

Subject: FW: January 2017 Capitol Corridor Monthly Performance Report

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Service Performance Overview

The performance results for the Capitol Corridor in January 2017 improved after flat results in December 2016. 123,616 passengers rode the Capitol Corridor trains in January 2017, an uptick of 4.9% in year-over-year growth with revenue slightly up by 0.5% compared to January 2017. The Year to Date (FYTD 17) System Operating Ratio is 55%, exceeding the standard of 52%. This results are even more remarkable given the substandard on-time Performance (OTP) of 85% for January 2017.

Staff monitors the performance of the Capitol Corridor trains and has noticed sporadic and uneven service delivery with the recent spike in delays from various sources resulting in late trains and declining OTP. Meetings have been convened with the CCJPA service partners have identified targeted actions to address and reduce the delays in an effort to return service reliability that Capitol Corridor passengers deserve and have become accustomed to.

An initial assessment indicates there is more than one factor contributing to the reoccurring delays--some within the control of our service partners, as well as others over which there is little or no control, or situations where there may have been compounding incidents. The main causes of recent delays are: trespasser-related incidents; signal failures; bridge delays; train equipment malfunctions; track construction/maintenance; and inclement weather

Standard	Jan. 2017	Jan. 2016	YTD	vs. Prior YTD	vs. FY17 Plan
Ridership	123,616	4.9%	518,819	3.2%	6.0%
Revenue	\$2,537,869	0.5%	\$10,785,140	2.7%	3.0%
Operating Ratio	49%	50%	55%	-0.4%	6.5%
OTP	85%	95%	89%	94.5%	-1.3%
Customer Satisfaction	87	88	87	-1.6%	-1.9%

FY 17-18 Draft State Budget/State Legislation

On January 10, 2017, Governor Brown released his draft budget for FY 17-18, which continues a focus on keeping operational costs flat, maintaining the state's Rainy Day Fund in anticipation of an economic downturn for the state, and supporting limited one-time strategic investments. Aligning with the investment policy, the Governor's budget proposal addresses the state's transportation infrastructure crisis, which would invest up to \$4 billion per year (\$40 billion over the next 10 years) dedicated to: "fix it first" projects to repair local roads and state highways and bridges; trade corridors that will increase economic growth; matching funds for high priority transportation projects; and directing investments for passenger rail and public transit modernization and improvements. Specifically, of interest to the CA Intercity Passenger Rail Services:

1. *Cap and Trade Transit Intercity Rail Capital Program (TIRCP)* – The proposed budget for TIRCP initially maintains the continuously-appropriated funds from the Cap and Trade auction proceeds plus some supplemental funds from debt repayment for a total of \$400 million. The CCJPA is an eligible applicant for these funds and has been successful in the two prior awards of TIRCP funds.

2. *CA Intercity Passenger Rail Operating Budget* - The Governor's Draft FY 16-17 Budget provides the same amount of funding (\$131 million) as the enacted FY 15-16 budget for the operating support of the operation on the three intercity passenger rail routes (San Joaquin, Pacific Surfliner and Capitol Corridor), which includes the new 7th San Joaquin round trip train that was added last year. The Governor's draft budget may be updated as part of the May Revise based on Amtrak's submittal of final FY 17-18 operating (and ridership and revenue) estimates which are due in late Spring 2017.

State Legislation

Senator Beall introduced Senate Bill 1 at the start of the 2017-2018 California state legislative session, which outlines a wide range of portfolio of added taxes and fees totaling \$6 billion per year to address the state's public transportation financing deficit. Most notably for CIPR services, the bill increases the incremental diesel sales tax to 5.75% (generating approx. \$300 million) with a split of 5.25% (generating approx. \$260 million) of these revenues to local transit (bus/rail) services with the remaining 0.5% (generating approx. \$40 million) directed to intercity passenger and commuter rail services. Also, the allocation of Cap and Trade auction proceeds to TIRCP discretionary grant funds are doubled [from 10% to 20%] resulting in a new total amount of \$200 million per year.

While the CCJPA stands to receive increased Cap and Trade TIRCP funds via a discretionary grant program, the CCJPA, for the first time, will have the opportunity to receive a dedicated source of annual funding (nearly \$40 million) for the state's passenger railroad services (3 intercity passenger + 5 commuter rail services). While the annual amount is less than desired, SB1 marks a step in the right direction towards recognizing the need to include the state's intercity passenger rail services as part of any solution in addressing the state's transportation financing deficit.

Assemblymember Frazier introduced Assembly Bill 1, at the same time SB 1 was introduced, which presents similar increases in taxes and fees to SB 1 to produce approximately \$6 billion per year. This bill; however, does not include a dedicated annual funding program for the CIPR services as proposed by SB 1.

FY 2017 Federal Appropriations

On December 9, Congress extended the current Continuing Resolution (CR) for the FY 17 federal budget until April 2017 to allow for the new U.S. President and federal administration to settle in. At that time, the new federal administration and Congress will need to determine whether to extend the CR through the remainder of FY 17 (September 30, 2017) or develop an omnibus budget for the period through FY 17. For purposes of funding the Rail Title from the FAST Act, an Omnibus budget bill for FY 17 can provide up to \$80M from the CRISI (rail infrastructure) or SOGR (state of good repair) that can be available for state intercity passenger rail capital funding. A CR, however, will result in no funds being appropriated to the FAST Act Rail Title.

Discussions continue between members of the new federal administration and Congress regarding the President's campaign promise to invest \$1 trillion into the nation's infrastructure. Proposals with project lists and costs have been submitted by the President as well as by a coalition of governors of various states, which do not include passenger rail projects in California.

Customer Service Program Upgrades

- Bicycle Access Program: BikeLink eLockers have now been installed at Emeryville, Martinez, and Davis. Installation of additional eLockers at remaining Capitol Corridor stations will continue to proceed in early 2017. To address continue increases in demand for onboard bike storage capacity, CCJPA staff are working with a vendor to refine a bike hook design that will increase capacity by 33%. A pilot of the bike storage modification will be carried out on a bike car on revenue trains for passenger feedback by mid-2017. CCJPA staff are also working with Amtrak to design an onboard bike storage solution for the lower level of Superliner coach cars, which currently serve as informal bike cars. CCJPA is currently finalizing a design review agreement with Amtrak in order to start the design process. CCJPA staff, with

the assistance of BART Procurement, is finalizing an RFP to solicit proposals for a folding bicycle rental service at select Capitol Corridor stations. The folding bicycle rental service is aimed at both business and leisure travelers who would want to have a bicycle that can go wherever they go, whether that's on the train or in an office or hotel room.

- Richmond Station Platform Improvements. The CCJPA staff has been working with BART staff to implement a flashing light/beacon at the Capitol Corridor/Amtrak Richmond station platform which will indicate to conductors on Sacramento/Auburn-bound Capitol Corridor trains that a BART train is approaching, and to wait for passengers to transfer from the inbound BART train to the waiting eastbound Capitol Corridor train. In addition, the project will involve installation of a Clipper Card Parking Validation Machine (PVM) on the Capitol Corridor/Amtrak boarding platform so that Capitol Corridor passengers parking at the Richmond BART parking garage can pay/validate for parking with their Clipper Card on the train platform. BART Engineering has reviewed the design for these elements, and plans to use BART employees to implement the project in 2017.
- Marketing: Promotions have begun on “Buy-Get One Free” on Saturdays.

Safety Initiatives

- Security Cameras at Capitol Corridor Stations: Procurement is complete for the installation of cameras and surveillance equipment at the Rocklin, Roseville, Suisun, and Fremont stations. This project will be constructed during the half of 2017. Funding has been identified in a future funding year for security cameras at the Martinez, Emeryville, and Oakland Jack London Square stations. When complete, all Capitol Corridor stations will be equipped with security cameras and surveillance equipment.
- Positive Train Control: The Union Pacific Railroad has continued to advance PTC implementation on their system. The Union Pacific's testing of the PTC system now includes all of their major routes in California. The testing covers only select Union Pacific freight trains, and at this time does not include any operating partners such as Amtrak, Capitol Corridor or ACE. The CCJPA has received and is reviewing initial information from UPRR on the expected installation and maintenance costs of PTC for the Capitol Corridor route.

Installation of the PTC hardware (electronic equipment) on the state-owned rail equipment is currently complete for the Northern California intercity rail fleet (supporting the Capitol Corridor and San Joaquin trains) with all locomotives and cab cars equipped. Software installation and testing continues with the on-board equipment. Amtrak's installation of the remote back-office server (BOS), which will convey the location of the Capitol Corridor trains to the UPRR dispatch center, is under development and should be available for testing in mid-2017. Caltrain continues its of their PTC system known as CBOSS, but they have not yet extended their testing to any other operating partners.

Project Updates

- Travel Time Savings Project: UPRR is working towards completion of the TTS Project with a projected completion date in mid-2017. The project schedule advanced about 9 months earlier than initially estimated due to availability of UPRR construction crews. The next steps included will include calculating reduced travel times (estimated to be between 6-10 minutes) to be achieved for Capitol Corridor trains between Sacramento and San Jose. This project was financed with a combination of \$10 million in Prop 1A High Speed Train Connectivity funds and \$4.62 million in Cap and Trade TIRCP funds.
- Oakland-San Jose Phase 2 Track Project. The engineering and environmental consultants are nearing completion of the initial environmental investigations for the Newark-Albrae and Great America double

track segments. Concurrently, Caltrain is completing the design and environmental plans for the track upgrades into and out of the San Jose Diridon Station terminal facility as a means to accommodate additional Capitol Corridor trains.

- Sacramento-Roseville 3rd Track Project. CCJPA will need to apply to the California Transportation Commission (CTC) for the full funding for proceeding into final design and construction for Phase 1 of the Sacramento to Roseville 3rd Track Project. Now, CCJPA is working through initial 30% design plans on the project area immediately adjacent to Old Town Roseville so that both the City of Roseville and UPRR can provide CCJPA the necessary preliminary details of schedule and budget for the CTC funding allocation. CCJPA staff anticipate that application materials will be ready in March of 2017 for allocation at the May 2017 CTC meeting. From that point, contracts with the state for funding and with UPRR and the City of Roseville for design and project implementation can be issued and the project commenced.

Outlook – Closing

One-third through FY 2017, the performance of the Capitol Corridor continues to be at or above established annual performance standards for ridership, revenues, and efficiencies. Service reliability has slipped and, working with our service partners, corrective actions have been initiated to get OTP back to at least 90% or better while also ensuring the service continues to be a safe, convenient and high-quality mobility option.

While ridership and revenues are above prior year levels, this positive trend looks to be flattening. Marketing promotions are underway and being developed to increase ridership in the leisure and tourism markets to fill available seats on the trains. Other efforts to increase ridership will be the completion of the TTS Project and initiatives to enhance to the trains (such as the addition of station bike lockers and added on-board bike storage capacity).

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