

EXECUTIVE SUMMARY

The purpose of this 2017 San Joaquin Joint Powers Authority (SJJPA) Business Plan Update (“Business Plan”) is to identify SJJPA’s intentions for State Fiscal Year (FY) 2017/18 and FY 2018/19 in its proposed management of the San Joaquins and to request the annual funds required by SJJPA to operate, administer, and market the San Joaquins. This Business Plan summarizes the service and capital improvements that have contributed to the success of the San Joaquins and identifies improvements to sustain its growth. A draft of this Business Plan was submitted to the Secretary of the California State Transportation Agency (CalSTA) by April 1st, 2017 and a final draft was submitted by June 15th, 2017.

History of San Joaquins Service

The San Joaquins began service on March 5, 1974 with one round-trip between Oakland and Bakersfield and a bus connection to Los Angeles. The San Joaquins grew to be one of the busiest intercity passenger rail services in the nation, carrying over 1.1 million passengers a year. Historically, leisure travel has been the primary market for the San Joaquins. However, in recent years the leisure travel market has declined some, with business travel emerging as another strong market for San Joaquins.

In 2015, SJJPA entered into an Interagency Transfer Agreement (ITA) with the State to transfer the administrative responsibilities from the State to SJJPA. Amtrak continues to operate the San Joaquins for SJJPA. On June 20, 2016, an additional daily round-trip between Oakland and Bakersfield was deployed – bringing the San Joaquins to 7 daily round-trips. This was the first new round-trip between Oakland and Bakersfield in 22 years.

The extensive network of dedicated Amtrak Thruway buses connecting with the San Joaquins is critical to the performance of the service. Amtrak Thruway bus connections are provided at Sacramento, Lodi, Stockton, Oakland, Emeryville, Martinez, Merced, Fresno, Hanford, and Bakersfield Stations – taking passengers to and from destinations throughout California, and to Las Vegas and Reno. In 2016, over 55% of San Joaquins passengers used an Amtrak Thruway bus on at least one end of their trip.

Operating Plan, Morning Express Service, and Short-Term Service Expansion

The San Joaquins have great potential for increased ridership, revenue, service coordination, and performance. SJJPA is currently implementing a number of strategies to improve the San Joaquins. Some of the strategies require little or no additional resources, including improved schedules, reduced trip lengths and travel times, improved train monitoring, train and connecting bus schedule adjustments, and improved service coordination. To this end, SJJPA is working with Caltrans and Capitol Corridor to conduct optimization studies focused on examining strategies to increase capacity for rail service and freeing up equipment.

For FY 2017/18 and FY 2018/19, SJJPA is planning operating changes to serve the business travel market more effectively and better serve travelers making daily round-trips. Business travel is also a growing market segment for both LOSSAN and Capitol Corridor. Currently, 2 daily round-trips run between Sacramento and Bakersfield and 5 daily round-trips run between Oakland and Bakersfield. The 7 existing daily round-trips will be maintained, but 2 would be modified to start/end at mid-corridor in Fresno, allowing trains to arrive in the early morning in both Sacramento and the Bay Area. SJJPA has branded this as “**Morning Express Service.**” SJJPA expects to initiate Morning Express Service to Sacramento by 2018 and to the Bay Area by 2019. This service is anticipated to result in substantial increases in ridership and reduce operational costs. Small capital improvements will be undertaken to prepare for the initial Morning Express Service to Sacramento, including a temporary layover facility, additional parking, and station enhancements.

Additional key short-term programs for the San Joaquins include:

8th Daily Round Trip

There is great ridership potential if the frequency of service to Sacramento can be increased and offered at the right times of the day. SJJPA is focused on the implementation of an 8th Daily Round Trip to run from Fresno to Sacramento. Improvements necessary for the 8th Daily Round Trip are almost complete between Stockton and Fresno. However, between Sacramento and Stockton, SJJPA is still working with

CalSTA, Caltrans, Amtrak, and UPRR to determine if the 8th Daily Round Trip (and additional service beyond that) should run on the Fresno Subdivision or along the Sacramento Subdivision. SJJPA is planning to commence the 8th Daily Round Trip in FY 18/19.

90 MPH Maximum Operating Speed

SJJPA is examining locations where the San Joaquins' maximum speed could be increased to 90 mph. In coordination with the host railroads and Caltrans, SJJPA is identifying key track improvements needed to increase speeds and further reduce travel times.

Thruway Bus Pilot Program

SJJPA is exploring ways to maximize the utilization of the San Joaquins' Thruway Bus network. Through coordination with the State and regional transportation agencies, SJJPA is currently exploring several service models that would allow non-Amtrak passengers to utilize excess seating capacity in key corridors, or utilize the services of an existing outside bus provider. A pilot program that would implement one or more of the models is planned for implementation in FY 2017/18 for at least one Thruway corridor.

Renewable Diesel Implementation

SJJPA is committed to helping meet California's Greenhouse Gas (GHG) emission reduction goals. Utilizing renewable diesel in locomotives and in the Thruway bus fleet will help to advance this objective. In coordination with Capitol Corridor, testing of renewable diesel in one of the F59 locomotives is currently taking place, and will be followed by testing one of the new Charger locomotives shortly. If results are positive, all locomotives are expected to utilize renewable diesel. SJJPA is also planning to require the use of renewable diesel for all future Amtrak Thruway bus contracts to further reduce the San Joaquins system's carbon footprint.

Relocate Madera Station

SJJPA is working with Madera County Transportation Commission, Madera County, and the City of Madera on plans to relocate the Madera Amtrak San Joaquins Station.

Reduce Running Times

SJJPA is exploring ways to reduce travel times for trains running from Bakersfield to the Bay Area to under six hours. This will result in significant operational cost savings, as a crew change can be eliminated for each round-trip.

Integration with High-Speed Rail

Like other high-speed rail (HSR) services throughout the world, California will need to have extensive networks of conventional intercity and commuter rail networks that complement and provide "feeder" service to the proposed HSR system for it to be successful. SJJPA believes the San Joaquins provide important connectivity that is critical to the phased implementation of HSR in California. A Joint Policy Statement, which was adopted by CHSRA, SJJPA, and Caltrans on July 26, 2013, is intended to ensure cooperation and input of local communities on all decisions related to any changes in the San Joaquins service and consistent planning between these agencies.

Performance Standards

CalSTA created a set of uniform performance standards in 2014 for all state-supported intercity passenger rail corridors in an effort to control costs and improve efficiency. The three primary uniform performance standard measures used are: usage, cost efficiency, and service quality. SJJPA has adopted the CalSTA performance standards, and will continue to develop strategies to maintain the successful performance of the San Joaquins.

In addition to meeting CalSTA's performance standards, SJJPA has also focused on considering the environmental benefit of the San Joaquins and its role in helping to create a more sustainable California. Increases in San Joaquins ridership benefit the environment by reducing air pollution and greenhouse gas emissions and help to encourage sustainable, transit-oriented development. It is estimated that in FY 2016, San Joaquins passengers (including those on Thruway buses) traveled over 240 million passenger miles¹, resulting in a significant net reduction of CO₂ emissions.

Capital Improvement Program and Future Extensions

The State has invested over \$536 million since 1976 to increase and improve the San Joaquins.² There have

¹ Amtrak, 2017.

² Caltrans, 2013 State Rail Plan, May 2013 (page 225); Caltrans, Bi-Monthly Joint Construction Meeting Notes (dated 1/17/2017).

been more than \$303 million in San Joaquins Corridor improvements over the last 23 years.

SJJPA will continue to work with the State to secure funding and expedite projects needed to initiate the 8th Daily Round Trip (between Fresno and Sacramento). Short-term San Joaquins capital projects include a permanent layover facility for the two Morning Express Service trainsets and additional trainsets (including capacity for the planned 8th Daily Round Trip); double tracking projects to facilitate the 8th Daily Round Trip; track resurfacing to achieve 90 mph service; and station improvements. Based upon the planned service expansions and enhancements, a ten-year capital program, estimated at \$1.5 billion, was developed. Providing frequent service to Sacramento is the greatest focus of SJJPA's 10-year capital program. SJJPA is envisioning hourly service to/from Sacramento within the next 10 – 15 years.

SJJPA is also committed to extending the San Joaquins to new markets as dictated by available funding and ridership projections. Potential future extensions of the San Joaquins to be investigated include:

- Extending rail service north 160 miles along the UPRR rail line from Sacramento to Redding to directly serve Yuba, Sutter, Butte, Tehama, and Shasta counties.
- Extending some San Joaquins trains 5 miles past the Amtrak Oakland Station to serve the Amtrak Coliseum Station while creating a quality connection to the BART Coliseum/Oakland Airport Station.
- Utilization of the Altamont Corridor to bring the San Joaquins to additional Bay Area markets.

Marketing Strategies

For FY 2017/18 and FY 2018/19, SJJPA assumes \$1,000,000 each fiscal year for marketing to increase awareness and use of the service along the corridor, as well as \$500,000 for advertising to promote the launch of the Morning Express Service to Sacramento in FY 2017/18 and \$500,000 for advertising the initiation of the Morning Express Service to the Bay Area in FY 2018/19. The SJJPA Marketing and Outreach Plan takes a grassroots approach to marketing and outreach for the San Joaquins. SJJPA will continue to

retain small businesses who are active in community issues to act as a direct conduit between SJJPA and the various communities within the corridor.

SJJPA is also carrying out specific strategies for reaching out to minority, non-English-speaking constituencies, and disadvantaged communities along the San Joaquins Corridor. With Hispanics comprising well over 50% of the San Joaquin Valley population, but less than one-third of the Amtrak ridership, a concerted effort is being made to tailor promotional materials in Spanish and utilize informational outlets that are more effective. The grassroots strategy is helping SJJPA identify and address other markets throughout the San Joaquins Corridor that are underserved, or lacking information.

Advocacy

Major improvement or expansion of the San Joaquins will require additional funding. To increase the frequency of the San Joaquins and improve travel times, significant investments will be required. A key to funding the future growth of the San Joaquins is developing a much stronger political base of support. SJJPA and affiliated agencies have been working hard to advocate for increased funding, improvements, and support for the CIPRP. In 2014, SJJPA and partnering agencies worked hard to successfully ensure that intercity rail was included as an important component of Cap & Trade allocations and are currently working to increase the amount of ongoing Cap & Trade funding eligible for the CIPRP.

During FY 16/17, the CIRPR Leadership Coalition advocated for additional funding sources for intercity rail be included as part of Senate Bill 1 (SB 1). With passage of SB 1 and its signature by the Governor, intercity rail will benefit from an estimated \$20 million per year in direct funding to intercity rail, \$245 million per year to the Transit and Intercity Rail Capital Program (TIRCP), and \$250 million for the Congested Corridor program. These SB 1 funding programs provide a stable funding source for SJJPA to pursue the improvements and capital access fees needed to increase/expand San Joaquins service as outlined in this Business Plan.

Administrative Role and Action Plan

The primary role of SJJPA is the day-to-day management of the San Joaquins. SJJPA selected the San Joaquin Regional Rail Commission (SJRRRC) as its Managing Agency for a second three-year term. SJRRRC's consolidated agency approach results in the most efficient and cost-effective management of the San Joaquin Valley's two passenger rail services. SJJPA will provide the level of service consistent with funding appropriated by the State and any cost savings identified by SJJPA or revenues in excess of the Business Plan projections may be used by SJJPA for service improvements in the San Joaquins Corridor.

SJJPA's FY 2017/18 and FY 2018/19 "Action Plan" includes:

- Negotiate additional revisions to Amtrak operating agreement to improve performance reporting and decrease operating costs. Reinvest savings to improve service.
- Develop a detailed plan for implementing the 8th Daily Round Trip train in conjunction with UPRR, BNSF, Amtrak, and the State.
- Submit a TIRCP application to fund the improvements needed for the 8th Daily Round Trip.
- Deploy the Morning Express Service to Sacramento along with station enhancements and additional parking.
- Assist CalSTA in the completion of its "Network Integration Strategic Service Plan for the California Passenger Rail Network."
- Evaluate measures to improve train and Thruway bus performance, including modifications to the service. Work with CalSTA and other partners to conduct a pilot Thruway bus program to promote use of excess bus capacity, increase benefits and revenue, and/or reduce costs.
- Work with UPRR, BNSF, Amtrak, and the State to improve ridership and revenue by improving reliability, adjusting the service plan, and/or implementing projects that add capacity and reduce travel times.
- Evaluate service changes that optimize the utilization of crews and equipment.

Annual Funding Requirement

A primary purpose of this Business Plan is to request the annual funds required by SJJPA to operate, administer, and market the San Joaquins for agreed-upon service levels. Table ES.1 summarizes the funding request by the SJJPA.

Table ES.1: Summary of State Funding Request for the San Joaquins

Summary of State Funding Request for the San Joaquins for FY 2017/18 and FY 2018/19 (\$ Millions)		
Expense Category	FY 2017/18 (Projected)	FY 2018/19 (Projected)
Operating	\$49,133,285	\$50,607,284
Morning Express Service Capital		
-Additional Parking and Station Enhancements	TBD*	TBD**
Marketing	\$1,000,000	\$1,000,000
Morning Express Express Service Launch Advertising	\$500,000	\$500,000
Administrative	\$2,110,414	\$2,007,749
Total	\$52,743,699	\$54,115,033
<p><i>*Funds would be derived from cost savings from FY 15/16.</i> <i>**Additional cost savings from FY 2016/17 would also be applied to Morning Express Service capital projects when the amount of savings are determined.</i></p>		

Safety and Security

SJJPA will continue collaborative efforts with various stakeholders, including the State, SJJPA member agencies, Amtrak, UPRR, BNSF, California Operation Lifesaver, Transportation Security Administration (TSA), California Governor's Office of Emergency Services (Cal OES), and local law enforcement and first responders along the San Joaquins Corridor to address safety and security issues impacting the service. SJJPA will use a network of rail safety education volunteers through California Operation Lifesaver, free DHS security training resources, and safety and security grant programs to coordinate, develop new programs, and build upon and enhance programs currently undertaken by Amtrak. The Marketing and Outreach Teams will also integrate rail safety education in their outreach activities.

SJJPA will continue to map incidents along the San Joaquins Corridor, evaluate incident trends, and improve incident response times. Additionally, SJJPA has begun a systematic evaluation of current safety and security practices at and around San Joaquins stations (including parking lots), as well as onboard trains.

Station Area Development

Increased development concentrates activity to be conveniently located near San Joaquins stations. This promotes increased use of the San Joaquins, generating additional ridership and revenue to benefit the State. The responsibility and powers needed to focus growth and produce station area development guidelines reside primarily with local government. To help ensure that the San Joaquins become an instrument for encouraging maximizing implementation of station area development principles, SJJPA will:

1. Encourage local governments to prepare/update and adopt station area plans, amend city and county general plans, and promote transit-oriented development (TOD) in the vicinity of San Joaquins stations.
2. Assist local governments in securing grants/funding for planning and implementing TOD around San Joaquins stations.
3. Require any new San Joaquins station to be a multi-modal transportation hub with a preference for locating in traditional city centers and TOD in the station area.
4. Work with communities and organizations to support TOD and with developers to implement TOD.

