and their consultant (AECOM), a 'Business Case' for both intercity and commuter train services for years 2014 and 2030 was developed as the 'Preferred Service Plan'. This business case analysis focused on the desire for new service to under- and un-served markets. A project working group (PWG) comprised of member agencies developed specific service goals for both short-term and long-term improvements as follows and shown in Table ES-1:

- By 2014, completion of on-going capital work to improve capacity should allow for the operation of additional commuter rail services, including selected run-through Metrolink-COASTER trains to serve travel markets that cross the Orange/San Diego County line but are currently un-served, additional intercity service and limited stop intercity service, and the introduction of commuter service between Ventura and Santa Barbara.

- By 2030, it is expected that Pacific Surfliner trains will operate during peak hours on an hourly frequency between Los Angeles and San Diego with shorter travel times due to limited stop operation, additional commuter trains will operate throughout the Santa Barbara to San Diego corridor, and Amtrak's Coast Daylight service will operate between Los Angeles and San Francisco. Overall the number of train operations would nearly double.

Table ES - 1 Preferred Service Plans (Existing 2011, Proposed 2014 and 2030)

Weekday Service/number of trains	2011 Baseline	2014	2030
Commuter – San Diego to Oceanside	22	32	54
Commuter – Orange County to Los Angeles	42	54	88
Commuter – North of Los Angeles	61	64	90
Pacific Surfliner	22	24	36
Long-Distance Trains	4	4	6
TOTAL	151	178	274

By 2014, relatively modest service improvements can be made with existing rolling stock and a constrained capital improvement program currently under final design/construction. The greatest challenge is to overcome traditional institutional boundaries in the way these services have been operated to date. In 2011, Metrolink service to San Diego County to serve the Del Mar Races demonstrated that such cooperation can result in new service patterns. These new service patterns can then attract a portion of the travel market to rail that is not captured by rail today primarily because of inconvenience, unavailability or both. It is envisioned that the Pacific Surfliner service will incrementally deliver shorter travel times and will likely develop a service pattern of selected station stops, and these station stops will be designed for convenient transfers to/from the commuter service.

By 2030, complimenting the increase in intercity service would be more frequent commuter service, including additional commuter trains which traverse the entire southern portion of the route between Los Angeles and San Diego, making it easier to use the train service from points in one county to destinations in the other without having to change trains. Common stations would allow for convenient transfers from intercity to local commuter trains. An increase in both commuter and intercity service to Ventura and Santa Barbara Counties is also included, with increased intercity service frequency to San Luis Obispo County also being provided. All trains operating to/from points north of Los Angeles would operate as through trains south of Los Angeles to San Diego.

Tables ES-2 and 3 show the LOSSAN 2030 Ridership Forecast and Revenue Forecast, respectively, based on this assumed business case.

Table ES - 2 LOSSAN 2030 Annual Ridership Forecast

2030 ANNUAL RIDERSHIP FORECAST (millions of riders)			
Service	2030 "No Build"	2030 "Build"	Percentage Change
Pacific Surfliner Intercity	3.8	4.7	23.7%
Commuter	6.3	10.5	66.7%
Total	10.1	15.2	50.5%

Table ES - 3 LOSSAN 2030 Annual Revenue Forecast

2030 ANNUAL REVENUE FORECAST (\$millions)			
Service	2030 "No Build"	2030 "Build"	Percentage Change
Pacific Surfliner Intercity	\$78.3	\$108.0	38.0%
Commuter	\$41.2	\$70.5	71.2%
Total	\$119.5	\$178.5	49.4%

Both ridership and revenue increase significantly when the projected 2030 service levels are operated along the LOSSAN Corridor. Intercity ridership increases by nearly 24% and revenue increases by almost 38% (due to longer trips made on intercity, shorter and local trips on the improved commuter service). Commuter rail ridership increases by over 66% and revenue by more than 71%.

Funding Status for Intercity Service

For nearly three decades, the State of California and Amtrak have jointly funded the operating support requirements for the Pacific Surfliner most recently on a 70 percent / 30 percent basis. The only other source of funds is passenger revenues. For the current budget year, FY 2011, this support totals \$42 million, of which \$28 million is state Public Transportation Account (PTA) funds and \$15 million is from Amtrak, to match a healthy level of passenger fares of \$58 million or 58 percent. Together, the total annual operating budget for the Pacific Surfliner service is \$100 million (see Table 1 for budget chart).

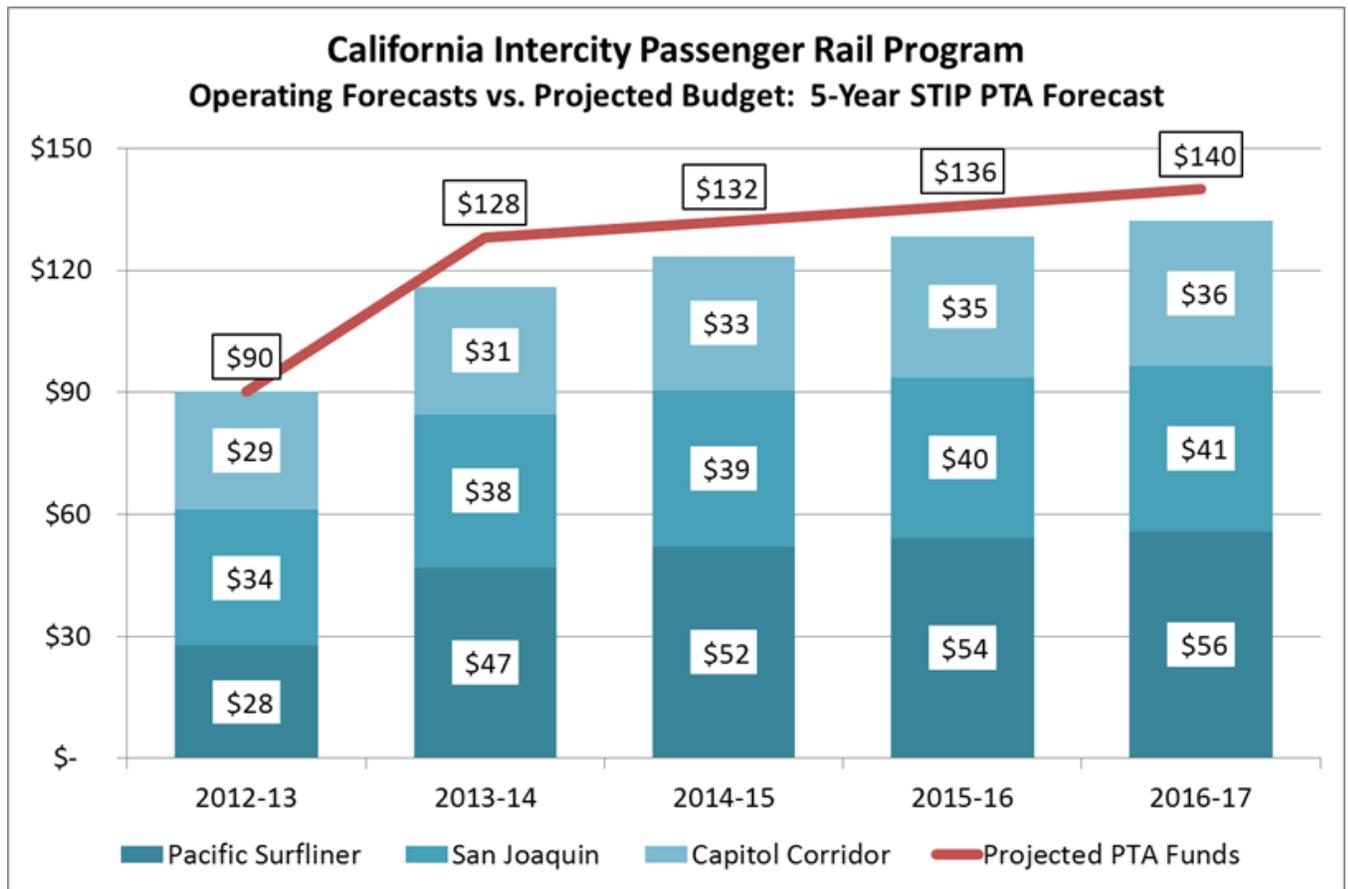
However, this State/Amtrak funding split is scheduled to change in FY 2013-14, the first year of implementation of Section 209 of the federal Passenger Rail Improvement and Investment Act (PRIIA) of 2008. The subsidy requirements for the Pacific Surfliner service is forecast to increase considerably due to the fact that the federal law requires Amtrak to cease providing the share of operating costs for routes of 750 miles or less, under a new nationally applied cost allocation formula. This law applies to the Pacific Surfliner intercity rail service.

Additionally, certain capital costs historically borne by Amtrak, such as for the maintenance and overhaul costs of the Amtrak-owned rolling stock used on the Pacific Surfliner service, under PRIIA, will be charged to the contracting entity (currently Caltrans Division of Rail (DOR)) as part of the annual operating cost of service. This fact therefore increases the operating cost of service to the state.

Amtrak has also provided some capital contribution towards increasing the fixed-infrastructure and rail capacity along the LOSSAN Corridor. The PRIIA legislation does not appear to prohibit continuation of such investments, but the opportunity to continue the capital investment partnership with Amtrak may be dependent upon Amtrak continuing to be the operator of intercity service for some extended period of time.

Figure ES-2 demonstrates that under the current proposed policy (and worst-case scenario), overall California's Intercity Passenger Rail PRIIA support costs can be accommodated in FY2013-14 within the current proposed 2012 State Transportation Improvement Program (STIP) Fund Estimate, according to the California Transportation Commission (CTC). The figure shows that for the current 2011-12 fiscal year, \$90 million is provided in state PTA revenues for the three state-supported services. Under the first year of PRIIA, the FY2013-14 statewide cost will increase to \$115 million. The 2012 STIP fund estimate shows \$128 million in available revenues for the intercity passenger rail program for the same year (FY2013-14).

Figure ES - 2 CA Intercity Passenger Rail (IPR) Operating Forecasts vs. Projected Budget



Note: Rounding affects operating forecast totals

Based upon the projected implementation costs of PRIIA and the projected fund estimate of the revenues in the PTA, it appears that state funding will be adequate to support the continued operation of all three state supported services, without any reduction in service or need for supplemental revenue support. However, the need to monitor the state funding situation to ensure adequate funding for the intercity passenger rail program should continue to be a priority.

Possible Local Authority for the Pacific Surfliner Intercity Service

The *LOSSAN Corridor Strategic Assessment* provided initial research and analysis on the possibility of a new governance model for passenger rail services in the LOSSAN Corridor. Part of this current effort is to further explore this possibility although the decision was made to focus efforts on solely the state-supported Pacific Surfliner intercity service. The corridor's two commuter rail services are not part of this effort, should the LOSSAN Board of Directors decide to move forward with local intercity rail management. Furthermore, financial support would continue to be provided by the state as shown above.

Benefits

The overall goal of this model is for a local joint powers authority (JPA) to transform the existing Pacific Surfliner intercity rail service from a state managed service to a service under local authority that is more responsive to local needs, issues, and consumer desires. Several benefits have been identified if service is managed locally:

- More cost-effective allocation of resources/decision making;
- Unified, more powerful voice in Sacramento and Washington DC;
- More opportunities to coordinate/partner locally on passenger and customer issues;
- Improved coordination on corridor capital improvements; and
- Focused local management on operations.

It is important to note that with or without a local authority, the Pacific Surfliner operating costs will become 100% funded by Caltrans DOR as a result of PRIIA Section 209 implementation. It should be noted that Amtrak will still contribute a proration of its corporate support services.

Should efforts to authorize a local JPA to assume local management of intercity service move forward, the plan evaluates two models:

1. Select an existing member agency to be the Managing Agency to provide and house the professional railroad staff and support services for the LOSSAN JPA. This analysis is modeled after the Capitol Corridor JPA in northern California which oversees the intercity service between the Bay Area and Sacramento; or
2. Create a new stand-alone independent agency to become the Managing Agency, providing and housing both the professional railroad staff as well as the other administrative support services for the JPA.

Costs

Table ES-4 summarizes the LOSSAN Corridor Pacific Surfliner JPA Options, comparing the Capitol Corridor JPA and Caltrans DOR budgets with estimates for the two options (Member Agency and Independent Agency).

Table ES - 4 Cost Effectiveness: Local Authority Comparisons with Current Structure

LOSSAN Corridor Pacific Surfliner Local JPA Options (\$millions)				
Measure	Capitol Corridor JPA	Pacific Surfliner		
		Caltrans DOR ¹ (Current)	Member Agency ²	Independent Agency ³
Full Time Staff Positions	16.5	10	11	30
Staffing Costs (fully loaded) ⁶	\$1.7	\$1.3	\$1.5	\$2.0
Office Space-Administrative Agency support	\$1.2	\$0.7	\$1.2	\$1.2
Amtrak management ⁴		\$1.0		
Subtotal	\$2.9	\$3.0	\$2.7	\$3.2
Marketing ⁵	\$1.2	\$1.7	\$1.7	\$1.7
TOTAL	\$4.1	\$4.7	\$4.4	\$4.9

¹ Consultant estimate; based on review of 61 existing positions allocated to Caltrans-Division of Rail.

² Includes 11 full time positions plus 7 additional positions that would be shared within the Managing Agency, each at 25 percent time (7 positions @ \$145k/yr. fully loaded).

³ Based on Altamont Corridor Express (ACE) annual budget for 6 trains each weekday.

⁴ Functions now performed by Amtrak staff for Caltrans DOR that would be performed by new LOSSAN JPA (train scheduling, mechanical oversight, marketing, etc.) similar to functions now performed by CCJPA.

⁵ New LOSSAN JPA could significantly leverage marketing budget via partnerships with member agencies/transit authorities to jointly promote corridor ridership growth.

⁶ Managing Agency staffing unit costs are based upon approximately the same unit costs as the Capitol Corridor; Capitol Corridor numbers are based upon the BT&H Allocation letter dated October 19, 2011, for FY 11-12.

A decision to form a local JPA would also involve a governance structure and voting representation of a new governing board. Any decision on a management structure, save for the status quo, will also require basic staffing decisions.

In order to negotiate with the State for a 'transfer of responsibility agreement' (referred to as the Interagency Transfer Agreement, or ITA), an entity must be selected to negotiate such an agreement, professional rail staff will need to be assembled in preparation for the date of actual transfer of responsibility and contracts will need to be negotiated with Amtrak and perhaps others. This entity has been referred to as the Managing Agency and it is intended to hire, house/support and provide the professional railroad team to locally manage the LOSSAN Corridor intercity services. This staff would be provided under a contract between the Managing Agency and a new LOSSAN Joint Powers Authority (JPA) Board.

While the Managing Agency (MA) would be responsible for the staffing and operations of the intercity rail service, the MA director of this service would report to the LOSSAN board of directors on all policy matters.

Risks and Mitigations

While there are many benefits and cost efficiencies in creating a local JPA for the Pacific Surfliner intercity rail service, the LOSSAN Board should also consider the potential risks and mitigation measures of forming such a local JPA. The study has outlined five potential risks that may occur due to the formation of a local JPA for the Pacific Surfliner intercity rail service:

1. Continue state support for intercity passenger rail service;
2. Create an effective management structure for the Local JPA;
3. Create and maintain technical competency for operations of the intercity rail service;
4. Own and control the Pacific Surfliner rolling stock; and
5. Maintain statewide rail and bus connections to the Pacific Surfliner service.

The risks and mitigations to these goals are summarized below.

Risk 1 - Continue state support for intercity passenger rail service: If authority is turned over to a local JPA, one of the risks is that the state might reduce funding levels for the system and require local agencies to start funding a portion of the costs. The magnitude of the exposure if all state funds were withdrawn exceeds \$52 million in state support in FY2013-14 when Section 209 takes effect². Regardless, the state fiscal situation should be monitored.

Mitigating that risk is the fact that there are adequate operations funds for the Pacific Surfliner for the foreseeable future, even under the changed federal funding criteria. In addition, there are no cuts to state intercity rail operations funds proposed in the FY2012-13 draft state budget, which includes the operations budget for the Capitol Corridor JPA (CCJPA) service and, specifically, those funds which are passed through to the CCJPA to manage that service. The Capitol Corridor example shows that the State continued to fund that system without the necessity of any local funding. In the 15 years of history with the CCJPA, no local funds have been used to offset the loss of state funds.

In addition, three specific mitigation measures could be implemented to offset any potential funding risks, including:

- **Focused Advocacy in Sacramento and Washington DC**: The Capitol Corridor JPA has enjoyed success in their local advocacy role for continuing state and federal funding for their intercity rail corridor. A LOSSAN JPA would also benefit from a more focused effort by the collective advocacy of its Southern California and Central Coast members.

² Section 209 of the federal Passenger Rail Improvement and Investment Act (PRIIA) of 2008

For the past six years, LOSSAN, CCJPA, San Joaquin Valley Rail Committee, and the Coast Rail Coordinating Council have coordinated advocacy efforts related to the state's intercity rail program. However, this effort could be strengthened with a more focused effort by all LOSSAN member agencies in a new, local JPA role. A LOSSAN JPA with new authority to manage and operate the intercity rail service would receive more recognition in Sacramento and Washington DC than LOSSAN in its current status.

- **Maintenance of Effort (MOE):** Legislation could include, as part of the creation of the LOSSAN JPA, "maintenance of effort" (MOE) requirement for state funding. A "MOE" in legislation mandates that an agency maintain its level of funding for a program so that any new funding is an overall increase in funding and not a substitution of funding.
- **Demonstration Project:** The LOSSAN JPA could be made a pilot or demonstration program and allow the local JPA to revert back to Caltrans after three to five years.

Risk 2 - Create an effective management structure for the Local JPA: A second risk could be the management structure of the local JPA. This proposed governance structure is similar to the Capitol Corridor but different from a typical railroad agency whereby the board and staff are under one agency. The risk of this proposed arrangement is that it might create miscommunication between the Managing Agency and the local JPA board, thereby negatively affecting the Pacific Surfliner intercity rail service quality.

One way to mitigate any disconnect in the running of the service is for the lead Managing Director to have a dual reporting responsibility and be the link between the Managing Agency and the LOSSAN JPA Board. In addition, the LOSSAN Board could take a strong leadership role with all board members becoming familiar with the service and being proactive in creating policy for running it in a cost effective manner.

Risk 3 - Create and maintain technical competency for operations of the intercity rail service: Third, it is critical to the operations of the local LOSSAN JPA that it has the appropriate quantity and quality of the technical staff. The risk is that the LOSSAN intercity rail service may suffer if the Managing Agency and the LOSSAN JPA could not attract and maintain an adequate number of technically competent railroad staff.

Although the Pacific Surfliner service would be delivered by Amtrak under contract to the JPA and specifically by Amtrak technical railroad staff, the JPA still needs to perform an oversight role. The Capitol Corridor JPA and the Metrolink Commuter Rail Safety Peer Review Panel Report³ are examples of ways to attract and train technical railroad staff and well as perform adequate oversight of contracted rail service. With secure funding and a clear and compelling management structure, the Managing Agency should be able to attract and maintain technically competent railroad staff.

³ *Metrolink Commuter Rail Safety Peer Review Panel Report*, January 5, 2009.

Risk 4 - Own and control the Pacific Surfliner rolling stock: A fourth goal is to have the flexibility to control and allocate the rolling stock cars and locomotives for the Pacific Surfliner service. In order to do that, the JPA would have to own this equipment. The risks are that either Amtrak would not agree to sell or lease the equipment and/or the JPA would not have the funds in the short term to purchase or lease the equipment. The mitigation measure to these risks would be the phasing of the purchases to correspond to available funding in the future.

Risk 5 - Maintain statewide rail and bus connections to the Pacific Surfliner service: One of the risks of focusing on the local needs of the Pacific Surfliner service is to lose sight of the importance of the statewide bus and rail connections to this service, especially on the north end of the corridor. One way to mitigate this risk is to ensure that the JPA includes a policy to make sure these statewide connections are maintained and improved by Caltrans and the other transit providers.

Next Steps

Should the LOSSAN Board of Directors decide to pursue the authority to manage the Pacific Surfliner intercity service, there are several steps which are needed to complete this transfer of responsibilities. They are:

1. Seek LOSSAN Board and member Agency CEOs concurrence to begin steps to form a JPA (support in concept was authorized by the Board on August 24, 2011);
2. Seek legislation to obtain state authorization to authorize a JPA (initial action taken by the LOSSAN Board and CEOs on January 25, 2012);
3. Upon enactment of state authorization, a JPA agreement would be drafted and each member agency would need to take independent action to join the JPA;
4. Upon action by each member agency, a locally-based JPA would be created between and among the LOSSAN member agencies for the administrative management of the LOSSAN Corridor intercity passenger rail service;
5. Select or create a Managing Agency; MOU to be signed between each member agency and the Managing Agency;
6. Managing Agency hires the railroad management staff for the JPA ;
7. Negotiate an Interagency Transfer Agreement (ITA) with Caltrans; and
8. Negotiate an initial operating contract with Amtrak, including ownership options for the rolling stock.

It is recommended that the professional railroad staff hired to perform this administrative management function for the LOSSAN Board be housed in an existing LOSSAN member agency (the Managing Agency) as the most efficient and cost-effective means of implementing locally based, customer-focused intercity passenger rail service management.