CAPITOL CORRIDOR

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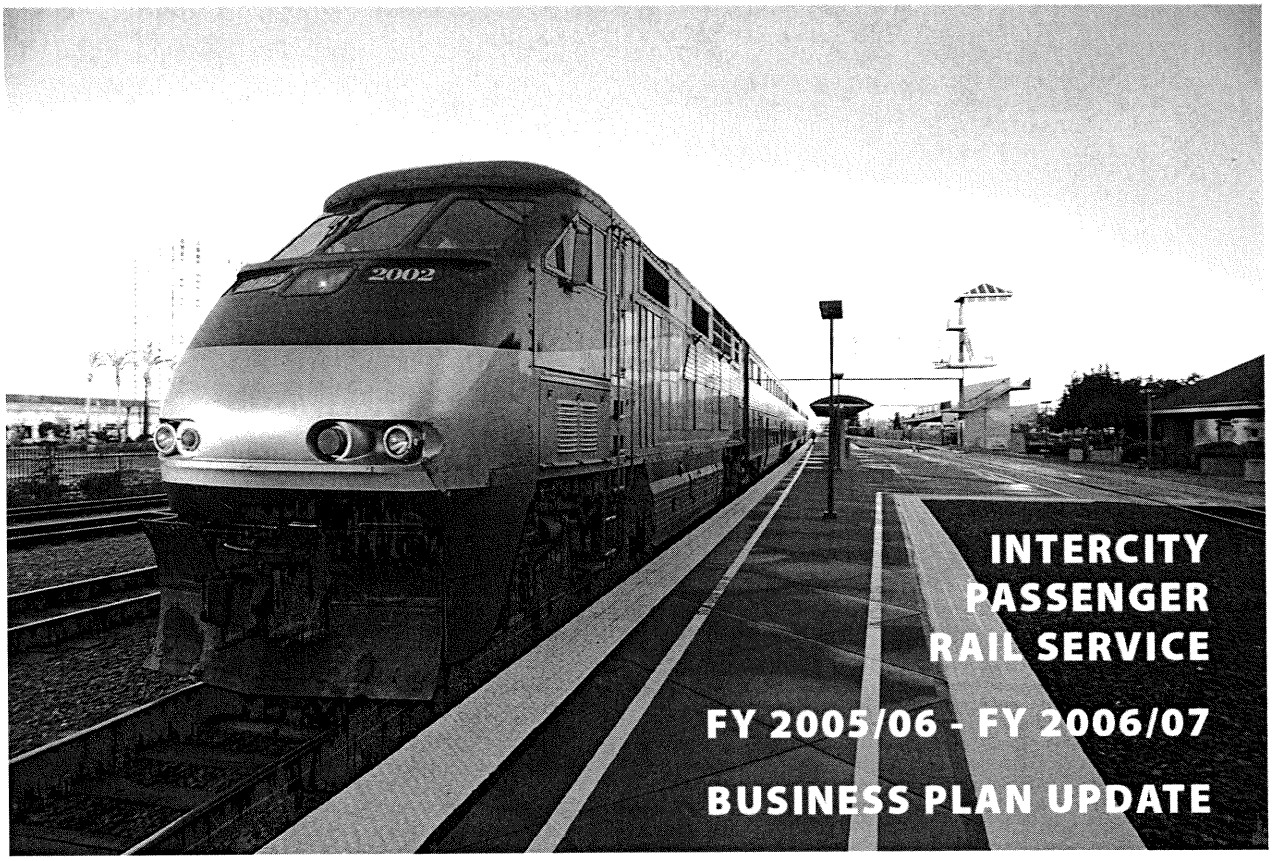

CAPITOL CORRIDOR

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Prepared for
State of California
Business, Transportation and Housing Agency
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DRAFT

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1. Introduction

This Business Plan Update modifies the Capitol Corridor Joint Powers Authority's (CCJPA's) Business Plan Update submitted to the Secretary of the Business, Transportation and Housing Agency (BT&H) each April. Given the current State budget constraints, the CCJPA's goal is to maintain Capitol Corridor service levels at 24 daily trains in FY 2005-06 and FY 2006-07, and add service where possible while staying within the State's budget allocation. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's growth over the past six years. It also incorporates customer input as put forth in Chapter 263 of State Law that allowed for the transfer of the Capitol Corridor service to the CCJPA on July 1, 1998.

As part of that transfer, the CCJPA is required to prepare an annual Business Plan that identifies the current fiscal year's operating and marketing strategies; capital improvement plans for the Capitol Corridor; and the funding request to the Secretary of BT&H for the CCJPA's operating, administrative and marketing costs for inclusion in the State Budget proposal to the Legislature.

The CCJPA is governed by a Board of Directors, comprised of 16 elected officials from six member agencies along the 170-mile Capitol Corridor rail route (see Figure 1-1):

- Placer County Transportation Planning Agency (PCTPA)
- Solano Transportation Authority (STA)
- Yolo County Transportation District (YCTD)
- Sacramento Regional Transit District (Sac RT)
- San Francisco Bay Area Rapid Transit District (BART)
- Santa Clara Valley Transportation Authority (VTA)

Ex-officio members of the CCJPA include the Metropolitan Transportation Commission (MTC) and the Sacramento Area Council of Governments (SACOG), the Metropolitan Planning Organizations (MPOs) along the route.

Given the current State budget constraints, the CCJPA's goal is to maintain Capitol Corridor service levels at 24 daily trains in FY 05-06 and FY 06-07, adding service where possible while staying within the State's budget allocation.

As the administrator for the Capitol Corridor, the CCJPA's responsibilities include overseeing day-to-day train and motorcoach scheduling and operations; reinvesting operating efficiencies into service enhancements; overseeing deployment and maintenance (by Amtrak) of rolling stock for the Capitol Corridor and San Joaquin trains; and interfacing with Amtrak and the UPRR on dispatching, engineering, and other railroad-related issues.

Presently, the Capitol Corridor serves 16 stations along the 170-mile rail corridor connecting Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco, and Santa Clara Counties. (The new Oakland Coliseum Intermodal Train Station, adjacent to the Oakland Coliseum complex and Coliseum BART station, is expected to open in Spring 2005.) The train service parallels the I-80/I-680 highway corridor between Sacramento and Oakland and I-880 between Oakland and San Jose. The Capitol Corridor connects outlying communities to the train service via an extensive, dedicated motorcoach network that assists passengers traveling beyond the train station.

Capitol Corridor services are developed with input from our riders, private sector stakeholders (such as Chambers of Commerce) and public sector stakeholders (such as local transportation agencies), along with the partners who help deliver the Capitol Corridor service – Amtrak, the UPRR, Caltrans, and the various agencies and communities that make up the Capitol Corridor.

reliability and reducing travel times. These actions resulted in monthly ridership and revenue records which have continued into the current year:

- Ridership grew 2% in FY 2003-04; to date, FY 2004-05 ridership is 7% above last year
- Revenue grew 4% during FY 2003-04; to date, FY 2004-05 revenue is up 14%
- Farebox return (system operating ratio) increased to 39% in FY 2003-04
- On-time performance (OTP) improved dramatically in FY 2003-04, from 78.5% to 86%; for the first quarter of this year OTP is a remarkable 92%

The CCJPA develops performance standards in partnership with the State and Amtrak. The table below summarizes the standards and results for FY 2003-04 and FY 2004-05 (through December 2004) as well as the standards for the next four fiscal years (see Appendix C):

	FY 03-04			FY 04-05			FY 05-06	FY 06-07
Performance Standard	Actual	Standard	Variance	Actual	Standard	Variance	Standard	Standard
Route Ridership	1,165,334	1,190,500	(2.1%)	306,300 (through 12/04)	297,900 (through 12/04)	2.8%	1,346,000	1,383,800
System Operating Ratio (train and feeder bus)	39%	39%	--	42% (through 10/04)	39%	7.7%	42%	43%
On-Time Performance	86%	90%	(4.4%)	92% (through 12/04)	90%	2.2%	90%	90%

Capital Improvement Program. The CCJPA has recently updated its Capital Improvement Program (CIP) in conjunction with Amtrak's Strategic Corridors Initiative, Caltrans project programming efforts, and the Metropolitan Transportation Commission's (MTC's) long-range transportation plan for the Bay Area. This CIP is developed upon the initial $60 million investment of State funds for track improvements between Sacramento and Oakland and the CCJPA's current investment of $106 million in track and station projects now underway or programmed between Auburn and San Jose. In order to realize the eventual goal of hourly train service with the proposed extension of Capitol Corridor trains to Reno/Sparks, the CCJPA has developed a $596 million CIP in collaboration with our service partners. Elements of this CIP include projects to increase capacity, upgrade track infrastructure, build or renovate stations, add rolling stock, reduce travel times, improve reliability, and enhance passenger safety, security and amenities. These proposed projects are incorporated into this Business Plan Update.

The CCJPA will focus on improving the passenger experience through continued enhancements to train and motorcoach operations, with the ultimate goal of making the Capitol Corridor the preferred mode of travel along the I-80/I-680/I-880 travel corridor in Northern California.

The CCJPA is aware of the financial limitations in the State Transportation Improvement Program (STIP), and the capital/construction needs for the Capitol Corridor greatly exceed the available funding. Nevertheless, the CCJPA is aggressively seeking supplemental funding sources to leverage the current $106 million investment over the next two to five years.

Marketing Strategies. The CCJPA's marketing strategies for FY 2005-06 and FY 2006-07 will continue to target markets where we have capacity, expand transit connections, leverage strategic marketing partnerships, and enhance customer service and amenities to attract and retain loyal, frequent riders.

Action Plan. The CCJPA's business plan for the service will focus on improving the passenger experience through continued enhancements to train and motorcoach operations, with the ultimate goal of making the Capitol Corridor the preferred mode of travel along the congested I-80/I-680/I-880 travel corridor in Northern California. This annual Business Plan Update provides an overview of the CCJPA's goals for delivering a cost-effective Capitol Corridor service while increasing ridership, revenue, and customer satisfaction through the CCJPA's partnerships with passengers, local communities, UPRR, Amtrak, and the State of California.

Executive Summary

Introduction. This Business Plan Update presents an overview of the Capitol Corridor Joint Powers Authority's (CCJPA's) strategic plan and funding request for the next two fiscal years (FY 2005-06 and FY 2006-07), to be submitted to the Secretary of the Business, Transportation and Housing Agency in April 2005. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's growth over the past five years, and incorporates customer input as put forth in Chapter 263 of State Law.

The CCJPA's primary focus is continuous improvement of the Capitol Corridor service through effective cost management, revenue enhancement, and customer service in the delivery of a safe, reliable, frequent, and high-quality passenger rail service.

The CCJPA is governed by a Board of Directors, comprised of 16 elected officials from six member agencies along the 170-mile Capitol Corridor rail route (see Figure 1-1):

- Placer County Transportation Planning Agency
- Solano County Transportation Authority
- Yolo County Transportation District
- Sacramento Regional Transit District
- San Francisco Bay Area Rapid Transit District
- Santa Clara Valley Transportation Authority

As administrator of the service, the CCJPA's primary focus is continuous improvement of the Capitol Corridor service through effective cost management, revenue enhancement, and customer service in the delivery of a safe, reliable, frequent, and high-quality passenger rail service that is a viable transportation alternative to the congested I-80, I-680, and I-880 highway corridors.

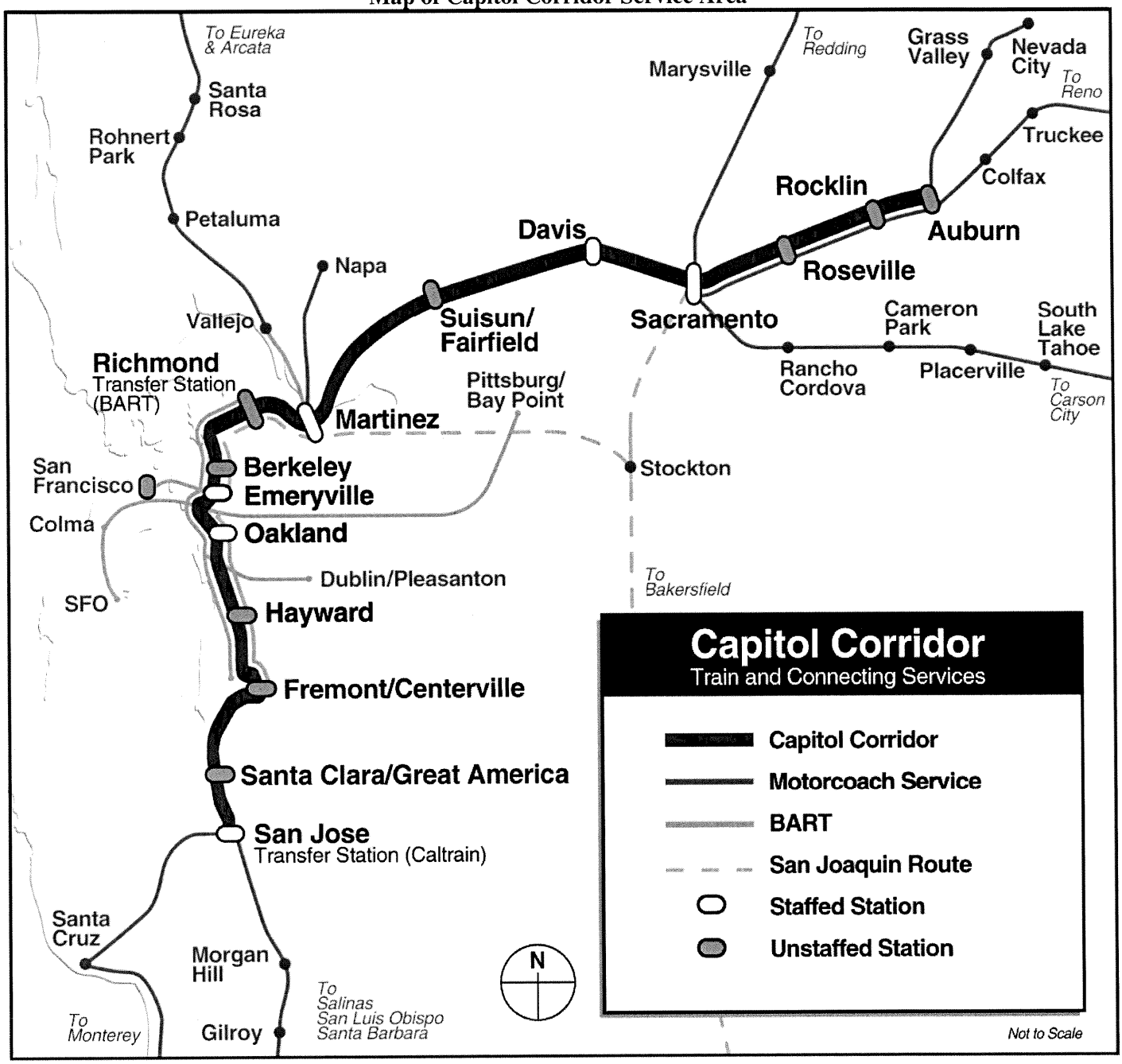
History. The Capitol Corridor service began in December 1991 with six daily trains between San Jose and Sacramento. The CCJPA assumed management responsibility for the service in October 1998; since then it has grown to become the third busiest intercity passenger rail service in the United States. In April 2001, the CCJPA expanded service to 18 daily trains using six trainsets in the State-owned Northern California pool (Capitol Corridor and San Joaquin services). In FY 2002-03, using seven trainsets and the same operating budget for 18 daily trains, service was increased three times: to 20 weekday trains (18 weekend) in October 2002; 22 weekday trains in January 2003; and 24 weekday trains in April 2003. These expansions were accomplished with no increase in budget by reallocating funds from discontinued motorcoach routes.

Operating Plan. With the ongoing limitations on the State of California budget, the trend of flat allocations is expected to continue with the Draft State Budget for FY 2005-06 that maintains the current funding level for a 24-train service plan. As such, this service level will be maintained at a minimum over the next two fiscal years with anticipated CCJPA operating expenses as follows:

Capitol Corridor Service	**FY 2005-06**	**FY 2006-07**
Oakland – Sacramento	24 weekday trains (18 weekend)	24 weekday trains (18 weekend)
Oakland – San Jose	14 daily trains	14 daily trains
Sacramento – Roseville	Up to 6 daily trains	Up to 6 daily trains
Roseville – Auburn	Up to 4 daily trains	Up to 4 daily trains
Total Budget (Operations, Marketing & Administration)	**$26,020,000**	**$26,020,100**

Performance Standards. Currently the CCJPA Board is updating its Vision Plan (adopted April 2002), which established standards for the Capitol Corridor in usage (ridership), cost efficiency (system operating ratio), and reliability (on-time performance) and strengthened partnerships with the service operators, Amtrak and the Union Pacific Railroad (UPRR). In FY 2003-04 the CCJPA addressed two issues that affected the system's overall performance: in December 2003, the CCJPA increased incentive payments to UPRR for improved on-time performance, and in February 2004, the CCJPA completed the Yolo Causeway double track project, increasing

Figure 1-1
Map of Capitol Corridor Service Area



The CCJPA is currently in the process of updating its Vision Plan (originally adopted in April 2002), which identifies both short-term and long-term goals to guide the operating and capital development plans of the Capitol Corridor over the next 5 to 20 years. This update will be incorporated into the final business plan.

2. Historical Performance of the Service

On December 12, 1991, the State of California Department of Transportation (Caltrans) and the National Railroad Passenger Corporation (Amtrak®) initiated the Capitol Corridor intercity train

service with 6 daily trains between San Jose and Sacramento. In 1996, legislation was enacted to establish the Capitol Corridor Joint Powers Authority (CCJPA), a partnership among six local transportation agencies to share in the administration and management of the Capitol Corridor intercity train service.

Along with improved cost efficiency, the Capitol Corridor continues to sustain ridership growth, which has increased 150% over six years.

In July 1998, an Interagency Transfer Agreement (ITA) transferred the operation of the Capitol Corridor service to the CCJPA for an initial three-year term. The CCJPA now operates and manages the Capitol Corridor service through an operating agreement with Amtrak. In July 2001, the ITA was extended for another three-year term through June 2004. In September 2003, legislation was enacted that eliminated the sunset date in the ITA and established a permanent governance structure for the CCJPA.

Appendix A presents an overview of the financial performance and ridership growth of the Capitol Corridor service since its inception in December 1991.

3. Operating Plan and Strategies

The CCJPA aims to meet the travel and transportation needs of more Northern Californians by providing safe, reliable, frequent, and high-quality Capitol Corridor train service. In response to growing ridership demand, several cost-effective service expansions were implemented by the CCJPA in October 2002, January 2003, and April 2003 to achieve the current schedule of 24 daily trains within the budget allocated for 18 daily trains. System performance also improved with the following changes implemented in FY 03-04: in December 2003, the CCJPA restructured its agreement with UPRR to increase incentive payments for improved on-time performance, and in February 2004, the CCJPA and UPRR completed the Yolo Causeway double track project (the last remaining capacity constraint between Oakland and Sacramento), increasing the reliability of the trains and reducing travel time by 10 minutes. These improvements allowed the service to sustain its ridership growth, which has increased 150% over six years. As provided in the Vision Plan, the CCJPA's eventual goal is to provide hourly train service, which will require additional rolling stock (see Section 7).

To continue to improve service to our customers, the CCJPA will seek to further expand our transit connectivity programs to other agencies along the corridor.

To supplement its motorcoach service, the CCJPA is working with its partners and local transit providers to offer expanded options for improved transit connections. Currently, the train service connects with the BART rapid transit system at Richmond station and the new Oakland Coliseum train station (opening Spring 2005); with Caltrain service (Gilroy – San Jose – San Francisco) at San Jose Diridon station; with the Altamont Commuter Express service (Stockton – San Jose) at the Fremont/Centerville, Great America/Santa Clara and San Jose Diridon stations; with VTA light rail at the San Jose Diridon Station (opening Fall 2005); and with Sac RT light rail opening Fall 2006) at the Sacramento Valley Station. Together with these local transit systems, the Capitol Corridor covers the second largest urban service area in the Western United States.

The CCJPA offers several programs to enhance transit connectivity. BART tickets are sold at a 20% discount on board the Capitol Corridor trains to facilitate transfers to BART at the Richmond and Oakland Coliseum stations. The Transit Transfer Program allows Capitol Corridor passengers to transfer free of charge to participating local transit services (the CCJPA reimburses the transit agencies for each transfer collected).

In April 2004, the CCJPA, Caltrans, and Amtrak opted to eliminate a redundant transit service by transferring the San Jose – Santa Cruz motorcoach service to an expanded Highway 17 bus service operated jointly by Santa Cruz Metropolitan Transit District and VTA. This transfer resulted in increased service levels, ridership, and revenues, as well as lower fares and reduced operating

costs. In November 2004, the CCJPA entered into a joint ticketing arrangement with Roseville Transit and Placer Commuter Express to honor each agency's monthly tickets on the trains and buses serving stations between Placer County and Sacramento. To continue to improve service to our customers, the CCJPA will seek to further expand our transit connectivity programs to other agencies along the corridor.

FY 2004-05. The CCJPA's operating plan for the current fiscal year is as follows:

- Oakland – Sacramento: 24 weekday trains (18 weekend trains)
- Oakland – San Jose: 8 weekday trains (12 weekend trains)
- Sacramento – Roseville – Auburn: 2 daily trains

FY 2005-06. Given the current State budget constraints, the CCJPA's operating plan for FY 2005-06 will maintain the same service levels as FY 2004-05 between Oakland and Sacramento, while expanding train service to Silicon Valley/San Jose and Roseville/Auburn based on completion of required track infrastructure upgrades and approval by the UPRR. Service levels will change to:

- Oakland – Sacramento: 24 weekday trains (18 weekend trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville: 6 daily trains
- Roseville – Auburn: 4 daily trains

Additional rolling stock is required to expand the Capitol Corridor and San Joaquin services beyond the planned FY 2005-06 service levels.

FY 2006-07. Assuming there continues to be a State budget crisis, the CCJPA's operating plan for FY 2006-07 will remain the same as for FY 2005-06.

The rolling stock provided to the CCJPA for maintenance supervision also includes the San Joaquin Corridor trains. Additional rolling stock is required to expand the Capitol Corridor and San Joaquin services beyond the planned FY 2005-06 service levels.

Special Event Trains

In addition to the operating plans for daily Capitol Corridor service, the CCJPA will continue to pursue opportunities to provide special event trains, which can be a cost-effective way to increase usage within the current operating budget. Opportunities include:

- Major sporting events (e.g. Oakland Raiders, Warriors, A's, San Jose Sharks)
- Community festivals (e.g. Sacramento Memorial Day Weekend Jazz Festival)
- Seasonal excursion services (e.g. Reno and Monterey weekend markets)
- Other events/festivals along the route

4. Short-Term and Long-Term Capital Improvement Programs

The CCJPA has developed a Capital Improvement Program (CIP) in partnership with the UPRR, Amtrak, and the State of California, which will be used to provide the foundation for the Capitol Corridor service to become the preferred means of travel along the congested I-80, I-680, and I-880 highway corridors. The CIP includes projects that have been completed or are currently underway. Since the inception of the Capitol Corridor service, over $692 million has been invested to purchase rolling stock, build and renovate stations, upgrade track and signal systems for added trains, and construct train maintenance and layover/storage facilities. A list of CIP projects that have been completed or are currently underway is included in Appendix B.

The CIP aims to increase train reliability and frequency while reducing travel times by investing in projects designed to improve upon the conditions caused by ever-increasing freight and passenger rail traffic. The primary funding sources for capital projects are the State general obligation bonds (Proposition 108 and 116) and the State Transportation Improvement Program (STIP), which

allocates funds in even-numbered years. Special programs or direct project allocations from the State, such as the Traffic Congestion Relief Program (TCRP), have periodically supplemented these sources.

The CCJPA has secured $106 million for projects that are currently underway or have funding committed to them. The direct benefits of these projects include added Capitol Corridor trains, improved on-time performance, reduced travel times, and enhanced passenger amenities. Indirect benefits include improved air quality, traffic congestion relief, and increased commerce in the region. Table 4-1 provides a summary and status report on these projects.

Table 4-1
Projects with Secured Funding in the Capitol Corridor

Projects Underway	Budget ($ million)	Status
Passenger Information Display System (PIDS): A passenger communications system was developed to deliver real-time information on train arrivals using advanced technology. Global positioning satellite (GPS) transponders were installed on all Capitol Corridor trains, which transmit the train's position along the route. A central server converts this real-time information to an estimated train arrival (ETA) for the train, which is sent to electronic signage at stations and to the Internet	$1.42	The system was accepted in June 2003; upgrades continue to be implemented to keep up with the latest advances in real-time technology
Oakland Jack London – Elmhurst Track Improvements: Install central traffic control signaling system to increase speeds and add track and bridges to support the new Oakland Coliseum Intermodal Train Station	$11.70	Construction complete
Yolo Causeway Double Track: Add 6 miles of second main line track over Yolo Bypass flood channel. Project eliminated single largest rail bottleneck in corridor, thereby improving reliability and reducing travel time between Oakland and Sacramento	$22.00	Construction complete
Newark Siding Extension Double Track: Extend and upgrade siding to main line standards to add trains to San Jose	$17.10	Construction is 60% complete and scheduled for completion by May 2005
CP Coast Double Track: Add second main line track through UPRR/ Caltrain junction to add capacity for Capitol Corridor and freight trains	$15.39	Construction will begin in March 2005 and is scheduled for completion by December 2005
Track upgrades in Berkeley, Emeryville, Hayward, and Santa Clara/San Jose: Various projects to upgrade track conditions to improve reliability and passenger safety	$2.55	Construction in various stages from 10% to 100% complete
Safety and Security Projects: Lighting, fencing and security cameras at Auburn and Sacramento, and call boxes at unstaffed stations	$0.33	Construction began in January 2005
Outdoor Ticket Vending Machines: Addition of outdoor ticket vending machines at Auburn, Rocklin, Berkeley, and Great America Stations	$0.30	Manufacturing begun; installation scheduled for early 2006
Subtotal – Projects Underway	**$70.79**	
Committed Programming		
San Jose 4th Track Phase 1: Add 4th main line track between Santa Clara and San Jose to accommodate more Caltrain, ACE, and Capitol Corridor trains	$17.90	Design plans 65% complete; construction dependent upon allocation of 2002 STIP funds
Sacramento – Roseville Track Improvements: Add track and related infrastructure between Sacramento and UPRR's Roseville Yard for near-term expansion of Capitol Corridor trains to Roseville and Auburn	$7.28	Design plans complete; construction postponed pending allocation of 2002 STIP funds
Benicia – Bahia Track Upgrade (pending scope revision of the former Bahia Viaduct Track Upgrades): Improve track infrastructure to reduce travel times	$10.00	Pending UPRR project design and CTC approval for re-scoped 2002 STIP funding ($2.25M) originally allocated to the Bahia Viaduct Track Upgrades; also pending MTC approval of an additional $7.75M in RM-2 funds. Design work expected to begin in Summer 2005
Subtotal – Committed Programming	**$35.18**	
TOTAL SECURED FUNDING	**$105.97**	

Station Improvements

- Auburn – Added fence to layover area for the overnight train and installed security cameras that can be viewed remotely by security guards in Sacramento.

- Berkeley – Completed design for platform upgrades and landscape improvements; construction scheduled for completion in Summer 2005.
- Emeryville – Completed design of track and platform improvements; received funding for first phase of construction to implement passenger access and safety improvements (see Table 4-1).
- Oakland – The City of Oakland, along with Amtrak, the CCJPA, and the UPRR, commenced construction on the new Oakland Coliseum Intermodal Station that will allow connections between Capitol Corridor trains, BART, and shuttles to Oakland International Airport. The UPRR has completed the track and signal infrastructure; construction of the $5 million station is scheduled for completion in Summer 2005.
- Sacramento – Added security cameras and a staffed security desk; security staff conduct regular inspections of the station and layover facilities.
- Emergency call boxes will be installed at Santa Clara, Hayward, Berkeley, and Richmond stations over the next nine months.

Short-Term Capital Improvements (FY 2005-06)

Recent proposals in the Governor's Draft Budget for FY 2005-06 will have a significant impact on the ability of the CCJPA to deliver projects programmed in the STIP. This situation is compounded by earlier decisions to delay allocation dates for STIP projects. As a result, there was no new programming capacity to fund projects in the 2004 STIP. The State's financial constraints have resulted in significant cash flow reductions that required extending the programming from the previously approved STIP.

On a more positive note, Bay Area voters passed Regional Measure 2 (RM-2) in March 2004, which will provide an additional source of funding for Capitol Corridor projects through a $1 toll increase on State-owned Bay Area bridges. Over the next 2-4 years, the CCJPA will receive funding allocations from RM-2 for several projects:

- Benicia – Bahia Track Upgrade, on which the CCJPA is the lead agency.
- Fairfield/Vacaville Station, in collaboration with the Solano Transportation Authority.
- Dumbarton Rail commuter rail service (Union City/Fremont – SF Peninsula), in collaboration with a team led by the Peninsula Corridor Joint Powers Board.

Long-Term Capital Improvements (FY 2005-06 and Beyond)

If California voters pass a future bond measure in November 2006 for California High Speed Rail, the CCJPA also has the potential to receive at least $47.5 million in additional funding for Capitol Corridor projects. Future STIP cycles after 2006 will provide additional opportunities to fund the long-term CIP as outlined in the CCJPA's Vision Plan and supported by the Caltrans 10-Year Statewide Rail Plan and Amtrak's Strategic Corridors Initiative. In addition, the CCJPA continually works with Amtrak and other agencies to seek potential new federal funding sources.

In anticipation of further investment, the CCJPA is working with Amtrak and Caltrans to use the current $106 million capital investment to leverage federal funding. Assuming an 80/20 federal/state split, the CCJPA could receive over $350 million in federal funds, which would be invested to finance numerous CIP projects listed in Table 4-2. These projects support the CCJPA's service expansion plans aimed at reducing travel times, upgrading track infrastructure, and improving passenger amenities.

The CIP is consistent with the Regional Transportation Plans (RTPs) adopted by the San Francisco Bay Area Metropolitan Transportation Commission (MTC), the Sacramento Area Council of Governments (SACOG), the State of California's California State Rail Plan (2003-04 – 2013-14) and Amtrak's Strategic Corridors Initiative. Each RTP includes a list of anticipated projects and cost estimates for a 25-year planning horizon. When possible, the CCJPA will share costs and coordinate with other rail and transit services on station and track projects. The projects that

comprise the long-term CIP include those funded by multiple entities and those that the CCJPA will fund alone. A significant long-term project is the expansion of the Capitol Corridor service beyond Auburn to the Reno/Sparks area in Northern Nevada. CCJPA, Caltrans, and the Nevada Department of Transportation have begun coordinating on the CIP as well as operational needs for this project.

Table 4-2
Long-Term Capital Improvement Categories

CIP Category	Cost	Location
Track Improvements	$242.0M	• Dumbarton Rail/Union City • Roseville – Auburn Track Speed Project • Auburn Layover Upgrades • Yolo Causeway Crossover • Hayward Double Track • Emeryville Station and Platform Track Improvements – Phase 2 • Grade Crossing Projects and Safety Match Program • Oakland – San Jose Track and Signal Upgrades • Oakland Jack London Square Station, Track, and Platform Improvements • Bahia – Dixon Track and Signal Upgrades • Tolenas Lead Track (to support planned Fairfield/Vacaville Station) • Richmond – Martinez Track and Signal Upgrades • Auburn – Reno/Sparks Track Improvements • CP Coast Double Main Extension • Albrae – Newark Double Track Project
Station Improvements*	$177.1M	• Emeryville Parking Improvements • Roseville Station Improvements • Richmond Station Improvements • Davis Parking and Platform Rebuild Improvements (or new station) • Suisun/Fairfield Platform Rebuild • Car Markers at Stations program • Sacramento Swanston Station • Auburn Station Improvements • Rocklin Station Improvements • Martinez Station Parking and Access Expansion • New Sacramento Valley Station Intermodal Facility • Union City Station • Hercules Station • Fairfield/Vacaville Station • Miscellaneous Station Upgrades • New Stations and Station Modifications for Auburn – Reno/Sparks Extension
System Improvements	$12.0M	• Wireless Internet/Entertainment Network • Networked Security Program • Hand-held Ticket Validation and Quik-Trak (Ticket Vending Machine) Expansion Program
Rolling Stock	$165.0M	• Additional Equipment for Service Expansion
TOTAL	**$596.1M**	
* Note: Individual station owners will be the project sponsors, with CCJPA providing matching funds		

5. Performance Standards & Action Plan

Service

As guided by its Vision Plan, the CCJPA's management of the Capitol Corridor service will focus on a business-model approach with an emphasis on customer-focused, cost-effective service delivery that sustains growth in ridership and revenue. Over the past six years, ridership has continued to grow by increasing market demand along the congested I-80/I-680/I-880 highway corridors and by providing a high-quality public transportation service that is competitive in terms of frequency, travel time, reliability, and price.

Performance Standards

The CCJPA has developed performance standards for the Capitol Corridor service that measure usage (ridership), cost efficiency (system operating ratio), and reliability (on-time performance). Table 5-1 illustrates the performance standards for FY 2003-04, FY 2004-05, FY 2005-06, and FY

2006-07, as well as the actual results to date. Appendix C shows the measures used to develop standards for two additional years through FY 2008-09.

Table 5-1
Performance Standards for Capitol Corridor Service

	FY 03-04			FY 04-05			FY 05-06	FY 06-07
Performance Standard	Actual	Standard	Variance	Actual	Standard	Variance	Standard	Standard
Route Ridership	1,165,334	1,190,500	(2.1%)	306,300 (through 12/04)	297,900 (through 12/04)	2.8%	1,346,000	1,383,800
System Operating Ratio (train and feeder bus)	39%	39%	--	42% (through 10/04)	39%	7.7%	42%	43%
On-Time Performance	86%	90%	(4.4%)	92% (through 12/04)	90%	2.2%	90%	90%

FY 2003-04 Performance Standards and Results
The service plan during FY 2003-04 was 24 weekday trains between Sacramento and Oakland (18 weekend). This includes the 8 weekday trains between Oakland and San Jose (12 weekend) and 2 daily trains between Roseville/Auburn and Sacramento. This is the maximum level of service attainable with the current rolling stock/trainsets available and assigned to the Capitol Corridor.

During FY 2003-04, the Capitol Corridor continued to experience growth in ridership and revenue; however, this growth did not meet the aggressive ridership standard primarily due to lower than expected ridership in the first six months of the fiscal year. Service performance did improve dramatically in the second half of the fiscal year with the completion of the Yolo Causeway double track project, which improved reliability and reduced travel times.

- Ridership grew 2% in FY 2003-04 (2% below standard)
- Revenue increased 4% in FY 2003-04 (met standard)
- System operating ratio improved from 38% to 39% in FY 2003-04 (met standard)
- On-time performance improved from 79% to 86% in FY 2003-04, primarily due to increased capacity with the completion of the Yolo Causeway double track project and improved dispatching by the UPRR

FY 2004-05 Performance Standards and Results to Date
The CCJPA, in cooperation with Amtrak and Caltrans, developed the FY 2004-05 standards based on the ridership, revenue, and operating expenses identified in the current FY 2004-05 CCJPA/Amtrak operating contract. These standards are presented in Table 5-1.

Ridership. Ridership YTD for FY 2004-05 is above business plan projections by 3%, and above prior year results by 9%. This growth trend began in the second half of the prior fiscal year and can be attributed to reduced travel times and improved reliability following the completion of the Yolo Causeway double track project.

System Operating Ratio. System operating ratio (total revenues divided by actual costs, a.k.a. farebox return) YTD for FY 2004-05 is 42%, above the 39% standard and 4% above the prior fiscal year.

On-Time Performance. On-time performance YTD for FY 2004-05 is 92%, above the 90% standard and well above 84% in the prior fiscal year. This tremendous improvement is primarily due to UPRR's improved dispatching of the Capitol Corridor trains following the restructuring of incentive payments to encourage better on-time performance.

FY 2005-06 and FY 2006-07 Performance Standards

Table 5-1 provides the preliminary performance standards for FY 2005-06 and FY 2006-07. Appendix C shows the measures used to develop the performance standards. These fiscal year standards will be revised when more data becomes available.

FY 2005-06 Action Plan

For FY 2005-06, the work efforts of the CCJPA will focus on continued improvements in customer service and service delivery. The following action plans are aimed at meeting and exceeding the established performance standards. The CCJPA is keenly aware that its action plans must meet the needs of the traveling public in the congested I-80/I-680/I-880 transportation corridor. Following are action steps for each quarter of the fiscal year.

1Q FY 2005-06

- Update CIP and develop list of Capitol Corridor intercity rail projects to be included in the 2006 STIP Interregional Improvement Program (IIP)
- Prepare a market research program in cooperation with Caltrans and Amtrak
- Work with the State to secure additional rolling stock, the primary barrier to expansion of Capitol Corridor service levels
- Continue implementation of capital improvements funded by past STIP and TCRP funds
- Expand the "car marker program" at selected stations to decrease passenger loading time and improve overall running times
- Evaluate feasibility of implementing on-board hand-held ticketing and validation system for conductors to reduce fraud, improve revenue collection and streamline ridership reporting
- Seek marketing and promotional partnerships to leverage added value and/or revenues
- Monitor and expand the programs with transit agencies to improve connectivity between the trains and local transit services
- Participate in the planning and development of the Dumbarton commuter rail service including the Union City Intermodal Station
- Work with local, state, and federal agencies and interested parties to secure funding to implement Auburn/Sacramento – Richmond/Oakland regional trains as well as the extension of Capitol Corridor trains to Reno/Sparks

2Q FY 2005-06

- Select vendor to install "wi-fi" equipment on all trains in the Northern California fleet to enable wireless Internet access
- Evaluate measures to improve train and motorcoach performance, including modifications to the service
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak's performance
- Complete Phase I of track/signal improvements between Oakland and San Jose
- Seek funds to support the second phase of security improvements, including (but not limited to) cameras on trains and at stations

3Q FY 2005-06

- Expand train service to/from San Jose based upon completion of the first phase of track improvements between Oakland and San Jose
- Develop revised Business Plan Update for FY 2006-07
- Host Annual Public Workshops to present service plans and receive input
- Develop Annual Performance Report and other information to present an overview of current performance and future plans

4Q FY 2005-06

- Develop FY 2006-07 marketing program, including market research
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak's performance

FY 2006-07 Action Plan

This action plan for FY 2006-07 is preliminary and will be revised during the second half of FY 2005-06. In general, the CCJPA intends to focus on the following:

- Work with the UPRR and Amtrak to continue ridership and revenue growth through improvements in on-time performance and implementing track/signal upgrade projects that will reduce travel times and add capacity
- Continue to secure additional rolling stock to meet service expansion plans
- Develop marketing programs that retain riders through expanded amenities and loyalty campaigns/offers and grow ridership through market research
- Update performance standards as necessary
- Work with Amtrak to secure additional cost efficiencies to be reinvested in service enhancements

6. Establishment of Fares

The CCJPA will develop fares in conjunction with Amtrak to ensure that the Capitol Corridor service is attractive and competitive with other transportation modes in the corridor, including the automobile. Ticket types include standard one-way and round-trip fares as well as monthly passes and 10-ride tickets valid for a 45-day period. These discounted multi-ride fares are competitive with other transportation modes and have become increasingly popular due to the high number of repeat riders who use the Capitol Corridor trains as their primary means of travel along the corridor. The monthly and multi-ride tickets can be used year-round for all regularly scheduled train service.

Discounted multi-ride fares are competitive with other transportation modes and have become increasingly popular due to the high number of repeat riders who use the trains as their primary means of travel along the corridor.

The current fare structure is based on a one-way tariff, with the round-trip tariff being equal to double the one-way tariff. Generally, there are two seasonal periods for Capitol Corridor fares: peak season during the summer and off-season for the remainder of the year. There are also holiday fares that are slightly higher than those charged during the peak season. Discount fares are available to seniors, students, military personnel, and children under age 15. Amtrak also provides reduced fares for certain groups, such as AAA members. The goal of fare modifications is to maximize revenue and ridership.

FY 2005-06 Fares

The CCJPA's strategy has been to incrementally increase fares based on service improvements such as added trains, reduced travel times, and new stations. In the prior fiscal year, the CCJPA increased fares when the Yolo Causeway double track project was completed. This project allowed for improved reliability and reduced travel times, corresponding to immediate increases in ridership and modest increases in revenue. This program of strategic fare increases will also be initiated by the CCJPA and Amtrak in FY 2005-06. As part of its Marketing Program (Section 8), the CCJPA will develop a variety of fare promotions that pursue opportunities to increase customer service and ridership without making major changes to Amtrak's current fare structure. Opportunities include:

- The "Tell-A-Friend" and frequent rider programs will reward customer loyalty by selectively distributing free round-trip tickets, much like the Trial Ride Program

- A joint effort with Amtrak to initiate a demonstration project to provide an on-board handheld ticketing and validation system on Capitol Corridor trains. Benefits of this system include customer convenience, real-time information on ridership and revenue, and cost efficiencies
- Further expansion of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach routes to parallel local transit services. By providing convenient connections between Capitol Corridor trains and local transit services, the CCJPA aims to increase overall system ridership and revenues
- As a joint effort with Amtrak, the CCJPA has secured funding to develop and install automated ticket vending machines (TVMs) at unstaffed Capitol Corridor stations equipped with shelters. Implementation of the TVMs is scheduled for early 2006. The TVMs accept debit and credit cards only and will be modified where possible to use Translink fare media

FY 2006-07 Fares

While still preliminary, the projected fare structure for FY 2006-07 will follow the program set forth in FY 2005-06. The CCJPA will perform periodic reviews of the fare structure and make modifications with Amtrak as necessary. In addition, the CCJPA will pursue opportunities to increase customer service and ridership without making major changes to Amtrak's fare structure. Opportunities include:

- Working with Metropolitan Transportation Commission (MTC) to include the Translink smart-card fare collection technology on the Capitol Corridor trains
- Continuation and expansion of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach routes to parallel local transit services
- Further expansion of the demonstration program to install an on-board handheld ticketing and validation system on all trains in the Northern California fleet assigned to the Capitol Corridor and San Joaquin routes

7. Service Amenities, Food Services and Equipment

The CCJPA ensures that the rail fleet is operated and maintained to the highest standards of reliability, cleanliness and safety; and that the unique features and amenities of the State-owned train equipment are well utilized.

The CCJPA is responsible for the administration and maintenance supervision of the state-owned fleet of rail cars and locomotives assigned to Northern California. The goal of the CCJPA is to ensure equity in the operation and maintenance of equipment assigned to the Capitol Corridor and San Joaquin Corridor services. In accordance with the ITA, the CCJPA is entrusted with ensuring that the rail fleet is operated and maintained to the highest standards of reliability, cleanliness and safety; and that the unique features and amenities of the State-owned train equipment are well utilized and maintained to standards established by Amtrak, the State and the CCJPA.

Service Amenities

Accessibility. The Capitol Corridor and San Joaquin Corridor trains provide complete accessibility to passengers. Accessibility features include on-board wheelchair lifts, two designated spaces per train car for passengers in wheelchairs, and one wheelchair-accessible lavatory on the lower level of each train car.

Information Displays. Each California Car is equipped with passenger information displays that provide the train number and destination, plus any required public information.

Lavatories. Lavatories in California Cars feature attendant call buttons, electric hand dryers, soap dispensers, and infant diaper changing tables.

Telecommunications. California Cars that provide food service are equipped with one telephone for passenger use in the lower level of the train car. Future enhancements include the expansion of

110-volt power access to additional locations within all cars to satisfy the growing demand of passengers who bring laptop computers on the trains.

Bicycle Access. The original Cab and Coach Cars and newly acquired California Cars have bicycle storage units that hold three bicycles on the lower level of the train car. The newly acquired Cab Cars have storage space for up to 16 bicycles on the lower level.

Quiet Car. This amenity was introduced in response to passenger demand. One car per train, at the conductor's discretion, will be reserved for passengers wanting to sleep or relax. The CCJPA and Amtrak have defined the amenities and guidelines for the Quiet Car:

- Dimmed lighting
- Reduced volume on personal listening devices
- Limited PA announcements
- One seat per passenger
- No conversation of any type (cell phone, voice recorders, etc.) is allowed
- Pagers, cell phones, laptop computers and other electronic devices are in "silent" mode

As the Wi-Fi wireless Internet access pilot program has moved forward, it has generated a great deal of promise and excitement for the potential of this technology and new services for our riders.

Wi-Fi Internet Access. As the "Wi-Fi" wireless Internet access pilot program has moved forward, it has generated a great deal of promise and excitement for the potential of this technology and new services for our riders. The pilot program has expanded to two separate vendors who will each be selling wireless Internet access and/or downloadable movies and real-time TV during our trial period, with others looking to join the rapidly expanding market. The CCJPA is also exploring the use of wireless technology to improve operational applications such as ticketing and security.

Business/Custom Class Car. While current economic conditions in the State have deferred the CCJPA's introduction of the Business/Custom Class Car, concepts are still under evaluation to continuously upgrade and better serve business travelers with premium services that will retain and expand this market. The basic premise is to renovate one car per train to be equipped with additional services and amenities not found in other Coach Cars, such as:

- Window curtains
- Morning coffee and pastry service
- Daily periodicals
- Satellite Internet access

Food and Beverage Services

Many of the food and beverage service improvements proposed in prior years have been implemented, and are reaping benefits in customer satisfaction and increased sales of menu items. Recent modifications include:

- Point-of-sale cash registers that track sales data
- More attractive menu choices
- New signage and seat pocket menus promote food service
- Improved inventory and accounting procedures enhance profitability

These efforts by the CCJPA and Caltrans will continue to enhance the unique food and beverage service provided on the Capitol Corridor and San Joaquin Corridor trains.

Equipment Acquisition, Maintenance, and Renovation

The CCJPA continues to work closely with Caltrans and Amtrak to refine the maintenance and operations programs to improve the reliability, safety and cost-effectiveness of the rail fleet. The

Capitol Corridor and San Joaquin routes now share a combined fleet of 17 F59PHI locomotives and 78 Alstom-built passenger coaches and food service cars. New fleet acquisitions in the near future will depend on improved economic conditions permitting an increase in State and federal funding. In the interim, the CCJPA is investigating other possible sources of rolling stock to take advantage of service expansion opportunities as they arise.

New Oakland Maintenance Facility. Amtrak and Caltrans hosted a grand opening ceremony for the new Oakland maintenance facility on Oct. 12, 2004, and the facility officially opened for business on Nov. 1, 2004. This facility will allow for improved maintenance of equipment and is expected to accommodate the service expansion plans of the Capitol Corridor and San Joaquin services. Northern California is now on the leading edge of passenger rail maintenance as well as service to our customers. The new facility includes:

The Oakland maintenance facility will allow for improved maintenance of equipment and is expected to accommodate the service expansion plans of the Capitol Corridor and San Joaquin services.

- A new locomotive and coach repair shop
- A train washer
- Service, inspection, and fueling tracks
- Storage tracks

Rehabilitation and Modification Programs. Using prior allocated State funds, the CCJPA, Caltrans, and Amtrak have created a multi-year program of upgrades to the existing train fleet that will improve the performance of the rolling stock and maintain the valued assets of the State's investment in the service, which will improve the on-time performance of the trains.

Work Completed (FY 2004-05 and Prior)

- The original fleet of locomotives has been through an extensive renovation program that included the rebuilding of auxiliary power motors (HEP), which has resulted in a marked improvement in performance and reliability.
- The individual Heating-Ventilation-Air Conditioning (HVAC) units on each passenger car were rebuilt prior to summer 2003.
- The original fleet of locomotives, coaches, diner cars, and cab cars were painted.

Upcoming Work (FY 2005-06 and Beyond)

- The door systems will be completely redesigned to improve operation and maintenance via a microprocessor-controlled door operator system.
- Improvements will be made to the ducting and filtration systems of the renovated HVAC control system, providing better air quality and climate control.
- Restroom facilities will be upgraded, including rebuilt toilet operating systems, new flooring and improved doors and latching mechanisms.
- An improved ride quality suspension package and collision protection system will be installed to enhance passenger and crew safety.
- The communication connections between train cars will be upgraded to provide better volume control, improved real-time signs, and capabilities for expanded Wi-Fi service to the entire train.

8. Marketing Strategies

The CCJPA uses a combination of grassroots local marketing efforts and broad-based joint media campaigns to build awareness of the Capitol Corridor service. Marketing dollars and impact are maximized through joint promotions and advertising as well as reciprocal marketing programs with the State, Amtrak, CCJPA member agencies, and other selected partners. A primary objective is to promote the service to key markets and attract riders to trains with available capacity.

Advertising Campaigns. Major media campaigns inform leisure and business travel markets about service attributes, promotions/pricing, and destinations. The advertising mix includes print, radio, outdoor billboards, direct mail, and online media buys, and it is continually adjusted to ensure consistent visibility in premium markets.

Cross-Promotions & Joint Marketing. Working with Amtrak and Caltrans, the CCJPA achieves cost efficiencies in marketing the State-supported rail services through joint campaigns. Major media campaigns promote riding the train to popular events such as Oakland Raiders games. The Capitol Corridor's Strategic Marketing Partnership Program has established metrics to enhance CCJPA's trade promotion negotiations, allowing selected partners to market their products through Capitol Corridor marketing channels. The program now has a solid foundation for increasing value, and possibly revenues, for the advertising program.

Targeted Marketing Programs. The CCJPA creates programs that target specific markets, such as the Train Treks youth group discount program to boost mid-day, mid-week travel. Working with hotels and convention/visitor bureaus, the CCJPA will create seasonal destination-based packages to sports events and cultural attractions (San Jose Grand Prix, Old Sacramento, etc.). Building upon successful targeted programs, the CCJPA will research other niche markets such as college students, new homeowners, and employer-supported outreach programs to first-time business travelers.

Customer Communications. The CCJPA places great importance on keeping in constant communication with our passengers.

- The real-time passenger information display (PIDS) signs update customers on train status and arrival/departure times at stations and via the Internet.
- CC Rail Mail, an electronic newsletter, informs customers about service changes, promotions, and special events.
- Proposed new website features include online surveys and virtual tours.

The Capitol Corridor's Strategic Marketing Partnership Program has established metrics to enhance CCJPA's trade promotion negotiations, allowing selected partners to market their products through Capitol Corridor marketing channels.

Community Outreach and Public Relations. Communities along the Capitol Corridor have joined the CCJPA to share awareness-building efforts in their respective cities through local marketing campaigns. The CCJPA will continue to produce an Annual Performance Report informing the public and elected officials of the service's success and benefits to local communities. Public relations will continue its lifestyle marketing approach and focus on creating buzz through attention-getting events and amenities, like the current Relax and Ride Onboard Massage Therapy program.

The CCJPA will continue participation in Operation Lifesaver, a voluntary effort by railroads, safety experts, law enforcement, public agencies, and the general public to promote rail safety near trains and stations. In June 2004, the CCJPA invited children from a local day camp to enjoy free ice cream and listen to a rail safety presentation during a Kids Ride Free Everyday kickoff event. Together with Amtrak and Caltrans, the CCJPA will provide initiatives and support for the Operation Lifesaver rail safety campaign through education, engineering and enforcement.

Brand Loyalty and Awareness. Capitol Corridor will create new programs and refine efforts to build, maintain, and reward customer loyalty, reinforcing the value of the service. The CCJPA will seek out high-profile and grassroots opportunities to enhance customer awareness.

FY 2005-06 Marketing Program

The CCJPA's FY 2005-06 Marketing Program will focus on meeting the increased ridership projections, using marketing strategies based on our existing core service. Specific marketing

programs will be developed to target the markets most likely to benefit from our planned service expansions. Future marketing initiatives will also aim to enhance the distinctiveness and visibility of the Capitol Corridor brand. Key elements:

- CCJPA, Amtrak, and Caltrans collaborated on refining the Travel Made Simple campaign to preserve the freshness and clarity of the advertising message. This campaign, which will continue through 2005-06, emphasizes the convenience of modern train travel.
- Continue development of Strategic Marketing Partnership Programs to maximize media dollars, aligning the Capitol Corridor with valuable organizations and expanding market reach.
- Reciprocal marketing with tourism industry members such as hotels, airports, and convention/visitor bureaus.
- Targeted marketing to school groups, senior citizens, special interest groups, and new residential communities.
- Expand promotional partnerships with high-profile entities to maximize media dollars and visibility.
- Focus on business travel, especially in the Placer County and Santa Clara County areas, as service to those areas increases.
- Coordinate outreach and pubic relations efforts in Silicon Valley/San Jose area to coincide with service expansion.

In FY 2005-06, specific marketing programs will be developed to target the markets most likely to benefit from the Capitol Corridor's planned service expansions.

FY 2006-07 Marketing Program

In addition to continuing our most successful programs, the CCJPA will also consider new approaches for future implementation:

- Refinement of the Capitol Corridor brand to emphasize local character and personalize the service, including possible image and identity modifications.
- Explore gradual shift towards Capitol Corridor-specific regional marketing, to increase regional brand awareness and test for advertising effectiveness

9. Annual Funding Requirement: Costs & Ridership Projections

The primary purpose of this Business Plan Update, as identified in the ITA, is to request the annual funds required by the CCJPA to operate, administer and market the Capitol Corridor service for agreed-upon service levels. Previous sections in this document describe the proposed operating plan, planned service improvements, and capital improvements for FY 2005-06 and FY 2006-07.

FY 2005-06 and FY 2006-07 Operating Costs

Based on the Operating Plan and Strategies (Section 3), Amtrak has provided its best estimate for FY 2005-06 and FY 2006-07. These costs are shown in Table 9-1 and include the basic train service and associated feeder bus service (routes 20, 21, and 23), including the CCJPA's proportionate share of its costs relating to the transfer of Route 22 (San Jose – Santa Cruz) motorcoach service to Santa Cruz Metro/VTA Highway 17 Express bus service.

FY 2005-06 and FY 2006-07 Marketing Expenses

The CCJPA's marketing budget for FY 2005-06 and FY 2006-07 will fund the respective year's Marketing Programs presented in Section 8. The CCJPA and Caltrans will develop the budgets. The preliminary budget estimates illustrated in Table 9-1 represent only those direct expenses attributed to the CCJPA and do not include any costs for marketing programs provided solely by Amtrak or the State.

FY 2005-06 and FY 2006-07 Administrative Expenses

Table 9-1 identifies the estimate for the FY 2005-06 and FY 2006-07 CCJPA administrative budgets that support the administrative activities of the CCJPA for the Capitol Corridor service.

The Capitol Corridor service will remain a part of the State's intercity rail system and continue to be funded by the State. The CCJPA will provide the level of service consistent with funding appropriated by the Legislature and allocated by the State. Cost savings realized by the CCJPA or revenues in excess of business plan projections during the term of the ITA will be used by the CCJPA for service improvements in the corridor (Section 1).

Table 9-1
CCJPA FY 2005-06 – FY 2006-07 Funding Requirement
Capitol Corridor Service

	FY 2005-06					FY 2006-07
Service Level		Incremental Increase			TOTAL	TOTAL
Sacramento-Oakland						
Weekday	24				24	24
Weekend	18				18	18
Oakland-San Jose						
Weekday	8	6			14	14
Weekend	12	2			14	14
Sacramento-Roseville	2		4		6	6
Roseville-Auburn	2			2	4	4
Ridership (a)	1,329,200	74,200	39,100	12,400	1,454,900	1,556,900
Total Train Operating Expenses	$ 34,041,000	$ 1,297,000	$ 597,000	$ 310,000	$ 36,245,000	$ 36,921,000
Equipment Capital Costs	$ -	$ -	$ -	$ -	$ -	$ -
Total Train Expenses	$ 34,041,000	$ 1,297,000	$ 597,000	$ 310,000	$ 36,245,000	$ 36,921,000
Total Bus Expenses	$ 3,049,000	(42,000)	-	(29,000)	$ 2,978,000	$ 2,993,000
TOTAL Expenses (a)	$ 37,090,000	$ 1,255,000	$ 597,000	$ 281,000	$ 39,223,000	$ 39,914,000
Train Revenue	$ 13,654,000	$ 719,000	$ 409,000	$ 157,000	$ 14,939,000	$ 15,698,900
Bus Revenue	$ 1,463,000	(20,000)	-	(15,000)	1,428,000	1,468,000
TOTAL Revenue (a)	$ 15,117,000	$ 699,000	$ 409,000	$ 142,000	$ 16,367,000	$ 17,166,900
CCJPA Funding Requirement						
CCJPA Operating Costs (b)	$ 21,973,000	$ 556,000	$ 188,000	$ 139,000	$ 22,856,000	$ 22,747,100
Insurance for State-Owned Equipment (c)	$ 405,000	$ -	$ -	$ -	$ 405,000	$ 514,000
Minor Capital Projects (d)	$ 325,000	$ -	$ -	$ -	$ 325,000	$ 325,000
Subtotal-CCJPA Operating Expenses	$ 22,703,000	$ 556,000	$ 188,000	$ 139,000	$ 23,586,000	$ 23,586,100
Marketing (e)	$ 1,174,000	$ -	$ -	$ -	$ 1,174,000	$ 1,174,000
Administrative Expenses (f)	$ 1,260,000	$ -	$ -	$ -	$ 1,260,000	$ 1,260,000
TOTAL CCJPA Funding Request	$ 25,137,000	$ 556,000	$ 188,000	$ 139,000	$ 26,020,000	$ 26,020,100

(a) CCJPA provided initial estimates for ridership, revenue, and operating costs. Amtrak to provide final estimates in March 2005.

(b) Starting in FY 2003-04 Amtrak revised its allocation of train operating expenses, whereby indirect expenses (i.e., depreciation, interest/taxes, and other administrative costs) are incurred by Amtrak but are not passed on to the CCJPA, resulting in lower CCJPA/State operating costs.

(c) Amtrak procures insurance coverage for state-owned equipment that is operated for service.

(d) Expenses to be allocated for small or minor capital projects.

(e) Due to State budget constraints, the FY 2005-06 and FY 2006-07 marketing expenses will be capped at the same levels as the six prior fiscal years ($1,174,000). Does not include contributions by Amtrak or additional resources provided by the State as part of market research program.

(f) Due to State budget constraints, the FY 2005-06 and FY 2006-07 administrative expenses will be capped at the same funding level as the three prior fiscal years ($1,260,000).

10. Separation of Funding

As identified in the Joint Exercise of Powers Agreement (JEPA) for the CCJPA, the Controller-Treasurer of the Managing Agency of the CCJPA shall perform the functions of Treasurer, Auditor, and Controller of the CCJPA. BART's agreement with the CCJPA to serve as the CCJPA's Managing Agency will terminate in February 2005. The next Managing Agency for the CCJPA will serve for five years consistent with enactment of AB 1717 in September 2003. This longer term will allow the CCJPA Board a better means to measure the performance of the Managing Agency.

As identified in the ITA, the State shall perform audits and reviews of financial statements of the CCJPA with respect to Capitol Corridor service. In addition, the CCJPA requires that the Controller-Treasurer shall provide for an annual independent audit of the accounts of the CCJPA within six months of the close of the state fiscal year. BART has established the appropriate accounting and financial procedures to ensure that the funds appropriated and otherwise secured by the CCJPA during FY 2005-06 and FY 2006-07 to support the Capitol Corridor service are solely expended to operate, administer, and market the service.

11. Consideration of Other Service Expansions & Enhancements

Consistent with the CCJPA's Vision Plan, this section presents service expansion and enhancement opportunities beyond the CCJPA's FY 2005-06 and FY 2006-07 service plans and funding requirements. Planning for potential new services will require securing capital improvements, additional operating funds and institutional agreements.

Additional Service Expansion

The CCJPA continues to work with Amtrak, Caltrans, and other interested agencies to increase train service levels on the Capitol Corridor. The CCJPA will utilize the California Rail Passenger Program Report (FY 2003-04 – FY 2013-14) to develop and implement its vision of bi-directional hourly service.

The CCJPA encourages partnerships among passenger rail services as well as local/regional transportation agencies to ensure that planned service extensions provide mutual cost savings through the use of joint facilities and equipment.

In a partnership with Placer County TPA and Caltrans Division of Rail, the CCJPA completed a conceptual planning study in January 2005 on the proposed extension of Capitol Corridor trains to Reno/Sparks (via Truckee). The study identified conditions along the rail route and at existing or proposed stations, developed conceptual train schedules, estimated ridership/revenue projections and operating costs, prepared a preliminary capital improvement plan and established an action plan to implement the service extension by 2009-10. The CCJPA has also been working with Amtrak, the City of Reno and other affected agencies to monitor the construction of the Reno railroad-trenching project and ensure that the renovated Reno Station can be served by future Capitol Corridor trains to Reno.

The CCJPA has set forth and adopted a Train Service Policy that supports the future extensions to new markets beyond the Capitol Corridor. It encourages partnerships among several passenger rail services and local/regional transportation agencies to ensure that these extensions provide mutual cost savings through the use of joint facilities and equipment. In addition to the Capitol Corridor extension to Reno/Sparks and other proposed regional commuter rail services, the CCJPA has developed working relationships with:

- Dumbarton Rail commuter trains (Union City – Redwood City – SF/San Jose)
- San Joaquin Corridor service
- Amtrak National Network (California Zephyr and Coast Starlight)
- Altamont Commuter Express service (Stockton – Livermore – San Jose)
- Caltrain service (Gilroy/San Jose – San Francisco)
- California High Speed Rail Authority
- Proposed new passenger rail services to Monterey, Redding/Chico, Napa/Santa Rosa, and Los Angeles via the Coast Subdivision (Salinas/San Luis Obispo)

Beyond the proposed extensions of the Capitol Corridor service, future service enhancements between the three urban centers located in the Capitol Corridor (Sacramento, Oakland/San Francisco and San Jose) present the opportunity to achieve significant ridership increases.

Sacramento – San Francisco Bay Area Markets.

The proposed regional rail trains between Auburn/ Sacramento and Richmond/Oakland would be integrated with the Capitol Corridor intercity trains to provide 30-minute headways during the weekday peak periods.

Over the past two years, a conceptual planning study has been underway to determine the feasibility and funding opportunities for the operation and necessary capital improvements to provide regional rail peak period train service between Auburn/Sacramento and Richmond/Oakland. These proposed trains would be integrated with the Capitol Corridor intercity trains to provide 30-minute headways during the weekday peak periods. The planning study should be completed by March 2005.

Silicon Valley/Santa Clara County Markets. Efforts continue to expand public rail transport to the South Bay. With the passage of the Bay Area's Regional Measure 2 in March 2004, a $1 increase in local bridge tolls will be the primary funding source (with matching state and federal funds) for the introduction of peak-hour commuter train service between an expanded Union City Intermodal Station and San Jose/San Francisco via the Dumbarton rail bridge. The CCJPA is co-project applicant with Caltrain for the planning, construction and implementation of this service. The CCJPA will work with project partners to ensure that Capitol Corridor trains are closely coordinated and integrated with ACE and the new Dumbarton commuter trains, especially along the shared track between Union City and Fremont/Newark. In addition, VTA and BART continue planning and environmental studies for the proposed extension of BART from Southern Alameda County to San Jose. The development and operation of this proposed BART extension would be coordinated with existing and additional Capitol Corridor trains to and from San Jose and Silicon Valley.

Appendices

Appendix A
Capitol Corridor Historical Performance

Fiscal Year	Daily Trains	Total Ridership	% Change Prior Year	Riders per day	Revenue*	% Change Prior Year	Operating Expense*	% Change Prior Year	Farebox Ratio*	State Costs*
SFY 91/92 (a)	6	173,672	--	864	$1,973,255	--	$4,848,967	--	40.7%	$1,592,907
SFY 92/93	6	238,785	--	650	$2,970,103	--	$8,333,093	--	35.6%	$6,712,017
SFY 93/94	6	364,070	52.5%	1,000	$3,598,978	21.2%	$9,911,735	18.9%	36.3%	$6,714,761
SFY 94/95	6	349,056	-4.1%	960	$3,757,146	4.4%	$9,679,401	-2.3%	38.8%	$6,012,315
SFY 95/96 (b)	8	403,050	15.5%	1,100	$4,805,072	27.9%	$11,077,485	14.4%	43.4%	$6,434,940
SFY 96/97	8	496,586	23.2%	1,360	$5,938,072	23.6%	$20,510,936	85.2%	29.0%	$9,701,519
FFY 97/98 (c)	8	462,480	-6.9%	1,270	$6,245,105	5.2%	$20,527,997	0.1%	30.4%	$11,404,143
FFY 98/99 (d)	10/12	543,323	17.5%	1,490	$7,314,165	17.1%	$23,453,325	14.3%	31.2%	$16,022,024
FFY 99/00 (e)	12/14	767,749	41.3%	2,100	$9,115,611	24.6%	$25,672,749	9.5%	35.7%	$16,440,540
FFY 00/01 (f)	14/18	1,073,419	39.8%	2,941	$11,675,117	28.1%	$28,696,741	11.8%	40.7%	$17,680,477
FFY 01/02	18	1,079,779	0.6%	2,960	$12,201,602	4.5%	$32,842,038	14.4%	37.2%	$20,590,919
FFY 02/03 (g)	18/20/22/24	1,142,958	5.9%	3,130	$12,800,469	4.9%	$36,469,383	11.0%	38.1%	$21,540,910
FFY 03/04	24	1,165,334	2.0%	3,190	$13,168,373	N/A	$35,579,266	N/A	37.2%	$22,708,181
FFY 04/05 (h)	24	308,397	N/A	3,350	$3,771,107	N/A	$3,331,553	N/A	42.3%	$2,192,280

* Cost statistics include train service as well as bus service

RT = Round trip

SFY = State Fiscal Year (July 1- June 30)

FFY = Federal Fiscal Year (October 1 -September 30)

a. Statistics available for partial year only because service began in December 1991.

b. Fourth round-trip began in April 1996.

c. Statistics presented for FFY 97/98 and each subsequent FFY to conform with Performance Standards developed by BT&H.

d. 10 trains began on October 25, 1998 and 12 trains began on February 21, 1999.

e. 14 trains were added effective February 28, 2000

f. 18 trains were added effective April 29, 2001

g. 20 trains were added October 27, 2002; 22 trains were added January 6, 2003; 24 trains were added April 28, 2003

h. Ridership and revenue shown is the period through December 2004. The operating expense and farebox ratio is shown for the period of October 2004

Appendix B
Programmed or Completed Capitol Corridor Projects (as of December 2004)

Programmed or Completed Projects (Preliminary and Tentative - Subject to Revision)	Costs
Station Projects	
Colfax	$2,508,165
Auburn	$3,131,656
Rocklin	$2,181,661
Roseville	$1,619,104
Sacramento	$8,280,014
Davis	$5,326,643
Fairfield/Vacaville (a)	$5,275,000
Suisun/Fairfield	$3,834,049
Martinez	$38,145,628
Richmond	$21,924,408
Berkeley	$1,754,616
Emeryville	$20,383,540
San Francisco – Ferry Building	$584,842
Oakland – Jack London Square	$20,319,077
Oakland – Coliseum	$4,607,000
Hayward	$1,145,000
Fremont – Centerville	$3,544,050
Great America/Santa Clara	$3,082,627
San Jose – Diridon	$26,501,042
Platform Signs	$23,101
Real-time message signs (design)	1,420,000
Other (b)	$1,970,575
SUBTOTAL – Station Projects	$177,561,798
Track and Signal Projects	
Placer County	$500,000
Auburn Track and Signal Improvements	$350,000
Sacramento – Roseville (3rd Track) Improvements	$6,950,000
Yolo Causeway 2nd Track	$24,577,248
Sacramento – Emeryville	$60,219,132
Oakland – Santa Clara (Hayward Line) [1991]	$14,900,000
Niles Junction – Newark (Centerville Line) (c)	$6,000,000
Sacramento – San Jose C-Plates	$14,156
Oakland – San Jose	$43,600,000
San Jose 4th Track	$41,850,000
Harder Road (Hayward) Undercrossing (2001)	$8,898,000
SUBTOTAL – Track and Signal Projects	$207,858,536
Maintenance and Layover Facility Projects	
San Jose (Pullman Way) Maintenance Facility	$5,789,862
Oakland Maintenance Facility	$63,835,956
Oakland Maintenance Base (existing)	$464,884
Colfax/Auburn Layover Facility (d)	$691,956
Roseville Layover Facility	$157,702
Sacramento Layover Facility	$941,316
SUBTOTAL – Maintenance and Layover Facility Projects	$71,881,676
Rolling Stock (California Cars and Locomotives) (e)	$235,282,226
TOTAL – PROGRAMMED OR COMPLETED PROJECTS	**$692,386,740**

Notes:
a. Environmental, design/engineering, and right-of-way only.
b. Wheelchair lifts, ADA studies, and other station equipment.
c. Estimate from San Joaquin County for introduction of ACE service.
d. Placer County TPA will reprogram funds from Colfax to Auburn for a layover facility in Placer County.
e. Includes existing and future delivery of state-owned locomotives and cars in Northern California equipment pool to be assigned to Capitol Corridor and San Joaquin Trains.

Appendix C
Capitol Corridor Performance Standards FY 2003-04 to FY 2008-09

PERFORMANCE STANDARD	FY 2003-04 ACTUAL	FY 2003-04 STANDARD ¶	FY 2003-04 VARIANCE ACTUAL TO STANDARD	FY 2003-04 PERCENT CHANGE	FY 2004-05 STANDARD	FY 2005-06 PRELIMINARY STANDARD	FY 2006-07 PRELIMINARY STANDARD	FY 2007-08 PRELIMINARY STANDARD	FY 2008-09 PRELIMINARY STANDARD
NUMBER OF DAILY TRAINS (SAC-OAK)	24	24			24	24#	24#	28	32@
USAGE									
Route Ridership	**1,165,334**	**1,190,500**	**(25,166)**	-2.1%	**1,200,100**	**1,454,900**	**1,556,900**	**1,657,600**	**1,856,000**
Average Daily Ridership	3,193	3,262	(69)	-2.1%	3,288	3,986	4,265	4,541	5,085
Percent Change in Route Ridership	-0.6%	4.5%	§	§	3.0%	21.2%	7.0%	6.5%	12.0%
Percent Change in Train Passenger Miles	-1.1%	3.8%	§	§	5.1%	19.5%	5.4%	4.9%	27.2%
Percent Change in Train Miles	4.8%	4.9%	§	§	0.0%	15.8%	10.7%	11.3%	25.0%
Passenger Miles per Train Mile (PM/TM)	87.4	89.0	(1.5)	-1.7%	91.9	94.8	90.3	85.2	86.7
COST EFFICIENCY									
Farebox Ratio (Train and Bus Service)	**39%**	**38%**	**0.7%**	–	**39%**	**42%**	**43%**	**44%**	**45%**
Percent Change in Total Revenue	0.2%	–	–	–	1.8%	20.5%	4.9%	9.0%	20.7%
Percent Change in Total Expenses	-1.0%	–	–	–	2.3%	11.3%	1.8%	6.1%	19.4%
Train Revenue per Train Mile	$ 13.16	$ 13.44	$ (0.29)	-2.1%	$ 13.85	$ 14.27	$ 13.59	$ 13.38	$ 13.43
Train Revenue per Passenger Mile (Yield)	$ 0.150	$ 0.151	$ (0.001)	-0.4%	$ 0.151	$ 0.150	$ 0.150	$ 0.157	$ 0.155
Train Expenses per Train Mile	$ 35.33	$ 35.94	$ (0.61)	-1.7%	$ 36.37	$ 34.73	$ 31.97	$ 30.61	$ 29.90
Train Only State Cost per Train Mile	$ 21.74	$ 20.91	$ 0.83	4.0%	$ 22.52	$ 20.47	$ 18.38	$ 17.22	$ 16.46
Train Only State Cost Per Passenger Mile	$ 0.25	$ 0.23	$ 0.01	5.8%	$ 0.25	$ 0.22	$ 0.20	$ 0.20	$ 0.19
SERVICE QUALITY									
On Time Performance	**86%**	**90%**	**-4%**	–	**90%**	**90%**	**90%**	**90%**	**90%**
Percent of California Car Fleet Available	89%	87%	2%	–	87%	87%	87%	87%	87%
OPERATING RESULTS									
TRAIN AND BUS									
Total Revenue	$ 13,341,245	$ 13,549,000	$ (207,755)	-1.5%	$ 13,585,000	$ 16,364,700	$ 17,166,900	$ 18,707,300	$ 22,573,000
Total Expenses	$ 34,445,601	$ 35,396,000	$ (950,399)	-2.7%	$ 35,250,000	$ 39,223,000	$ 39,914,000	$ 42,346,000	$ 50,565,000
Total State Operating Cost ^	**$ 21,654,650 ▪**	**$ 22,172,000 ▪**	**$ (517,350)**	**-2.3%**	**$ 22,930,000 ▪**	**$ 23,586,000 ▪**	**$ 23,586,100 ▪**	**$ 24,513,700 ▪**	**$ 29,067,000 ▪**
TRAIN ONLY									
Train Only Revenue	$ 11,852,547	$ 12,116,000	(263,453)	-2.2%	$ 12,480,000	$ 14,886,700	$ 15,698,900	$ 17,195,300	$ 21,576,000
Train Only Expenses	$ 31,826,218	$ 32,391,000	(564,782)	-1.7%	$ 32,781,000	$ 36,245,000	$ 36,921,000	$ 39,323,000	$ 48,012,000
Train Only State Operating Cost	$ 19,584,141 ▪	$ 18,842,000 ▪	742,141	3.9%	$ 20,301,000 ▪	$ 21,358,300 ▪	$ 21,222,100 ▪	$ 22,127,700 ▪	$ 26,436,000 ▪
Passenger Miles	78,768,674	80,196,300	(1,427,626)	-1.8%	82,806,900	98,935,100	104,311,700	109,399,700	139,200,000
Train Miles	900,854	901,302	(448)	0.0%	901,302	1,043,530	1,154,780	1,284,720	1,606,000

^ - Includes payments to Amtrak for use of equipment (including insurance) and minor capital costs. Not included in any other line item.

▪ - Represents fixed price contract cost for FFY 2003-04 and FFY 2004-05. Actual contract cost may be lower, but not higher.

¶ - Per Business Plan Update/Amtrak Contract

- Standards measured assume expansion of 14 daily trains to/from San Jose, 6 daily trains to/from Roseville, and 4 daily trains to/from Auburn.

@ - Standards measured assume extension of 4 trains (2 daily round trips) to Reno/Sparks, NV.

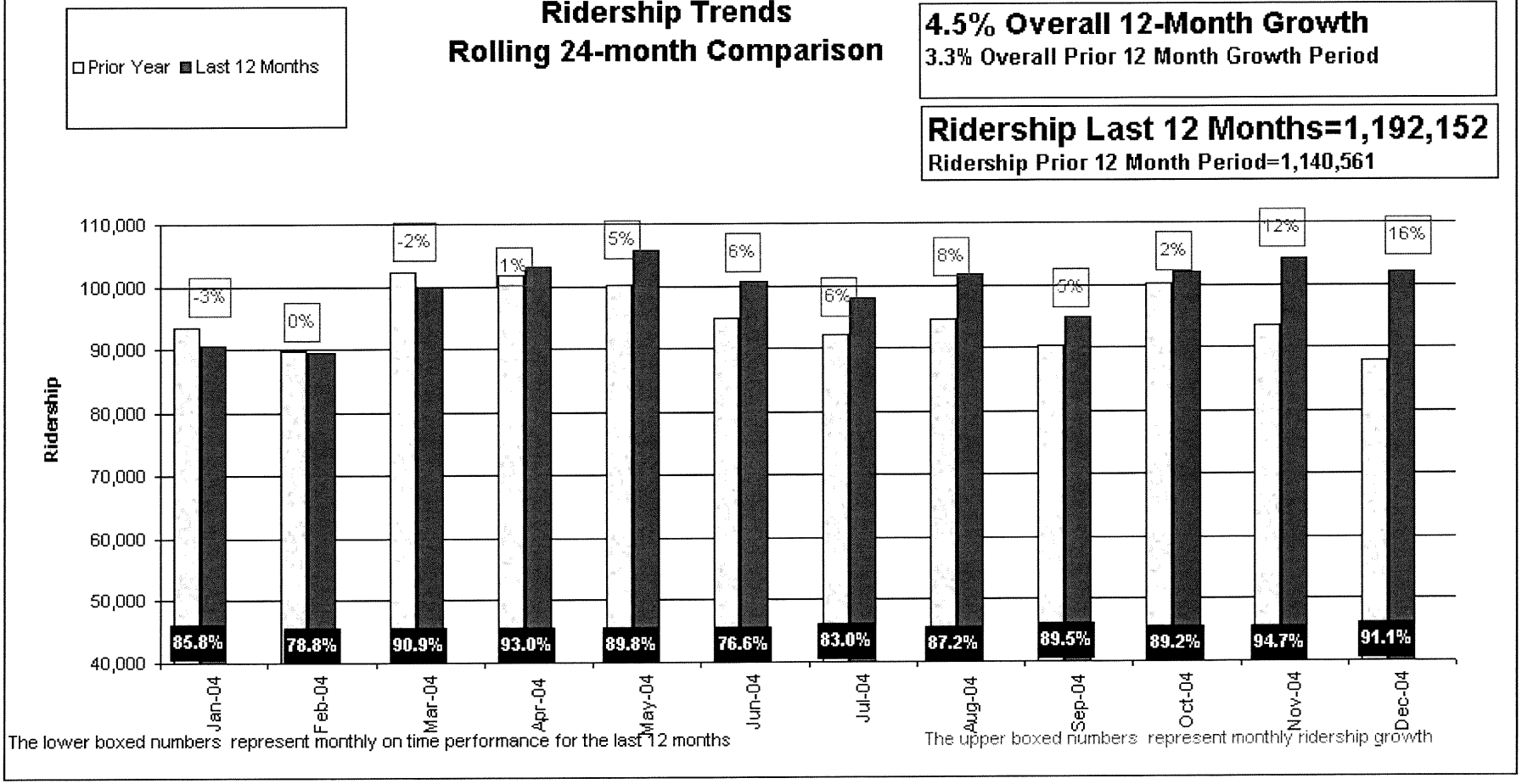
NOTE 1 - Performance measures not calculated where no standard was developed.

NOTE 2 - Percents of change not shown when measure itself is a percent.

Appendix D
How's Business?

How's Business?

CAPITOL CORRIDOR

Ridership

Capitol Corridor Performance
Ridership Trends
Rolling 24-month Comparison