

EXECUTIVE SUMMARY

The purpose of this 2018 San Joaquin Joint Powers Authority (SJJPA) Business Plan Update (“Business Plan”) is to identify SJJPA’s intentions for State Fiscal Year (FY) 2018/19 and FY 2019/20 in its proposed management of the San Joaquins Intercity Passenger Rail Service (San Joaquins) and to request the annual funds required by SJJPA to operate, administer, and market the San Joaquins. This Business Plan also describes planned service and capital improvements to ensure the continued success and future growth of the San Joaquins. This Business Plan was submitted to the Secretary of the California State Transportation Agency (CalSTA) in draft form on April 1st, 2018 and will be submitted in final form by June 15th, 2018.

Administrative Role

The primary role of SJJPA is the day-to-day management of the San Joaquins. In 2017, 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, which may be used by SJJPA for service improvements in the San Joaquins Corridor.

Operating Plan, Morning Express Service, 8th and 9th Daily Round-Trips, and Short-Term Service Improvements

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 and reduced trip lengths, reduced travel times, improved train monitoring, train and connecting bus schedule adjustments, and improved service coordination. SJJPA is also in the process of pursuing a significant expansion of service for the San Joaquins within the next five years, including implementation of the 8th and 9th Daily Round-Trips. Planned expansion of the San Joaquins Service is fully coordinated and consistent with the Draft 2018 State Rail Plan and the CHSRA’s Connected Corridors North Study.

Morning Express Service: On May 7, 2018, SJJPA launched the inaugural Morning Express Service (Morning Express) between Sacramento and Fresno, allowing San Joaquins trains to arrive in Sacramento before 8 a.m. The early-morning nature of this service is anticipated to increase ridership by encouraging more business travel (a growing market segment for both the Pacific Surfliner and Capitol Corridor services) and leisure day trips. In FY 2018/19, SJJPA is planning to inaugurate a second Morning Express, with service to the Bay Area to/from Fresno. With the implementation of Morning Express, the seven existing daily round-trips will be maintained, but two will 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. Morning Express is anticipated to result in substantial increases in ridership and reduce operational costs. Several capital improvements are currently underway to prepare for Morning Express, including a temporary layover facility in Fresno, additional parking at several stations, and various station enhancements.

8th and 9th Daily Round-Trips: A significant increase in ridership is anticipated if the frequency of service to Sacramento can be increased and offered at the right times of the day. SJJPA is currently working to implement the 8th and 9th Daily Round-Trips, which will allow a doubling of trains serving Sacramento from two to four. As part of this effort, SJJPA has been exploring utilizing the Sacramento Subdivision between Sacramento and Stockton for expanded passenger rail service in coordination with CalSTA, CHSRA, Caltrans, Central Valley Rail Working Group, and Sacramento Regional Rail Working Group. This resulted in SJJPA’s Board formally adopting the Sacramento Subdivision as the preferred corridor for future passenger rail expansion in 2017. To implement the 8th and 9th Daily Round-Trips and necessary improvements along the Sacramento Subdivision, SJJPA submitted a Transit and Intercity Rail Capital Program (TIRCP) grant application in January 2018. On April 26, 2018 CalSTA awarded \$500.5 million to SJJPA/SJRRRC for the “Valley Rail” project which will fund these improvements. The schedule developed for 8th and 9th Daily Round-Trips is based on a pulsed-service approach, which provides more efficient operations, better use of infrastructure, and improved on-time performance.

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

Thruway Bus Partnerships: SJJPA is exploring ways to maximize the utilization of the San Joaquins' Thruway Bus network and other connecting bus services. Through coordination with the State and regional transportation agencies, SJJPA is currently pursuing partnerships with several regions to optimize bus connections for San Joaquins passengers that would allow non-Amtrak passengers to utilize excess seating capacity in key corridors, or utilize the services of an existing outside bus provider. SJJPA and the Shasta Regional Transportation Agency are in the process of creating a partnership that would allow SJJPA to shorten Thruway Bus Route 3 by terminating in Chico rather than in Redding, while San Joaquins passengers traveling to Red Bluff or Redding would be able to take SRTA's new North State Express Bus service. SJJPA would support the operations of the new service with cost savings realized from the reduction in the length of Thruway Bus Route 3.

SJJPA is also in initial conversations with Butte County Association of Governments (BCAG) about the possibility of BCAG incorporating a portion of Thruway Bus Route 3 (between Chico and Stockton) into their proposed intercity bus service between Chico and Sacramento in exchange for SJJPA operating support. In addition, SJJPA is working with several jurisdictions, including State Senator McGuire's office and Sonoma-Marín Area Rail Transit (SMART) District, about new models for operating Thruway Bus Route 7 in the Marin-Sonoma-North Coast Region.

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. Testing of renewable diesel in Northern California Fleet locomotives is complete for the older F59 locomotives and currently underway for the new Charger Locomotives and scheduled for completion in early summer of 2018. If results are positive, all locomotives are expected to utilize renewable diesel as early as the fall of 2018. 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, Madera County Transportation Commission, and CalSTA about relocating the Madera Amtrak Station to a more accessible location. Additionally the station would be co-located with a California

High-Speed Rail station to allow for direct transfers between the two systems.

Reduce Running Times between the Bay Area and Bakersfield: SJJPA is exploring ways to reduce travel times for trains running between the Bay Area and Bakersfield to under six hours. This will result in significant operational cost savings, as a crew change can be eliminated for each train. As part of this program, SJJPA is considering a variety of strategies, including implementing measures to reduce dwell times and schedule recovery time, utilizing increased acceleration/deceleration of new Charger Locomotives, terminating some trains in Emeryville, and increasing operating speeds (up to 90 mph).

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. SJJPA recently partnered with CHSRA on the development of their Connected Corridor North Study which complements and supports the SJJPA's Sacramento expansion program utilizing the Sacramento Subdivision.

Performance Standards and Action Plan

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 is also focused on the environmental benefit of the San Joaquins and its role in helping to create a more sustainable California by working to reducing air pollution and

greenhouse gas emissions and help to encourage sustainable, transit-oriented development.

SJJPA's FY 2018/19 and FY 2019/20 "Action Plan" includes:

- Negotiate additional revisions to the Amtrak operating agreement to improve performance reporting and decrease operating costs. Reinvest savings to improve service.
- Refine schedules and a service plans to accommodate the Morning Express Service to the Bay Area and for the planned 8th and 9th Daily Round-Trips trains in conjunction with UPRR, BNSF, Amtrak, and the State.
- Deploy Morning Express Service to the Bay Area.
- 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.
- Contribute to the ongoing fleet analysis being conducted by Caltrans.
- Contribute to the Service Optimization Study, which is currently under development by CCJPA.
- Evaluate service changes that optimize the utilization of crews and equipment.
- Implement a transit transfer program for San Joaquins passengers if funding permits.
- Evaluate measures to improve train and Thruway Bus performance, including modifications to the service.
- Explore new partnerships with public or private bus operators with the goals of allowing non-Amtrak passengers to utilize excess seating capacity on buses that connect with San Joaquins trains to save on operations costs.

Capital Improvement Programs

Based upon the planned service expansions and enhancements, SJJPA has developed a "10-Year Capital Improvement Program", estimated at \$1.5 billion. The program includes SJJPA's overall vision for the implementation of the Morning Express Service, the 8th and 9th Daily Round-Trips, and ultimately hourly service between Sacramento and Fresno within the

next 10-15 years, while optimizing service to the Bay Area and Southern San Joaquin Valley.

SJJPA is currently implementing its Short-Term Capital Improvement Program, which has a five-year horizon. This program focuses on completing two Morning Express Services (Sacramento-Fresno and Bay Area-Fresno), the 8th and 9th Daily Round-Trips, several other station projects, and corridor and other projects to improve the San Joaquins Service. In January 2018, SJJPA submitted a Transit and Intercity Capital Program (TIRCP) grant application (jointly with the San Joaquin Regional Rail Commission) to fund a program of capital improvements associated with the implementation of the 8th and 9th Daily Round-Trips. On April 26, 2018 CalSTA announced that the SJJPA/SJRRC "Valley Rail" Application was awarded \$500.5 million to expand San Joaquins and ACE services. As part of this service, the Sacramento Subdivision will be upgraded between Sacramento and Stockton to allow for passenger rail service with up to six new stations along the corridor. Additionally, new layover facilities will be constructed in Natomas (in Sacramento) and Fresno, and two six-car trainsets would be procured for the expanded service. Other projects include additional parking, a new station in Oakley, and a relocated Madera Station (see Table ES-1).

SJJPA also has a Longer-Term Capital Improvement Program, which envisions improvements to achieve hourly service between Sacramento and Fresno, as well as to consider extensions of service north of Sacramento and to the Oakland Coliseum/Airport. Hourly service will require additional capacity enhancement projects such as improvements at the Robert J. Cabral Station in downtown Stockton, improvement of the Stockton Diamond, a new maintenance facility, additional track work and/or capital access fees, and additional rolling stock. Potential future extensions of the San Joaquins being investigated include, rail service north of Sacramento along the UPRR rail line from Sacramento to Redding with potential stations initially in Yuba City/Marysville and Oroville, and trains five miles past the Amtrak Oakland Station to serve the Amtrak Coliseum/Airport Station. Longer-term utilization of the Altamont Corridor to bring the San Joaquins to additional Bay Area markets is also being explored.

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

San Joaquins Corridor - Short-Term Capital Projects (\$ Millions)					
Improvement Program/Project (0-5 Years)	Project Cost	Funding Secured	Funding Sources	Lead Agency	Status
Morning Express Service					
Temporary Layover Facility - Fresno	\$1.7	\$1.7	Cal OES	SJJPA	Construction
Modesto Station Parking Lot	\$0.4	\$0.4	LTF	City of Modesto	Construction
Turlock-Denair Station Parking Lot	\$0.29	\$0.29	Minor Cap/Cal OES	Stanislaus Co.	Construction
Stockton (Cabral) Station Parking Lot	\$1.3	\$1.3	CMAQ	SJJPA/SJRRC	Construction
Station Enhancements - Antioch	\$0.3	\$0.3	Cal OES	SJJPA/City	Construction
Station Enhancements - Security Cameras	\$1.5	\$1.5	Minor Cap/Cal OES	SJJPA	Construction
Station Enhancements - Other ¹	\$2.3	\$2.3	Minor Cap/Cal OES	SJJPA	Construction
8th and 9th Daily Round-Trips					
Track Improvements - UPRR Sac. Sub	\$149.1		TIRCP	SJJPA/UPRR	Planning/Env.
Track Improvements - BNSF Stock. Sub	\$20.0		TIRCP	SJJPA/BNSF	Planning/Env.
New Stations (Lodi, Elk Grove, 4 in Sac.)	\$111.5		TIRCP	SJJPA	Planning/Env.
Track Extension (RMF to Cabral Station)	\$23.7	\$23.7	Prop1A/CMAQ/Other	SJRRC/UPRR	Planning/Env.
New Rolling Stock (2-new 6-car trainsets)	\$87.6		TIRCP	SJJPA	Planning/Env.
Merced-LeGrand Dbl. Tracking (Seg. 2)	\$23.2	\$23.2	ITIP	Caltrans/BNSF	Construction
Stockton-Escalon Dbl. Tracking (Seg. 3)	\$20.5	\$20.5	ITIP	Caltrans/BNSF	Construction
Stockton-Escalon Dbl. Tracking (Seg. 4)	\$23.0	\$23.0	ITIP	Caltrans/BNSF	Construction
Layover Facility - Fresno	\$15.9		TIRCP	SJJPA	Planning/Env.
Layover Facility - Natomas	\$17.7		TIRCP	SJJPA	Planning
Merced Station Dbl. Platform/Trackwork	\$10.3	\$10.3	ITIP	Caltrans/BNSF	Design/Const.
Other Stations Dbl. Platform/Trackwork ²	\$36.0	\$36.0	ITIP	Caltrans/BNSF	Planning
Capital Access Fees	TBD		TIRCP/SRA	SJJPA	Planning
Other Station Projects					
Wasco Station Reconstruction	TBD		CHSRA Funds	CHSRA	Design
Madera Station Relocation/Expansion	\$26.7		TIRCP	SJJPA	Planning/Env.
New Oakley Station	\$8.6		TIRCP	SJJPA	Planning/Env.
Allensworth Accessibility Improvements	\$0.3	\$0.3	Cost Savings	SJJPA	Planning
New Parking Lots	TBD		Cost Savings/SRA	SJJPA	Planning
Station Enhancements - Other ³	\$0.1	\$0.1	Minor Cap/Cal OES	SJJPA	Planning
Corridor and Other Projects					
Stockton Wye	\$8.7		TBD	UPRR	Planning
Platform Accessibility for High-Floor Cars	TBD		TBD	SJJPA	Planning
Positive Train Control - Host Railroads			Cal OES/UPRR/BNSF	UPRR/BNSF	Construction
Positive Train Control - Amtrak			Caltrans	Amtrak	Construction
Onboard Information System (OBIS)	\$25.0	\$25.0	Caltrans	Caltrans/CCJPA	Design/Const.
Increasing Operating Speeds (e.g. 90mph)	TBD		TBD	SJJPA	Planning
Cal PIDS Replacement/Upgrade	\$0.9	\$0.9	Cost Savings/SRA	SJJPA/CCJPA	Planning
Safety Improvements ⁴	TBD		TBD	SJJPA/CCJPA	Planning
Notes					
¹ Consists of a variety of station improvement that include lighting, signage, landscaping, repairs, and other projects.					
² Projects may include new platforms at Modesto, Turlock-Denair, and Fresno Stations.					
³ Consists of non-Morning Express Service station improvement that include lighting, signage, landscaping, repairs, and other projects.					
⁴ Safety improvements could include upgrades lighting, security cameras, fencing, and at-grade crossings, as well as grade separation projects.					
Source: Caltrans Division of Rail and Mass Transportation and SJJPA, 2018.					

Fare Policy

SJJPA will work to develop fares that ensure the service is attractive and competitive with other modes of transportation along the corridor. The San Joaquins Service was formally on reserved ticketing, and fares were determined by Amtrak's "dynamic pricing" revenue management policy, which escalated prices significantly as capacity of the train decreased. SJJPA cancelled Amtrak's reserved ticketing and revenue management policies due to the policies' potential for ridership losses by pricing riders out of the market and disproportionately affecting low-income and disadvantaged communities. SJJPA is developing its own "one-bucket" fare structure (similar to Capitol Corridor and Pacific Surfliner), which will hold prices constant.

SJJPA was recently notified that Amtrak was changing its "Tariff Policy" to adjust the nationwide senior, disabled, child, AAA, Veterans, and student discounts, as well as changes to its cancellation policy. Amtrak provided SJJPA with a summary of projected ridership and revenue impacts on the San Joaquins for the Student, AAA, and Senior Discount changes. Ridership is projected to decrease by 10,295 while revenue is projected to increase \$116,573. These changes do not align with SJJPA's marketing or fares strategy. To retain some of these discounts, SJJPA, CCJPA, and LOSSAN JPA partnered together to create the "Califor-

nia Everyday Discount" program. As a part of this program, the California JPAs retained the senior, disabled, and student discounts with a commitment to try to negotiate AAA and Veterans discounts. By partnering together, the JPAs are ensuring that riders within California interact with a united marketing message from all three corridors.

Service Amenities and Food Service

The San Joaquins service boasts many great amenities that are integral to the attraction of riders and are a key component of the marketable features of the service. These features add value to the customer experience and SJJPA is working with Caltrans, Amtrak and the other JPAs to improve current amenities and add additional services. Current service amenities include: free Wi-Fi, bicycle storage, comfortable seating, and a generous baggage policy.

SJJPA is evaluating the existing food and beverage service to provide high quality options in the most efficient and cost-effective manner. SJJPA is considering food service changes to underperforming trainsets, including the removal of the café car or utilization of lower cost cart service. SJJPA is actively increasing the sale of and promotional opportunities for products grown or produced in the San Joaquins Corridor.



Marketing Strategies

For For FY 2018/19 and FY 2019/20, 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 the Bay Area for FY 2018/19 and \$500,000 for advertising the initiation of the 8th and 9th Daily Round-Trips for FY 2019/20. The SJJPA Marketing and Outreach Plan employs advertising, social media, and grassroots strategies to market and conduct outreach for the San Joaquins. SJJPA is expanding its use of advertising and social media in response to the success of these strategies in driving more traffic to amtraksanjoaquins.com and online channels, which comprise the majority of ticket purchases.

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 has been made to tailor promotional materials in Spanish and utilize informational outlets that are more effective. The grassroots strategy has helped SJJPA identify and address other markets throughout the San Joaquins Corridor that are underserved, or lacking information.

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-2 summarizes the funding request by the SJJPA.

Safety and Security

The primary objectives of SJJPA's Safety and Security Program include the continuation of a broad-based program of educational activities and to aggressively pursue capital improvements that help eliminate unsafe conditions.

Educational efforts are two-fold: to increase public awareness of rail safety and security along the San Joaquins Corridor; and to ensure all personnel involved in operating the San Joaquins has the proper training to be effective in implementing SJJPA's Safety

Table ES.2: Summary of State Funding Request for the San Joaquins

SJJPA State Funding Request for the San Joaquins (FY 2017/18 - FY 2019/20)			
Expense Category	FY 2017/18 (Approved/Current)	FY 2018/19 (Requested)	FY 2019/20 (Projected)
Operating			
-Amtrak Contract	\$45,260,010	\$45,432,984	\$48,016,345
-Other Operations ¹	\$3,873,275	\$3,989,473	\$4,109,157
-8th/9th Round-Trips ²	---	---	\$731,030
Administrative	\$2,110,414	\$2,181,424	\$2,231,660
Marketing	\$1,000,000	\$1,000,000	\$1,000,000
Minor Capital	\$500,000	\$500,000	\$500,000
Morning Express Express Service Launch Advertising	\$500,000	\$500,000	---
8th/9th Daily Round-Trips Launch Advertising	---	---	\$500,000
Market Analysis (Bi-Annual)	---	\$150,000	---
State Rail Assistance (SRA)	---	TBD	TBD
Total Request	\$52,243,699	\$53,753,882	\$56,088,192

¹ Expenses under the "Other Operations" category (i.e. outside of the Amtrak contract) include, but not limited to: On-Time Performance (OTP) payments; ROW clean-up crew for the corridor; operation of the Wi-Fi and Onboard Information System (starting in late 2019); leased parking (e.g. adjacent to Fresno Station); and the Passenger Information Display System (PIDS).

² SJJPA plans to commence operations of the 8th and 9th Daily Round-Trips in June 2020. The funding request includes one month of operations in State FY 2019/20. The projected amount is based on calculations done for the 2018 SJJPA-SJRRCT TIRCP application. This number will be refined as operating costs for the new service are negotiated with Amtrak.

and Security Program. SJJPA will leverage a network of rail safety education resources 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. SJJPA will also 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.

In an effort to identify needed physical improvements, SJJPA will continue to conduct a systematic evaluation of the conditions along the railroad right-of-way

and in and around San Joaquins stations (including parking lots and platforms), as well as onboard trains. California's Office of Emergency Services has provide much of the funding for SJJPA's program of Safety and Security capital improvements. Important capital projects that SJJPA is currently implementing or pursuing include:

- Fencing projects at locations identified based on incident hot spots and high numbers of near misses;
- Increased lighting at stations and parking lots, as well as installing blue light phone towers (originally developed for use on college campuses); and
- Improved safety and security-related signage, including messaging around suicide prevention and railroad safety.

Station Area Development

Increased development near San Joaquins stations 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 reside primarily with local government. To help ensure that the San Joaquins become an instrument for encouraging 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 new San Joaquins stations be developed as multi-modal transportation hubs.
4. Encourage the location of new San Joaquins stations in traditional city centers and/or areas with high-potential for TOD around the station area.
5. Work with communities and organizations to support TOD and with developers to implement TOD.

