

## 1. INTRODUCTION

The purpose of this 2018 San Joaquin Joint Powers Authority Business Plan Update (“Business Plan”) is to identify the San Joaquin Joint Powers Authority’s (SJJPA) 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. The State of California requires that an Annual Business Plan Update be submitted to the Secretary of the California State Transportation Agency (CalSTA) in draft form by April 1 of each year, and final form by June 15 of each year to allow Amtrak time to finalize operating cost estimates. This Business Plan will be reviewed and approved by the State and used to develop an annual appropriation request to the State Legislature.

### Business Plan Requirements

This Business Plan Update includes State-required information, including the following:

- Service performance;
- Operating and action plan strategies;
- Short-term and long-term capital improvements;
- Funding requirements for the upcoming fiscal year;
- External factors affecting the service;

- Plans for service expansion and enhancement efforts;
- Marketing and outreach efforts;
- Establishment of fares; and
- Delineation of how proposals to expand or modify service, including funding and accounting, are separate from locally-sponsored services in the corridor.

This Business Plan must also be consistent with the Draft 2018 California State Rail Plan and the California High-Speed Rail Authority (CHSRA) Draft 2018 Business Plan.

### Regional Governance of the San Joaquins

In 2012, transportation planning agencies throughout the San Joaquin Valley worked together in order to set up a regional Joint Powers Authority and to support legislation that would enable regional governance of the San Joaquins. To protect the existing service and to promote its improvement, local and regional agencies throughout most of the San Joaquins Corridor sponsored and supported Assembly Bill 1779 (AB 1779). This bill enabled regional government agencies to form the San Joaquin Joint Powers Authority to take over the administration and management of the San Joaquins from the State. AB 1779 was passed by the Legislature on August 30, 2012 with bi-partisan



support, and was signed by Governor Brown on September 29, 2012. The first SJJPA Board Meeting was held on March 22, 2013 in Merced.

The SJJPA Governing Board includes elected representatives of ten Member Agencies, which include Alameda County, Contra Costa Transportation Authority, Fresno Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, Sacramento Regional Transit, San Joaquin Regional Rail Commission, Stanislaus Council of Governments, and Tulare County Association of Governments.

AB 1779 defines the composition of SJJPA, as well as requiring that the interagency transfer must result in administrative or operating cost reductions. AB 1779 also requires SJJPA to protect the existing service and facilities and seek to expand service as warranted by ridership and available revenue.

### **Roles and Responsibilities**

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On July 1, 2015, SJJPA became the primary managing entity of the San Joaquins. The SJJPA is responsible for the following:

- Oversight and management of the day-to-day San Joaquins operations, which includes entering into an operating agreement with the current contract operator, the National Railroad Passenger Corporation (Amtrak);
- Negotiating changes to the current contract or selecting another qualified operator;
- Advising the Capitol Corridor Joint Powers Authority (CCJPA) on the management and administration of the State-owned and other rolling stock (passenger cars and locomotives) assigned to the San Joaquins;
- Overseeing the dedicated feeder bus system for the San Joaquins, which is subcontracted to private bus operators through the Amtrak contract;
- Planning for future service improvements;
- Coordinating with CCJPA and Los Angeles-San Diego-San Luis Obispo (LOSSAN) JPA and the State on issues such as scheduling, connecting buses, and ticketing; and
- Marketing for the San Joaquins.

The State and Amtrak share operating responsibility for the San Joaquins with SJJPA. Under the provisions of AB 1779, the State continues to provide the funding necessary for service operations, administration, and marketing. Furthermore, Caltrans Division of Rail and Mass Transportation remains responsible for the development of the California State Rail Plan; coordination and integration between the three state-supported intercity passenger rail services; the preparation of grant applications to the federal government; and the development of state budget requests. The State also remains the owner of the trainsets used for the San Joaquins and Capitol Corridor Services and continues to be responsible for the procurement of new equipment for the state-supported intercity passenger rail services. Amtrak continues to serve as the operator of the San Joaquins.

The San Joaquin Regional Rail Commission (SJRRRC), the managing body for the Altamont Corridor Express (ACE) Service between Stockton and San Jose, was selected by the SJJPA Board to be the Managing Agency at the July 26, 2013 SJJPA Board Meeting in Fresno for an initial 3-year term (September 27, 2013 – September 27, 2016). At the May 27, 2016 SJJPA Board Meeting, the SJJPA Board approved SJRRRC as the Managing Agency for an additional 3-year term (September 27, 2016 – September 27, 2019).

### **Advocacy**

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In addition to more cost-effective administration and operations, there are many benefits to regional governance of the San Joaquins. Train riders and San Joaquin Valley residents now have a stronger voice in deciding what happens with the service, as local decision-making is more responsive and adaptive to passenger issues. SJJPA, which is made up of elected officials throughout the San Joaquins Corridor, is a strong voice in advocating for service improvements and expansions – particularly in Washington D.C. and in Sacramento. SJJPA is taking advantage of joint marketing and partnerships with local agencies throughout the San Joaquin Valley. Since SJJPA's Board Members are part of the communities in the San Joaquins Corridor, they are able to facilitate the engagement of local communities throughout the corridor to use and support the San Joaquins.

## Public Outreach for this Business Plan

Public outreach for the 2018 SJJPA Business Plan included briefings for key stakeholder groups, electronic outreach to the SJJPA stakeholder list, and posting a public review draft on [sjjpa.com](http://sjjpa.com). This process is meant to engage with the public and stakeholders to provide information about this document and the opportunity for public comment.

Briefings were held during the development and comment period of the Business Plan. These briefings provided an opportunity to engage key stakeholder groups within the corridor. Briefings were also held with the SJJPA Board, Central Valley Rail Working Group, CalSTA, Caltrans, Freight Railroads, San Joaquin Valley Rail Committee, and Amtrak. SJJPA sought input from these and other agencies and organizations that have an interest in intercity passenger rail.

As a part of its Stakeholder Engagement Strategy, SJJPA has developed an extensive stakeholder email list which it employs to notice about board meetings, service updates, and to engage stakeholders to participate in the Business Plan process. SJJPA sent electronic communications to its stakeholder list requesting public comment and provided links to the document. This process ensures those invested in intercity passenger rail are engaging with SJJPA in the San Joaquin Valley, Sacramento, and the Bay Area,

and have an opportunity to provide comment to the Business Plan. Finally, SJJPA posted the Public Review Draft Business Plan to its website ([sjjpa.com](http://sjjpa.com)) on February 20, 2018 for public review of the document, and was circulated to SJJPA's stakeholder list.

## 2018 SJJPA Business Plan Update Approval Process

This Business Plan is similar to the 2017 SJJPA Business Plan. The changes include providing current numbers for the San Joaquins operating expenses and bringing the plan up-to-date, including additional details on the capital improvement programs, and reducing the length of the document. The SJJPA Board discussed the general outline and highlighted changes planned for the 2018 Business Plan at its November 17, 2017 Board Meeting. Following the incorporation of comments from the public review period, an updated Draft Business Plan was presented to the SJJPA Board at the March 23, 2018 Board Meeting for approval. Following approval, the Draft Business Plan was submitted CalSTA by April 1, 2018. A final version of the Business Plan, which includes revised operating cost estimates from Amtrak was presented at the May 25, 2018 SJJPA Board Meeting for adoption. Following Board adoption, the Business Plan will be submitted to CalSTA by June 15, 2018.

