

CAPITOL CORRIDOR

Auburn - Sacramento - Davis - Suisun/Fairfield - Martinez - Oakland/San Francisco - San Jose



INTERCITY PASSENGER RAIL SERVICE
Business Plan Update
FY 2009-10 - FY 2010-11

CAPITOL CORRIDOR
INTERCITY PASSENGER RAIL SERVICE
BUSINESS PLAN UPDATE
FY 2009-10 - FY 2010-11
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PREPARED BY
CAPITOL CORRIDOR JOINT POWERS AUTHORITY

PREPARED FOR
STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY



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EXECUTIVE SUMMARY

Introduction. This Business Plan Update presents an overview of the Capitol Corridor Joint Powers Authority’s (CCJPA’s) strategic plan and funding request for the next two fiscal years (FY 2009-10 and FY 2010-11), to be submitted to the Secretary of the Business, Transportation and Housing Agency (BT&H) in April 2009. This Business Plan Update outlines the service and capital improvements that have contributed to the Capitol Corridor®’s growth during the past 10 years, identifies needed improvements to sustain this growth, and incorporates customer input as detailed in Chapter 263 of State Law.

IN ORDER TO MAINTAIN ITS 10-YEAR TRACK RECORD OF SUCCESS, THE CCJPA WILL NEED THE RESOURCES AND SUPPORT TO BEGIN THE NEXT PHASE OF INFRASTRUCTURE IMPROVEMENTS AND ROLLING STOCK ACQUISITION TO MEET PROJECTED FUTURE DEMAND.

The CCJPA is governed by a Board of Directors comprised of 16 elected officials from six member agencies along the 170-mile Capitol Corridor rail route (see Figure 1-1):

- Placer County Transportation Planning Agency (PCTPA)
- Solano Transportation Authority (STA)
- Yolo County Transportation District (YCTD)
- Sacramento Regional Transit District (Sac RT)
- San Francisco Bay Area Rapid Transit District (BART)
- Santa Clara Valley Transportation Authority (VTA)

As administrator of the service, the CCJPA’s primary focus is the continuous improvement of the Capitol Corridor train service through effective cost management, revenue enhancement, and customer-focused delivery of a safe, frequent, reliable, and environmentally-friendly transportation alternative to the congested I-80, I-680, and I-880 highway corridors.

History. The Capitol Corridor service began in December 1991 with six daily trains between San Jose and Sacramento. The CCJPA assumed management responsibility for the service in October 1998. Since then, it has grown into the third busiest intercity passenger rail service in the nation. In April 2001, the CCJPA expanded service to 18 daily trains using six trainsets in the State-owned Northern California fleet (Capitol Corridor and San Joaquin services). In FY 2002-03, using seven trainsets and the same operating budget for 18 daily trains, service was increased three times to bring the frequency up to 24 weekday trains by April 2003. In August 2006, the CCJPA expanded service to 32 weekday trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose, using the same train fleet as the 24-train service plan. Once again, this expansion was accomplished with no increase in State budget by growing ridership and revenue, reallocating funds for more efficient use, and making cost-effective service changes.

Operating Plan. With its current operating plan, the CCJPA has reached its maximum capacity in terms of rolling stock and service frequency along the core route (Sacramento – Oakland). In order to maintain its 10-year track record of success, the CCJPA will need the resources and support to begin the next phase of infrastructure improvements and rolling stock acquisition to meet projected future demand. Based on preliminary estimates, the FY 2009-10 and FY 2010-11 budgets will increase slightly compared to the FY 2008-09 final contract due to increasing labor, health care, and fuel expenses. During the next few months, the CCJPA will work with Amtrak to reduce operating expenses and implement strategic fare adjustments to offset any budget increases. Anticipated CCJPA operating plan and expenses are as follows:

Capitol Corridor Service	FY 2009-10	FY 2010-11
Sacramento – Oakland	32 weekday trains (22 weekend)	32 weekday trains (22 weekend)
Oakland – San Jose	14 daily trains	14 daily trains
Sacramento – Roseville	2 daily trains (with plans for up to 6)	2 daily trains (with plans for up to 6)
Roseville – Auburn	2 daily trains (with plans for up to 4)	2 daily trains (with plans for up to 4)
Total Budget (Operations, Marketing & Administration)	\$31,922,600	\$31,961,400
Comparison to FY 2008-09	+\$9,677 (+0.03%)	+\$48,477 (+0.15%)

Performance Standards. In April 2005, the CCJPA Board updated its Vision Plan, which established standards for the Capitol Corridor in usage (ridership), cost efficiency (system operating ratio), and reliability (on-time performance), and strengthened partnerships with the service operators – Amtrak and the Union Pacific Railroad (UPRR).

- Ridership grew 16.8% in FY 2007-08; to date, FY 2008-09 ridership is 4.6% above last year.
- Revenue grew 22.4% during FY 2007-08; to date, FY 2008-09 revenue is up 8.4%.
- System operating ratio (a.k.a. farebox return) improved to 55.4% in FY 2007-08; to date, the FY 2008-09 operating ratio is 44.6%, primarily due to increased fuel and labor costs.
- On-time performance (OTP) improved to 86% in FY 2007-08, due to improved UPRR dispatching; to date, FY 2008-09 OTP is up to 91.5% (continuing the trend from the prior fiscal year and meeting the standard for the first time).

The table below summarizes the standards and results for FY 2007-08 and FY 2008-09 (through February 2009) as well as the standards for the next two fiscal years (see Appendix C):

Performance Standard	FY 07-08			FY 08-09			FY 09-10	FY 10-11
	Actual	Standard	% Change	Actual	Standard	% Change	Standard	Standard
Route Ridership	1,693,580	1,458,600	16.1%	672,307 (through 2/09)	678,644 (through 2/09)	-0.9%	1,809,900	1,864,200
System Operating Ratio (train and feeder bus)	55%	49%	6.4%	45% (through 2/09)	50%	-5.0%	51%	52%
On-Time Performance	86%	90%	-4.0%	91.5% (through 2/09)	90%	1.5%	90%	90%

Capital Improvement Program. The CCJPA’s Capital Improvement Program (CIP) is consistent with regional and State transportation plans (e.g. Regional Transportation Plans (RTPs) and Caltrans’ 10-Year Statewide Rail Plan). The CIP includes projects to increase reliability and capacity, upgrade track infrastructure, build or renovate stations, add rolling stock, and reduce travel times. Enhanced safety and security is another key focus, including the implementation of a Positive Train Control safety signal system with UPRR. Indirect benefits of the CIP projects include reduced congestion and greenhouse gas emissions, improved air quality, and increased movement of goods on the shared freight rail corridor.

WITH THE STATE’S ONGOING BUDGET ISSUES AND THE EMERGENCE OF FEDERAL FUNDING FOR INTERCITY RAIL, THE FUNDING PICTURE FOR THE LONG-TERM CIP IS IN FLUX. THE KEY TO A SUCCESSFUL CIP IS FLEXIBILITY TO ADJUST TO FUNDING OPPORTUNITIES AS THEY ARISE AT THE STATE OR FEDERAL LEVEL.

The State’s traditional biannual transportation programs were recently significantly modified. As a result, the passage of Propositions 1B (Transportation Infrastructure) and 1A (CA High Speed Rail) are providing the only reliable source of State capital funds to support the short-term CIP. With the State’s ongoing budget issues and the emergence of Federal funding opportunities for intercity rail, the funding picture for the long-term CIP is in flux. The key to a successful CIP is flexibility and proactive planning to adjust to funding opportunities as they arise at the State or Federal level.

Marketing Strategies. The CCJPA’s marketing strategies for FY 2009-10 and FY 2010-11 will focus on directives set forth in the updated Vision Plan to enhance awareness of the Capitol Corridor brand. Marketing programs and campaigns will target markets with available seating capacity to raise awareness of transit connections, strategic partnerships, enhanced customer service, and amenities to attract and retain loyal riders.

Action Plan. Given the current economic downturn, the focus of this Business Plan Update for the CCJPA is to maintain a high standard of reliability and customer service that, at a minimum, sustains our current ridership levels and meets revenue projections. The CCJPA’s marketing efforts aim to build ridership on the mid-day and weekend trains where seating capacity is available. Capital investment priorities include track maintenance programs to stabilize service reliability; advancing track capacity projects to increase train frequency south of Oakland and east of Sacramento; and enhancing passenger safety and convenience. Together, these objectives will help ensure the CCJPA’s ongoing success in delivering a cost-effective Capitol Corridor service while increasing ridership, revenue, and customer satisfaction through partnerships with passengers, local communities, UPRR, Amtrak, and the State of California.

1. INTRODUCTION

This Business Plan Update modifies the Capitol Corridor Joint Powers Authority's (CCJPA's) Business Plan Update submitted to the Secretary of the Business, Transportation and Housing Agency (BT&H) every April. Due to the current economic downturn, and since new rolling stock will not be delivered for three to four years, the CCJPA's plan is to maintain current Capitol Corridor service levels at 32 weekday (22 weekend day) trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose in FY 2009-10 and FY 2010-11. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's growth during the past 10 years. It also incorporates customer input detailed in Chapter 263 of State Law that allowed for the transfer of the Capitol Corridor service to the CCJPA on July 1, 1998.

DUE TO THE CURRENT ECONOMIC DOWNTURN, AND SINCE NEW ROLLING STOCK WILL NOT BE DELIVERED FOR THREE TO FOUR YEARS, THE CCJPA'S PLAN IS TO MAINTAIN CAPITOL CORRIDOR SERVICE LEVELS AT 32 WEEKDAY TRAINS BETWEEN SACRAMENTO AND OAKLAND, AND 14 DAILY TRAINS BETWEEN OAKLAND AND SAN JOSE IN FY 2009-10 AND FY 2010-11.

As part of that transfer, the CCJPA is required to prepare an annual Business Plan that identifies the current fiscal year's operating and marketing strategies; capital improvement plans for the Capitol Corridor; and the funding request to the Secretary of BT&H for the CCJPA's operating, administrative, and marketing costs for inclusion in the State Budget proposal to the Legislature.

The CCJPA is governed by a Board of Directors comprised of 16 elected officials from six member agencies along the 170-mile Capitol Corridor rail route (see Figure 1-1):

- Placer County Transportation Planning Agency (PCTPA)
- Solano Transportation Authority (STA)
- Yolo County Transportation District (YCTD)
- Sacramento Regional Transit District (Sac RT)
- San Francisco Bay Area Rapid Transit District (BART)
- Santa Clara Valley Transportation Authority (VTA)

Ex-officio members of the CCJPA include the Metropolitan Transportation Commission (MTC) and the Sacramento Area Council of Governments (SACOG), the Metropolitan Planning Organizations (MPOs) along the route.

As administrator for the Capitol Corridor, the CCJPA's responsibilities include overseeing day-to-day train and motorcoach scheduling and operations; reinvesting operating efficiencies into service enhancements; overseeing Amtrak's deployment and maintenance of rolling stock for the Capitol Corridor and San Joaquin trains; and interfacing with Amtrak and the UPRR on dispatching, engineering, and other railroad-related issues.

Presently, the Capitol Corridor serves 16 stations along the 170-mile rail corridor connecting Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco (via motorcoach), and Santa Clara counties. The train service parallels the I-80/I-680 highway corridor between Sacramento and Oakland, and I-880 between Oakland and San Jose. In addition, the Capitol Corridor connects outlying communities to the train service via a dedicated motorcoach bus network and partnerships with local transit agencies that assist passengers traveling to destinations beyond the train station.

Capitol Corridor services are developed with input from our riders, private sector stakeholders (such as Chambers of Commerce), and public sector stakeholders (such as local transportation agencies), along with the partners who help deliver the Capitol Corridor service – Amtrak, the UPRR, Caltrans, and the various agencies and communities that are along the Capitol Corridor.

**Figure 1-1
Map of Capitol Corridor Service Area**



In April 2005, the CCJPA updated its Vision Plan, which identifies short- and long-term goals to guide the operating and capital development plans of the Capitol Corridor during the next five to 20 years. The April 2005 update has been incorporated into this Business Plan.

2. HISTORICAL PERFORMANCE OF THE SERVICE

On December 12, 1991, the State of California Department of Transportation (Caltrans) and the National Railroad Passenger Corporation (Amtrak®) initiated the Capitol Corridor intercity train service with six daily trains between San Jose and Sacramento. In 1996, legislation was enacted to establish the Capitol Corridor Joint Powers Authority (CCJPA), a partnership among six local transportation agencies to share in the administration and management of the Capitol Corridor® intercity train service.

In July 1998, an Interagency Transfer Agreement (ITA) transferred the operation of the Capitol Corridor service to the CCJPA for an initial three-year term. The CCJPA now operates and manages the Capitol Corridor service through an operating agreement with Amtrak. In July 2001, the ITA was extended for another three-year term through June 2004. In September 2003, legislation was enacted that eliminated the sunset date in the ITA and established the current, permanent governance structure for the CCJPA.

Appendix A presents an overview of the financial performance and ridership growth of the Capitol Corridor service since its inception in December 1991.

3. OPERATING PLAN AND STRATEGIES

The CCJPA aims to meet the travel and transportation needs of Northern Californians by providing safe, frequent, reliable, and environmentally-friendly Capitol Corridor intercity train service.

Train Service and Recent Expansions

In response to growing demand, the CCJPA expanded service in October 2002, January 2003, and April 2003 to achieve a schedule of 24 weekday trains between Sacramento and Oakland, using the same State budget allocated for 18 daily trains. In August 2006, with another flat budget allocation, the CCJPA increased service to 32 weekday (22 weekend day) trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose. This expansion was made possible with the completion of Phase 1 of the Oakland-to-San Jose track improvements and the Yolo Causeway second main track (completed in February 2004). Together, these projects contributed to a 10-minute reduction in travel time between Sacramento and Oakland, in addition to more frequent service.

ONE OF THE MOST COST EFFECTIVE CAPITAL IMPROVEMENTS IS TO INCREASE SEATING CAPACITY BY ADDING MORE RAIL CARS TO THE EXISTING SCHEDULED TRAINS. THIS IS PRACTICALLY THE ONLY MEANS OF GROWING RIDERSHIP DURING THE INCREASINGLY CONGESTED PEAK HOURS.

The August 2006 service expansion, which initiated hourly service between Sacramento and Oakland, represented a major milestone in the CCJPA's management of the Capitol Corridor. Extending this hourly train service to and from San Jose will require additional rolling stock and further track capacity improvements (see Section 7). One of the most cost-effective capital

improvements is to increase seating capacity by adding more rail cars to the existing scheduled trains. This is practically the only means of growing ridership during the increasingly congested peak hours.

The benefits of these service expansions and corresponding track capacity improvements and train equipment acquisitions have enabled the Capitol Corridor to increase market share and sustain significant growth in ridership (+269%) and revenues (+275%) during the past 10 years. Today, the Capitol Corridor is the third busiest route in the Amtrak national system.

Motorcoach Service and Transit Connections

To supplement train service, the Capitol Corridor provides dedicated motorcoach bus connections to San Francisco and communities south of San Jose and east of Sacramento. In addition, the CCJPA works with its partners and local transit agencies to offer expanded options for transit connections throughout the corridor. Currently, the train service connects with the BART system at the Richmond and Oakland Coliseum stations; Caltrain service (Gilroy – San Jose – San Francisco) at San Jose Diridon station; the Altamont Commuter Express service (Stockton – Livermore – San Jose) at the Fremont/Centerville, Great America/Santa Clara, and San Jose Diridon stations; San Joaquin intercity trains at the Oakland Jack London, Emeryville, Richmond, Martinez, and Sacramento stations; VTA light rail at Great America and San Jose Diridon stations; and Sac RT light rail at Sacramento station. Together with these local transit systems, the Capitol Corridor covers the second-largest urban service area in the Western United States.

The CCJPA offers several programs to enhance transit connectivity. BART tickets are sold at a 20% discount onboard the Capitol Corridor trains to facilitate transfers to BART at the Richmond

and Oakland Coliseum stations. The Transit Transfer Program allows Capitol Corridor passengers to transfer free of charge to participating local transit services, including AC Transit, Sac RT, Rio Vista, E-Tran (Elk Grove), Yolobus, Unitrans, County Connection (Martinez), Santa Clara VTA, Suisun-Fairfield Transit, Benicia Transit, WestCAT, and Gold Country Stage (Nevada County). The CCJPA reimburses the transit agencies for each transfer collected as part of our operating expenses. CCJPA also partners with Santa Cruz Metro and Monterey-Salinas Transit, sharing operating costs for the benefit of both agencies and their riders. CCJPA will implement outreach efforts to promote connection for local passengers between South Lake Tahoe and Placerville.

FY 2008-09 Operating Plan

The CCJPA’s operating plan for FY 2008-09 maintains the same service levels as FY 2007-08:

- Sacramento – Oakland: 32 weekday trains (22 weekend day trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville – Auburn: 2 daily trains (the service plan can support up to 6 daily trains to/from Roseville and 4 daily trains to/from Auburn; however, the addition of trains to Placer County is contingent upon securing approval from UPRR)

FY 2009-10 and FY 2010-11 Operating Plan

FY 2009-10. The CCJPA’s operating plan for FY 2009-10 will maintain at least the same service levels as FY 2008-09.

FY 2010-11. The CCJPA’s operating plan for FY 2010-11 will remain the same as for FY 2009-10. Additional rail equipment may be added to the fleet to provide greater seating capacity if any of the coach cars ordered with Proposition 1B funding are delivered during the year.

4. SHORT- AND LONG-TERM CAPITAL IMPROVEMENT PROGRAM

The CCJPA has developed a Capital Improvement Program (CIP) in partnership with the UPRR, Amtrak, and the State of California, which will be used to continuously improve the Capitol Corridor’s reliability, travel times, on-time performance, and safety/security. The CIP includes projects that have been completed or are currently underway. Since the inception of the Capitol Corridor service, more than \$745 million from a mixture of funding sources has been invested to purchase rolling stock, build or renovate stations, upgrade track and signal systems for added trains, and construct train maintenance and layover/storage facilities. A list of CIP projects that have been completed or are currently underway is included in Appendix B.

THE SLOW BUT CONSISTENT LOSS OF PREVIOUSLY-STABLE STIP CAPITAL FUNDS IS NOW A MAJOR CONCERN OF THE CCJPA AS BOND FUNDS ARE NOT A RELIABLE SOURCE OF FUNDING FOR LONG-TERM CAPITAL PLANNING AND PROGRAMMING.

The primary funding sources for capital projects have been and will continue to be the State through general obligation bonds (Propositions 108, 116, 1A, and 1B) and the State Transportation Improvement Program (STIP), a biennial transportation funding program. Special programs or direct project allocations from the State, such as the Traffic Congestion Relief Program (TCRP), or regional funds, such as Bay Area Regional Measure 2 (RM-2), have periodically supplemented these sources.

There are also, as of this writing, potential Federal funding sources with the American Reinvestment and Recovery Act (ARRA or Economic Stimulus funds) or appropriations through the Amtrak Reauthorization Bill (Passenger Rail Investment and Improvement Act, PRIIA). During the history of the Capitol Corridor, bond funds or special programs have provided approximately two-thirds of the capital funding, and the STIP program has provided about one-third. If recent history prevails, the share of funds from the STIP will drop over time as its viability as a regular funding source is threatened with every State budget cycle. The slow but consistent loss of previously-stable STIP capital funds is now a major concern of the CCJPA as general obligation bonds are not a reliable source of funding for long-term capital planning and programming.

The CCJPA has secured \$9.75 million for projects which are allocated to improve the Capitol Corridor service. These improvements will also accrue benefits to UPRR. These capital projects are either recently completed, currently underway, or have funding committed to them. CCJPA is also involved as a partner with other rail agencies or local jurisdictions for other CIP projects.

Current Capital Improvements (FY 2007-08 – FY 2008-09)

Bond measures and local funding from MTC’s RM-2 program are responsible for the bulk of the CCJPA’s current capital improvements. The 2006 STIP was only able to provide \$2 million of funding which is being used for the Capitalized Maintenance Program (a series of track improvement upgrades along the route).

Previously committed Proposition 1B funding was intended to be used for the ongoing Bahia-Benicia Track Crossover Improvement (\$4.75 million); the Emeryville Station and Track Infrastructure project (\$10 million); the first phase of the Fairfield/Vacaville Station project; and safety and security projects (\$3.8 million) funded by the California Office of Homeland Security (CA-OHS) with specially identified Transit Safety and Security funds. As of this writing, these Proposition 1B funds allocated to the CCJPA were recently suspended. As a result, new construction contracts related to these funds have stopped, including the Emeryville Station project and the safety and security projects. See Table 4-1 for these programmed projects.

PREVIOUSLY COMMITTED PROP 1B FUNDING WAS INTENDED TO BE USED FOR A VARIETY OF TRACK INFRASTRUCTURE, STATION UPGRADE, AND SAFETY AND SECURITY PROJECTS, AS WELL AS THE PURCHASE OF ROLLING STOCK. THESE FUNDS HAVE BEEN SUSPENDED AND ALL WORK HAS STOPPED.

Also affected by this suspension is at least \$125 million of overall Proposition 1B funding set aside for additional rolling stock for the Capitol Corridor, San Joaquin, and Pacific Surfliner services. Caltrans anticipates at least 27 new passenger cars (coaches, cab/baggage, and café/diner) would be purchased with these funds for the shared Northern California fleet (Capitol Corridor and San Joaquin services) and the Pacific Surfliner service. Delivery of the equipment is not expected for three to four years. Until this new equipment is received, CCJPA expects more of its peak hour trains over time to exceed the industry standard of 80% seat utilization.

**Table 4-1
Programmed Projects (\$ million)
Capitol Corridor**

Project	Sponsor	Budget	Funding Sources	Description/Benefits
Bahia-Benicia Crossover Project	CCJPA	\$7.50	Prop 1B \$4.75 RM-2 \$2.75	Provides crossover point which will allow greater dispatching capability and increase track capacity
Capitalized Maintenance - Phase 1	CCJPA	\$2.00	2006 STIP-IIP \$2.00	Upgrades track infrastructure along route up to maintain service reliability.
Fairfield-Vacaville Station	City of Fairfield/ City of Vacaville	\$38.00	Various local, regional, State and Federal sources	Build a new station at Peabody Road in the Fairfield-Vacaville area, including parking, platform, and other station amenities

Short-Term Capital Improvements (FY 2009-10 – FY 2012-13)

The status of the CCJPA’s short term CIP is a reflection of uncertainty both at the State and Federal level. The effects of the State’s economic downturn have severely affected its transportation funding, thereby reducing available STIP funds or requiring programming shifts. As a result, the 2008 STIP (which covers expected funds between 2008 and 2012) provides funding in outyears (2010 or later) for a \$2 million Capitalized Maintenance Program, continuing an earlier program of track infrastructure upgrades, and \$4 million for the Yolo West Causeway Crossover, which will provide additional track capacity and allow UPRR to permit two additional roundtrips between Sacramento and Oakland.

The Proposition 1B fund is another State funding source facing challenges. The suspension of the Proposition 1B Transit Safety and Security funds has delayed several security camera projects. Also deferred is the development and installation of UPRR’s Positive Train Control

(PTC) signal safety system that would provide override functions to automatically stop trains before a potential collision could occur.

The Proposition 1A (CA High Speed Rail) bonds, approved by California voters in the November 2008 general election, offer another potential funding source for the Capitol Corridor. Of the \$9.95 billion allotted for the high speed train system, \$190 million is designated for the State's intercity rail corridors to connect with high speed trains. Each of the three existing corridors is to get \$47.5 million, with the remaining \$47.5 million to be allocated on a competitive basis. Currently, the California Transportation Commission (CTC) is developing guidelines to allocate these Proposition 1A bond funds to connecting intercity rail and mass transit services. The CCJPA is optimally positioned to be a distributor and connecting service to the high speed trains. As such, it has identified a list of track infrastructure projects between Sacramento and San Jose that will improve reliability, decrease travel times, and add Capitol Corridor trains to/from San Jose (a major high speed train terminal) and Sacramento (a later phase high speed intermodal terminal).

THE CCJPA'S \$83 MILLION INVESTMENT IN CAPITAL PROJECTS SINCE 2002, FUNDED BY STATE AND LOCAL SOURCES, IS ELIGIBLE FOR A FEDERAL MATCH THROUGH THE AMTRAK REAUTHORIZATION BILL.

In contrast to the State's dwindling STIP program and unfunded capital infrastructure bond programs (Propositions 1B and 1A), there are two potential sources of Federal funding which are in development as of this writing. The first is the disbursement of federal ARRA (Economic Stimulus) funds whose details are still to be determined. CCJPA has submitted a list of projects ready to deploy in the next 90-180 days designed to be eligible for this program (see Table 4-2). The other Federal program is the five-year Amtrak Reauthorization Bill/PRIIA (2009-2013) which is expected to begin appropriations in mid-2009 for a \$1.9 billion intercity capital program for states. CCJPA, working with UPRR, Caltrain, and ACE, has identified a series of projects to expand track

capacity and increase frequency between Oakland and San Jose, and east of Sacramento. These Federal intercity rail appropriations funds will require some type of matching State or local/regional funds. In addition to being a core element of the CCJPA Vision Plan, investments using Federal funding have a retroactive clause back to 2002 which allows for California's investments in intercity rail to be eligible for a match. The CCJPA's \$83 million investment in capital projects since 2002, entirely funded by State and local sources, is eligible for this match. While this is good news, it also underscores the need to return to a program of stable, reliable State capital funding for intercity rail so California's participation in the Federal program can be maximized.

As underscored in the Amtrak Reauthorization Bill, the CCJPA is a partner with other rail operators and local jurisdictions where we share a route. Most notably, the Dumbarton Rail project involves several communities and Caltrain as its lead. The project has been negatively impacted by rising cost estimates, while the MTC simultaneously modified the programmed funding for the project. At this time, \$35 million remains in the project budget, which is the only funding available to purchase the portion of the track right-of-way along the Oakland Subdivision from the UPRR. The Dumbarton Rail Policy Advisory Committee (DRPAC) has authorized CCJPA staff to be the lead negotiator for the right-of-way purchase and the CCJPA Board has approved the CCJPA's role. It is likely Federal funding will be a key component to address any funding shortfalls once negotiation has commenced.

Long-Term Capital Improvements (FY 2013-14 – FY 2017-18)

The last phase of anticipated capital funds for this Business Plan Update is illustrated in Table 4-3. These long-term projects are meant primarily to maintain infrastructure to support prior capacity expansion projects, as well as improve safety and operations through the building of grade separations and additional infrastructure-based upgrades. Other related partnering projects are designed to respond to anticipated ridership demands.

On a long-term basis, there is considerable uncertainty regarding the State's STIP program, the passage of future State bond measures for transportation, and the portion of CIP funding that will come from Federal funds for intercity rail. Regardless, CCJPA will keep track of changes to the capital funding program to maintain viability of the overall capital program. Even while short-term

projects make gains in providing the new infrastructure to allow for significant increases in service frequency, the CCJPA anticipates several long-term capital improvements will enable increased frequency in the southern portion of the route between Oakland and San Jose, and the northern portion of the route between Sacramento and Roseville/Auburn.

**Table 4-2
Projects Planned (Short Term - Within 5 years) [\$ million]
Capitol Corridor**

Project	Sponsor	Total Budget (\$ millions)	Federal Sources*		State Sources			Local/ Regional/ Federal Match for project sponsor	Budget Comments	Description/Benefits	
			ARRA	PRIIA	Prop 1B	Prop 1A - High Speed Rail	STIP				
CCJPA Lead Projects											
Emeryville Station and Track Improvements	CCJPA	\$10.00	\$10.00		\$10.00				Prop 1B allocation of \$10M suspended	Improves train moves at Emeryville and removes hold out rule for encountered train traffic. Project may be suspended by State of California to address cash flow during State budget crisis	90 days
Yolo Causeway West Crossover	CCJPA	\$7.00	\$7.00					\$7.00	Programmed in FY 2010 but funding at risk due to State budget shortfall	The crossover increases track capacity by allowing divergent train moves and will allow for two more round trips from the current sixteen between Sacramento and Oakland	90 days
Wireless/Wired Network Program	CCJPA	\$10.00	\$10.00		\$10.00				Prop 1B funding at risk due to State budget shortfall	Network deployed for Safety/Security/ Operational applications which allows wireless and wired network communications to/from trains for operational applications, passenger internet access, and the basis of communications for future applications	90 days
Ticketing, Passenger Communications, and Safety/Security Enhancement Program	CCJPA	\$8.00	\$8.00							Expand current ticketing vending system, improve passenger communications and safety, including installation of cameras at stations and on the trains, and construct a security/operations center as the backbone of all communications	90 days
Hayward Double Track	CCJPA	\$22.00	\$22.00			\$22.00			Prop 1A funding at risk due to State budget shortfall	Provides double track area for greater train capacity - a component of the capital projects of achieving 11 permitted round trips in UPRR territory	N/A
Capitalized Maintenance - Phase 2	CCJPA	\$2.00	\$2.00					\$2.00	Programmed in FY 2010 but funding at risk due to State budget shortfall	Continuation of upgrades track infrastructure along route up to \$2M (phase 2)	90 days
Bahia-Benicia Crossover Project - Phase 2	CCJPA	\$2.00	\$2.00							Provides a second crossover point (creating a universal crossover with phase 1 which will allow greater dispatching capability and increase track capacity	90 days
CP Expressway to Great America Station	CCJPA	\$25.50	\$25.50			\$25.50			Prop 1A funding at risk due to State budget shortfall	Provides double track area for greater train capacity - a component of the capital projects of achieving 11 permitted round trips in UPRR territory	180 days
SUBTOTAL		\$86.50	\$86.50	\$0.00	\$20.00	\$47.50	\$9.00	\$0.00			
CCJPA Partnering Projects											
San Jose South Terminal Project-Phase 1	Caltrain	\$52.00		\$6.00				\$46.00		Project provides San Jose Diridon station capacity for additional trains; integral to CCJPA achieving 11 permitted round trips in Caltrain territory	90 days
Additional Rolling Stock	Caltrans	\$125.00	\$125.00		\$125.00				Prop 1B funding for all State Intercity Rail services on hold	Statewide order (CCJPA share estimated at \$25.00) to provide seating capacity on peak hour trains by acquiring more trainsets	180 days
Sacramento Station Track Improvements	City of Sacramento	\$58.00	\$6.00					\$52.00	\$52M TCIF, City of Sacramento, other State/Federal funds	In conjunction with the planned Station improvements at Sacramento, move the Station tracks to the relocated area	180 days
San Jose South Terminal Project Phase 2	Caltrain	\$30.00						\$30.00	Local funding, State and Federal funding	Project provides San Jose Diridon station capacity for additional trains; integral to CCJPA achieving 11 permitted round trips in Caltrain territory	N/A
Positive Train Control Upgrades: Train Equipment and Track Side	Caltrans/CCJPA/ Union Pacific RR	\$30.00	\$26.00	\$2.00	\$2.00				\$30M Federal Rail Safety Program; State funding sources (Prop 1B Transit Safety/Security Funds)	Overhaul of Capitol Corridor share of Intercity Passenger Train Fleet and share of costs for improvement to UPRR's signal system for implementation of Positive Train Control system (estimated install 2013-2015)	N/A
Northern Sacramento Maintenance Facility	Caltrans/CCJPA	\$50.00		\$20.00	\$30.00				\$20M Federal Intercity Rail Program	Build a northern rail maintenance facility in the northern Sacramento area for maintenance for the expanded Northern California Rail fleet	N/A
SUBTOTAL		\$345.00	\$157.00	\$28.00	\$157.00	\$0.00	\$0.00	\$128.00			
Shaded Areas = Funding at Risk											
* Federal Sources: American Recovery and Reinvestment Act (ARRA - 2/16/09) and Passenger Rail Investment and Improvement Act (PRIIA - 10/16/08)											

Grade separations will continue to rank high on the list with both CCJPA and UPRR. Scarce funding opportunities for these important safety and operational improvements have meant that very few communities along the route can effectively marshal the resources to plan for elimination of grade crossings or separations, much less pay for them. CCJPA has identified high-priority grade separation projects, but as with many rail operators and communities, uncertainty in State spending has made it difficult to predict and secure funds to address them.

GRADE SEPARATIONS WILL CONTINUE TO RANK HIGH ON THE LIST WITH BOTH CCJPA AND UPRR. CCJPA HAS IDENTIFIED HIGH-PRIORITY GRADE SEPARATION PROJECTS, BUT AS WITH MANY RAIL OPERATORS AND COMMUNITIES, UNCERTAINTY IN STATE SPENDING HAS MADE IT DIFFICULT TO PREDICT AND SECURE FUNDS TO ADDRESS THEM.

There are certainly longer-term projects that will require implementation beyond 2018. In addition to the track improvements in the southern and northern portions of the route, at some point the railroad bridge across the Carquinez Strait must be replaced with a high-level bridge that need not be opened for shipping traffic. This replacement, which will benefit freight and passenger rail, requires a new bridge infrastructure, land acquisition, and construction of the rail approaches into the bridge structure. This project is expected to be costly and require an extended effort from all involved.

The CIP is consistent with the Regional Transportation Plans (RTPs) adopted by MTC, SACOG, PCTPA, Caltrans' 10-Year Statewide Rail Plan, and Amtrak's Strategic Corridors Initiative. Each RTP includes a list of anticipated projects and cost estimates for a 25-year planning horizon. When possible, the CCJPA will share costs and coordinate with other rail and transit services on station and track projects. The projects that comprise the long-term CIP include those funded by multiple entities and those the CCJPA will fund alone.

**Table 4-3
Projects Planned (Long Term - 5-10 Years) [\$ million]
Capitol Corridor**

Project	Sponsor	Budget	Potential Funding Sources	Description/Benefits
<i>CCJPA Lead Projects</i>				
Capitalized Maintenance - Phase 3	CCJPA	\$5.00	Federal Intercity Rail Program or State funding	Continuation of upgrades track infrastructure along route up to \$5M (phase 3) over 5 years
Roseville Third Track	CCJPA	\$220.00	Federal Intercity Rail Program or State funding sources matched with \$6.5M in STIP	Provides enough capacity to achieve 10 Sacramento to Roseville round trips; and 4 Sacramento to Auburn round trips. Top priority project for Federal Capital Grant Matching Program
Oakland Embarcadero Track Improvements	CCJPA	\$27.00	Federal Intercity Rail Program or State funding sources	Improve track layout between Oakland Jack London Station and Emeryville Station to allow for reduced conflicts with Port of Oakland rail traffic, and improve interface with vehicular traffic along Embarcadero
Travel Time Reliability	CCJPA	\$22.00	Federal Intercity Rail Program or State funding	Improvements along the Capitol Corridor route that improve the signaling system and allow for faster travel
Sacramento to Martinez Track Improvements	CCJPA	\$38.00	Federal Intercity Rail Program or State funding sources	Crossovers, siding extensions, and track and signal upgrades that improve track capacity and allow for reliable track operations
<i>CCJPA Partnering Projects</i>				
Union City/Dumbarton Rail	Caltrain/CCJPA	\$230.00	Prop 1A High Speed Connectivity; Federal Amtrak Reauthorization; other local sources	Purchase of ROW, construction of new station at Union City, and connecting track infrastructure which reduces running time and allows for connection with BART at Union City
Oakland to Industrial Parkway Sealed Corridor Project	Local Cities/CCJPA	\$67.00	Federal Intercity Rail Program, and/or Local Funds	Install four quadrant gates, complete grade separations, crossovers, and other safety improvements along the Oakland to Industrial Boulevard route for improved safety of road and rail operations
Hercules Station	City of Hercules	\$31.00	Various local, regional, State and Federal sources	Build a new station in Hercules, including parking, platform, and other station amenities
TOTAL		\$640.00		

5. PERFORMANCE STANDARDS AND ACTION PLAN

The CCJPA’s management program for the Capitol Corridor utilizes a customer-focused business model approach. It emphasizes delivering reliable, frequent, and cost-effective train service designed to sustain growth in ridership and revenue. During the past 10 years, ridership has continued to grow by increasing demand along the congested I-80/I-680/I-880 highway corridors and by providing a high-quality public transportation service that is competitive in terms of frequency, travel time, reliability, and price.

In addition to the typical performance metrics, it is worth examining the environmental impact of the Capitol Corridor’s success and growth. The Capitol Corridor’s ridership growth benefits the environment by reducing air pollution and greenhouse gas emissions. In California, approximately 58% of greenhouse gas emissions come from the transportation sector. Based on

THE CAPITOL CORRIDOR’S RIDERSHIP GROWTH BENEFITS THE ENVIRONMENT BY REDUCING AIR POLLUTION AND GREENHOUSE GAS EMISSIONS. BASED ON THE PROJECTED RIDERSHIP FOR FY 2009, THE CAPITOL CORRIDOR WILL REMOVE 82 MILLION VEHICLE MILES TRAVELED (VMTs) FROM NORTHERN CALIFORNIA HIGHWAYS.

the projected ridership for FY 2008-09 (see Table 5-1), the Capitol Corridor is expected to generate 107 million passenger miles, which corresponds to 82 million vehicle miles traveled (VMTs) removed from Northern California highways. This presumes most trips replaced are automobile trips. The availability of the Capitol Corridor train service will also prevent roughly 39,000 tons of carbon dioxide from entering the atmosphere. In addition, the State-owned fleet of locomotives is regularly retrofitted to meet the latest Federal emission standards and increase fuel efficiency.

The CCJPA develops performance standards for the Capitol Corridor service pursuant to State legislation that measures usage (ridership), cost efficiency (system operating ratio), and reliability (on-time performance). Table 5-1 summarizes the standards and results for FY 2007-08 and FY 2008-09 (through February 2009), as well as the standards for the next two fiscal years. Appendix C shows the measures used to develop standards for two additional years through FY 2012-13.

**Table 5-1
Performance Standards for Capitol Corridor Service**

Performance Standard	FY 07-08			FY 08-09			FY 09-10	FY 10-11
	Actual	Standard	% Change	Actual	Standard	% Change	Standard	Standard
Route Ridership	1,693,580	1,458,600	16.1%	672,307 (through 2/09)	678,644 (through 2/09)	-0.9%	1,809,900	1,864,200
System Operating Ratio (train and feeder bus)	55%	49%	6.4%	45% (through 2/09)	50%	-5.0%	51%	52%
On-Time Performance	86%	90%	-4.0%	91.5% (through 2/09)	90%	1.5%	90%	90%

FY 2007-08 Performance Standards and Results

The service plan for FY 2007-08 maintained the service expansion that was initiated on August 28, 2006 with 32 weekday trains (22 weekend day) between Sacramento and Oakland and 14 daily trains between Oakland and San Jose (service between Sacramento and Roseville/Auburn remained at 2 daily trains). This is the maximum level of service attainable between San Jose and Sacramento with the current rolling stock and trainsets available and assigned to the Capitol Corridor, as well as the maximum train frequency approved by the UPRR. Independent of these limitations, the existing service plan can support 6 daily trains to/from Roseville and 4 daily trains to/from Auburn, subject to UPRR approval of the required capital improvements.

FY 2007-08 was another year of strong performance for the Capitol Corridor. The service continued to break records for ridership and revenue each month. The most improved standard was on-time performance, which increased to 86% (with 90+% for the last three months of FY 2007-08). This tremendous improvement was due to UPRR’s commitment to maximizing dispatching protocol to keep the Capitol Corridor (and freight) trains operating reliably while eliminating all slow orders on the route through regularly scheduled routine track maintenance programs or projects. During FY 2007-08, rising gasoline prices contributed to an increase in ridership on the Capitol Corridor. Ridership data indicates that as gasoline prices have recently dropped, the Capitol Corridor has been able to retain most, if not all, of these riders.

In FY 2007-08:

- Ridership grew 16.8%, setting a new record of 1,693,580 annual riders
- Revenue outpaced ridership and grew at a rate of 22.4%
- System operating ratio (a.k.a. farebox return) improved to 55%
- On-time performance (OTP) improved to 86%

FY 2008-09 Performance Standards and Results to Date

DURING FY 2007-08, RISING GASOLINE PRICES CONTRIBUTED TO AN INCREASE IN RIDERSHIP ON THE CAPITOL CORRIDOR. RIDERSHIP DATA INDICATES THAT AS GASOLINE PRICES HAVE RECENTLY DROPPED, THE CAPITOL CORRIDOR HAS BEEN ABLE TO RETAIN MOST, IF NOT ALL, OF THESE NEW RIDERS.

The CCJPA, in cooperation with Amtrak and Caltrans, developed the FY 2008-09 standards based on ridership, revenue, and operating expenses identified in the current FY 2008-09 CCJPA/Amtrak operating contract. These standards are presented in Table 5-1.

Ridership. Year-to-date ridership is 4.6% above last year and 0.9% below business plan projections.

Revenue. Year-to-date revenue is up 8.3%, yet 6.9% below business plan projections, which appear to be overly aggressive.

System Operating Ratio. Year-to-date system operating ratio (total revenues divided by fixed-price operating costs, a.k.a. farebox return) is 45%, which is below the 50% standard primarily due to revenues that are below plan.

On-Time Performance (OTP). Year-to-date OTP is up to 91.5%, an impressive improvement and above the 90% standard. OTP has improved since August 2008 and continues to rank among the best in the Amtrak system.

FY 2009-10 and FY 2010-11 Performance Standards

Table 5-1 provides the preliminary performance standards for FY 2009-10 and FY 2010-11. Appendix C shows the measures used to develop the performance standards. Currently, ridership and revenue are expected to grow at significantly lower rates than prior years due to weak economic conditions. It is anticipated that Amtrak operating expenses will also rise, but to a lesser degree than FY 2008-09's large increase in expenses that were due to higher labor wage rates, fuel expenses, and health care costs. The CCJPA will continue to work with Amtrak during the next few months to reduce operating expense growth and/or increase revenue yield through fare adjustments.

FY 2009-10 Action Plan

For FY 2009-10, the CCJPA will focus its work efforts on maintaining a successful service in terms of performance and customer satisfaction while attempting to implement several initiatives and capital projects in a weak economy. The following actions attempt to meet or exceed the established performance standards and provide exceptional service to the traveling public in the congested I-80/I-680/I-880 transportation corridor.

1Q FY 2009-10

- Update CIP and funding sources based on programming capacity in the State FY 2009-10 budget
- Develop allocation requests for Capitol Corridor intercity rail projects for the CCJPA in State (Propositions 1B and 1A and 2008 STIP) and Federal (ARRA and PRIIA) funding programs
- Secure State and Federal funds to advance and complete programmed track and safety/security projects
- Work with the State to advance the procurement and acquisition of additional rolling stock—the primary barrier to expansion of capacity and Capitol Corridor service levels
- Negotiate a contract with the selected vendor for deployment of a wireless network system for customer and operational uses
- Advance onboard Automated Ticket Validation (ATV) Project to full system implementation for conductors to reduce fraud, improve revenue collection, and streamline reporting
- Participate in the development of the planned Fairfield/Vacaville and Hercules stations and the Union City Intermodal Station/Dumbarton Rail commuter service
- Advance construction design plans for Yolo Causeway crossover and Emeryville Station track improvement projects

- Begin installation of security cameras on the rolling stock and at selected unstaffed stations
- Monitor performance and operation of ticket vending machines
- Seek marketing and promotional partnerships to leverage added value and/or revenues
- Monitor and expand the programs with transit agencies to improve connectivity between the trains and local transit services

2Q FY 2009-10

- Working with the vendor selected for deployment of a wireless network system, begin installation of the equipment to initiate this program
- Evaluate measures to improve train and motorcoach bus performance, including modifications to the service
- Seek funds to support the second phase of security improvements, including but not limited to cameras at stations and trackside safety points, and signal safety improvements such as Positive Train Control (PTC) being developed by UPRR
- Conduct onboard surveys to assess rider profile and solicit feedback on Amtrak's performance

3Q FY 2009-10

- Host Annual Public Workshops to present service plans and receive input
- Develop Annual Performance Report and other information to present an overview of current performance and future plans
- Develop revised Business Plan Update for FY 2010-11

4Q FY 2009-10

- Work with Caltrans and legislators to secure FY 2010-11 Proposition 1B transit safety/security funds available to intercity/commuter rail agencies
- Launch a fully deployed wireless network program for customer use with some initial applications for operations
- Conduct onboard surveys to assess rider profile and solicit feedback on Amtrak's performance
- Develop FY 2010-11 marketing program, including market research

FY 2010-11 Action Plan

This action plan for FY 2010-11 is preliminary and will be revised during the second half of FY 2010-11. In general, the CCJPA intends to focus on:

- Working with the UPRR and Amtrak to continue ridership and revenue growth by improving reliability and implementing projects that add capacity and reduce travel times
- Monitoring development and manufacturing of additional rolling stock, safety/security upgrades, and track and signal projects to meet service expansion plans
- Continuing development of applications using the wireless network system to improve safety and operations to implement PTC signal safety system
- Developing marketing programs that retain riders through expanded amenities, loyalty campaigns, and offers, and grow ridership through market research
- Updating performance standards as necessary
- Working with Amtrak to secure additional cost efficiencies to be reinvested in service enhancements

6. ESTABLISHMENT OF FARES

The CCJPA will develop fares in conjunction with Amtrak to ensure the Capitol Corridor service is attractive and competitive with other transportation options, including the automobile. Ticket types include standard one-way and roundtrip fares, as well as monthly passes and 10-ride tickets valid for 45 days. These discounted multi-ride fares are competitive with other transportation modes and have become increasingly popular due to the high number of repeat riders who use the Capitol Corridor trains as their primary means of travel along the corridor. The monthly and multi-ride tickets can be used year-round for all regularly scheduled train service. Reservations are unnecessary for any of the trains.

The current fare structure is based on a one-way tariff, with the roundtrip tariff equal to double the one-way tariff. Discount fares are available to seniors, students, military personnel, and children under age 15. Amtrak also provides reduced fares for certain national partners, such as AAA members. Fare modifications are used selectively to maximize revenue and ridership, while still working toward the State's farebox return goal of 50%.

A recent AAA study estimates the cost of driving a car at 45-71 cents per mile, not including tolls and parking. The average cost of a full-fare Capitol Corridor ticket is about 35 cents per mile traveled, and can be as low as 11 cents per mile with a frequently used multi-ride ticket.

A RECENT AAA STUDY ESTIMATES THE COST OF DRIVING A CAR AT 45-71 CENTS PER MILE. THE AVERAGE COST OF A FULL-FARE CAPITOL CORRIDOR TICKET IS ABOUT 35 CENTS PER MILE TRAVELED, AND CAN BE AS LOW AS 11 CENTS PER MILE WITH A FREQUENTLY USED MULTI-RIDE TICKET.

FY 2009-10 Fares

During the past 10 years, the CCJPA has incrementally increased fares based on service improvements such as added trains, reduced travel times, and new stations. In FY 2007-08, the CCJPA implemented a simplified fare structure that discontinued seasonal and holiday pricing and recalibrated city-pair multi-ride ticket prices to provide equitable fare tariffs among ticket types. This revised fare structure provides consistency to passengers by eliminating ticket price fluctuation and also enables the CCJPA to better manage revenue, leading to revenue growth that exceeds ridership growth. The CCJPA and Amtrak will continue this program of strategic fare increases in FY 2009-10. For the current period (FY 2008-09), two 3% fare increases will be implemented. For FY 2009-10, two fare adjustments are planned in order to offset Amtrak's anticipated increases in operating expenses.

As part of its Marketing Program (Section 8), the CCJPA will develop a variety of fare promotions designed to increase customer satisfaction and ridership. Opportunities include:

- Customer loyalty and referral programs to attract new riders
- Promoting ticket purchases through the new, expanded Ticket Vending Machines (TVMs) installed at all stations (including the potential ability for the TVMs to accept Commuter Checks)
- Testing and launch of the Automated Ticket Validation (ATV) pilot program, which will enable real-time validation and ticket sales onboard trains. Benefits include customer convenience, real-time information on ridership and revenue, and operating cost efficiencies. The specifications for ATV units require them to accept smart card technology such as the Bay Area's Translink fare media
- Further expansion of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach bus routes to parallel local transit services to help increase overall ridership and revenues

Together, these fare and ticketing programs for FY 2008-09 will enhance customer convenience and increase revenue yield through expanded TVM availability and improved revenue collection through the ATV units. All of these measures will contribute toward meeting the State's farebox return goal of 50%.

FY 2010-11 Fares

While still preliminary, the projected fare structure for FY 2010-11 will follow the program set forth in FY 2009-10. The CCJPA will perform periodic reviews of the fare structure and make modifications with Amtrak as necessary. Opportunities include:

- Working with MTC to include the Translink smart-card fare collection technology on the Capitol Corridor trains
- Continuation and expansion of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach bus routes to parallel local transit services
- Enhancement of the ATV pilot program to install an onboard handheld ticketing and validation system on all trains in the Northern California fleet

7. SERVICE AMENITIES, FOOD SERVICES, AND EQUIPMENT

The CCJPA is responsible for the administration and maintenance supervision of the State-owned fleet of rail cars and locomotives assigned to Northern California. The goal of the CCJPA is to ensure equity in the operation and maintenance of equipment assigned to the Capitol Corridor and San Joaquin Corridor services. In accordance with the ITA, the CCJPA is entrusted with ensuring the rail fleet is operated and maintained to the highest standards of reliability, cleanliness, and safety. In addition, it makes certain the unique features and amenities of the State-owned train equipment are well utilized and maintained to standards established by Amtrak, the State, and the CCJPA.

Service Amenities

Accessibility. The Capitol Corridor and San Joaquin Corridor trains provide complete accessibility to passengers. Accessibility features include onboard wheelchair lifts, two designated spaces per train car for passengers in wheelchairs, and one wheelchair-accessible lavatory on the lower level of each train car.

AFTER CONDUCTING TRIALS USING SEVERAL TECHNOLOGIES, THE CCJPA IS NOW IN DISCUSSION WITH POTENTIAL VENDORS FOR A LONG-TERM SERVICE CONTRACT TO PROVIDE WI-FI ACCESS TO OUR CUSTOMERS AND TO CCJPA/AMTRAK FOR OPERATIONAL APPLICATIONS.

Information Displays. Each California Car is equipped with passenger information displays that provide the train number and destination, plus any required public information.

Lavatories. Lavatories in California Cars feature electric hand dryers, soap dispensers, and infant diaper-changing tables.

Telecommunications. The current mid-life overhaul program includes the expansion of 110-volt power access to additional locations within all cars to satisfy the growing demand of passengers who bring laptops and electronic devices on the trains.

Bicycle Access. All Northern California Cab and Coach Cars have bicycle storage units that hold three bicycles on the lower level of the car. In addition, the 14 California Cab Cars have been fitted with a bike rack in the lower level seating area that can accommodate up to eight more bicycles. The five Surfliner Cab Cars have storage space for up to 13 bicycles in the lower level baggage area.

Wireless Network Program. Setbacks in the use of unlicensed spectrum in the UPRR right-of-way caused the CCJPA to examine other technology and solutions for implementing a wireless network suitable for operational/safety applications and passenger Internet use. During FY 2008-09, CCJPA intends to select a vendor team that can satisfy bandwidth standards, support the CCJPA's preferred business model, and then implement a solution – all of which will be acceptable to UPRR and can meet CCJPA's established performance standards. If no more setbacks are encountered, network solution installation could begin in late 2009.

Business/Custom Class Car. With voter-approved bond funds expected to be available to order new rolling stock, the CCJPA, Amtrak, and Caltrans are working to introduce the Business/Custom Class Car. Concepts are under evaluation to better serve business travelers with premium services that will retain and expand this market. Ideally, these services will increase net revenues or at least be revenue-neutral. The premise is to renovate one car per train to be equipped with additional services and amenities not found in other Coach Cars, such as:

- Morning coffee and pastry service and mid-day soft drinks
- Daily and/or weekly periodicals for each Business/Custom-class ticketed passenger
- Wireless network access (included in fare)
- Ability to reserve a seat

Food and Beverage Services. Many of the food and beverage service improvements proposed in prior years have been implemented and are reaping benefits in customer satisfaction and increased sales of menu items. Recent modifications include:

- More attractive menu choices
- New signage and seat pocket menus that promote food service
- Improved inventory and accounting procedures to enhance profitability
- Pilot food cart service introduced in March 2009.

These efforts by the CCJPA and Caltrans will continue to enhance the unique food and beverage service provided on the Capitol Corridor and San Joaquin Corridor trains, which differentiates them from other modes of transportation.

Equipment Acquisition, Maintenance, and Renovation

The CCJPA continues to work closely with Caltrans and Amtrak to refine the maintenance and operations programs to improve the reliability, safety, and cost-effectiveness of the rail fleet. The

CALTRANS AND AMTRAK HAVE RECENTLY NEGOTIATED A LONG-TERM OVERHAUL AND LEASE OF THREE SUPERLINER COACH CARS, WITH UP TO THREE MORE TO BE DELIVERED IN 2009. NEW FLEET ACQUISITIONS UNDER DEVELOPMENT WILL DRAMATICALLY INCREASE SERVICE CAPACITY.

Capitol Corridor and San Joaquin routes now share a combined fleet of 15 F59PHI locomotives, 2 DASH-8 locomotives, and 78 Alstom-built passenger coaches and food service cars. Also Caltrans and Amtrak have recently negotiated a long-term overhaul and lease of three Superliner Coach Cars, with up to three more to be delivered in 2009. New fleet acquisitions under development will dramatically increase service capacity. Recent Federal legislative proposals also raise the possibility of leveraging State dollars with a Federal match to purchase and/or upgrade equipment.

Rehabilitation and Modification Programs. Using previously allocated State funds, the CCJPA, Caltrans, and Amtrak have created a multi-year program of periodic overhauls to the existing train fleet that will improve the fleet performance and maintain the valued assets of the State's rolling stock investment.

Work Completed (FY 2007-08 and Prior)

- The original fleet of locomotives owned by the State has been through an extensive State-funded renovation program that includes the rebuilding of auxiliary power motors, resulting in a marked improvement in performance and reliability.
- Caltrans continues to work closely with State and Federal environmental agencies to make our fleet of locomotives one of the cleanest fleets in the country. (Unit 2015 is undergoing a major retrofit and testing at the FRA test center in Pueblo, Colorado.)
- The original fleet of locomotives, Coach Cars, Diner Cars, and Cab Cars was also repainted.

Current/Upcoming Work (FY 2008-09 and Beyond)

- As of October 2007, all 66 original California Cars have experienced a major overhaul.
- Door systems are completely redesigned to improve operation and maintenance via a microprocessor-controlled door operator system. (Car door performance has yet to meet our expectations. Caltrans is working on a proposal to replace the door system, beginning in mid-2009.)
- Improvements are being made to the ducting and filtration systems of the renovated HVAC control system, providing better air quality and climate control.
- Restrooms will be upgraded with rebuilt toilet operating systems, new flooring, and improved doors and latching mechanisms.
- An improved ride quality suspension package and collision protection system is being installed to enhance passenger and crew safety.
- As part of our safety and security program, all passenger coaches and locomotives will be equipped with a digital security camera system. This will provide the CCJPA with a valuable tool to protect equipment from vandalism and prevent accidents and injuries to passengers and crew.
- To keep the train cars looking fresh and new, Amtrak and Caltrans will start replacing carpets, cloth wainscot, and seat upholstery on all coaches in the Amtrak California fleet beginning in February 2009. Window curtains will also be added exclusively on the Northern California fleet.

8. MARKETING STRATEGIES

The CCJPA uses a marketing mix of broad-based media campaigns and regional cross-promotions and outreach efforts to build awareness of the Capitol Corridor service. A primary objective is promoting the service to key markets and attracting riders to trains with available capacity. Marketing dollars and impact are maximized through joint promotions and advertising, as well as reciprocal marketing programs with the State, Amtrak, CCJPA member agencies, and other selected partners.

The Capitol Corridor's marketing efforts have consistently earned awards from industry organizations, including the 2008 American Public Transportation Association (APTA) AdWheel First Prize for CCJPA's 2007 Annual Performance Report.

Advertising Campaigns. Major media campaigns inform leisure and business travel audiences about the advantages of train travel, including service attributes, promotions/pricing, and destinations. The current advertising mix includes radio spots, local television, traffic sponsorships, and online paid search, and it is continually adjusted to ensure consistent visibility in the target markets.

Targeted Marketing Programs. The CCJPA will continue successful programs that target specific markets, such as the Train Treks youth group discount program to boost midday, mid-week travel, and customer retention efforts such as Rider Appreciation programs. Media-based promotions highlight riding the train to popular events such as Oakland Raiders and Cal Football games. In addition, the CCJPA will develop promotional programs that create awareness of the train as a way to reach other fun destinations throughout Northern California.

THE CAPITOL CORRIDOR'S MARKETING EFFORTS HAVE CONSISTENTLY EARNED AWARDS FROM INDUSTRY ORGANIZATIONS, INCLUDING THE 2008 AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) ADWHEEL FIRST PRIZE FOR CCJPA'S 2007 ANNUAL PERFORMANCE REPORT.

Customer Relationship Management (CRM). In the future, the CCJPA hopes to enhance its marketing efforts with more targeted promotions and outreach via a CRM program. CCJPA has begun researching CRM industry standards and preliminary development of CCJPA's needs and objectives. CRM deployment will enable the Capitol Corridor to strengthen its relationship with customers by learning about their travel preferences and then delivering more targeted promotions. It will also support efforts to follow-up on customer service issues.

Partnership Brand Marketing. The Capitol Corridor's Strategic Marketing Partnership Program has established a catalog of marketing assets and associated metrics to enhance the CCJPA's trade promotion negotiations. These assets enable selected partners to market their products through

Capitol Corridor marketing channels such as interior, exterior, and station signage, and electronic media. The program now has a solid foundation for increasing value and revenues to the advertising program by partnering with well-known organizations that share similar target audiences.

Joint Marketing and Outreach. The CCJPA achieves cost efficiencies by working with partners such as Amtrak and Caltrans to share creative development of select promotions that market State-supported rail services. For community events, resources are also pooled to ensure adequate staffing at regional outreach/trade events that promote rail travel.

Communications and Public Relations. The CCJPA places great importance on communicating with our passengers. A positive public image is also essential to building awareness of the brand. Key elements include:

- An evolving website, e-newsletter, electronic station signage, flyers, and posted signs that inform customers about service changes, promotions, and special events
- Leveraging Capitol Corridor's online presence across the Internet, including integration with transit-related online tools such as Google Transit, selective participation in online social networking sites, and informational portals/directories
- Call center staff coordinates with Marketing and Operations to ensure callers receive clear and up-to-date information about the Capitol Corridor service and promotions

- Public and Media Relations efforts that began in late 2007 have resulted in increased Capitol Corridor media coverage in regional markets, as well as national trade publications. CCJPA will continue these efforts, as well as its lifestyle marketing focus on creating buzz through high-profile promotions and events such as National Train Day in May

Outreach and Advocacy. The CCJPA will develop a broader plan for advocacy of the Capitol Corridor and related services, and build upon outreach efforts with communities along the route. Efforts include:

- Advocacy and public relations efforts that aim to increase the Capitol Corridor's visibility and recognition as a unique interagency partnership
- Helping communities along the Capitol Corridor route build awareness of the service in their respective cities through local marketing campaigns including transit connections via the Transit Transfer Program
- An Annual Performance Report that informs the public and elected officials of the service's successes, benefits, and challenges to local communities
- Working with Operation Lifesaver – a voluntary effort by railroads, safety experts, law enforcement, public agencies, and the general public – the CCJPA coordinates with Caltrans Rail to support rail safety campaigns through education, engineering, and enforcement
- Leveraging CCJPA riders who use and benefit from the service as advocates in their communities

THE CCJPA'S FY 2009-10 MARKETING PROGRAM WILL FOCUS ON MEETING INCREASED RIDERSHIP PROJECTIONS USING MARKETING STRATEGIES THAT TARGET SERVICE PERIODS WITH THE HIGHEST GROWTH POTENTIAL.

FY 2009-10 Marketing Program

The CCJPA's FY 2009-10 Marketing Program will focus on meeting increased ridership projections using marketing strategies that target service periods with the highest growth potential. Programs will be developed to target markets most likely to benefit from the Capitol Corridor's FY 2006-07 service expansions.

The CCJPA will continue to focus primarily on its own independent campaigns, but will coordinate with Amtrak and Caltrans on the most beneficial promotions, outreach, and shared marketing collateral. Advertising media will consist primarily of radio traffic sponsorships, online web banner campaigns, local television, and promotionally-driven media buys. Marketing initiatives will also aim to enhance the distinctiveness and visibility of the Capitol Corridor brand. Key elements will include:

- Broader use of the recently-redesigned Capitol Corridor logo to update the image of the service and enhance brand recognition
- Advertising messages and artistic direction that reflect the CCJPA's emphasis on the Capitol Corridor as a distinct service brand
- Joint media promotions with well-known organizations to maximize media dollars and expand market reach
- Reciprocal marketing with tourism industry members such as hotels, airports, and convention/visitor bureaus
- Targeted marketing to school groups, senior citizens, special interest groups, and new residential communities
- Outreach and public relations efforts in the Silicon Valley/San Jose area to continue to leverage the FY 2006-07 service expansion

FY 2010-11 Marketing Program

The CCJPA will place continued emphasis on the Capitol Corridor brand to increase regional brand awareness and maximize use of the marketing budget. Creative execution will emphasize local character and personalize the service.

9. ANNUAL FUNDING REQUIREMENT: COSTS AND RIDERSHIP PROJECTIONS

The primary purpose of this Business Plan Update, as identified in the ITA, is to request the annual funds required by the CCJPA to operate, administer, and market the Capitol Corridor

service for agreed-upon service levels. Previous sections in this document describe the proposed operating plan, planned service improvements, and capital improvements for FY 2009-10 and FY 2010-11.

FY 2009-10 and FY 2010-11 Operating Costs

Based on the Operating Plan and Strategies (Section 3), the CCJPA and Amtrak have proposed a best estimate for FY 2009-10 and FY 2010-11 operating expenses. These costs are shown in Table 9-1 and include the basic train service and associated feeder bus service, including the CCJPA's proportionate share of costs relating to the local transit service partnerships. As stated in previously, ridership and revenue are expected to grow at a slower rate for FY 2009-10 and FY 2010-11 given projected weak economic conditions (both State and national). The projected operating expenses (primarily Amtrak train operations and support) are also expected to grow, but should be offset by ridership and revenue increases. As these projections are estimates, the CCJPA will work with Amtrak to reduce operating expense growth and/or increase revenue yield.

**Table 9-1
CCJPA FY 2009-10 – FY 2010-11 Funding Requirement
Capitol Corridor Service (Minimum Levels)**

Service Level	Current	PROPOSED	
	FY 2008-09 Budget	FY 2009-10 Budget	FY 2010-11 Budget
Sacramento-Oakland			
Weekday	32	32	32
Weekend	22	22	22
Oakland-San Jose			
Weekday	14	14	14
Weekend	14	14	14
Sacramento-Roseville	2	2	2
Roseville-Auburn	2	2	2
Ridership (a)	1,765,792	1,809,900	1,864,200
Total Train Operating Expenses	\$ 50,861,900	\$ 51,429,100	\$ 52,357,700
Equipment Capital Costs	\$ -	\$ -	\$ -
Total Train Expenses	\$ 50,861,900	\$ 51,429,100	\$ 52,357,700
Total Bus Expenses	\$ 1,952,000	\$ 1,891,000	\$ 1,919,400
TOTAL Expenses (a)	\$ 52,813,900	\$ 53,320,100	\$ 54,277,100
Train Revenue	\$ 24,477,900	\$ 25,398,800	\$ 26,556,300
Bus Revenue	\$ 1,773,900	\$ 1,878,500	\$ 1,820,400
TOTAL Revenue (a)	\$ 26,251,800	\$ 27,277,300	\$ 28,376,700
CCJPA Funding Requirement			
CCJPA Operating Costs	\$ 26,562,100	\$ 26,042,800	\$ 25,900,400
Insurance for State-Owned Equipment (b)	\$ 386,000	\$ 390,000	\$ 400,000
Minor Capital Projects (c)	\$ 250,000	\$ 275,000	\$ 325,000
Subtotal-CCJPA Operating Expenses	\$ 27,198,100	\$ 26,707,800	\$ 26,625,400
Marketing (d)	\$ 1,174,000	\$ 1,174,000	\$ 1,174,000
Administrative Expenses (e)	\$ 3,540,823	\$ 4,040,800	\$ 4,162,000
TOTAL CCJPA Funding Request	\$ 31,912,923	\$ 31,922,600	\$ 31,961,400

(a) Preliminary planning estimates. Amtrak to provide final ridership, revenue, and operating costs estimates.

(b) Amtrak procures insurance coverage for state-owned equipment that is operated for service.

(c) Expenses to be allocated for small or minor capital projects.

(d) Due to State budget constraints, the FY 2009-10 and FY 2010-11 marketing expenses will be capped at the same levels as the seven prior fiscal years (\$1,174,000). Does not include contributions by Amtrak or additional resources provided by the State (i.e., market research program).

(e) Includes transfer of operating expenses to support CCJPA administrative expenses including call center/phone information and customer services now provided by CCJPA/BART.

FY 2009-10 and FY 2010-11 Marketing Expenses

The CCJPA's marketing budget for FY 2009-10 and FY 2010-11 will fund the respective year's Marketing Programs presented in Section 8. The CCJPA will develop the various campaigns and programs. The preliminary budget estimates illustrated in Table 9-1 represent only direct

expenditures of the CCJPA and do not include any costs for marketing programs provided solely by Amtrak or the State.

FY 2009-10 and FY 2010-11 Administrative Expenses

Table 9-1 identifies the estimate for the FY 2009-10 and FY 2010-11 budgets that support the administrative activities of the CCJPA for the Capitol Corridor service. There has been a shift in funds from the operating budget to the administrative budget due to the October 2005 transfer of customer service call center operations from Amtrak to BART, the CCJPA's managing agency.

FY 2009-10 and FY 2010-11 Total Budget

THE CCJPA'S FY 2009-10 AND FY 2010-11 BUDGETS ARE EXPECTED TO INCREASE SLIGHTLY. THE PROJECTED INCREASES IN THE ADMINISTRATIVE BUDGET PROVIDE ADDITIONAL RESOURCES TO MAINTAIN HIGH-QUALITY CUSTOMER SERVICE, WHICH IS IN GREATER DEMAND DUE TO INCREASED RIDERSHIP.

Compared to the current period (FY 2008-09), the FY 2009-10 and FY 2010-11 total budgets for the CCJPA (operating, marketing, and administrative) are expected to increase slightly, by +0.03% and +0.15% respectively. These projected increases in the administrative budget provide additional resources to maintain high-quality customer service, which is in greater demand due to increased ridership. The CCJPA will work with Amtrak to further minimize or offset these budget increases through implementation of cost efficiencies.

The Capitol Corridor service will remain a part of the State's intercity rail system and continue to be funded by the State. The CCJPA will provide the level of service consistent with funding appropriated by the Legislature and allocated by the State. Any cost savings realized by the CCJPA or revenues in excess of business plan projections during the term of the ITA will be used by the CCJPA for service improvements in the corridor (Section 1).

10. SEPARATION OF FUNDING

As identified in the Joint Exercise of Powers Agreement (JEPA) for the CCJPA, the Controller-Treasurer of the Managing Agency of the CCJPA will perform the functions of Treasurer, Auditor, and Controller of the CCJPA. BART's prior agreement with the CCJPA to serve as the CCJPA's Managing Agency was renewed in February 2005 for a five-year term through February 2010, consistent with the enactment of AB 1717 in September 2003. This longer term will allow the CCJPA Board to more effectively measure the performance of the Managing Agency.

As identified in the ITA, the State shall perform audits and reviews of financial statements of the CCJPA with respect to Capitol Corridor service. In addition, the CCJPA requires that the Controller-Treasurer shall provide for an annual independent audit of the accounts of the CCJPA within six months of the close of the State fiscal year. BART has established the appropriate accounting and financial procedures to ensure that the funds secured by the CCJPA during FY 2009-10 and FY 2010-11 to support the Capitol Corridor service are solely expended to operate, administer, and market the service.

11. CONSIDERATION OF OTHER SERVICE EXPANSIONS AND ENHANCEMENTS

Consistent with the CCJPA's Vision Plan, this section presents service expansion and enhancement opportunities beyond the CCJPA's FY 2009-10 and FY 2010-11 service plans and funding requirements. Planning for potential new services will require securing capital improvements, additional operating funds, and institutional agreements.

Silicon Valley/Santa Clara County Markets

While the CCJPA increased train service to/from San Jose in August 2006, efforts continue to expand public rail transportation to the South Bay. Bay Area Regional Measure 2 (RM-2), which approved a \$1 increase in local bridge tolls as of March 2004, provides an important funding source (with matching State and Federal funds) for the introduction of Caltrain-operated peak hour commuter train service between an expanded Union City Intermodal Station and San Jose/San Francisco via the Dumbarton Rail bridge. The CCJPA is co-project applicant with Caltrain for the planning, construction, and implementation of this service. The CCJPA will work with project partners to ensure that Capitol Corridor trains are closely coordinated and integrated

with ACE and the new Dumbarton Rail commuter trains, especially along the shared track between Union City and Fremont/Newark. In addition, VTA and BART are moving ahead with environmental studies and engineering plans for the proposed extension of BART from Fremont/Southern Alameda County to San Jose. The development and operation of this proposed BART extension will be coordinated with existing and additional Capitol Corridor trains to and from San Jose and Silicon Valley.

Recent State and Regional Rail Plans – Additional Service Expansions

The CCJPA and Caltrans have collaborated in recent years on development of the biennial 10-Year Statewide Rail Plan to identify capital and operational needs. In 2008, MTC released its 50-year Regional Rail Plan, of which the CCJPA was a member of the steering committee. The CCJPA was also an active participant in the development of the environmental studies for the California High Speed Rail Authority, which was incorporated into MTC's Regional Rail Plan.

THE CCJPA AND CALTRANS HAVE COLLABORATED ON DEVELOPMENT OF THE BIENNIAL 10-YEAR STATEWIDE RAIL PLAN TO IDENTIFY CAPITAL AND OPERATIONAL NEEDS. IN 2008, MTC RELEASED ITS 50-YEAR REGIONAL RAIL PLAN, OF WHICH THE CCJPA WAS A MEMBER OF THE STEERING COMMITTEE.

The Caltrans' 10-Year Statewide Rail Plan included the proposed extension of Capitol Corridor trains to Reno/Sparks, Nevada (via Truckee). Plans for extension of service to Reno/Sparks have been suspended at the request of the UPRR, which is currently unprepared to consider passenger rail service coupled with its extensive freight rail service plans in the Auburn – Reno corridor. Therefore, Capitol Corridor efforts with UPRR are focused on facility and service improvements between Sacramento, Roseville, and Auburn.

The MTC's Regional Rail Plan has examined future alignments and service plans for the Capitol Corridor. These go beyond MTC's Bay Area boundaries by exploring options extending into the Sacramento region. MTC provides a necessary vision for the future of passenger and freight rail service in Northern California. It will continue offering guidance in future planning periods (10, 20, and 50 years) with alternative alignments, service plans, and rolling stock configurations.

The CCJPA has set forth and adopted a Train Service Policy supporting future extensions to new markets beyond the Capitol Corridor. It encourages partnerships between several passenger rail services and local/regional transportation agencies. The goal is to ensure that these proposed service extensions provide mutual cost savings through the use of joint facilities and equipment. In addition to the Capitol Corridor extension to Reno/Sparks and other proposed regional commuter rail services, the CCJPA has developed working relationships with:

- San Joaquin Corridor service
- Amtrak National Network (California Zephyr and Coast Starlight)
- Altamont Commuter Express service (Stockton – Livermore – San Jose)
- Caltrain service (Gilroy – San Jose – San Francisco)
- California High Speed Rail Authority
- Proposed new passenger rail services to Monterey (Transportation Agency of Monterey), Redding/Chico (Caltrans), Napa/Santa Rosa (Napa/Sonoma counties), and San Francisco-Los Angeles via the Coast Subdivision in Salinas/San Luis Obispo (Coast Rail Coordinating Council)
- Other service extensions/expansions within the Capitol Corridor as identified in current, ongoing interregional rail studies such as the MTC Regional Rail Plan

APPENDICES

APPENDIX A Capitol Corridor Historical Performance

Fiscal Year	Daily Trains	Total Ridership	% Change Prior Year	Riders Per Day	Revenue*	% Change Prior Year	Operating Expenses*	% Change Prior Year	Farebox Ratio*	State Costs*
SFY 91/92 (a)	6	173,672	--	864	\$1,973,255	--	\$4,848,967	--	40.7%	\$1,592,907
SFY 92/93	6	238,785	--	650	\$2,970,103	--	\$8,333,093	--	35.6%	\$6,712,017
SFY 93/94	6	364,070	52.5%	1,000	\$3,598,978	21.2%	\$9,911,735	18.9%	36.3%	\$6,714,761
SFY 94/95	6	349,056	-4.1%	960	\$3,757,146	4.4%	\$9,679,401	-2.3%	38.8%	\$6,012,315
SFY 95/96 (b)	8	403,050	15.5%	1,100	\$4,805,072	27.9%	\$11,077,485	14.4%	43.4%	\$6,434,940
SFY 96/97	8	496,586	23.2%	1,360	\$5,938,072	23.6%	\$20,510,936	85.2%	29.0%	\$9,701,519
FFY 97/98 (c)	8	462,480	-6.9%	1,270	\$6,245,105	5.2%	\$20,527,997	0.1%	30.4%	\$11,404,143
FFY 98/99 (d)	10/12	543,323	17.5%	1,490	\$7,314,165	17.1%	\$23,453,325	14.3%	31.2%	\$16,022,024
FFY 99/00 (e)	12/14	767,749	41.3%	2,100	\$9,115,611	24.6%	\$25,672,749	9.5%	35.7%	\$16,440,540
FFY 00/01 (f)	14/18	1,073,419	39.8%	2,941	\$11,675,117	28.1%	\$28,696,741	11.8%	40.7%	\$17,680,477
FFY 01/02	18	1,079,779	0.6%	2,960	\$12,201,602	4.5%	\$32,842,038	14.4%	37.2%	\$20,590,919
FFY 02/03 (g)	18/20/22/24	1,142,958	5.9%	3,130	\$12,800,469	4.9%	\$36,469,383	11.0%	38.1%	\$21,540,910
FFY 03/04	24	1,165,334	2.0%	3,190	\$13,168,373	2.9%	\$35,579,266	-2.4%	37.2%	\$22,708,181
FFY 04/05	24	1,260,249	8.1%	3,450	\$15,148,333	15.0%	\$35,110,571	-1.3%	43.2%	\$19,962,238
FFY 05/06 (h)	24/32	1,273,088	1.0%	3,490	\$16,014,636	5.7%	\$35,147,033	0.1%	45.8%	\$19,132,397
FFY 06/07	32	1,450,069	13.9%	3,970	\$19,480,992	21.6%	\$40,533,332	15.3%	48.1%	\$21,052,340
FFY 07/08	32	1,693,580	16.8%	4,640	\$23,822,862	22.3%	\$43,119,290	6.4%	55.2%	\$22,265,039
FFY 08/09 (i)	32	672,307	4.6%	4,452	\$9,762,281	8.4%	\$22,010,185	22.7%	45.0%	\$11,664,774

SFY = State Fiscal Year (July 1- June 30)

FFY = Federal Fiscal Year (October 1 -September 30)

- a. Statistics available for partial year only because service began in December 1991.
- b. Increase to 8 trains began in April 1996.
- c. Statistics presented for FFY 97/98 and each subsequent FFY to conform with Performance Standards developed by BT&H.
- d. 10 trains began on October 25, 1998 and 12 trains began on February 21, 1999.
- e. 14 trains began on February 28, 2000 .
- f. 18 trains began on April 29, 2001.
- g. 20 trains began on October 27, 2002; increase to 22 trains began on January 6, 2003; increase to 24 trains began on April 28, 2003.
- h. 32 trains began on August 26, 2006 (with increase to 14 daily trains to/from San Jose).
- i. Year-to-date data through Feb. 2009.

APPENDIX B
PROGRAMMED OR COMPLETED CAPITOL CORRIDOR PROJECTS (AS OF DECEMBER 2008)

Programmed or Completed Projects (Preliminary and Tentative - Subject to Revision)	Costs
Station Projects	
Colfax	\$2,508,165
Auburn	\$3,131,656
Rocklin	\$2,114,173
Roseville	\$1,619,104
Sacramento*	\$11,549,526
Davis	\$5,326,643
Fairfield/Vacaville	\$29,000,000
Suisun/Fairfield	\$3,834,049
Martinez*	\$38,145,628
Richmond*	\$21,924,408
Berkeley	\$4,745,500
Emeryville*	\$17,252,136
San Francisco – Ferry Building*	\$584,842
Oakland Jack London Square*	\$20,319,077
Oakland Coliseum	\$6,132,000
Hayward	\$1,782,500
Fremont/Centerville	\$3,544,050
Great America/Santa Clara	\$3,082,627
San Jose Diridon	\$27,138,542
Platform Signs	\$63,101
Real-time message signs	\$2,244,842
Other	\$3,840,575
SUBTOTAL – Station Projects *shared stations with the San Joaquin route	\$209,883,144
Track and Signal Projects	
Placer County	\$500,000
Auburn Track and Signal Improvements	\$350,000
Sacramento – Roseville (3 rd Track) Improvements	\$6,950,000
Yolo Causeway 2 nd Track	\$14,555,533
Sacramento – Emeryville	\$60,219,132
Oakland – Santa Clara (Hayward Line) [1991]	\$14,900,000
Niles Junction – Newark (Centerville Line)	\$10,667,740
Sacramento – San Jose C-Plates	\$14,156
Oakland – San Jose	\$59,405,333
San Jose 4 th Track	\$41,850,000
Bahia-Benicia Crossover Project	\$7,690,000
Harder Road (Hayward) Undercrossing [2001]	\$8,898,000
SUBTOTAL – Track and Signal Projects	\$225,999,894
Maintenance and Layover Facility Projects	
San Jose (Pullman Way) Maintenance Facility	\$5,789,862
Oakland Maintenance Facility (new – owned by the State)	\$64,135,956
Oakland Maintenance Base (former site)	\$464,884
Colfax/Auburn Layover Facility	\$691,956
Roseville Layover Facility	\$157,702
Sacramento Layover Facility	\$941,316
Capitalized Maintenance ¹	\$2,000,000
SUBTOTAL – Maintenance and Layover Facility Projects	\$74,181,676
Rolling Stock (California Cars and Locomotives – owned by the State)	\$235,282,226
TOTAL – PROGRAMMED¹ OR COMPLETED PROJECTS	\$745,346,940

**APPENDIX C
CAPITOL CORRIDOR PERFORMANCE STANDARDS FY 2007-08 TO FY 2012-13**

PERFORMANCE STANDARD	FY 2007-08				FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	ACTUAL	STANDARD	VARIANCE ACTUAL TO STANDARD	PERCENT CHANGE	STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD
NUMBER OF DAILY TRAINS (SAC-OAK)	32	32			32	32	32	32@	32@
USAGE									
Route Ridership	1,693,580	1,458,600	234,980	16.1%	1,765,792	1,809,900	1,864,200	2,186,600	2,241,265
Average Daily Ridership	4,640	3,996	644	16.1%	4,838	4,959	5,107	5,991	6,140
Percent Change in Route Ridership	12.1%	-2489.9%			4.3%	2.5%	3.0%	17.3%	2.5%
Percent Change in Train Passenger Miles	4.0%	-1118.2%			4.5%	7.0%	3.0%	19.0%	4.0%
Percent Change in Train Miles	-2.2%	-2724.7%			1.5%	0.0%	0.0%	19.0%	0.0%
Passenger Miles per Train Mile (PM/TM)	93.0	85.0	8.0	9.4%	95.7	102.4	105.5	105.5	109.7
COST EFFICIENCY									
System Operating Ratio (as calculated by CCJPA)	55%	49%	5.6%	--	50%	51%	52%	50%	52%
Percent Change in Total Revenue	14.9%	15.2%	--	--	10.8%	3.9%	4.0%	11.7%	4.5%
Percent Change in Total Expenses	6.8%	3.4%	--	--	21.4%	1.8%	1.8%	16.4%	1.7%
Train Revenue per Train Mile	\$18.77	\$16.02	\$2.75	17.2%	\$20.38	\$21.14	\$22.11	\$18.00	\$18.00
Train Revenue per Passenger Mile (Yield)	\$0.20	\$0.19	\$0.01	7.1%	\$0.213	\$0.206	\$0.209	\$0.210	\$0.211
Train Expenses per Train Mile	\$34.01	\$33.49	\$0.52	1.5%	\$41.30	\$42.81	\$43.58	\$42.95	\$43.65
Train Only State Cost per Train Mile	\$15.23	\$17.47	-\$2.24	-12.8%	\$20.92	\$21.67	\$21.48	\$24.95	\$25.65
Train Only State Cost Per Passenger Mile	\$0.16	\$0.21	-\$0.04	-20.3%	\$0.22	\$0.21	\$0.20	\$0.24	\$0.23
SERVICE QUALITY									
On Time Performance	86%	90%	-4%	--	90%	90%	90%	90%	90%
Percent of California Car Fleet Available	87%	87%	0%	--	87%	87%	87%	87%	87%
OPERATING RESULTS									
TRAIN AND BUS									
Total Revenue	\$23,702,070	\$20,575,000	\$3,127,069.75	15.2%	\$26,251,777	\$27,277,300	\$28,376,700	\$31,683,834	\$33,103,495
Total Expenses	\$43,119,290	\$41,697,000	\$1,422,289.78	3.4%	\$52,363,935	\$53,320,100	\$54,277,100	\$63,159,910	\$64,210,770
Total State Operating Cost ^	\$22,265,039	\$20,944,996	\$1,320,043.40	6.3%	\$27,948,158	\$26,707,800	\$26,625,400	\$32,276,076	\$31,907,275
TRAIN ONLY									
Train Only Revenue	\$22,210,481	\$19,247,000	2,963,481	15.4%	\$24,477,877	\$25,398,800	\$26,556,300	\$25,732,000	\$25,732,000
Train Only Expenses	\$40,233,400	\$40,233,400	-	0.0%	\$49,611,935	\$51,429,100	\$52,357,700	\$61,409,910	\$62,410,770
Train Only State Operating Cost	\$18,022,919	\$20,986,400	(2,963,481)	-14.1%	\$25,134,058	\$26,030,300	\$25,801,400	\$35,677,910	\$36,678,770
Passenger Miles	110,036,259	102,102,000	7,934,259	7.8%	114,996,862	123,073,200	126,765,600	150,875,400	156,888,600
Train Miles	1,183,109	1,201,305	(18,196)	-1.5%	1,201,305	1,201,305	1,201,305	1,429,800	1,429,800

^ - Includes payments to Amtrak for use of equipment (including insurance) and minor capital costs. Not included in any other line item.

• - Represents fixed price contract cost for FFY 2005-06 and FFY 2006-07. Actual contract cost may be lower, but not higher.

¶ - Per Business Plan Update/Amtrak Contract

@ - Standard assumes increased train service to San Jose, Placer County: 32 Oakland-Sacramento weekday trains (22 on weekends), 22 daily trains to/from San Jose, 8 daily trains to/from Roseville and 4 daily trains to/from Auburn.

NOTE 1 - Performance measures not calculated where no standard was developed.

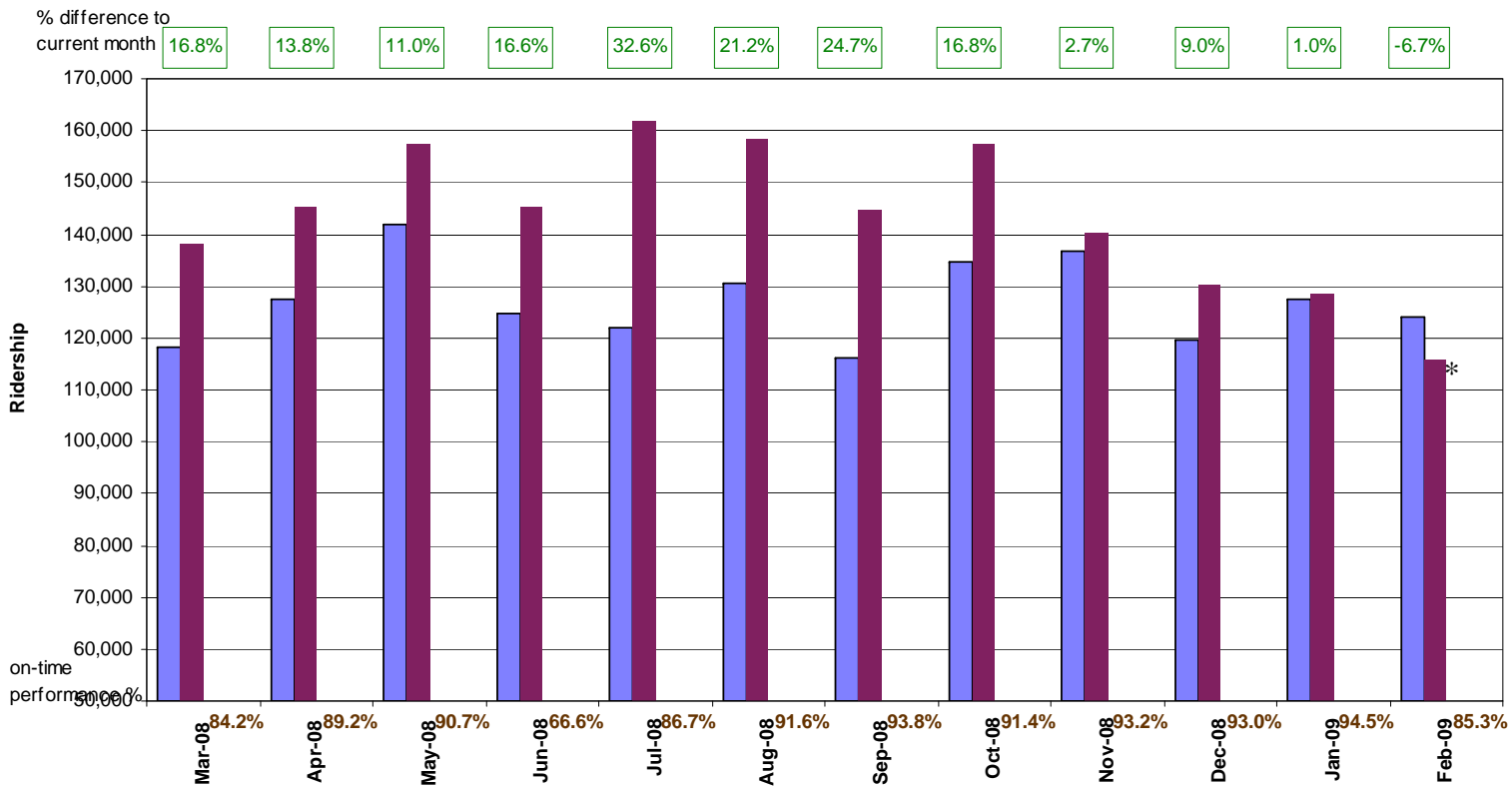
**APPENDIX D
HOW'S BUSINESS?**

**How's Business?:
Ridership**



13.11% Overall 12-Month Growth
 14.29% Overall Prior 12-Month Growth
 Ridership Last 12 Months=1,723,422
 Ridership Prior 12 Months=1,523,630

■ Prior 12 Months ■ Current 12 Months



* Note: February 2009 included 2 weeks of track work with reduced service plus February 2008 had one additional day.