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Subject: Capitol Corridor February 2017 Monthly Performance Report

Sent on behalf of David Kutrosky:

Service Performance Overview

In February 2017, Capitol Corridor ridership and revenues declined for the first time in 22 months, with 120,962 passengers, a decrease of 3.4% compared to February 2016. Revenues slipped 2.4% in year-over-year growth. These declines were due to two reasons:

- (1) Super Bowl 50 was played at Levi's Stadium on February 7, 2016, adjacent to the Great America/Santa Clara train station, and the Capitol Corridor operated a special service with extra trains to meet the expected ridership demand. This resulted in record weekend ridership for the Capitol Corridor service in February 2016.
- (2) There was extra weekday in February 2016 due to 2016 being a Leap Year compared to February 2017. Discounting for this extra day in 2016, total ridership for February 2017 would have been 1% higher than February 2016.

The Year to Date (FYTD 17) System Operating Ratio is 54%, exceeding the standard of 52%.

On-Time Performance (OTP) for February 2017 improved to 90% compared to the substandard 85% in January 2017. The improved reliability in February 2017 was due in large part to concerted efforts by Amtrak and Union Pacific Railroad to address areas within the control of these service partners. OTP did not get above 90% primarily due to incidents that were beyond the control of our service partners, namely, trespasser-related incidents, vehicles stalled on tracks, and bridge delays.

Standard	Feb. 2017	Feb. 2016	YTD	vs. Prior YTD	vs. FY17 Plan
Ridership	120,962	-3.4%	638,791	1.9%	4.6%
Revenue	\$2,478,433	-2.4%	\$12,812,470	1.7%	2.1%
Operating Ratio	31%	33%	34%	-1.9%	3.0%
OTP	90%	89%	89%	94.2%	-1.1%
Customer Satisfaction	89	91	89	-1.2%	-1.9%

The following are ridership highlights based on reports received from Amtrak:

- Average weekend ridership for February 2017 declined 19% compared to the prior February. This can be attributed to the record-breaking weekend ridership experienced by the Capitol Corridor and many other Bay Area transit services in February 2016 for Super Bowl gameday and pre-gameday activities. Adjusting for the unusually high ridership in February 2016, the weekend ridership in February 2017 would have been similar.
- Average weekday ridership was up 5% compared to February 2016, which illustrates the continued growth in weekday ridership due to the growing economy in the Northern California Megaregion.

FY 17-18 Draft State Budget/State Legislation

Governor Brown's Draft Budget for FY 17-18 includes a proposal to address 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 investments for passenger rail and public transit modernization and improvements, which is 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 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 the Capitol Corridor), which includes the new seventh 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 their final FY 17-18 operating (and ridership and revenue) estimates due in late Spring 2017.

State Legislation

The CCJPA continues to work with Senator Beall and other legislators on Senate Bill 1 (Beall), which proposes a program of added taxes and fees totaling \$6 billion per year to address the state's public transportation financing deficit. This portfolio includes, for the first time ever, a source dedicated funding to the CIPR services. SB 1 would increase the incremental diesel sales tax to 5.75% (generating approximately \$300 million) with a split of 5.25% (generating approximately \$260 million) of these revenues to local transit (bus/rail) services, with the remaining 0.5% (generating approximately \$40 million) directed to intercity passenger and commuter rail services. Also, SB 1 doubles the allocation of Cap and Trade auction proceeds to TIRCP discretionary grant funds (from 10% to 20%), resulting in a new total amount of approximately \$200 million per year.

Assembly Bill 1, introduced in December 2016 by Assembly member Frazier provides a similar program of tax and fees increases 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

With the Continuing Resolution (CR) still in effect through April 2017, it remains unclear whether Congress will extend CR for the remainder of FY 17 (September 30, 2017) or pass an omnibus appropriations for the remainder of FY 17. An omnibus bill will provide funding in the Rail Title from the FAST Act with up to \$80M for the CRISI (rail infrastructure) or SOGR (State of Good Repair) accounts 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, Davis, and Sacramento. Installation of eLockers at remaining Capitol Corridor stations will continue in early 2017. To address increasing 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 April 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. A design review agreement with Amtrak is expected to be executed by the end of March, and then the design process will begin. 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 for/validate 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 (digital and social media) have begun on the "Buy-Get One Free" on Saturdays fare deal and thus far results have been positive with increased ridership on Saturdays. The promotion will run through June 30, 2017. The Friends & Family discount continues, and planning is underway for the re-introduction of the Senior Midweek 50% off deal. An advertising campaign is also being planned for a spring launch with regional Parenting magazines in Sacramento, the East Bay, and Silicon Valley. Strategic partnerships include SF Beer Week and San Jose Jazz, as well as planning for the Oakland A's 2017 season, the River Cats, Giants, Pier 39, and UC Davis. Staff also created a new quarterly electronic newsletter for Group Travel participants; this will launch in March.

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 first 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 UPRR'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 use 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 nine months earlier than initially estimated due to availability of UPRR construction crews. The next steps 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.
- Sacramento-Roseville 3rd Track Project: CCJPA is poised to submit an application to the California Transportation Commission (CTC) for the full funding of the final design and right-of-way acquisition for Phase 1 of the Sacramento to Roseville 3rd Track Project. (construction funding allocation will happen as design/ROW is winding up.) 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 are working to ensure that application materials will be ready in April of 2017 for allocation at the June 2017 CTC meeting.

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Outlook – Closing

Nearly halfway through FY 17, Capitol Corridor continues to perform at or above established annual performance standards for ridership, revenues, and efficiencies. After substandard service reliability in the previous month, OTP improved to 90%. This helped increase YTD service reliability to an OTP of 89%, which is still slightly below the standard of 90%. CCJPA service partners have taken corrective actions that improved reliability without sacrificing safety, convenience, and high-quality on-board amenities.

While ridership and revenues are above prior year levels, this positive trend looks to be flattening. Marketing promotions aimed at the leisure market have been initiated to drive up ridership and revenues during off peak times when there are seats available to fill. Other efforts to increase ridership will be the completion of the TTS Project and initiatives to enhance access to the trains (such as the addition of station bike lockers and added on-board bike storage capacity).

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