



**CAPITOL CORRIDOR
INTERCITY PASSENGER RAIL SERVICE
BUSINESS PLAN UPDATE
FY 2014-15 - FY 2015-16
APRIL 2014
FINAL**

**PREPARED BY
CAPITOL CORRIDOR JOINT POWERS AUTHORITY**

**PREPARED FOR
CALIFORNIA STATE TRANSPORTATION AGENCY**



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EXECUTIVE SUMMARY

Introduction. This Business Plan Update presents an overview of the Capitol Corridor Joint Powers Authority’s (CCJPA) strategic plan and funding request for the next two fiscal years (FY 2014-15 and FY 2015-16), to be submitted to the Secretary of the California State Transportation Agency (CalSTA) in April 2014. It also outlines the service and capital improvements that have contributed to the Capitol Corridor’s success, identifies needed improvements to sustain its growth, and incorporates customer input as detailed in Chapter 263 of California State Law.

As administrator of the service, the CCJPA’s primary focus is the continuous improvement of the Capitol Corridor® train service by effective cost management, gaining share in the travel market, and delivering a customer-focused, safe, frequent, reliable, and green transportation alternative to the congested I-80, I-680, and I-880 highway corridors. The CCJPA is governed by a Board of Directors comprised of 16 elected officials from six member agencies along the 170-mile Capitol Corridor® route (see Figure 1-1):

IN FY 2014-15 AND FY 2015-16 THE CCJPA WILL ADVANCE THE NEXT PHASE OF SERVICE EXPANSION TO SAN JOSE AND PLACER COUNTY.

- 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)

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 August 2006, the CCJPA expanded service by 33% from 24 to 32 weekday trains between Sacramento and Oakland, and 14 daily trains continuing on to San Jose. In August 2012 the CCJPA was able to utilize the reconfigured Sacramento station to optimize operational cost effectiveness and began running 30 daily round trips between Sacramento and Oakland.

Operating Plan. The service levels introduced in 2012 for weekday and weekend service will be maintained pending the results of a current analysis of a proposed operating plan that improves service performance and lowers net operating costs. If this service optimization plan can support positive ridership and revenue change, and maintain or decrease costs, an adjusted service schedule would be memorialized in the FY 2014-15 operating contract between Amtrak and the CCJPA (effective October 2014). FY 2014-15 will be the first full year where all ticket-types, including multi-ride tickets, are offered under the mobile technology program of the eTicketing system. The program, which initially started in April 2012 with single ride tickets, was expanded to all ticket types in mid-January 2014.

Section 209 of the Passenger Rail Improvement and Investment Act of 2008 (PRIIA) was implemented to ensure a pricing policy for Amtrak services on all State-supported Intercity Passenger Rail (IPR) routes under 750 miles in length. This policy was used to develop the costs for the current FY 2013-14 CCJPA/Amtrak operating agreement and will be incorporated into the upcoming FY 2014-15 and all future CCJPA/Amtrak operating agreements. For FY 2014-15, based on forecasts provided by Amtrak, the net operating costs to support the Capitol Corridor will increase by \$2.93 million due to declining ridership and revenues and increased operating costs (primarily insurance) and new equipment charges for use of Amtrak locomotives. The CCJPA is requesting an additional \$350,000 for administrative expenses to support the Rail Modernization Program and ensure compliance with the new Section 209 Amtrak operating costing methodology and pricing policy.

Capitol Corridor Service	FY 2014-15	FY 2015-16
Sacramento – Oakland	30 weekday trains (22 weekend)	30 weekday trains (22 weekend)
Oakland – San Jose	14 daily trains	14 daily trains
Sacramento – Roseville	2 daily trains (with plans for up to 20)	2 daily trains (with plans for up to 20)
Roseville – Auburn	2 daily trains	2 daily trains
Total Budget (Operations, Marketing & Administration)	\$37,089,032	\$37,953,000
Change vs. FY 2013-14	+\$3,283,302 [+9.7%]	+12.3%

Performance Standards. CCJPA’s Vision Plan (being updated in 2014) establishes Capitol Corridor’s prevailing ridership goals, system operating ratio and on-time performance (OTP) standards and strengthened partnerships with the service operators: the National Railroad Passenger Corporation (Amtrak®) and the Union Pacific Railroad (UPRR). Performance highlights include:

- Ridership was down 2.6% from the prior year in FY 2012-13; to date, FY 2013-14 ridership is down 0.8% from the prior year (through March 2014).
- Revenue was down 1.1% from the prior year in FY 2012-13; to date, FY 2013-14 revenue is down 3.0% from the prior year (through March 2014).
- System operating ratio (a.k.a. farebox return) was 49% in FY 2012-13; to date the FY 2013-14 operating ratio is 51% (through March 2014).
- On-Time-Performance (OTP) improved to 95.0% in FY 2012-13, the best OTP in the Amtrak system for the fourth year in a row; to date (March 2013), FY 2013-14 OTP is at 95.5%, maintaining the stellar trend that began in 2009.

The table below summarizes the standards and results for FY 2012-13 and FY 2013-14 as well as the standards for the next two fiscal years (see Appendix C):

Performance Standard	FY 12-13			FY 13-14			FY 14-15	FY 15-16
	Actual	Standard	% Change	Actual	Standard	% Change	Standard	Standard
Route Ridership (a)	1,701,185	1,789,450	-4.9%	688,394 (through 3/14)	730,192 (through 3/14)	-5.7%	1,408,700	1,443,900
System Operating Ratio (train and feeder bus)	49%	52%	-3.0%	51% (through 3/14)	53% (through 3/14)	-2.9%	47%	47%
On-Time Performance	95%	90%	+5.0%	95.5% (through 3/14)	90% (through 3/14)	+6.1%	90%	90%

Note:

- (a) Starting in FY 2014 Amtrak adjusted ridership reports to account for the actual tickets lifted via the scanning of tickets by the conductors, which results in ridership forecasts and reports that are 15%-20% below previous forecasts and reports. Previously, multiride tickets were not directly logged into the system but the passenger counts for multiride tickets were estimated based on assumed inflated usage

Capital Improvement Program. The CCJPA’s Capital Improvement Program (CIP) is consistent with regional and State of California transportation plans (e.g. Regional Transportation Plans, [RTPs] and Caltrans’ Statewide Rail Plan). The CIP includes projects aimed to increase reliability and capacity, build or renovate stations, add rolling stock, reduce travel times and enhance safety and security.

THE CCJPA IS WORKING WITH STATE AND FEDERAL TRANSPORTATION AGENCIES TO IDENTIFY AND SECURE FUNDING SOURCES TO SUPPORT THE CONSTRUCTION PROGRAMS FOR THE CURRENT SERVICE EXPANSIONS PLANS.

For FY 2014-15, the CCJPA will be installing at-station bicycle access improvements to support the ever-growing sector of Capitol Corridor riders accessing the trains with their bikes and continuing its Capitalized Maintenance program with UPRR to maintain the superior OTP of the Capitol Corridor trains. Design and environmental documentation efforts have received funding and are underway to support future Capitol Corridor service expansion between Oakland and San Jose (and subsequent extension to Salinas) and between Sacramento and Roseville. While the environmental documentation and design plans are progressing, the CCJPA is working with state and federal transportation agencies to gather funding sources for the construction of these service expansions.

Marketing Strategies. The CCJPA’s marketing strategies for FY 2014-15 and FY 2015-16 will target markets with available seating capacity to drive increased ridership by raising awareness of destinations, transit connections, and amenities to attract and retain loyal riders. Another objective is to enhance customer service and travel information.

Action Plan. CCJPA has been able to develop and maintain a solid ridership base despite recent declines primarily due to the commitment of CCJPA and its service partners to ensuring that Capitol Corridor trains are safe, frequent, reliable, and customer-focused. This business plan presents the operating strategies, marketing plans, and capital program to meet near-term budget guidelines, implement promotional initiatives that will retain and grow market share, and lay out a program of projects and enhancements (both short-range and long-term) that will make the Capitol Corridor the preferred transport alternative in Northern California and an integral component in the State’s passenger rail network.

1. INTRODUCTION

This Business Plan Update modifies the CCJPA's report submitted to the Secretary of the California State Transportation Agency (CalSTA) every April. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's success during the past 15 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. 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 CalSTA for the CCJPA's operating, administrative, and marketing costs for inclusion in the State Budget proposal to the Legislature.

BY CONNECTING SEVERAL KEY AREAS OF ECONOMIC ACTIVITY IN NORTHERN CALIFORNIA, CAPITOL CORRIDOR SERVICE PLAYS A CRUCIAL ROLE IN PROVIDING AN ALTERNATIVE TO THE AUTOMOBILE IN THE EMERGING MEGA-REGION.

For FY 2014-15, CCJPA will initially continue the operation of the schedule introduced in August 2012 made feasible at the Sacramento Valley Station by relocation of the passenger platforms and corresponding increased layover storage facilities. The service levels remain the same during the weekends between Sacramento and Oakland (22 trains) and are unchanged for the section of the route between Oakland Jack London Square and San Jose (14 daily trains) and between Sacramento and Auburn (two daily trains). However, an analysis is currently underway to determine if service can be optimized during FY 2014-15 that would result in reduced net operating costs. If these scheduling adjustments can support positive ridership and revenue change, and maintain or decrease costs, an adjusted

service schedule may be introduced later during FY 2014-15 that would carry forward into FY 2015-16.

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 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.

The Capitol Corridor serves 17 train 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 riders, private sector stakeholders (such as Chambers of Commerce), and public sector interests (such as local transportation agencies), along with the entities that help deliver the Capitol Corridor service – Amtrak, UPRR, Caltrans, and the various agencies and communities that are along the Capitol Corridor.

The CCJPA Board has established a CCJPA Board Ad Hoc Subcommittee to update its Vision Plan. This version of the Vision Plan will focus on a longer time horizon than prior Vision Plan

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



Updates and present a significant focus on the long-term evolution of the Capitol Corridor service. This updated version is expected in Fall 2014.

2. HISTORICAL PERFORMANCE OF THE SERVICE

On December 12, 1991, the State of California Department of Transportation (Caltrans) and 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 CCJPA, a partnership among six local transportation agencies sharing 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 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 33% 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.

The success of the August 2006 service expansion has highlighted the need to increase service frequencies to San Jose/Silicon Valley and Placer County. Expanding this hourly train service to and from San Jose and Placer County will require additional rolling stock and further track capacity improvements (see Section 4). Absent these expansions, the sole means to increase ridership is through (1) further optimizations of the service plan/train schedule and (2) securing additional rolling stock that will increase seating capacity by adding more rail cars to the existing scheduled trains.

THE BENEFITS OF THESE SERVICE EXPANSIONS, CORRESPONDING TRACK CAPACITY IMPROVEMENTS AND TRAIN EQUIPMENT ACQUISITIONS HAVE ENABLED THE CAPITOL CORRIDOR TO INCREASE MARKET SHARE AND SUSTAIN SIGNIFICANT GROWTH IN RIDERSHIP (+267%) AND REVENUES (+367%) DURING THE PAST 15 YEARS.

The benefits of these service expansions, service optimization adjustments, corresponding track capacity improvements and train equipment acquisitions have enabled the Capitol Corridor to increase market share and sustain significant growth in ridership (+267%) and revenues (+367%) during the past 15 years. These expansions have propelled and solidified Capitol Corridor's status as the third busiest route in the Amtrak national system.

In FY 2014-15, the CCJPA will analyze prospective service plan optimization options and will proceed if the revenue, ridership, and cost expenses forecasts indicate favorable benefits to service performance. This analysis, which is currently underway, involves using recent ridership and revenue reports from the eTicketing reports to focus on strengthening service that reduce costs and/or increase ridership/revenues. If these scheduling adjustments can support

positive ridership and revenue change, and maintain or decrease costs, an adjusted service schedule may be introduced later during FY 2014-15, which would carry forward into FY 2015-16. The CCJPA Board would then take action to approve this schedule change as part of its adoption of the FY 2014-15 CCJPA/Amtrak operating contract, which would be effective October 1, 2014.

Motorcoach Service and Transit Connections

To supplement train service, the Capitol Corridor provides dedicated motorcoach bus connections to San Francisco and communities along the Central Coast region south of San Jose and east of Sacramento (South Lake Tahoe, CA and Reno, NV). In addition, the CCJPA partners with 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 the San Jose-Diridon and Santa Clara/University stations; 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 Sacramento 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, Sacramento RT, Rio Vista Delta Breeze, E-Tran (Elk Grove), Yolobus, Unitrans, County Connection (Martinez), Santa Clara VTA, Fairfield and Suisun Transit, Benicia Breeze, and WestCAT. The CCJPA reimburses the transit agencies for each transfer collected as part of our operating expenses. There is also a joint ticketing arrangement with Placer Commuter Express and Roseville Transit. CCJPA also partners with Santa Cruz Metro and Monterey-Salinas Transit to share operating costs for the benefit of both agencies and their riders.

FY 2013-14 Operating Plan

The CCJPA's operating plan for FY 2013-14 is based on the August 13, 2012 timetable schedule which reduced two weekday trains. This was made possible with the completion of the

THE CCJPA'S SERVICE OPTIMIZATION PLAN OF AUGUST 2012 UTILIZED THE EIGHT (8) 480-VOLT POWER CABINETS AT THE TWO GRADE-SEPARATED PLATFORMS IN THE SACRAMENTO VALLEY STATION, WHICH RESULTED IN REDUCED FUEL CONSUMPTION OF 111,000 GALLONS IN FY 2012-13.

Sacramento Railyards Relocation Project (Phase 1) and the relocation of the two grade-separated platforms that house eight (8) 480-volt power cabinets. Cables from those cabinets are plugged into locomotives with layover period of two hours or more, allowing the locomotives to power down and eventually reduced fuel consumption by 111,000 gallons in FY 2012-13. This service plan optimized the performance of the Capitol Corridor while also addressing limited financial (operating and capital) support from the State. In order to implement this service optimization plan, the CCJPA redeployed the trainsets used in the morning, which reduced the weekday service levels from 32 trains (16 round trips) to 30 trains (15 round trips) by eliminating a low performing Oakland-to-Sacramento morning train and merging two weekday evening Sacramento-to-Oakland trains into one trip. An existing Davis to Sacramento Amtrak Thruway bus scheduled to begin its trip at Martinez replaced the service for the eliminated morning train. The bus serves the Martinez and Suisun/Fairfield stations, as well as the current Davis and Sacramento stations and provides a connection to San Joaquin train #702 to Bakersfield. This rationalization offsets increases in diesel fuel prices, while ensuring the continued operation of high-performing trains.

- Sacramento – Oakland: 30 weekday trains (22 weekend day trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville – Auburn: two daily trains

FY 2014-15 and FY 2015-16 Operating Plan

FY 2014-15. The corresponding CCJPA's operating plan for FY 2014-15 will continue the service optimization course set forth in August 2012 until a more optimized service plan designed to maximize ridership and revenue while maintaining or lowering costs is developed and adopted during the course of the current fiscal year. The anticipated timeframe for a subsequent service optimization would be in late 2014 or early 2015. Until such action is taken, the existing service plan from 2012 will continue to support the following general service plan:

- Sacramento – Oakland: 30 weekday trains (22 weekend day trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville – Auburn: two daily trains

Based on ridership, revenue, and cost data from for FY 2013-14 operations, including prior fiscal years, amongst a bevy of well performing trains, there are some trains, including crew and equipment turns, that are worth examining for re-slotting into a more productive service rotation

and schedule. Due to the nature of train operations, the entire service must be considered when optimizing the ridership, revenue, and cost balance sheet. As of this writing, the CCJPA knows there are probably some adjustments that should be made. However, it will require an in-depth assessment of crew and equipment turns, ridership, and revenue projections associated with various tested schedule options while also considering the usual fuel and railroad track access increases, to determine what, if any, schedule optimization actions would be recommended during the fiscal year. This analysis is currently underway and will include a review of the access limitations at various stations (e.g., lack of available car parking after certain hours, minimal connecting transit access, lack of secure bicycle parking facilities) that may also be hindering Capitol Corridor access. Over FY 2014-15 the CCJPA will be analyzing station access via a survey instrument that will help to define which stations and which access mode limitations may exist.

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, which will be used to continuously improve the Capitol Corridor's reliability, travel times, on-time performance, and safety/security. Since the inception of the Capitol Corridor service, nearly \$989 million from a mixture of funding sources has been invested to purchase rolling stock, build or renovate stations, upgrade track and signal systems for increased capacity, and construct train maintenance and layover/storage facilities. Most of these investments (approximately \$950 million) occurred between the inception of the Capitol Corridor service in 1991 until 2006. Since then only \$45 million has been invested in the route, which has primarily consisted of continued support for Capitalized Maintenance (\$1 million per year) for another five years via the 2014 STIP-IIP. These projects include a program of upgrades to replace track and signal components that will continue to ensure high on-time performance for the Capitol Corridor trains. An additional combination of funding sources is being used to support the demand for at-station bicycle facilities plus a recent infusion of \$7 million to help fund the Oakland-San Jose Phase Project (programmed in FY 18-19).

On the engineering design and environmental documentation front that is required before moving into the construction phase, there are two ongoing efforts related to CCJPA service expansion. For the expansion of service between Roseville and Sacramento, \$3.53 million is being used to design and environmentally clear a third mainline track between Sacramento and Roseville which is intended to provide for an increase in Capitol Corridor service from the current two (2) daily trains to 20 daily trains. Supporting eventual service expansion between Oakland and San Jose from the current 14 to 22 daily trains (and setting the stage for service extension to Salinas) the CCJPA is in the process of using \$3.35 million to support engineering design and environmental documentation for a series of track improvements between Oakland and San Jose. Involved in the Oakland to San Jose track improvements is an evaluation of various routing options which will have service and operational impacts that are being evaluated in 2014. For both these service expansion projects, the construction phase of the projects are on a scale such that even State transportation bonds (Proposition 1A - \$15.8 million and \$47.5 million, respectively) are insufficient to fully fund the planned improvements. These projects have been in the planning process since 2006 and have only recently received funds to complete environmental review and design plans.

WHILE FEDERAL FUNDS FOR PASSENGER RAIL HAVE SLOWED TO A TRICKLE, THERE IS HOPE THAT A MULTI-YEAR PROGRAM OF STATE CAPITAL DOLLARS WILL BE BORNE FROM THE RECENT PROPOSAL FROM THE GOVERNOR'S DRAFT FY 14-15 BUDGET TO INVEST \$300 MILLION IN CAP AND TRADE AUCTION REVENUES IN THE RAIL MODERNIZATION PROGRAM.

With the recent developments under the direction of the Governor, there is hope that a multi-year program of state capital dollars will be borne from the recent proposal from the Governor to invest \$300 million in Cap and Trade auction revenues in the Rail Modernization Program with \$50 million to support the expansion of the state's IPR program and \$250 million for the development of the Initial Operating Segment (IOS) of the California High Speed Train (HST) system.

Historically, the State has been the primary funding source for capital projects through the State Transportation Improvement Program (STIP), a biennial transportation funding program, and periodic

general obligation bonds (Propositions 108, 116, 1A, and 1B). 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. Of the tentative funds the CCJPA secured, the bulk of these funds are Proposition 1A, the High Speed Rail Bond, which were originally intended to be CCJPA's portion of funding to implement projects that would support intercity passenger rail connections to the planned California High Speed Rail system. The CCJPA further intended to use these funds as matching funds to the Federal Railroad Administration (FRA) administered High Speed Intercity Passenger Rail program, a program that would provide the basis for CCJPA to achieve the capital improvements necessary to expand service between Oakland and San Jose and also to Roseville. CCJPA and its partners were successful with three grant projects from the first year of the five-year program. At the federal level, HSIPR funding was zeroed out for FY 2011-12 and beyond and it is unclear if HSIPR might continue in another form beyond its sunset date of FY 2015-16. A prior era when track infrastructure investments resulted in CCJPA's August 2006 service expansion were vital to building ridership and having passenger rail service become a viable alternative to driving. Since those projects were completed, there has been a dearth of capital funding to realize similar project benefits.

Current federal surface transportation funding programs either (1) expired on September 30, 2013 for the national intercity passenger rail program ("PRIIA" including Amtrak and state IPR capital programs) or (2) will expire for highway and transit programs ("MAP-21") on September 30, 2014. The combined termination of dedicated funding will cause Congress to either extend MAP-21 funding levels which are inadequate or take actions to address the serious deficiencies in the investment in surface transportation infrastructure and services. The latter is a bold step that will allow the nation's surface transportation system, including the intercity passenger rail network, to advance numerous initiatives and projects that meet the current and future interregional travel market of 500 miles or less, create thousands of jobs, and ensure economic prosperity of the nation's mega regions.

At this point, the only evidence of federal investment in the intercity passenger rail system (beyond the annual appropriation to Amtrak) is the annual grant obligations from the highly competitive TIGER funding program, which doles out an average of \$10-\$20 million per project. Within the Capitol Corridor, the City of Sacramento was successful in obtaining some TIGER funding for the Phase 2 rehabilitation of the Sacramento Depot building.

If a federal program was developed in conjunction with California to produce a robust, sustained capital funding program for the state's Intercity Passenger Rail program, it would reverse over a decade of insufficient capital funding support. Regardless of what transpires for capital funding sources, it has always been CCJPA's philosophy to maintain a CIP which can serve as a blueprint for the future. A list of CIP projects that have been completed or are currently underway is included in Appendix B.

Current Capital Improvements (FY 2012-13 – FY 2013-14)

Improvements during FY 2012-13 and FY 2013-14 do not include any major service frequency improvements due to the nature of available funding, but do include some very key smaller scale projects (see Table 4-1 for all projects underway or programmed).

SERVICE EXPANSION WILL ALLOW FOR ADDITIONAL CAPITOL CORRIDOR SERVICE TO EFFECTIVELY PENETRATE UNDERSERVED MARKETS WITH A FREQUENCY OF SERVICE THAT IS EXPECTED TO GROW RIDERSHIP AND REVENUE AT MINIMAL ADDITIONAL OPERATING COST.

Cost savings from prior capital projects were both permitted by the California Transportation Commission (CTC) to be reinvested into projects implemented during FY 2012-13 and FY 2013-14 period. The first funded the second phase of ongoing capitalized track maintenance, which eliminates slow orders and helps maintain high on-time performance. The second one initiated free 'Wi-Fi' access to passengers. Remaining funds will be used over FY 2014-15 to enhance the service and keep pace with the technological evolution of delivering 'Wi-Fi' on passenger trains. Not only did free 'Wi-Fi' service meet the expressed needs of existing passenger, a UC Davis study focusing on Capitol Corridor service indicates it was

responsible for a 2.7% growth in trips. ‘Wi-Fi’ also fulfills service needs as it provides the basis for wireless operational applications that can utilize the network.

The CCJPA’s only directly federally funded (ARRA) project, the Yolo Causeway West Crossover project, was installed and put into service in April 2013. This project (approximately \$4.8 million) involved installing a universal crossover in a previous section of track that had a 13.2-mile section with no connections between double tracks. The improvement was specifically aimed at ensuring that OTP remained at CCJPA’s historically high levels. While it is difficult to assess the impact of one crossover on the entire track and dispatching system, ever since it was installed, the already high CCJPA OTP percentage appears to have risen by about one percent.

Other current capital programs include safety/security projects implemented with Proposition 1B funding provided by the California Emergency Management Agency (CalEMA) and the next \$1 million phase of Capitalized Maintenance to support projects that will maintain a high level of reliability for the Capitol Corridor. Proposition 1B awards support safety and security projects, and CalEMA obligates \$1.9 million per year for the Capitol Corridor, which is used with specially identified Transit Safety and Security funds. Projects funded in this area include station security cameras, right-of-way security fences, and provision for real-time passenger messaging and communication both on and off the train. Mentioned already are the two ongoing engineering design and environmental documentation processes for the Sacramento to Roseville Third Main Track and the Oakland to San Jose Phase 2 service expansion.

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

CCJPA Sponsored Projects	Programmed/Underway	Budget	Funding Sources ¹	Description/benefits
Sacramento to Roseville Third Main Track	Underway	\$3.53	RTIP/IIP	Environmental and initial design for a third main track between Sacramento and Roseville
Wireless Network Installation	Underway	\$4.45	Prop 1B ICR	WiFi launched 11/28/11 with balance of funds being used to enhance bandwidth
Capitalized Maintenance Ph 3	Underway	\$1.00	STIP	A track maintenance upgrade and enhancement program to retain high OTP
Sacramento to Roseville Third Main Track Construction (Phase 1A)	Programmed	\$18.80	Prop 1A HST, STIP	Partial funding to implement an initial phase for eventual service expansion
Oakland to San Jose Track Improvements (Phase 2A)	Programmed	\$57.85	Prop 1A HST, STIP	Partial funding to implement the first set of projects in the second phase of eventual service expansion.
Capitalized Maintenance Ph 4	Programmed	\$5.00	STIP	An ongoing track maintenance upgrade and enhancement program to retain high OTP
Bicycle Lockers/Parking Program for Stations	Programmed	\$0.58	STIP \$25K/FY13; \$556K/FY14	Program for adding bicycle storage at stations along the route
SUB-TOTAL		\$91.21		
¹ All funding sources from the State of California unless noted				
Projects Sponsored by Others	Sponsor & Programmed/Underway	Budget	Funding Sources	Description/benefits
Fairfield-Vacaville Station	City of Fairfield/City of Vacaville Underway	\$44.00	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
Sacramento to Roseville Third Main Track	PCTPA Programmed	\$3.00	RTIP/IIP	Initial construction funding for a third main track between Sacramento and Roseville
New Rolling Stock	Caltrans Underway	\$54.00	Prop 1B ICR, HSIPR (federal funding)	Funds the addition of 10 cars and 2 locomotives for use in CCJPA operations
On-Board Passenger Information System (PIS) - Wireless Network component	Caltrans Underway	\$18.70	Prop 1B TSS	Funds the wireless network build which is a component of the OTIS planned for the future
SUB-TOTAL		\$119.70		
TOTAL		\$210.91		

Legend: TSS = CA Prop 1B Transit System Security; HST = CA Prop 1A High Speed Train; HSIPR = High Speed Intercity Passenger Rail; ICR=Prop 1B Intercity Rail

Short-Term Capital Improvements (FY 2014-15 – FY 2017-18)

The CCJPA’s most valuable short term capital investment will be to continue the investment in capitalized track maintenance. This program plays a large role ensuring that Capitol Corridor

service is the top on-time performing intercity passenger rail service in the nation. With \$1 million provided in FY 2012-13, the program was permitted to continue. In the short term, additional cost savings remaining from the Bahia Crossover project may be used to fund a series of hardware related track-maintenance projects, and ongoing 2014 STIP funding will ensure that capitalized maintenance will receive \$1 million annually for five years. Remaining funds in the Wi-Fi project will be used to make incremental technological advances to improve the bandwidth and capacity of the free on-board wireless system. The ongoing engineering design and environmental documentation for the Sacramento to Roseville and Oakland to San Jose efforts will proceed, and if feasible with the host railroad owners, some phased aspects of construction may commence in the Oakland to San Jose Phase 2 series of subprojects during this time frame.

Service Expansion

Starting in 2004, there has been a significant decrease in the amount and type of capital funding available to complete a series of track infrastructure projects needed for service expansion.

CCJPA's goals are to expand service into Placer County as well as between Oakland and San Jose. The CCJPA's strategy is to remain poised to utilize any funding

THE CAPITOL CORRIDOR'S RIDERSHIP GROWTH BENEFITS THE ENVIRONMENT BY REDUCING AIR POLLUTION AND GREENHOUSE GAS EMISSIONS. IN FY 2012-13 THIS WAS ROUGHLY A NET REDUCTION OF 7,861 TONS OF REDUCED CO₂; EQUIVALENT TO THE PLANTING OF MORE THAN 39,000 TREES.

at the state or federal levels should any bond sales, funding, or new programs be announced which could support these service expansions. During FY 2010-11, the CCJPA, working with Caltrans, made programming commitments approved by the CTC for the dedicated \$47.5 million in Proposition 1A funding toward track capacity/service expansion projects between Oakland and San Jose. \$15.8 million (a one-third share of the \$47.5 million split between the three State IPR services) was programmed in "competitive" Proposition 1A funding toward service expansion in the Sacramento to Roseville territory. State programming capacity only made the \$47.5 million available in the coming years; however, even with that capacity, the overall Oakland to San Jose Phase 2 project is significantly underfunded and funding a partial completion of the project yields no service expansion benefits – all elements need to be completed to

realize enough track capacity to expand Capitol Corridor service. These improvements, once built, will not only be a direct boost to Capitol Corridor service, but they will also serve the larger state and federal goals of connecting a feeder and distributor, like the Capitol Corridor, to the planned California High Speed Rail network.

Additional New Cars and Locomotives

Caltrans, owner of the rolling stock, awarded a contract to a builder of new bi-level passenger rail cars in late 2012. The funding is comprised of the federal HSIPR program (\$168 million) and \$42 million in Prop 1B funds to acquire additional rolling stock. This added rolling stock, in about two to three years' time, will directly benefit CCJPA as 10 new passenger cars and two new locomotives will be assigned to the Capitol Corridor. In January 2014, the state of Illinois, as lead agency for the Midwest states, California, Oregon, and Washington, recently announced the award of a federally-funded locomotive procurement for the cleanest diesel-electric locomotives in the world, meeting EPA Tier IV emissions requirements. Four of the locomotives from this procurement will be destined for the Northern California IPR fleet for the San Joaquin and Capitol Corridor services. They are tentatively scheduled to arrive by late 2016.

Positive Train Control

Another crucial short-term capital project is implementation of Positive Train Control (PTC). Federal law requires that a PTC system be in place by 2015. Caltrans Division of Rail (as owner of the rail cars and locomotives) is now actively installing on-board PTC equipment on the cab control cars and locomotives. The UPRR and Caltrain (as railroad owners) have begun to install wayside PTC equipment along their respective railroad tracks.

Long-Term Capital Improvements (FY 2018-19 – FY 2022-23)

The long-term projects (shown in Table 4-2) achieve service expansion goals, 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. Within this time horizon, with service planned for 2018, are the two service expansion construction projects (Oakland to San Jose Phase 2 and Sacramento to Roseville) which would also support connectivity with the overall Northern California Blended High Speed Rail program. There are also plans being discussed with the Transportation Authority for Monterey County (TAMC) to extend two trains to Salinas once service to San Jose reaches 22 weekday trains. TAMC and CCJPA are actively working on a capital, funding, and governance program that can be taken to the respective Boards for approval.

Efforts of CCJPA, its peer passenger rail agencies, transit advocacy experts, and legislators, have been aimed at developing state and federal programs to support Intercity Passenger Rail. While close, especially with the state’s Cap and Trade program, there is no long term capital funding source on the books yet that can resolve the long-held uncertainty of capital funding at State and federal levels. If and when such programs are developed, the CCJPA will be diligent to ensure that capital programs are implemented in a timely and effective manner. If such capital programs can truly be sustained over decades, the CCJPA’s Vision Plan Update being completed in the Fall of 2014 can be developed with a capital expenditure program in mind rather than taking a ‘wish-list’ approach to capital investment.

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 eliminating grade crossings or constructing 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.

**Table 4-2
Service Maintenance and Expansion Projects (\$ million)
Capitol Corridor**

SERVICE MAINTENANCE & EXPANSION PROJECTS (complete within 2-10 Years)				
CCJPA Sponsored Projects	Budget	Potential Funding Sources	Description/benefits	Status
Donner Pass Improvements for Placer County Service Expansion	\$51.00	UPRR, state funding sources	Capacity upgrades permitting one additional round trip to Auburn; resulting revenue and ridership increase	Public/private partnership project awaiting financing plan
Oakland to San Jose Track Improvement Program Phase 2	\$313.60	State (Prop 1B, 1A), federal (HSIPR), and various federal, state, and local funds (matched already with \$47.5M in Prop 1A shown in table 4-1 and other potential matching funds based on project partnerships)	Program of track improvements (primarily adding second main tracks or connecting sidings) benefiting addition of service capacity between Oakland and San Jose which includes a new Union City Station (Union City station project to be managed by Union City)	Full project funding gap is extensive and will require a significant source of local, State, or federal funding to be realized. Also part of the Blended HST program.
Roseville-Sacramento 3rd Main Track	\$250.00	Various federal, state (STIP (IIP/RIP)) with \$3M in STIP-RIP and \$15.8M in Prop 1A (see table 4-1)	Program of track improvements in Placer County to allow increased service capacity	Full project funding gap is extensive and will require a significant source of local, State, or federal funding to be realized
SUB-TOTAL	\$614.60			
Projects Sponsored by Others	Budget	Potential Funding Sources	Description/benefits	Status
Hercules Station	\$50.00	Various federal, state, and Local sources	New station at Hercules	Full station funding plan required for CCJPA Board adoption
Salinas Service Extension	\$141.00	Various local, state and federal sources	Extension of Capitol Corridor service to Salinas with an initial 2 round trips	Not yet approved by the CCJPA Board but being planned and coordinated with CCJPA and TAMC
Union City Station and Track Improvements	\$221.00	Various federal, state, and local sources	New station at Union City with BART station and also track infrastructure/grade separation project	Significant funding hurdles in place for project; with HSIPR program diminished, CCJPA does not have much access to capital funding as a partner
SUB-TOTAL	\$412.00			
ALL PROJECTS COST TOTAL	\$1,026.60			

Capitol Corridor’s service expansion plans (up to four trains between Sacramento and Auburn, up to 20 trains Sacramento to Roseville, 30 trains between Sacramento and San Jose, and up to four trains between San Jose and Salinas) are all based around a series of capital investments which build from the existing service and its operating characteristics in place today. A future generation of capital investments that could support much higher track speeds, greater frequency in core markets, and perhaps involve a different type of rolling stock would be needed to take Capitol Corridor service to the next level and is being described in the Capitol Corridor’s 2014 Vision Plan Update underway now and expected in the Fall of 2014.

Those investments involve dedicated passenger rail tracks between Sacramento and the Bay Area and inclusion of a replacement higher elevation railroad bridge across the Carquinez Strait, and a new alignment from Martinez to Richmond that connects with a higher approach from a replaced railroad bridge and routing that avoids the exposure to anticipated higher rising tides on the current route. These costly capital solutions would likely be required when and if a vastly enhanced Capitol Corridor route between Sacramento and the Bay Area is deemed a necessary public investment.

The CIP is consistent with the Regional Transportation Plans (RTPs) adopted by MTC, SACOG, PCTPA, Caltrans' 10-Year Statewide Rail Plan and the FRA's National Rail Plan. 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.

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, safe, and cost-effective train service designed to sustain growth in ridership and revenue. During the past 15 years,

ridership has trended upward by providing a viable, transport alternative to the parallel congested I-80/I-680/I-880 highway corridors that is competitive in terms of travel time, reliability, and price.

CAPITOL CORRIDOR ENDED THE FISCAL YEAR AT 95% FOR ON-TIME PERFORMANCE (OTP) THROUGH COMMITMENT OF UNION PACIFIC RAILROAD AND CALTRAIN TO KEEPING THE TRACKS IN A STATE OF GOOD REPAIR AND A DISPATCHING PROTOCOL TO KEEP THE CAPITOL CORRIDOR TRAINS OPERATING RELIABLY.

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 profiles of the Capitol Corridor rider from on-board surveys and the slightly more than 1.7 million riders in FY 2012-13 (see Table 5-1), the Capitol Corridor generated nearly 112 million passenger miles, which corresponds to over 84 million vehicle miles traveled (VMTs) removed from Northern

California highways. The net reduction of carbon dioxide provided by Capitol Corridor train service is roughly 7,861 tons for FY 2012-13, the equivalent of planting more than 39,000 trees. In addition, the State-owned fleet of locomotives is undergoing a retrofit program to exceed 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 2012-13 and FY 2013-14 through December 2013, 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 2017-18.

Performance Standard	FY 12-13			FY 13-14			FY 14-15	FY 15-16
	Actual	Standard	% Change	Actual	Standard	% Change	Standard	Standard
Route Ridership (a)	1,701,185	1,789,450	-4.9%	688,394 (through 3/14)	730,192 (through 3/14)	-5.7%	1,408,700	1,443,900
System Operating Ratio (train and feeder bus)	49%	52%	-3.0%	51% (through 3/14)	53% (through 3/14)	-2.9%	47%	47%
On-Time Performance	95%	90%	+5.0%	95.5% (through 3/14)	90% (through 3/14)	+6.1%	90%	90%

Note:

- (a) Starting in FY 2014 Amtrak adjusted ridership reports to account for the actual tickets lifted via the scanning of tickets by the conductors, which results in ridership forecasts and reports that are 15%-20% below previous forecasts and reports. Previously, multiride tickets were not directly logged into the system but the passenger counts for multiride tickets were estimated based on assumed inflated usage

FY 2012-13 Performance Standards and Results

The service plan for FY 2012-13 maintained the service that was initiated August 13, 2012 with a service plan of 30 weekday trains (22 weekend day). This service plan was initiated at the time

to save approximately \$1 million in operating costs. Analysis over the fiscal year of ridership and revenue, and cost trends have demonstrated that solutions to improve ridership, revenue, and to reduce costs may be required to revive relatively flat ridership and revenue against gradually increasing costs. CCJPA is operating the maximum level of service attainable between San Jose and Sacramento/Auburn 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 and Caltrain.

For FY 2012-13, revenues and ridership were slightly down for the Capitol Corridor even while retaining the number one spot for on-time performance (reliability) in the Amtrak system. The primary reasons for the high level of OTP is an effective capitalized maintenance program (resulting in a solid state of good repair) and UPRR's commitment to disciplined dispatching to keep the Capitol Corridor and freight trains operating reliably.

For the busiest trains, a recovering regional economy plus high service reliability helped to sustain ridership and increase the attractiveness of the Capitol Corridor as a viable, safe, frequent, customer-focused public transport service linking the three metropolitan regions in Northern California. Declines in ridership were experienced in the weekend and mid-day weekday trains and the trains serving Placer County with noticeable drops at the Sacramento and Davis stations of 6% and 5%, respectively.

In FY 2012-13:

- Ridership was 1,701,185 million, a decrease of 2.6% over the prior FY 2011-12.
- Revenue was at \$29,186,617 million, a 1.1% decrease over FY 2011-12.
- System operating ratio (a.k.a. farebox return) was 49%, just below the 50% ratio in FY 2011-12.
- OTP was an impressive 95%, keeping the Capitol Corridor as the most reliable IPR service in Amtrak's national system.

FY 2013-14 Performance Standards and Results to Date

The CCJPA, in cooperation with Amtrak and Caltrans, developed the FY 2013-14 standards based on ridership, revenue, and operating expenses identified in the current FY 2013-14 CCJPA/Amtrak operating contract. These standards are presented in Table 5-1.

Ridership. Year-to-date (through March 2014) ridership is 0.8% below last year and 5.7% below business plan projections due to a variety of factors, including lower weekend travel, weekday ridership declines on mid-day trains, and declines in Placer County travel.

Revenue. Year-to-date (through March 2014) revenue is 3.0% below last year and 6.3% below business plan projections.

System Operating Ratio. Year-to-date (through March 2014) system operating ratio (total revenues divided by fixed and variable operating costs, a.k.a. farebox return) is 51%, below the FY 2013-14 standard of 53%.

On-Time Performance (OTP). Year-to-date (through March 2014) OTP is 95.5%, which is above the 90% standard and maintains the Capitol Corridor service as the most reliable train route in the Amtrak system.

FY 2015-16 and FY 2016-17 Performance Standards

Table 5-1 provides the preliminary performance standards for FY 2015-16 and FY 2016-17. Appendix C shows the measures used to develop the performance standards. The FY 2015-16 and FY 2016-17 and future operating costs have been developed to conform with PRIIA Section 209 pricing policy, which stipulates that all state-financed, Amtrak-operated intercity passenger rail (IPR) routes under 750 miles shall be priced by Amtrak in a fair and equitable manner.

FY 2014-15 Action Plan

For FY 2014-15, recently modified rolling stock (completed in April 2014) will permit the assignment of rolling stock to the Capitol Corridor service with increased on-train bicycle storage (through the use of retrofitted 8300 and existing 8200 series cars). Also, the first of the at-station secure bicycle facilities will be installed with potential completion by the end of the fiscal year.

BASED ON TRENDS FROM FY 2012-13, DURING FY 2013-14 THE CCJPA WILL BE EXAMINING SCHEDULE OPTIMIZATION OPTIONS ALONG WITH FOCUSED MARKETING AND SPECIFIC STATION ANALYSIS TO REVERSE THE SLIGHT DECLINES IN RIDERSHIP AND REVENUE FOR SOME TRAINS AND STATIONS.

The first cars to be modified with on-board information systems (OBIS) are expected to appear later in the fiscal year (retrofit will continue into next fiscal year). Marginal enhancements to the Wi-Fi system will also proceed to maintain technological freshness and slightly improved performance. In terms of performance and customer satisfaction the CCJPA will continue to strive for even higher levels of service performance through these added or improved amenities. The following actions attempt to meet or exceed the established performance standards and provide exceptional service to the public traveling on the congested I-80/I-680/I-880 transportation corridor.

1Q FY 2014-15

- Update CIP and funding sources based on programming capacity in the State FY 2014-15 budget
- Advance further into the environmental documentation process for the Roseville Third Main Track initial design and environmental documentation process
- Continue to facilitate the Northern California HST Blended Rail service program in future capital and service planning efforts
- Implement a task order for installation with Amtrak's selected vendor for train on-board information systems (OBIS)
- Develop Amtrak operating contract for FY 2015-16 that implements PRIIA Section 209 pricing policy
- Install and implement secure bicycle storage and folding bicycle lease program at select Capitol Corridor stations
- Implement a program of quarterly performance surveys designed to give a more accurate picture of service performance than existing methods
- Obtain direct data links with Amtrak ticketing, including eTicketing data, delay reporting, and food service databases and enhance performance tracking and improve service delivery
- Seek marketing and promotional partnerships (such as the Oakland A's) 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
- Continue the environmental documentation and design efforts for the Oakland to San Jose Phase 2 project

2Q FY 2014-15

- Evaluate measures to improve train and motorcoach bus performance, including modifications to the service
- Seek Prop 1B Transit Safety/Security funds to support the FY 2014-15 security improvements, including, but not limited to cameras on trains and trackside safety fences; OBIS for the fleet; and support Positive Train Control (PTC) implementation in coordination with UPRR
- Install and implement secure bicycle storage and folding bicycle lease program at select Capitol Corridor stations
- Conduct ongoing quarterly onboard surveys to assess rider profile and solicit feedback on Amtrak's performance
- Continue the environmental documentation process for the Sacramento to Roseville Third Main track
- Continue, with Caltrans Division of Rail staff, the task order for installation of OBIS for the Northern California Fleet
- Further develop a performance tracking system through direct data links to Amtrak's ticketing, including eTicketing data, delay reporting, and food service databases
- Continue the environmental documentation and design efforts for the Oakland to San Jose Phase 2 project

3Q FY 2014-15

- Continue implementation of the first phase of at-station bicycle improvements with the respective vendors
- 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 2015-16 and 2016-17
- Install and implement secure bicycle storage and folding bicycle lease program at select Capitol Corridor stations
- Initiate installation of OBIS on the Northern California Fleet
- Continue the environmental documentation and design efforts for the Oakland to San Jose Phase 2 project

4Q FY 2014-15

- Complete implementation of the first phase of at-station bicycle improvements with the respective vendors
- Monitor installation of OBIS on the Northern California Fleet
- Conduct onboard surveys to assess rider profile and solicit feedback on Amtrak's performance
- Develop FY 2015-16 marketing program, including market research
- Continue the environmental documentation and design efforts for the Oakland to San Jose Phase 2 project

FY 2015-16 Action Plan

This action plan for FY 2015-16 is preliminary and will be revised during the second half of FY 2014-15. The CCJPA intends to focus on:

- Working with the UPRR and Amtrak to continue ridership and revenue growth by improving reliability, adjusting the service plan, and/or implementing projects that add capacity and reduce travel times
- Monitoring development and manufacturing of additional rolling stock, safety and security upgrades and track and signal projects to meet service expansion plans
- Developing marketing programs that retain riders through expanded amenities, loyalty campaigns and offers; and increase ridership through market research
- Updating performance standards as necessary
- Working with Amtrak to secure additional cost efficiencies to be reinvested in service enhancements
- Work with local jurisdictions to implement phase two of at-station bicycle facilities
- Complete the environmental documentation process for the Sacramento to Roseville Third Main Track project

6. ESTABLISHMENT OF FARES

The CCJPA develops fares in conjunction with Amtrak to ensure the Capitol Corridor service is

IN JANUARY 2014 ALL MULTI-RIDE [MONTHLY, 10-RIDE] TICKETS WERE MOVED TO AN eTICKETING PLATFORM ALLOWING ALL PASSENGERS ACCESS TO THE CONVENIENCE OF MOBILE TICKETING.

attractive and competitive with the automobile and other transit options. 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 options 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 not required for any of the trains. eTicketing was introduced in FY 2011-12 for one-way/round trip ticket purchases and in January 2014 all multi-ride tickets were moved to an eTicketing platform. There was a small group ticketing process initiated in FY 2013-14 to offset revisions required in shifting the current 10-ride ticket to an eTicketing platform but interface options with the Amtrak ticketing system were not optimal for its rollout so a new small group ticketing program will be developed in FY 2014-15.

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 at least 50%.

FY 2014-15 Fares

During the past 14 years, the CCJPA has incrementally increased fares based on service improvements such as added trains, reduced travel times and served 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 does not currently plan to have any fare increases in FY 2014-15. If, however, there are unforeseen cost increases, such as spikes in fuel prices, the CCJPA and Amtrak will be required to revisit holding off fare increases for FY 2014-15. If this is required, the CCJPA and Amtrak will consider factors such as ridership results, revenue levels, variable operating expenses (such as fuel), and overall economic conditions along communities in the corridor.

As part of its Marketing Program (Section 8), the CCJPA will develop initiatives designed to increase customer satisfaction and ridership.

Opportunities include:

- Developing a permanent discount ticket for smaller groups
- Enhancing customer loyalty and referral programs to attract new riders
- Promoting the use of the folding bicycle lease program and electronically accessed secure bicycle facilities with Capitol Corridor as they are installed at stations
- Highlighting on-board amenities such as 'Wi-Fi' and the Café Car to emphasize convenience
- Increasing utilization of Amtrak's various eTicketing initiatives will enable real-time validation and improve customer convenience. Having real-time information on ridership and revenue data will also lead to better operating cost efficiencies

THE FREE 'WI-FI' SERVICE HAS SUPPORTED A 2.7% INCREASE IN TRIPS BASED ON UC DAVIS RESEARCHERS. THE INTERNET CONNECTION IS ALSO THE COMMUNICATIONS BACKBONE FOR PENDING OPERATIONAL APPLICATIONS SUCH AS ON-BOARD INFORMATION SYSTEMS.

Together, these fare and ticketing programs for FY 2014-15 will enhance customer convenience and increase revenue yield as part of the expanding eTicketing program.

FY 2015-16 Fares

The projected fare structure for FY 2015-16 will be dependent upon the viability of potentially successful service optimization efforts from FY 2014-15. If operating expenses are stabilized or reduced, very modest or no fare increases could be expected for FY 2015-16. The CCJPA will work with Amtrak to determine if the fare structure will need to be adjusted and make any necessary modifications with Amtrak. Opportunities include:

- Continuing and expanding of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach bus routes to parallel local transit services

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 CCJPA works 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 that 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. The OBIS system will include support for inductive hearing devices and compliant video and audio messaging.

Information Displays. Each California Car is equipped with passenger information displays that provide the train number and destination, plus any required public information. Starting in FY 2014-15, these displays will gradually be upgraded through the implementation of the OBIS system that will involve modern video and audio messaging and announcements.

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

Telecommunications/"Wi-Fi". All cars in the fleet have 'Wi-Fi' service which runs off of the "brain" car, or Café/diner car. This service is free to the customer and permits basic email and web-browsing. Amtrak's Wi-Fi Connect prohibits streaming services which would use up excessive amounts of bandwidth for a limited number of users. Free 'Wi-Fi' service launched November 28, 2011 and was upgraded in March 2013. Power plug access at each seat has been available for years and can power and charge passengers' various electronic devices. The 'Wi-Fi' system is also a basis for operational applications, such as OBIS, which will be added over time as resources and budget allow.

**RECENTLY COMPLETED
CAB CAR
MODIFICATIONS TO
CARRY MORE BICYCLES
ALONG WITH
UTILIZATION OF OTHER
DEDICATED BICYCLE
CARS HAS GONE A
LONG WAY TO
ADDRESSING THE
GROWING USE OF A
BICYCLE WITH TRAIN
TRAVEL.**

Bicycle Access. All Northern California Coach Cars have bicycle storage units that hold three bicycles on the lower level of the car. In addition, the 14 first generation California Cab Cars (8300-series) were retrofitted in FY 2013-14 to hold 13 bicycles as opposed to 7 bicycles. The five Surfliner Cab Cars (6000-series) have storage space for up to 13 bicycles in the lower level baggage area.

Bicycle storage demand on the Capitol Corridor trains has outstripped the capacity to safely meet demand. In FY 2012-13, the CCJPA adopted the Bicycle Access Plan which presents key actions to improve and increase on-train and secure station bicycle capacity

Food and Beverage Services. CCJPA is reaping the benefits of food service improvements implemented in prior fiscal years in customer satisfaction and increased sales of menu items. Modern point-of sale registers have been

installed and are working well. As a future phase of OBIS, CCJPA and Amtrak will evaluate the viability of providing food service promotions and advertisements via on-board flat screen monitors.

The continuing efforts by the CCJPA and Caltrans ensure the food and beverage service on the Capitol Corridor and San Joaquin Corridor trains exceeds customer expectations while contributing effectively to the services' revenues.

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 Northern California Fleet supports both the Capitol Corridor and San Joaquin services. The fleet is a mix of California-owned equipment and leased Amtrak equipment as demonstrated in Table 7-1. New fleet acquisitions under development will dramatically increase service capacity. During FY 2012-13, Caltrans secured funding earmarked for 40 new coaches and six cleaner-burning locomotives for the Northern California fleet.

**Table 7-1
Northern California Equipment Fleet
Capitol Corridor and San Joaquin**

California owned rail equipment	NOTES
• 15 P59 locomotives	assigned to San Joaquin and Capitol Corridor service
• 2 DASH-8 locomotives	assigned to San Joaquin and Capitol Corridor service
• 84 bilevel California Coach and Café Cars	assigned to San Joaquin and Capitol Corridor service
• 14 single level Comet Cars	assigned to San Joaquin service
Amtrak Supplemental Equipment	NOTES
• 3 P42 locomotives	assigned to San Joaquin and Capitol Corridor service
• 3 bilevel Superliner coach cars	assigned to San Joaquin service
• 3 single level Café Cars	assigned to San Joaquin service
• 3 NCPU single level baggage cars	assigned to San Joaquin service

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.

Current/Upcoming Work (FY 2014-15 and Beyond)

- The original fleet of locomotives owned by the State are going through an extensive multi-year State-funded renovation program that includes new low emissions auxiliary power motors and efficient microprocessor controls. The main propulsion engines are being rebuilt, exceeding current EPA TIER II, emissions standards thus maintaining our status as one of the cleanest fleets in the nation.
- Starting in 2014 the HVAC units, ducting and control systems will be renewed, providing better air quality and climate control using new environmentally-friendly technology and refrigerants.

CCJPA’S MARKETING BUDGET HAS BEEN STATIC SINCE THE TRANSFER OF THE CAPITOL CORRIDOR SERVICE OVER FIFTEEN YEARS AGO AND THE PROGRAM HAS BEEN ADAPTED TO TRY TO LEVERAGE IN-KIND PARTNERSHIPS AND LOW COST SOCIAL MEDIA OPPORTUNITIES.

- As part of our safety and security program, all cabcars and locomotives are now equipped with a “forward facing” digital security camera system. This provides the CCJPA with a valuable tool to protect equipment from vandalism and assist with post-incident investigation.
- The State has completed a \$20 million purchase and rehabilitation of 14 Comet 1B Coaches, three Horizon Diners and three NPCU cabcars. This equipment is used to make two (2) Comet Car trainsets assigned to the San Joaquin. Both the San Joaquin and Capitol Corridor will benefit by way of greater availability of the surplus California bi-level cars for our anticipated ridership needs, as a stop-gap measure until the new rolling stock is delivered in FY 2016.
- All cars will get new vestibule flooring as they go through conversion and HVAC programs.

8. MARKETING STRATEGIES

The CCJPA employs a strategy of combining targeted advertising campaigns, strategic cross-promotions and media outreach efforts to build awareness of the Capitol Corridor service. A primary objective is promoting the service in key markets and attracting riders to trains with available capacity. Staff will also focus on encouraging trial by advertising, increasing brand visibility in the digital media space, and retaining existing riders. Marketing dollars and impact are maximized through joint promotions and advertising with key partners along our service route, as well as some reciprocal marketing programs with the State, Amtrak, CCJPA member agencies, and other selected partners.

Advertising Campaigns and Brand Awareness. Advertising campaigns inform leisure and business travel audiences about the advantages of train travel, including service attributes,

promotions/pricing, and destinations. Recent advertising efforts include social media advertising, radio spots, local television, and online paid search. This mix is continually adjusted to ensure consistent visibility in the target markets. For FY 2014-15, CCJPA will continue to use Capitol Corridor's "Next Stop" advertising campaign which highlights train amenities and destinations. The campaign emphasizes the Capitol Corridor brand, in accordance with the CCJPA Board's edict to create a distinct, regional brand for Capitol Corridor and strengthen brand awareness throughout the service area.

The CCJPA will also continue successful programs that target specific markets designed to build ridership during off-peak hours such as midday, mid-week and weekend travel. Destination-focused promotions highlight riding the train to events such as Oakland A's games, which create awareness of the train as a way to reach other leisure destinations throughout Northern California. Additionally, the CCJPA continues to refine customer retention efforts through Rider Appreciation programs and enhancing passenger-focused communication channels.

Online Presence and Customer Engagement. The CCJPA places great importance on passenger communications and delivering service information to them through multiple channels. Efforts include:

- 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 such as Facebook and Twitter, and listings in informational portals/directories.
- Coordinating communications between the Customer Contact center, Marketing and Operations staff to ensure customers receive clear and up-to-date information about the Capitol Corridor service and promotions.
- Integration of our passenger service advisory system, including SMS text and e-mail service alerts, with the Capitol Corridor website and social media channels.

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 through leveraging partnerships with well-known organizations that share similar target audiences to increase the visibility of the Capitol Corridor brand. This work is increasingly important as advertising channels multiply despite persistent annual flat marketing budgets.

Joint Marketing and Outreach. The CCJPA achieves cost efficiencies by working with local community partners such as CCJPA member agencies and local destinations to develop creative promotions that promote both destination and rail travel. CCJPA also partners with Amtrak and Caltrans on select promotions and events to better leverage shared marketing dollars.

Customer Relations. The CCJPA views communication with passengers as the cornerstone of our customer-focused service delivery. We encourage passengers to provide input on our service performance through comment cards on the trains, phone calls, letters, and email. We use this feedback to identify and prioritize service modifications, capital improvements, and desired amenities in the service. Use of an online customer comment tracking portal has allowed the CCJPA to do a better job of communicating with the public, as well as coordinating internally to ensure that passengers receive an appropriate and timely response to their request or issue.

Public Relations. In FY 2014-15, the CCJPA's public information efforts will use traditional and social media to continue to build awareness about its Bicycle Access Plan, promotions, rail safety and CCJPA's customer service upgrades. We intend to enhance our current communications strategies to consistently alert passengers of service issues.

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
- Leveraging CCJPA riders who use and benefit from the service as advocates in their communities
- 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
- 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 regional rail safety campaigns through education, engineering and enforcement

FY 2014-2015 Marketing Program

The CCJPA's FY 2014-2015 Marketing Program will focus on continuing to drive ridership to trains with available capacity by emphasizing the convenience of modern train travel and targeting service periods with the highest growth potential.

The CCJPA will continue its own independent campaigns and develop Capitol Corridor as a distinct regional service brand. CCJPA will also coordinate with local partners, Amtrak, and Caltrans on the most beneficial promotions, outreach, and shared marketing collateral. Marketing initiatives will also aim to enhance customer communications and engagement with passengers. Key elements will include:

- Joint media promotions with well-known organizations and continued coordination with Amtrak on selected promotions intended to maximize media dollars and expand market reach.
- Expansion of social media marketing through networks such as Facebook and Twitter.
- Development of mobile-friendly website to improve communication to customers.
- Targeted marketing to school groups, senior citizens, special interest groups, and select demographic and niche markets.

FY 2015-2016 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. Longer-term plans include additional customer outreach and reinvigorated retention efforts via a more sophisticated Customer Relationship Management (CRM) program and development of mobile applications to enhance customer communications. Marketing and communication efforts will emphasize CCJPA's commitment to high quality, customer-focused passenger rail service and continue to 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 2014-15 and FY 2015-16.

FY 2014-15 and FY 2015-16 Operating Costs

Based on the Operating Plan and Strategies (Section 3), the CCJPA has developed a draft estimate for FY 2014-15 and FY 2015-16 operating expenses. The operating costs conform with Section 209 of the Passenger Rail Improvement and Investment Act of 2008 (PRIIA). This policy was implemented in FY 2013-14. It was developed with input from all states that have such IPR services under 750 miles and results in a fair, transparent, and equitable allocation of operating costs.

THE OPERATING COSTS FOR FY 2014-15 ARE BASED ON THE IMPLEMENTATION OF A NEW PRICING POLICY FOR AMTRAK-OPERATED, STATE-FINANCED INTERCITY PASSENGER RAIL ROUTES UNDER 750 MILES PURSUANT TO SECTION 209 OF THE PASSENGER RAIL IMPROVEMENT AND INVESTMENT ACT OF 2008 (PRIIA) WHICH RESULTS IN A FAIR, TRANSPARENT, AND EQUITABLE ALLOCATION OF OPERATING COSTS.

Projected operating 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. Based on forecasts from Amtrak, the cost for the FY 2014-15 operating contract is expected to increase \$2.933 million (or 9.9%) due to: reduced ridership [-5.5%] and revenues [-8.8%]; increased insurance costs; and new equipment capital charges for use of Amtrak locomotives. The CCJPA's budget request for the FY 2015-16 operations plan is expected to increase only by \$850,000 compared to the FY 2014-15 request.

FY 2014-15 and FY 2015-16 Marketing Expenses

The CCJPA's marketing budget for FY 2014-15 and FY 2015-16 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 2014-15 and FY 2015-16 Administrative Expenses

Table 9-1 identifies the estimate for the FY 2014-15 and FY 2015-16 budgets that support the administrative activities of the CCJPA for the Capitol Corridor service. For FY 2014-15, the CCJPA is requesting \$350,000 in additional funds to support administrative duties and functions that have been assumed by the CCJPA in order to (1) ensure Amtrak's pricing and the CCJPA operating contracts conform with the PRIIA Section 209 Policy and (2) provide staff resources to support the service planning and capital programming for an integrated California passenger rail network as part of the state's Rail Modernization program. The administrative budget for FY 2015-16 is the same as the request for FY 2014-15.

FY 2014-15 and FY 2015-16 Total Budget

Compared to the current period (FY 2013-14), the FY 2014-15 and FY 2015-16 total budgets for operating, marketing, and administrative costs of the CCJPA are expected to increase by 9.7% in FY 2014-15 and by 12.3% in FY 2015-16. The operating budgets for FY 2014-15 and FY 2015-16 should be considered draft and placeholders because as referenced in Section 3 ("Operating Plan and Strategies"), the CCJPA is currently analyzing various service optimization options to determine if schedule changes will result in revenue and ridership increases and/or cost reductions. If feasible, the CCJPA Board will then take action to modify the operating budget and implement such schedule changes as part of its adoption of the FY 2014-15 CCJPA/Amtrak operating contract, which would be effective October 1, 2014.

The Capitol Corridor service will remain a part of the state's IPR system and pursuant to the ITA the service will continue to receive annual funding appropriations from the state. To that end, 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).

Table 9-1
CCJPA FY 2014-15 - FY 2015-16 Funding Requirement
Capitol Corridor Service

Service Level	Current	PROPOSED	
	FY 2013-14 Budget	FY 2014-15 Budget	FY 2015-16 Budget
Sacramento-Oakland			
Weekday	30	30	30
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)	1,490,040	1,408,700	1,443,900
Total Train Operating Expenses	\$ 56,165,000	\$ 57,363,000	\$ 57,613,000
Total Bus Expenses	\$ 4,398,000	\$ 4,437,000	\$ 4,526,000
TOTAL Expenses (a)	\$ 60,563,000	\$ 60,475,952	\$ 62,139,000
Train Revenue	\$ 29,358,000	\$ 26,778,000	\$ 27,581,000
Bus Revenue	\$ 1,874,000	\$ 1,709,000	\$ 1,761,000
TOTAL Revenue (a)	\$ 31,232,000	\$ 28,487,000	\$ 29,342,000
CCJPA Funding Requirement			
CCJPA Operating Costs	\$ 29,331,000	\$ 31,988,952	\$ 32,797,000
Insurance for State-Owned Equipment (b)	\$ 350,000	\$ 350,000	\$ 350,000
Subtotal-CCJPA Operating Expenses	\$ 29,681,000	\$ 32,338,952	\$ 33,147,000
Amtrak Equipment Capital Charges (c)	\$ -	\$ 275,350	\$ 331,000
TOTAL Operating Contract	\$ 29,681,000	\$ 32,614,302	\$ 33,478,000
Marketing (d)	\$ 1,174,000	\$ 1,174,000	\$ 1,174,000
Administrative Expenses (e)	\$ 2,951,000	\$ 3,301,000	\$ 3,301,000
TOTAL CCJPA Funding Request	\$ 33,806,000	\$ 37,089,302	\$ 37,953,000
Difference from FY13-14 Budget		\$ 3,283,302	\$ 4,147,000
Percent Change from FY12-13 Budget		9.7%	12.3%
SUPPLEMENTAL ALLOCATIONS			
Minor Capital Projects (f)	\$ 500,000	\$ 500,000	\$ 500,000

(a) Ridership, revenue, and operating costs forecasts provided by Amtrak on March 31, 2014.

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

(c) Pursuant to PRIIA Section 209 Policy, capital charges will be assigned to state IPR routes that use Amtrak-owned equipment. For FY 15 and FY 16, the CCJPA will be assessed such equipment capital charges (primarily life-cycle preventative maintenance) for its share of the 3 Amtrak locomotives assigned to the Capitol Corridor and San Joaquin fleet.

(d) Due to State budget constraints, the FY 2014-15 and FY 2015-16 marketing expenses will be capped at the same levels as the ten 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.

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

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 first renewed in February 2005 for a five-year term through February 2010, and was presented to the CCJPA Board in February 2010 for an additional five-year term, 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 performs audits and reviews of CCJPA's Capitol Corridor service-related financial statements. 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 2012-13 and FY 2013-14 to support the Capitol Corridor service are solely expended to operate, administer, and market the service.

11. CONSIDERATION OF OTHER SERVICE EXPANSIONS AND ENHANCEMENTS

This section presents service expansion and enhancement opportunities beyond the CCJPA's FY 2014-15 and FY 2015-16 service plans and funding requirements. Planning for potential new services will require securing capital improvements, additional operating funds, and institutional agreements. These will be captured in the anticipated late fall 2014 Vision Plan Update.

State Rail Plan and Northern California HST Blended Service

The State Rail Plan was developed at this time to become compliant with the FRA, which has actively engaged the states to grow the federal involvement and funding in passenger (intercity and high-speed) rail since the establishment of the PRIIA legislation in 2008. The FRA awarded Caltrans Rail Division funding to develop and release a coordinated State Rail Plan that will be done to conform to meeting Federal planning requirements. The plan incorporates not only the IPR services, but also the planning efforts for the California High Speed Rail system. Capitol Corridor's direct links with the High Speed Rail system will be in San Jose, and, when eventually built as planned, Sacramento; whereas the existing Capitol Corridor route as a whole is an important feeder/distributor to the High Speed Rail system. During much of FY 2012-13 and FY 2013-14 the CCJPA participated with a host of statewide rail partners in planning for a blended and coordinated California passenger rail system. These meetings and the analysis discussed among all partners illustrated the need for state government leadership to set the structure for future blended service relationships. Not only with presenting the service to the public, capital investment is required for all rail operators across California and the coordination of the efforts at the state level has proven a challenge due to the separated yet supportive administrative bodies charged with intercity and commuter passenger rail service. CCJPA specifically is focused on

obtaining capital funding to support service expansion improvements between Sacramento and Roseville, and the Oakland to San Jose territory as it relates to being a feeder/distributor in the overall state passenger rail system.

A SERVICE EXTENSION TO SALINAS WITH AN INITIAL TWO ROUNDTRIPS IS BEING PLANNED BETWEEN TAMC AND CCJPA BUT THE PROJECT WILL BE DEPENDENT ON EXPANDING SERVICE FREQUENCY BETWEEN OAKLAND AND SAN JOSE AND A FULL FUNDING PLAN.

Rail Service Expansion Planning

The CCJPA has set forth and adopted a Train Service Policy supporting future extensions to new markets beyond the Capitol Corridor. This policy encourages partnerships between several passenger rail services and local/regional transportation agencies. For example, there are ongoing discussions with the Transportation Agency of Monterey, Caltrain, and VTA about expanding Capitol Corridor service to Salinas. Pursuant to CCJPA Board direction, CCJPA staff are actively engaged in this discussion in a manner that protects the existing core service but fairly lays out the

requirements of extending service to Salinas (e.g., an integrated train schedule, additional rolling stock, complete and compliant stations, operating funding support, and CCJPA

governing/legislative modifications). Plans for this expansion have advanced steadily and will evolve as funding, operational, and governance matters are addressed. This potential expansion is reflected in the State Rail Plan as appropriate.

With any service expansion, the goal is to ensure that these proposed service extensions provide mutual cost savings through the use of joint facilities and equipment. As a vital element in California's passenger rail community, 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)
- California High Speed Rail Authority

APPENDICES

APPENDIX A Historical Service Statistics

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	32	1,599,625	-5.5%	4,383	\$23,505,602	-1.3%	\$50,159,032	16.3%	47.0%	\$25,113,642
FFY 09/10	32	1,580,619	-1.2%	4,330	\$24,372,185	3.7%	\$52,843,973	5.4%	46.0%	\$27,499,149
FFY 10/11	32	1,708,618	8.1%	4,681	\$27,176,573	11.5%	\$56,699,385	7.3%	48.0%	\$29,158,222
FFY 11/12 (i)	32/30	1,746,397	6.7%	4,785	\$29,200,000	7.4%	\$59,035,857	4.1%	50.2%	\$29,606,390
FFY 12/13	30	1,701,185	-2.6%	4,661	\$29,186,617	-0.05%	\$60,472,128	2.4%	51.0%	\$29,110,318
FFY 13/14 (j)	30	688,394	-0.8%	3,782	\$14,186,315	-3.0%	\$27,738,598	-5.0%	51.1%	\$13,522,283

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 (w ith increase to 14 daily trains to/from San Jose).
- i. 30 trains began on August 13, 2012 (service optimization w ith re-opening of the Sacramento Valley Station platform).
- j. Year-to-date data through March 2014

**APPENDIX B
PROGRAMMED OR COMPLETED CAPITOL CORRIDOR PROJECTS**

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*	\$81,749,526
Davis	\$5,576,643
Fairfield/Vacaville	\$44,000,000
Suisun/Fairfield	\$3,834,049
Martinez*	\$38,145,628
Richmond*	\$22,384,408
Berkeley	\$4,745,500
Emeryville*	\$13,502,136
San Francisco – Ferry Building*	\$584,842
Oakland Jack London Square*	\$20,469,077
Oakland Coliseum	\$6,132,000
Hayward	\$1,782,500
Fremont/Centerville	\$3,544,050
Great America/Santa Clara	\$3,082,627
San Jose Diridon	\$79,638,542
Platform Signs	\$63,101
Real-time message signs	\$2,344,842
Other	\$1,440,575
SUBTOTAL – Station Projects	\$342,393,144
*shared stations with the San Joaquin route	
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
Yolo West Crossover	\$5,000,000
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	\$62,755,333
San Jose 4 th Track	\$41,850,000
Bahia-Benicia Crossover Project	\$4,190,000
Harder Road (Hayward) Undercrossing [2001]	\$8,898,000
Positive Train Control (estimated CCJPA share \$12M)	\$35,000,000
SUBTOTAL – Track and Signal Projects	\$265,849,894
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	\$6,500,000
SUBTOTAL – Maintenance and Layover Facility Projects	\$78,681,676
Rolling Stock (California Cars and Locomotives – owned by the State)	
Base Rolling Stock	\$238,982,226
2012 Ordered Rolling Stock added to Northern CA pool	\$57,435,192
On-Train Amenities	\$5,450,000
SUBTOTAL – Rolling Stock	\$301,867,418
TOTAL - PROGRAMMED OR COMPLETED PROJECTS	\$988,792,132

**APPENDIX C
CAPITOL CORRIDOR PERFORMANCE STANDARDS FY 2012-13 TO FY 2017-18**

PERFORMANCE STANDARD	FY 2012-13				FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	STANDARD	VARIANCE ACTUAL TO STANDARD	PERCENT CHANGE	STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD
NUMBER OF DAILY TRAINS (SAC-OAK)	30	30			30	30	30	30	30
USAGE									
Route Ridership	1,701,185	1,789,449	(88,264)	-4.9%	1,490,040	1,408,700	1,443,900	1,487,000	1,532,000
Average Daily Ridership	4,661	4,903	(242)	-4.9%	4,082	3,859	3,956	4,074	4,197
Percent Change in Route Ridership	-2.6%	-0.9%			-16.7%	-5.5%	2.5%	3.0%	3.0%
Percent Change in Train Passenger Miles	-2.2%	9.8%			-18.6%	-2.3%	2.5%	-0.4%	3.0%
Percent Change in Train Miles	-2.0%	-2.6%			0.0%	-0.7%	0.0%	0.0%	0.0%
Passenger Miles per Train Mile (PW/TM)	94.1	103.0	(8.9)	-8.6%	83.9	82.5	84.6	84.3	86.8
COST EFFICIENCY									
System Operating Ratio	49%	52%	-3.5%	--	52%	47%	47%	47%	47%
Percent Change in Total Revenue	-1.5%	5.2%	--	--	-0.9%	-8.8%	3.0%	3.0%	3.0%
Percent Change in Total Expenses	1.4%	2.3%	--	--	0.2%	0.1%	2.7%	2.8%	2.8%
Train Revenue per Train Mile	\$23.53	\$25.46	-\$1.93	-7.6%	\$25.22	\$23.17	\$23.86	\$24.58	\$25.32
Train Revenue per Passenger Mile (Yield)	\$0.24	\$0.266	-\$0.02	-7.8%	\$0.271	\$0.276	\$0.282	\$0.288	\$0.293
Train Expenses per Train Mile	\$49.40	\$50.07	-\$0.68	-1.3%	\$51.57	\$53.12	\$54.71	\$56.36	\$58.05
Train Only State Cost per Train Mile	\$25.87	\$24.61	\$1.26	5.1%	\$23.03	\$26.46	\$25.98	\$28.37	\$29.06
Train Only State Cost Per Passenger Mile	\$0.27	\$0.24	\$0.03	12.7%	\$0.27	\$0.32	\$0.31	\$0.34	\$0.33
SERVICE QUALITY									
On Time Performance	95%	90%	6%	--	90%	90%	90%	90%	90%
Percent of California Car Fleet Available	87.0%	87%	0%	--	87%	87%	87%	87%	87%
OPERATING RESULTS									
TRAIN AND BUS									
Total Revenue	\$ 29,191,543	\$31,526,361	-\$2,334,818	-7.4%	\$31,232,000	\$28,487,000	\$29,342,000	\$30,222,000	\$31,129,000
Total Expenses	\$ 59,856,156	\$60,285,779	(\$429,623)	-0.7%	\$60,422,472	\$60,475,952	\$62,139,000	\$63,848,000	\$65,604,000
Total State Operating Contract ^	\$ 29,110,318	\$0	\$29,110,318	#DIV/0!	\$28,421,000	\$32,614,302	\$33,478,000	\$33,976,000	\$34,825,000
TRAIN ONLY									
Train Only Revenue	\$ 27,440,050	\$29,635,000	(2,194,950)	-7.4%	\$29,358,000	\$26,778,000	\$27,581,000	\$ 28,408,680	\$ 29,261,260
Train Only Expenses	\$57,605,156	\$58,275,219	(670,063)	-1.1%	\$56,165,000	\$57,363,000	\$57,613,000	\$61,197,000	\$62,853,000
Train Only State Operating Cost	\$ 30,165,105.43	\$28,640,219	1,524,886	5.3%	\$26,807,000	\$30,585,000	\$30,032,000	\$ 32,788,320	\$ 33,591,740
Passenger Miles	112,015,380	119,893,083	(7,877,703)	-6.6%	97,597,620	95,384,000	97,752,030	97,398,500	100,346,000
Train Miles	1,166,203	1,163,854	2,349	0.2%	1,163,854	1,155,806	1,155,806	1,155,806	1,155,806

^ - 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 Actual contract cost may be lower, but not higher.

APPENDIX D
RIDERSHIP RESULTS

How's Business?:
FY RIDERSHIP

FY2014 Ridership Projection: 1,490,040
% Change YTD FY 2014 to FY 2013: -0.8%

% Change
FY 2014 to
FY 2013



On Time
Performance %

95.6% 95.7% 97.6% 97.0% 91.6% 95.4%

