Memorandum

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From: John F. Barna
Executive Director

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Information

Ref: **Capitol Corridor Joint Powers Authority FY 2008-09 Through FY 2009-10 Business Plan Update**

Background

The Capitol Corridor Joint Powers Authority (CCJPA) will be presenting an informational overview of its strategic plan and funding for the next two fiscal years (FY 2008-09 through FY 2009-10). In April 2008, the Plan Update was submitted to the Business, Transportation and Housing Agency (BT&H), which is the funding agency for the CCJPA as permitted by SB 457 (Kelley, 1996). The Business Plan Update outlines the service and capital improvements that have contributed to the Capitol Corridor's growth over the past nine years, identifies needed improvements to sustain this growth, and incorporates customer input as required by SB 457.

The CCJPA Business Plan Update covers the following areas:

- Operating Plan,
- Performance Standards,
- Capital Improvement Program,
- Marketing Strategies, and
- Action Plan.

Historical Background

The Capitol Corridor service began in December 1991 with six daily trains between San Jose and Sacramento. As permitted by SB 457, the local agencies that would comprise the CCJPA negotiated with the State to take over the management of the corridor. The CCJPA assumed management responsibility from Caltrans for the service in October 1998; since then it has grown to become the third busiest intercity passenger rail service in the nation. In April 2001, the CCJPA expanded service to 18 daily trains using six trainsets in the State-owned Northern California fleet (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 bring the frequency up to 24 weekday trains by April 2003. In August 2006, the CCJPA expanded service to 32 weekday trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose, using the same train fleet as the 24-train service plan. This expansion was also accomplished with no increase in State budget by growing ridership and revenue, reallocating funds for more efficient use, and making cost-effective service changes. With this last expansion, the CCJPA has reached its maximum capacity in terms of rolling stock and service frequency along the core (Sacramento – Oakland) route.

Capitol Corridor
Intercity Passenger Rail Service
Business Plan Update
FY 2008-09 – FY 2009-10
FINAL: March 2008

Prepared by
Capitol Corridor Joint Powers Authority

Prepared for
State of California
Business, Transportation and Housing Agency

CAPITOL CORRIDOR
JOINT POWERS AUTHORITY

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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 2008-09 and FY 2009-10), to be submitted to the Secretary of the Business, Transportation and Housing Agency (BT&H) in April 2008. This Business Plan Update outlines the service and capital improvements that have contributed to the Capitol Corridor's growth over the past nine years, identifies needed improvements to sustain this growth, and incorporates customer input as put forth in Chapter 263 of State Law.

WITH THE IMPLEMENTATION OF THE AUGUST 2006 SERVICE EXPANSION, THE CCJPA HAS REACHED ITS MAXIMUM CAPACITY IN TERMS OF ROLLING STOCK AND SERVICE FREQUENCY ALONG THE ROUTE.

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)

As administrator of the service, the CCJPA's primary focus is the continuous improvement of the Capitol Corridor train service through effective cost management, revenue enhancement, and customer-focused delivery of a safe, frequent, reliable, and environmentally friendly 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 nation. In April 2001, the CCJPA expanded service to 18 daily trains using six trainsets in the State-owned Northern California fleet (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 bring the frequency up to 24 weekday trains by April 2003. In August 2006, the CCJPA expanded service to 32 weekday trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose, using the same train fleet as the 24-train service plan. Once again, this expansion was accomplished with no increase in State budget by growing ridership and revenue, reallocating funds for more efficient use, and making cost-effective service changes.

Operating Plan. With the implementation of the August 2006 service expansion, the CCJPA has reached its maximum capacity in terms of rolling stock and service frequency along the core (Sacramento – Oakland) route. Based on preliminary estimates from Amtrak, the operating budget will increase for FY2008-09 (and FY 2009-2010 as well) compared to the FY 2007-08 final contract due to increased labor, health care, and fuel expenses. Over the next few months, the CCJPA will work with Amtrak to reduce the increase in the operating budget by implementing fare adjustments and decreasing operating expense growth. Anticipated CCJPA operating plan and expenses are as follows:

Capitol Corridor Service	FY 2008-09	FY 2009-10
Sacramento – Oakland	32 weekday trains (22 weekend)	32 weekday trains (22 weekend)
Oakland – San Jose	14 daily trains	14 daily trains
Sacramento – Roseville	2 daily trains (with plans for up to 6)	2 daily trains (with plans for up to 6)
Roseville – Auburn	2 daily trains (with plans for up to 4)	2 daily trains (with plans for up to 4)
Total Budget (Operations, Marketing & Administration)	**$30,427,000**	**$30,434,000**

Performance Standards. In April 2005 the CCJPA Board updated its Vision Plan, 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).

- Ridership grew 14% in FY 2006-07; to date, FY 2007-08 ridership is 12.9% above last year.
- Revenue grew 24.1% during FY 2006-07; to date, FY 2007-08 revenue is up 19.3%.
- System operating ratio (a.k.a. farebox return) improved to 48% in FY 2006-07; to date, the FY 2007-08 operating ratio is 52%.
- On-time performance (OTP) improved slightly to 75% in FY 2006-07, impacted by delays due to track construction/maintenance; to date, FY 2007-08 OTP is up to 87% (a major improvement, but still below the 90% standard)

The table below summarizes the standards and results for FY 2006-07 and FY 2007-08 (through December 2007) as well as the standards for the next two fiscal years (see Appendix C):

	FY 06-07			FY 07-08			FY 08-09	FY 09-10
Performance Standard	Actual	Standard	Percent Change	Actual	Standard	Percent Change	Standard	Standard
Route Ridership	1,450,069	1,511,100	-4.0%	642,465 (through 2/08)	588,100 (through 12/07)	+12.9%	1,525,000	1,567,000
System Operating Ratio (train and feeder bus)	48%	51%	-5.9%	52% (through 2/08)	49%	+6.1%	48%	50%
On-Time Performance	**75%**	**90%**	**-17.1%**	**87% (through 2/08)**	**90%**	**-3.3%**	**90%**	**90%**

Capital Improvement Program. With the completion of over $70 million in capital construction projects through FY 2006-07 which allowed for the August 2006 service expansion, the CCJPA has prepared its Capital Improvement Program (CIP) for the next phase of immediate and long-range investments that will provide continued improvement in service quality and reliability, and increased frequency to San Jose and Placer County. The CCJPA's CIP is consistent with regional and state transportation plans (e.g., Regional Transportation Plans (RTPs) and Caltrans' 10-Year Statewide Rail Plan). The CIP includes projects to increase reliability and capacity, upgrade track infrastructure, build or renovate stations, add rolling stock, reduce travel times, and enhance safety/security and amenities. Indirect benefits include reduced congestion and greenhouse gas emissions, improved air quality, and increased movement of goods on the shared freight rail corridor.

WHILE THE PASSAGE OF PROPOSITION 1B IN NOVEMBER 2006 WILL PROVIDE CAPITAL FUNDS TO ADDRESS THE IMMEDIATE PROJECT NEEDS FOR THE CAPITOL CORRIDOR, RECENT LIMITATIONS ON TRADITIONAL FUNDING RESOURCES WILL MAKE IT DIFFICULT FOR THE CCJPA TO MOVE AHEAD WITH LONG-TERM CONSTRUCTION PROJECTS

While the passage of Proposition 1B in November 2006 will provide some capital funds to address the immediate project needs for the Capitol Corridor, recent limitations imposed by the State and the reassignment of traditional construction funding resources will make it difficult for the CCJPA to move ahead with the projects needed to improve reliability and expand beyond the current 32-train service plan. As a result, the CCJPA is pursuing additional sources of investment in order to maintain the service and build on our success.

Marketing Strategies. The CCJPA's marketing strategies for FY 2008-09 and FY 2009-10 will focus on directives set forth in the updated Vision Plan to enhance awareness of the Capitol Corridor brand. Marketing programs and campaigns will target markets where we have available seating capacity, improve transit connections, leverage strategic partnerships, and enhance customer service and amenities to attract and retain loyal riders.

Action Plan. The CCJPA's Business Plan for the service will focus on attracting and retaining loyal, frequent riders. Top priorities are: secure a steady source of capital funds; improve reliability and expand service; and enhance passenger convenience and security through the deployment of Automated Ticket Validation (ATV) units, a wireless network for passenger and operational applications, and security cameras on trains and at stations. This annual Business Plan Update outlines steps to deliver a cost-effective Capitol Corridor service while increasing ridership, revenue, and customer satisfaction through its partnerships with passengers, local communities, Union Pacific Railroad (UPRR), Amtrak, and the State of California.

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. The CCJPA's plan is to maintain current Capitol Corridor service levels at 32 weekday (22 weekend day) trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose in FY 2008-09 and FY 2009-10. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's growth over the past nine 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'S PLAN IS TO MAINTAIN CAPITOL CORRIDOR SERVICE LEVELS AT 32 WEEKDAY TRAINS BETWEEN SACRAMENTO AND OAKLAND, AND 14 DAILY TRAINS BETWEEN OAKLAND AND SAN JOSE IN FY 2008-09 AND FY 2009-10.

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)

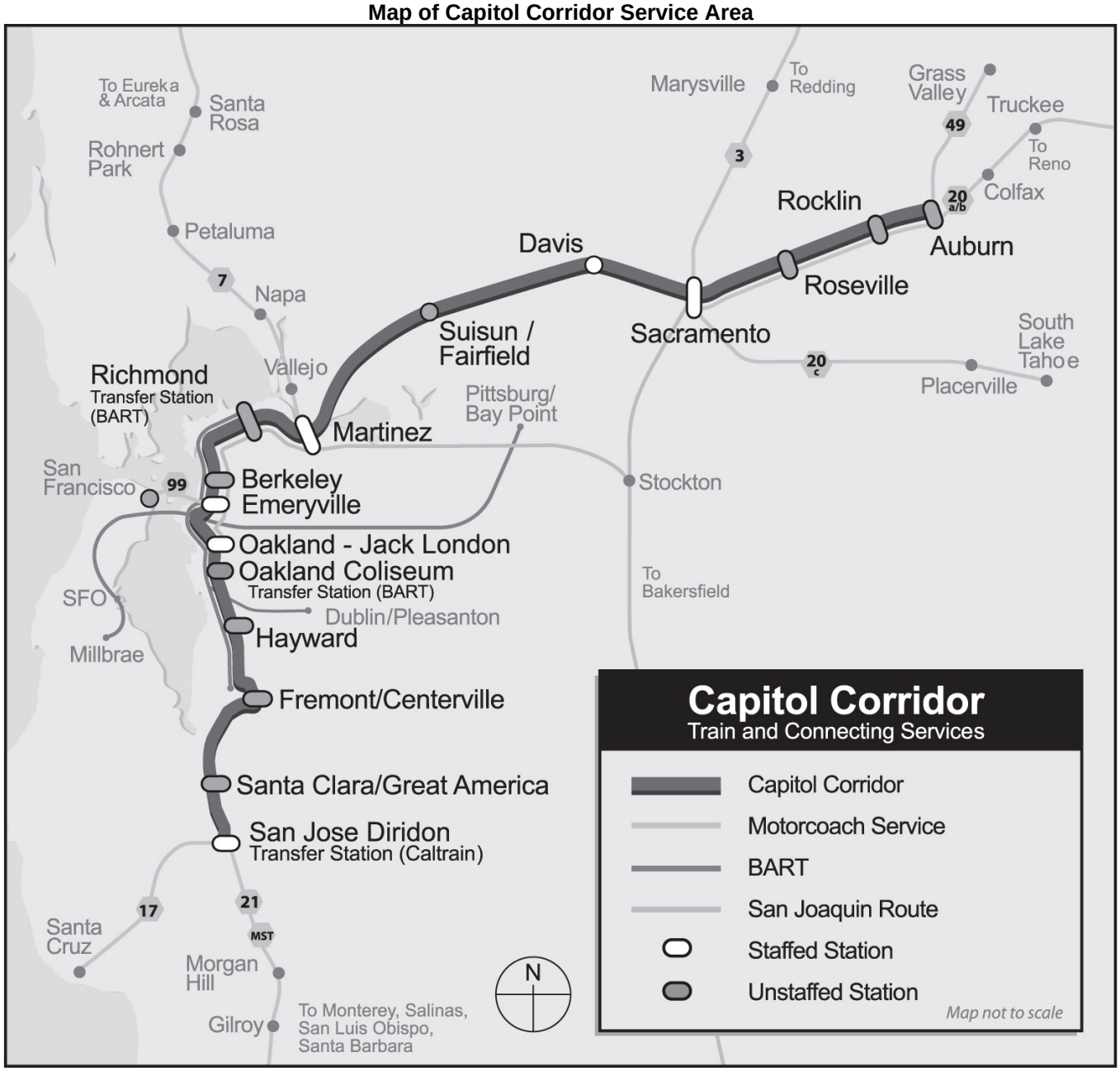
Ex-officio members of the CCJPA include the Metropolitan Transportation Commission (MTC) and the Sacramento Area Council of Governments (SACOG), the Metropolitan Planning Organizations (MPOs) along the route.

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 (via motorcoach), and Santa Clara counties. The train service parallels the I-80/I-680 highway corridor between Sacramento and Oakland, and I-880 between Oakland and San Jose. In addition, the Capitol Corridor connects outlying communities to the train service via a dedicated motorcoach bus network and partnerships with local transit agencies that assist passengers traveling to destinations 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 are along the Capitol Corridor.

Figure 1-1
Map of Capitol Corridor Service Area



In April 2005 the CCJPA updated its Vision Plan, 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. The April 2005 update has been incorporated into this 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 six 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.

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 the current, 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 Northern Californians by providing safe, frequent, reliable, and environmentally friendly Capitol Corridor intercity train service. In response to growing demand, the CCJPA expanded service in October 2002, January 2003, and April 2003 to achieve a schedule of 24 weekday trains between Sacramento and Oakland, using the same State budget allocated for 18 daily trains. In August 2006, once again with a flat budget allocation, the CCJPA increased service to 32 weekday (22 weekend day) trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose. This expansion was made possible with the completion of Phase 1 of the Oakland to San Jose track improvements and the Yolo Causeway second main track (completed in February 2004). Together, these projects contributed to a 10-minute reduction in travel time between Sacramento and Oakland, in addition to the more frequent service. The August 2006 service expansion also represents a major step toward the CCJPA's goal of providing hourly train service, which will require additional rolling stock and further track capacity improvements (see Section 7). The corresponding benefits of these improvements and service expansions have allowed the Capitol Corridor to sustain its ridership growth, which has increased 213% (more than tripled) over the past nine years.

THE AUGUST 2006 SERVICE EXPANSION REPRESENTS A MAJOR STEP TOWARD THE CCJPA'S GOAL OF PROVIDING HOURLY TRAIN SERVICE, WHICH WILL REQUIRE ADDITIONAL ROLLING STOCK AND FURTHER TRACK CAPACITY IMPROVEMENTS.

To supplement the train service, the Capitol Corridor provides dedicated motorcoach bus connections to San Francisco and to communities south of San Jose and east of Sacramento. In addition, the CCJPA works with its partners and local transit agencies to offer expanded options for transit connections throughout the corridor. Currently, the train service connects with the BART rapid transit system at the Richmond and Oakland Coliseum stations; with Caltrain service (Gilroy – San Jose – San Francisco) at San Jose Diridon station; with the Altamont Commuter Express service (Stockton – Livermore – San Jose) at the Fremont/Centerville, Great America/Santa Clara, and San Jose Diridon stations; with VTA light rail at Great America and San Jose Diridon stations; and with Sac RT light rail at Sacramento station (as of December 2006). 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, including AC Transit, Sac RT, Rio Vista, E-Tran (Elk Grove), Yolobus, Unitrans, County Connection (Martinez), Santa Clara VTA, Suisun-Fairfield Transit, Benicia Transit, and WestCAT. The CCJPA reimburses the transit agencies for each transfer collected as part of our operating expenses. CCJPA supported transit service partnerships with Gold Country Stage, Monterey-Salinas Transit, and Santa Cruz Metro have expanded transportation choices even further.

Recently enacted legislation (effective January 1, 2008) will allow the motorcoach bus route operating between Sacramento and South Lake Tahoe to carry local passengers (without a ticket for a connecting train) as long as there is no regularly scheduled private intercity bus service along that route.

FY 2007-08. The CCJPA's operating plan for FY 2007-08 maintains the same service levels as FY 2006-07:

- Sacramento – Oakland: 32 weekday trains (22 weekend day trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville – Auburn: 2 daily trains (the service plan can support up to 6 daily trains to/from Roseville and 4 daily trains to/from Auburn; however, the addition of trains to Placer County is contingent upon securing approval from UPRR)

FURTHER EXPANSION OF THE CAPITOL CORRIDOR SERVICE DEPENDS ON THE RELEASE OF FUNDS TO PAY FOR ADDITIONAL ROLLING STOCK AS WELL AS TRACK CAPACITY IMPROVEMENTS ALONG THE UNION PACIFIC RAILROAD.

FY 2008-09. The CCJPA's operating plan for FY 2008-09 will maintain at least the same service levels as FY 2007-08.

FY 2009-10. The CCJPA's operating plan for FY 2009-10 will remain the same as for FY 2008-09. Further expansion of the Capitol Corridor service depends on the acquisition of additional rolling stock. Funding has been appropriated from Proposition 1B funds (Intercity Rail Account). However, actual authorization depends on the results from the Department of Finance's audit regarding its determination of the need for the additional rolling stock. In the meantime, design plans for new rolling stock are nearly complete which will allow the procurement of additional cars and coaches to augment existing trainsets and ease overcrowding during peak travel times. Any new rolling stock is expected to be delivered within the next three to four years once a manufacturer has been selected.

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 steadily improve the Capitol Corridor's reliability, travel times, on-time performance, and safety/security. The CIP includes projects that have been completed or are currently underway. Since the inception of the Capitol Corridor service, over $738 million from a mixture of funding sources 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 improve safety/security and increase train reliability while reducing travel times by investing in projects designed to optimize performance in the face of growing freight and passenger rail traffic. The primary funding sources for capital projects have been and will continue to be the State general obligation bonds (Propositions 108, 116, 1A, and 1B) and the State Transportation Improvement Program (STIP), a biennial transportation funding program. Special programs or direct project allocations from the State, such as the Traffic Congestion Relief Program (TCRP), or regional funds, such as Bay Area Regional Measure 2 (RM-2), have periodically supplemented these sources.

The CCJPA has secured $51.4 million for projects that are either recently completed, currently underway, or have funding committed to them. The direct benefits of these projects include recently added Capitol Corridor trains, a modest improvement in on-time performance, reduced travel times, and enhanced safety/security and passenger amenities. Indirect benefits of the CIP include reduced congestion, improved air quality, and increased capacity for the movement of goods and services on the shared freight rail corridor. 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 ($M)	STATUS
Automated Ticket Validation Program: Introduce handheld computer units that automatically perform ticket validation and sales on Capitol Corridor trains. Conductors will be provided with units on the Capitol Corridor trains as a pilot program in partnership with Amtrak, Caltrans, and federal law enforcement agencies	$1.20	Design plans complete. Testing of first phase scheduled for Fall 2008
Outdoor Ticket Vending Machines: Install ticket vending machines at all stations	$0.52	Installation completed at all stations
On Board Security Cameras: Purchase and install wi-fi enabled security cameras on all locomotives and cab cars in the Northern California intercity passenger rail fleet	$0.38	Installation to be phased in during FY 2008
Capitalized Maintenance Program: Joint effort with UPRR to replace ties, rails, and switches to improve reliability, maintain good ride quality, and keep tracks in state of good repair	$2.00	Program started in 2007 and will continue through 2008
Subtotal – Projects Underway	**$4.10**	
COMMITTED PROGRAMMING		
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 under review
Bahia-Benicia Crossover Project: Install a universal crossover in the Bahia-Benicia area to facilitate switching and increase capacity	$7.50	Financed with Bay Area Regional Measure 2 (RM-2) and State transportation funds. Design plans complete; construction to start in early 2008
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	$20.60	Design plans 90% complete; construction to start in 2008-09
Emeryville Phase 2 Station and Track Improvement Program: Complete track improvement project, which will allow for increased capacity through the congested Emeryville Station track area.	$10.00	Programmed in 2010. Attempting to advance project since design plans are complete
Transit Security Improvements: Potential projects for FY 2008 include security cameras, wireless network, and upgrades to electronic real-time station message signs	$1.92	Programmed in FY 2007-08 with enactment of Proposition 1B (Transit Security Account) as part of a multi-year $19.2M program for the Capitol Corridor
Subtotal – Committed Programming	**$46.70**	
TOTAL SECURED FUNDING	**$51.40**	

Recent Station Improvements

- Quik-Trak ticket vending machines were installed at all Capitol Corridor stations.
- The Richmond Intermodal Station building was completed, which incorporates a new transit center that houses a passenger waiting area and police substation.

Short-Term Capital Improvements (FY 2007-08 – FY 2008-09)

The 2006 STIP program provided a lower level of funding than the CCJPA had anticipated. As a result, only one project – a $2 million capitalized track maintenance program – could be funded. At one point during 2007, the State indicated that modest supplemental 2006 STIP funds may be available so CCJPA submitted funding allocation requests for several projects, which had been delayed due to prior State funding shortfalls. However, the status of the supplemental STIP funding and the programming availability of those funds for future years is still undetermined.

The funding outlook for the 2008 STIP is unclear but it could be more extensive due to the passage of Proposition 1A in November 2006. Proposition 1A closes a loophole in Proposition 42 that allowed the State to divert funds originally reserved for transportation projects to other areas to balance the budget. This corrective step should help fulfill the original intent of Proposition 42, which was to provide added funding support to the biennial STIP. However, the current proposed FY 2007-08 State Budget would divert virtually all of these added funds to

school bus transportation (previously financed through the State's General Fund) and debt service on the highway bonds. The CCJPA will not know the outcome of near-term capital investment funds for the Capitol Corridor until the State Budget is adopted and signed by the Governor of California.

The most significant potential capital funding source for the next several years is the Proposition 1B State Transportation Bond measure approved by voters in November 2006. This bond measure includes several sub-components that could enhance various aspects of the Capitol Corridor service, such as $400 million in capital funds for California's Intercity Rail program. Of this amount, at least $125 million is set aside for additional rolling stock for the Capitol Corridor, San Joaquin, and Pacific Surfliner services. Caltrans anticipates that at least 24 new coaches, cab/baggage cars, and café/diner cars would be purchased for the shared Northern California fleet (Capitol Corridor and San Joaquin services), with an additional 12 cars assigned to the Pacific Surfliner service. The remainder of the Intercity Rail fund account is expected to be used to support track improvement projects on the three existing and one planned (Central Coast) State Intercity Rail Corridors.

THE PASSAGE OF PROPOSITION 1A, COUPLED WITH THE PRIOR PASSAGE OF PROPOSITION 42, WAS MEANT TO ENSURE THAT STIP REMAINS THE BACKBONE OF LONG-TERM CIP FUNDS FOR THE CAPITOL CORRIDOR. REALIZATION OF THIS GOAL DEPENDS ON THE OUTCOME OF THE 2007-08 STATE BUDGET PROCESS NOW UNDERWAY.

Also identified in the voter-approved bond are funds for Trade Corridor/ Goods Movement, which are meant to be combined with a matching source of non-State funds to pursue track capacity enhancement projects in corridors that benefit the movement of goods via freight rail. The Capitol Corridor can benefit significantly from this type of investment as the UPRR tracks along the Capitol Corridor route are considered part of the UPRR Central Corridor, which connects Chicago with the Port of Oakland and points in between. Currently, the CCJPA is working with the UPRR and the Port of Oakland to identify and develop funding plans for these Trade Corridor improvements. Overall, the programming of each component of Proposition 1B depends on the State determining the bond capacity and sub-program allocations for each fiscal year. Once that step is complete, the California Transportation Commission can approve funding allocations to individual projects within the program.

The Capitol Corridor also has access to capital funds from local sources such as Bay Area Regional Measure 2 (RM-2), passed in March 2004, which approved a $1 toll increase on State-owned Bay Area bridges. Over the next two to four years, the CCJPA will receive or share as a project partner funding allocations from RM-2 for several projects:

- Bahia – Benicia 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

The Capitol Corridor Board of Directors recently adopted a preliminary short-term program of capital projects totaling over $250 million that could be delivered in the next 3-5 years and add track capacity to improve reliability, reduce travel times, and expand service (pending UPRR negotiation and approval) along the corridor (see Table 4-2). The CCJPA is working with Caltrans, regional agencies, and the UPRR to identify those projects that can be implemented in the near term and can provide immediate benefits such as increased seating capacity, improved reliability, reduced travel times, and additional trains to San Jose and Placer County.

Table 4-2
CCJPA Board Adopted Program of Capital Improvements

Project Title	Description	Project Sponsor	Total Cost (in millions)	2008 State Capital Funding			Match Share	Match Source
				2008 STIP ITIP	Prop 1B: Intercity Rail	Prop 1B: Transit Security		
Bahia-Benicia Crossover	Install track switch in Benicia area that will improve train meets, reduce delays and improve reliabillity (OTP).	CCJPA	$7.500		$4.750		$2.750	Regional Measure 2 (MTC)
Emeryville Phase II Station and Track Improvements	Complete phase two platform and track improvements for parallel moves at the south end/approach of the Station	CCJPA	$10.000		$10.000			
Capitalized Maintenance Program (2007-08)	Allocation of remaining $2M program to upgrade and repairs various track infrastructure to maintain and improve reliability and train travel times.	CCJPA	$0.518		$0.518			
Rolling Stock	Purchase of 36 passenger cars (coaches, café, baggage, cab cars) to be split among the three corridors to meet existing demand (adding more cars to existing trainsets) and future expansion service frequencies (added trainsets).	Caltrans	$150.000		$150.000			
Sacramento Layover Facility	Construct a new layover and servicing facility in the Sacramento area for San Joaquin and Capitol Corridor trainsets. Project will be coordinated with Sacramento Station Rail Realignment and added Capitol Corridor trains to Placer County.	Caltrans/ CCJPA	$30.000		$30.000			
Yolo Causeway Crossovers	West causeway high-speed universal crossovers. .	CCJPA	$7.000	$7.000				
CP Coast Double Main Extension	Extend double track north of CP Coast to area in the vicinity of the Great America Station. Allows CCJPA to increase train frequency to/from Silicon Valley/San Jose.	CCJPA	$25.000	$15.000			$10.000	ACE
Capitalized Maintenance Program (2009-10)	Upgrade and repairs various track infrastructure to maintain and improve reliability and train travel times.	CCJPA	$2.000	$2.000				
Hercules Station	Provide track infrastructure improvements to support Capitol Corridor Station as part of a transit oriented development along the City's waterfront.	City of Hercules	$2.000	$1.500			$0.500	Local/RTIP
Security Camera System/ Central Command Center	Provide security cameras onboard locomotives and cars as well as facility based camera systems at stations. Link all camera feeds to a Central Command Center to integrate, maintain systemwide program and to direct video data feeds across a IP-based data network. Central Command Center will host monitoring screens mobile and facility based VSS feeds, client computers and servers, controllers, furnishings, etc.	CCJPA	$6.000			$6.000		
Systemwide Wireless/Wired Network	Develop wireless/wired Network for running safety/security applications (real-time video) and operational applications on moving trains and other system locations. Also, allow for internet access and informational content for passengers which will be used to fund the annual operational costs.	CCJPA	$4.000			$4.000		
Passenger/Operations Communications System Upgrades	Upgrades to system-wide eletronic real-time message signs that transmit safety and security messages. Also upgrades to IVR system to enable text messages to passenger for their mobile devices.					$1.000		
Corridor Protection/Hardening Program	Security improvement program to include railroad right of way security cameras, signage along the ROW, bollard installation at train stations, and targeted grade crossing gate safety improvements.	CCJPA	$6.000			$6.000		
TOTAL			**$250.018**	**$25.500**	**$195.268**	**$17.000**	**$13.250**	

Long-Term Capital Improvements (FY 2009-10 and Beyond)

On a long-term basis, the STIP should be a steady source of CIP funding, especially with the passage of Proposition 1A, which restricts the State's ability to borrow against transportation funds earmarked by Proposition 42 several years ago. However, based on the current proposed State Budget, this may or may not be the case. Additional State propositions or local/regional measures may supplement or replace available funding, although this is more likely to occur after funding from the most recent bond and tax measures is exhausted. Aside from these measures, the STIP is the most reliable source of long-term CIP funds as outlined in the CCJPA's Vision Plan and supported by Caltrans' 10-Year Statewide Rail Plan and Amtrak's Strategic Corridors Initiative. Having available funds in the STIP is the key to making the program work, and to securing federal matching funds.

THE CCJPA PLANS TO WORK WITH AMTRAK AND CALTRANS TO LEVERAGE THE $50.8 MILLION CIP TO SECURE FEDERAL FUNDING, IN THE EVENT THAT A FEDERAL CAPITAL MATCHING PROGRAM FOR INTERCITY PASSENGER RAIL SERVICES IS ESTABLISHED.

There are several federal legislative proposals that seek to create a federal capital funding program for passenger rail service that would match state-provided funds (separate from any Amtrak capital funding for Amtrak-owned infrastructure). Most recently, the FY 2008 appropriation for Amtrak includes $30 million to be available (split among eligible states) as a match (on a 50/50 split) to states with intercity rail programs. While this program is somewhat miniscule compared to other federal matching programs (such as those for highways and aviation), it is a positive step and the CCJPA will work with Caltrans to prioritize for advancement projects to be funded under this Amtrak program.

In addition, the CCJPA plans to work with Amtrak and Caltrans to leverage the roughly $51.4 million CIP plus any future capital funding allocations to secure federal funding, in the event that a federal capital matching program for intercity passenger rail services is established. Assuming an 80/20 federal/state split, the CCJPA could leverage the $51.4 million to receive up to $203.2 million for a total investment of $254 million. These funds could then be used to finance various projects in the CCJPA's long-term CIP project list (see Table 4-3). These projects support the CCJPA's service expansion plans aimed at improving service reliability, reducing travel times, upgrading track infrastructure, and improving passenger amenities and safety/security.

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), Placer County Transportation Planning Agency (PCTPA), Caltrans' 10-Year Statewide Rail Plan, 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.

Table 4-3
Long-Term Capital Improvement Categories

Project Description	Project Cost (in millions, 2008$)	CCJPA Share (in millions, 2008$)	Match Funds (in millions, 2008$)
Fairfield/Vacaville Station: New station at Peabody and Vanden Road in Solano County with grade separation of Tolenas Siding	$38.000	$5.000	$33.000
Sacramento – Martinez Track Improvement Program: Upgrade track infrastructure to maintain travel times, ride quality, and system reliability	$38.000	$10.000	$28.000
Oakland – Pinole 3rd Track: Reactivate and extend 3rd main line track from Port of Oakland to Point Pinole	$32.000	$10.000	$22.000
Hercules Station: New station as part of a transit-oriented development along the waterfront	$31.000	$1.000	$30.000
Martinez Parking Expansion: Add parking on the north west side of the station with a pedestrian overpass	$17.000	$1.000	$16.000
Dumbarton Rail Project/Union City Intermodal Station: In conjunction with Dumbarton Rail project, add Union City Intermodal BART Station and track improvements to reduce travel times and improve reliability	$650.000	$34.000	$616.000
Hayward Double Track: Add 2nd track between Elmhurst and Industrial Parkway (Union City) to allow for up to 16 roundtrips between Oakland and San Jose (also supports Dumbarton Rail)	$22.000	$22.000	$0.000
System Travel Time and Reliability Track Improvement Project: Improve travel time and reliability	$22.000	$10.000	$12.000
Sacramento – Roseville 3rd Track Project: Add dedicated 3rd track to bypass freight trains between Sacramento and the Roseville freight yard which will allow for more service between Sacramento and Roseville	$75.000	$40.000	$35.000
Roseville – Auburn Track Improvement Project: Extend sidings, add track, and install crossovers which will allow for more service to Auburn and decrease travel times	$32.000	$20.000	$12.000
Oakland – Martinez Track Improvement Program: Replace and upgrade track infrastructure (rail, subgrade, ties, and drainage ditches) to maintain travel times, ride quality, and system reliability	$75.000	$35.000	$40.000
Sacramento Station New Platform and Grade Separation Access: As part of development of the UPRR Railyard Project, add new grade-separated platforms and track infrastructure including relocation of main line tracks	$23.000	$5.000	$18.000
Oakland Jack London Square – Elmhurst Third Track Project: Add 3rd track from Oakland JLS Station to Elmhurst (near Oakland Coliseum) for added track capacity for more service between Oakland and San Jose	$38.000	$15.000	$23.000
Rolling Stock: Next State purchase of rolling stock to allow for increased service after expected 2008 procurement	$150.000	$0.000	$150.000
High Level Benicia – Martinez Rail Crossing and Viaduct: Construct new or modify existing drawbridge structure so that Capitol Corridor trains are no longer subject to delays from bridge lifts for maritime ship traffic	$1,200.000	$200.000	$1,000.000
Sacramento – Benicia 3rd Track Projects: Addition of 3rd main line tracks at selected locations (Bahia – Benicia, Suisun – Dixon, Davis – West Sacramento)	$290.000	$125.000	$165.000
Signal System Improvements: Install cab signal system with automatic train control system that would result in increased speeds (up to 100 mph) along level, straight track sections	$160.000	$67.500	$92.500
Added Main Tracks Newark-Alviso: Add 2nd (and possible 3rd) main line tracks from Albrae through wildlife refuge/wetlands area to Alviso (design plans will be sensitive to environmental needs and wetlands areas)	$169.000	$75.000	$94.000
Grade Separated Platform for Existing Stations: Upgrades at Berkeley, Suisun, Davis, and Roseville stations to allow for grade-separated access to platforms	$55.000	$10.000	$45.000
Oakland – San Jose Track Improvement Program: Replace and upgrade track infrastructure (rail, subgrade, and ties) to maintain travel times, ride quality, and system reliability	$17.000	$5.000	$12.000
Martinez Station Track Improvement Project: Extend platform track to the west and construct track improvements for parallel moves at the west end/approach of the station that will improve freight rail access	$43.000	$35.000	$8.000
Pinole – Martinez Curve Realignment: Realign the rail track curves along the San Pablo Bay and as practicable, add new bridges and earthwork to increase speeds	$279.000	$150.000	$129.000
Bahia – Benicia Second Main Track Project: Construct a second main line between two adjacent yards adjacent to the wetland to relieve main line switching moves from the two yards	$28.000	$20.000	$8.000
Oakland Jack London Square – Embarcadero 3rd Main Track: Add third main track in the Oakland Jack London Embarcadero area to improve conflicting movements of freight and passenger trains	$27.000	$15.000	$12.000
Solano – Yolo County Track Improvements: Complete siding extensions or install additional crossovers to increase track capacity and reliability	$19.000	$18.000	$1.000
New Swanston Sacramento Station: Add new stop at Sacramento RT Swanston Station in conjunction with additional UPRR main track between Sacramento-Haggin and Roseville and a new layover yard	$22.000	$2.000	$20.000
Dixon Station: Build a new station in downtown Dixon that will include grade-separated pedestrian walkway to center platform and adjacent roadway grade separation project	$27.000	$5.000	$22.000
Grade Crossing Projects and Safety Match Program: Implement High Street, Davis Street, and Hesperian Street Grade separation projects utilizing a variety of funding sources	$67.000	$6.000	$61.000
TOTAL	$3,646.000	$941.500	$2,704.500

5. PERFORMANCE STANDARDS AND ACTION PLAN

As guided by its Vision Plan, the CCJPA's management of the Capitol Corridor service will take a business model approach with an emphasis on delivering reliable, customer-focused, cost-effective train service designed to sustain growth in ridership and revenue. Over the past nine years, ridership has continued to grow by increasing 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.

THE CAPITOL CORRIDOR'S RIDERSHIP GROWTH BENEFITS THE ENVIRONMENT BY REDUCING AIR POLLUTION AND GREENHOUSE GAS EMISSIONS. BASED ON THE PROJECTED RIDERSHIP FOR FY 2008, THE CAPITOL CORRIDOR WILL REMOVE 81 MILLION VEHICLE MILES TRAVELED (VMT) FROM NORTHERN CALIFORNIA HIGHWAYS.

In addition to the typical performance metrics, it is worth examining the environmental impact of the Capitol Corridor's success and growth. The Capitol Corridor's ridership growth benefits the environment by reducing air pollution and greenhouse gas emissions. In California, approximately 58% of greenhouse gas emissions come from the transportation sector. Based on the projected ridership for FY 2008 (see Table 5-1), the Capitol Corridor is expected to generate 105 million passenger miles, which corresponds to 81 million vehicle miles traveled (VMT) removed from Northern California highways presuming all trips replaced are automobile trips. The availability of the Capitol Corridor train service will also prevent roughly 17 million tons of carbon dioxide from entering the atmosphere. In addition, the State-owned fleet of locomotives is regularly being retrofitted to meet the latest federal emission standards and increase fuel efficiency.

In partnership with the State and Amtrak, the CCJPA develops performance standards for the Capitol Corridor service that measure usage (ridership), cost efficiency (system operating ratio), and reliability (on-time performance). Table 5-1 summarizes the standards and results for FY 2006-07 and FY 2007-08 (through December 2007) as well as the standards for the next two fiscal years. Appendix C shows the measures used to develop standards for two additional years through FY 2011-12.

Table 5-1
Performance Standards for Capitol Corridor Service

	FY 06-07			FY 07-08			FY 08-09	FY 09-10
Performance Standard	Actual	Standard	Percent Change	Actual	Standard	Percent Change	Standard	Standard
Route Ridership	1,450,069	1,511,100	-4.0%	642,465 (through 2/08)	588,100 (through 12/07)	+12.9%	1,525,000	1,567,000
System Operating Ratio (train and feeder bus)	48%	51%	-5.9%	52% (through 2/08)	49%	+6.1%	48%	50%
On-Time Performance	**75%**	**90%**	**-17.1%**	**87% (through 2/08)**	**90%**	**-3.3%**	**90%**	**90%**

FY 2006-07 Performance Standards and Results

The service plan for FY 2006-07 maintained the service expansion that was initiated on August 28, 2006 with 32 weekday trains (22 weekend day) between Sacramento and Oakland and 14 daily trains between Oakland and San Jose (service between Sacramento and Roseville/Auburn remained at 2 daily trains). This is the maximum level of service attainable between San Jose and Sacramento with the current rolling stock and trainsets available and assigned to the Capitol Corridor. The existing service plan can support 6 daily trains to/from Roseville and 4 daily trains to/from Auburn, subject to approval of capital improvements required from UPRR.

FY 2006-07 was another year of strong performance for the Capitol Corridor. The service continued to break records for ridership and revenue each month. On-time performance improved slightly despite continuing service disruptions and delays caused by weather, rail congestion, and track construction work.

- Ridership grew 14% in FY 2006-07
- Revenue grew 24% during FY 2006-07
- System operating ratio (a.k.a. farebox return) improved to 48% in FY 2006-07
- On-time performance (OTP) improved to 75% in FY 2006-07

FY 2007-08 Performance Standards and Results to Date
The CCJPA, in cooperation with Amtrak and Caltrans, developed the FY 2007-08 standards based on the ridership, revenue, and operating expenses identified in the current FY 2007-08 CCJPA/Amtrak operating contract. These standards are presented in Table 5-1.

Ridership. Year-to-date ridership for FY 2007-08 is 12.9% above last year, and 8.3% above business plan projections.

Revenue. Year-to-date revenue for FY 2007-08 is up 18.3% due to longer trips, increased ticket yield, and general ridership growth.

System Operating Ratio. Year-to-date system operating ratio (total revenues divided by fixed-price operating costs, a.k.a. farebox return) for FY 2007-08 is 52%, above the 49% standard, primarily due to above-plan revenue and ridership results.

On-Time Performance. Year-to-date on-time performance for FY 2007-08 is up to 87%, a dramatic improvement but still below the 90% standard. Reliability has been gradually improving since the middle of the prior fiscal year. Delays have been primarily due to trespassing/grade-crossing incidents, bridge opening delays, and mechanical malfunctions.

ONE OF CCJPA'S CIP PRIORITIES IS TO EXPAND SERVICE BETWEEN SACRAMENTO AND AUBURN, SUBJECT TO THE ACQUISITION OF ROLLING STOCK, AVAILABILITY OF CAPITAL FUNDS, AND APPROVAL BY UPRR.

FY 2008-09 and FY 2009-10 Performance Standards
Table 5-1 provides the preliminary performance standards for FY 2008-09 and FY 2009-10. Appendix C shows the measures used to develop the performance standards. While continued ridership and revenue growth is projected for the next few years, Amtrak anticipates that operating expenses will increase at a greater rate, resulting in higher net costs (or subsidy) and a lower system operating ratio compared to current and prior fiscal years. The CCJPA will continue to work with Amtrak over the next few months to reduce operating expense growth and/or increase revenue yield through fare adjustments.

FY 2008-09 Action Plan
For FY 2008-09, the work efforts of the CCJPA will focus on continued improvements in customer satisfaction and service delivery. The following action plans are designed to meet or exceed the established performance standards and provide exceptional service to 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 2008-09

- Update CIP and funding sources based on programming capacity in the State FY 2008-09 budget
- Develop allocation requests for Capitol Corridor intercity rail projects for the CCJPA in the Proposition 1B and 2008 STIP funding programs
- Secure funds from Proposition 1B to advance and complete programmed track and safety/security projects
- Work with the State to complete the design plans for rail equipment manufacturers to build additional rolling stock, the primary barrier to expansion of capacity and Capitol Corridor service levels
- Negotiate a contract with the selected vendor for deployment of a wireless network system for customer and operational uses
- Begin pilot program and testing for the on-board Automated Ticket Validation (ATV) system for conductors to reduce fraud, improve revenue collection, and streamline reporting
- Participate in the development of the planned Fairfield/Vacaville and Hercules stations and the Union City Intermodal Station/Dumbarton Rail commuter service
- Complete the design of Yolo Causeway crossover and Emeryville Station track improvement projects
- Begin installation of security cameras on the rolling stock

- Monitor performance and operation of recently installed ticket vending machines
- 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

2Q FY 2008-09
- Working with the vendor selected for deployment of a wireless network system, begin installation of the equipment to initiate this program
- Evaluate measures to improve train and motorcoach bus performance, including modifications to the service
- Seek funds to support the second phase of security improvements, including but not limited to cameras at stations and trackside safety points
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak's performance

3Q FY 2008-09
- 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
- Develop revised Business Plan Update for FY 2009-10

4Q FY 2008-09
- Work with Caltrans and legislators to secure remaining Proposition 1B transit safety/security funds available to intercity/commuter rail agencies
- Launch a fully deployed wireless network program for customer use with some initial applications for operations
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak's performance
- Develop FY 2009-10 marketing program, including market research

FY 2009-10 Action Plan
This action plan for FY 2009-10 is preliminary and will be revised during the second half of FY 2008-09. In general, the CCJPA intends to focus on the following:
- Work with the UPRR and Amtrak to continue ridership and revenue growth by improving reliability and implementing projects that will add capacity and reduce travel times
- Monitor development and manufacturing of additional rolling stock, safety/security upgrades, and track and signal projects to meet service expansion plans
- Continue the development of applications using the wireless network system to improve safety and operations
- Develop marketing programs that retain riders through expanded amenities and loyalty campaigns and 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 options, 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. Reservations are not necessary for any of the trains.

The current fare structure is based on a one-way tariff, with the round-trip tariff being equal to double the one-way tariff. Discount fares are available to seniors, students, military personnel,

and children under age 15. Amtrak also provides reduced fares for certain national partners, such as AAA members. Fare modifications are used selectively to maximize revenue and ridership, while still working toward the State's farebox recovery goal of 50%.

A recent AAA study estimates the cost of driving a car at 49-62 cents per mile, not including tolls and parking. The average cost of a full-fare Capitol Corridor ticket is about 21 cents per mile traveled, and can be as low as 11 cents per mile with a frequently used multi-ride ticket.

A RECENT AAA STUDY ESTIMATES THE COST OF DRIVING A CAR AT 49-62 CENTS PER MILE. THE AVERAGE COST OF A FULL-FARE CAPITOL CORRIDOR TICKET IS ABOUT 21 CENTS PER MILE TRAVELED, AND CAN BE AS LOW AS 11 CENTS PER MILE WITH A MULTI-RIDE TICKET.

FY 2008-09 Fares

Over the past nine years, the CCJPA has been incrementally increasing fares based on service improvements such as added trains, reduced travel times, and the opening of new stations. This program of strategic fare increases will continue to be pursued by the CCJPA and Amtrak in FY 2008-09. Currently, two fare adjustments are projected for FY 2008-09 in order to offset Amtrak's anticipated increases in operating expenses. In FY 2007-08, the CCJPA implemented a simplified fare structure that discontinued seasonal and holiday pricing and increased fares in conjunction with service improvements. This revised fare structure provides consistency to passengers by eliminating fluctuations in ticket prices, and allows the CCJPA to better manage revenue, leading to revenue growth that exceeds ridership growth.

As part of its Marketing Program (Section 8), the CCJPA will develop a variety of fare promotions designed to increase customer satisfaction and ridership. Opportunities include:

- Customer loyalty and referral programs to attract new riders
- Promoting the purchase of tickets through the new, expanded ticket vending machines (TVMs) installed at all stations (including the potential ability for the TVMs to accept commuter checks)
- Testing and launch of the Automated Ticket Validation (ATV) pilot program, which will allow for real-time validation and sales of tickets on board the trains. Benefits of this system include customer convenience, real-time information on ridership and revenue, and operating cost efficiencies. The specifications for the ATV units require them to accept smart card technology such as the Bay Area's Translink fare media
- Further expansion of transit connectivity programs such as the Transit Transfer Program, joint ticketing, and transfer of motorcoach bus routes to parallel local transit services to help increase overall system ridership and revenues

Taken together, these fare and ticketing programs for FY 2008-09 will enhance customer convenience and increase revenue yield through expanded TVM availability and improved revenue collection with the ATV units, which will contribute toward meeting the State's farebox recovery goal of 50%.

FY 2009-10 Fares

While still preliminary, the projected fare structure for FY 2009-10 will follow the program set forth in FY 2008-09. The CCJPA will perform periodic reviews of the fare structure and make modifications with Amtrak as necessary. 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 bus routes to parallel local transit services
- Enhancement of the ATV pilot program to install an on-board handheld ticketing and validation system on all trains in the Northern California fleet

7. SERVICE AMENITIES, FOOD SERVICES, AND EQUIPMENT

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.

AFTER CONDUCTING TRIALS USING SEVERAL TECHNOLOGIES, THE CCJPA IS NOW IN DISCUSSION WITH POTENTIAL VENDORS FOR A LONG-TERM SERVICE CONTRACT TO PROVIDE WIRELESS NETWORK ("WI-FI") ACCESS TO OUR CUSTOMERS AND TO CCJPA/AMTRAK FOR VARIOUS OPERATIONAL APPLICATIONS.

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

Telecommunications. The current mid-life overhaul program includes the expansion of 110-volt power access to additional locations within all cars to satisfy the growing demand of passengers who bring laptops and electronic devices on the trains.

Bicycle Access. The original Cab and Coach Cars and recently acquired California Cars have bicycle storage units that hold three bicycles on the lower level of the train car. In addition, the recently acquired Cab Cars have storage space for up to 13 bicycles on the lower level. Plans are being prepared to try to accommodate more bicycles on coaches. Currently demand for bicycle storage on the trains is exceeding capacity on certain days. Until new cars arrive with added bicycle storage, CCJPA and Caltrans are working on an interim plan to maximize space for bicycle storage that does not impede passenger access off and on the train.

Wireless Network Program. After conducting trials using several technologies, the CCJPA is now in discussion with potential vendors for a long-term service contract to provide wireless network ("wi-fi") access to our customers and to CCJPA/Amtrak for various operational applications, many of which are safety and security related. In the latter part of FY 2007-08, the CCJPA will select the vendor and negotiate a contract to deploy wireless network access across the whole system. Fully operational service is expected to be delivered towards the end of FY 2008-09.

Business/Custom Class Car. With the voter-approved bond funds expected to be available to order new rolling stock, the CCJPA, Amtrak, and Caltrans are working on the introduction of the Business/Custom Class Car. Concepts are still under evaluation to better serve business travelers with premium services that will retain and expand this market; ideally these services will increase net revenues or at least be revenue-neutral. 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:

- Morning coffee and pastry service; mid-day soft drinks
- Daily and/or weekly periodicals for each Business/Custom Class ticketed passenger
- Wireless network access (included in fare)
- Ability to reserve a seat

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:

- More attractive menu choices
- New signage and seat pocket menus that promote food service
- Improved inventory and accounting procedures to 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, which differentiates them from other modes of transportation.

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 15 F59PHI locomotives, 2 DASH-8 locomotives, and 78 Alstom-built passenger coaches and food service cars; these are evenly split between the two routes. New fleet acquisitions under development will dramatically increase the capacity of the service. Recent federal legislative proposals also raise the possibility of leveraging State dollars with a federal match to purchase and/or upgrade equipment.

THE ORIGINAL FLEET OF LOCOMOTIVES OWNED BY THE STATE HAS BEEN THROUGH AN EXTENSIVE RENOVATION PROGRAM. AS OF OCTOBER 2007, ALL 66 ORIGINAL CALIFORNIA CARS HAVE COMPLETED THEIR MAJOR OVERHAUL.

Rehabilitation and Modification Programs. Using previously allocated State funds, the CCJPA, Caltrans, and Amtrak have created a multi-year program of periodic overhauls to the existing train fleet that will improve the performance of the fleet and maintain the valued assets of the State's investment in the rolling stock.

Work Completed (FY 2006-07 and Prior)

- The original fleet of locomotives owned by the State has been through an extensive State-funded renovation program that included the rebuilding of auxiliary power motors, 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, Coach Cars, Diner Cars, and Cab Cars was also repainted

Current/Upcoming Work (FY 2007-08 and Beyond)

- As of October 2007, all 66 original California Cars have completed their major overhaul
- The door systems have been completely redesigned to improve operation and maintenance via a microprocessor-controlled door operator system. However, door performance has not yet met our expectations and we continue to work with the vendor to iron out all the deficiencies
- Improvements are being made to the ducting and filtration systems of the renovated HVAC control system, providing better air quality and climate control
- Restrooms are being upgraded with rebuilt toilet operating systems, new flooring, and improved doors and latching mechanisms
- An improved ride quality suspension package and collision protection system is being installed to enhance passenger and crew safety
- As part of our safety and security program, all passenger coaches and locomotives will be equipped with a digital security camera system. This will provide the CCJPA with a valuable tool to protect equipment from vandalism and prevent accidents and injury to passengers and crew
- To keep the train cars looking fresh and new, Amtrak and Caltrans are preparing bids for the replacement of carpeting, cloth wainscot, and seat upholstery on all coaches in the Amtrak California fleet, and the addition of window curtains exclusively on the Northern California fleet

8. MARKETING STRATEGIES

The CCJPA uses a marketing mix of traditional, broad-based media campaigns as well as regional cross-promotions and outreach efforts 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 audiences about service attributes, promotions/pricing, and destinations, consistently pointing out the advantages of train travel. The current advertising mix includes radio spots and online paid search, and it is continually adjusted to ensure consistent visibility in the target markets.

Targeted Marketing Programs. The CCJPA will continue to develop programs that target specific markets, such as the Train Treks youth group discount program to boost midday, mid-week travel, and customer retention efforts such as Rider Appreciation programs. Media-based promotions tout riding the train to popular events such as Cal Football and Oakland A's games. In addition, the CCJPA will develop promotional programs that create awareness of the train as a way to reach fun destinations throughout Northern California. The Capitol Corridor's targeted marketing efforts have consistently earned awards from industry organizations, including the 2007 American Public Transportation Association (APTA) AdWheel First Prize for the 15th Anniversary Commemorative Poster.

THE CAPITOL CORRIDOR'S MARKETING EFFORTS HAVE CONSISTENTLY EARNED AWARDS FROM INDUSTRY ORGANIZATIONS, INCLUDING THE 2007 AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) ADWHEEL FIRST PRIZE FOR THE 15TH ANNIVERSARY COMMEMORATIVE POSTER.

Customer Relationship Management (CRM). In the future, the CCJPA hopes to enhance its marketing efforts with more targeted promotions and outreach via a customer relationship management (CRM) program. The deployment of a CRM solution will enable the Capitol Corridor to strengthen its relationship with customers by learning about passengers' travel preferences, delivering more tailored promotions, and following up on customer service issues.

Partnership Brand Marketing. The Capitol Corridor's Strategic Marketing Partnership Program has established a catalogue of marketing assets and associated metrics to enhance the CCJPA's trade promotion negotiations, allowing selected partners to market their products through Capitol Corridor marketing channels such as interior and exterior signage, station signage, and electronic media. The program now has a solid foundation for increasing value and revenues to the advertising program by partnering with well-known organizations that share similar target audiences.

Joint Marketing and Outreach. Working with Amtrak and Caltrans, the CCJPA achieves cost efficiencies in marketing the State-supported rail services through shared creative development and selected joint promotions. Resources are also pooled to ensure adequate staffing at regional outreach/trade events that promote rail travel.

Communications and Public Relations. The CCJPA places great importance on communicating with our passengers. A positive public image is also essential to building awareness of the brand. Key elements include:

- Call center staff work closely with Marketing and Operations to ensure callers receive clear and up-to-date information about the Capitol Corridor service and promotions
- An evolving website, e-newsletter, electronic station signage, flyers, and posted signs inform customers about service changes, promotions, and special events
- Public Relations will continue its lifestyle marketing approach and focus on creating buzz through attention-getting amenities and events, such as National Train Day (May)
- As of late 2007, a part-time public information officer dedicated to the Capitol Corridor will allow for expanded efforts in improving Capitol Corridor media coverage in regional markets, as well as national trade publications

Outreach and Advocacy. The CCJPA will develop a broader plan for advocacy of the Capitol Corridor and related services, and build upon outreach efforts with communities along the route. Efforts include:

- Advocacy and public relations efforts will aim to increase the Capitol Corridor's visibility and recognition as a unique interagency partnership
- Helping communities along the Capitol Corridor route build awareness of the service in their respective cities through local marketing campaigns including transit connections via the Transit Transfer Program
- An Annual Performance Report informs the public and elected officials of the service's successes, benefits, and challenges to local communities
- Working with Operation Lifesaver – a voluntary effort by railroads, safety experts, law enforcement, public agencies, and the general public – the CCJPA will support rail safety campaigns through education, engineering, and enforcement
- Leveraging CCJPA riders who use and benefit from the service as advocates in their communities

FY 2008-09 Marketing Program

The CCJPA's FY 2008-09 Marketing Program will focus on meeting the increased ridership projections using marketing strategies that target service periods where there is the highest growth potential. Programs will be developed to target the markets most likely to benefit from the Capitol Corridor's FY 2006-07 service expansions. The CCJPA will continue its independent campaigns, but will coordinate with Amtrak and Caltrans on the most beneficial promotions and shared marketing collateral. Advertising media will consist primarily of radio traffic sponsorships, online web banner campaigns, and promotionally driven media buys, all of which will be tested for advertising effectiveness. Marketing initiatives will also aim to enhance the distinctiveness and visibility of the Capitol Corridor brand. Key elements will include:

- Broader usage of the recently redesigned Capitol Corridor logo to update the image of the service and enhance brand recognition
- Advertising messages and artistic direction that reflect the CCJPA's emphasis on the Capitol Corridor as a distinct service brand
- Joint media promotions with well-known organizations to maximize media dollars and expand 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
- Outreach and public relations efforts in the Silicon Valley/San Jose area to leverage the FY 2006-07 service expansion

IN FY 2008-09, SPECIFIC MARKETING PROGRAMS WILL BE DEVELOPED TO TARGET MARKETS WITH THE HIGHEST GROWTH POTENTIAL.

FY 2009-10 Marketing Program

The CCJPA will place continued emphasis on the Capitol Corridor brand to increase regional brand awareness and maximize use of the marketing budget. Creative execution will emphasize local character and personalize the service.

9. ANNUAL FUNDING REQUIREMENT: COSTS AND 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 2008-09 and FY 2009-10.

FY 2008-09 and FY 2009-10 Operating Costs

Based on the Operating Plan and Strategies (Section 3), the CCJPA and Amtrak have proposed a best estimate for FY 2008-09 and FY 2009-10 operating expenses. These costs are shown in Table 9-1 and include the basic train service and associated feeder bus service, including the

Table 9-1
CCJPA FY 2008-09 – FY 2009-10 Funding Requirement
Capitol Corridor Service (Minimum Levels)

Service Level	FY 2008-09 Budget	FY 2009-10 Budget
Sacramento-Oakland		
Weekday	32	32
Weekend	22	22
Oakland-San Jose		
Weekday	14	14
Weekend	14	14
Sacramento-Roseville	2	2
Roseville-Auburn	2	2
Ridership (a)	1,525,000	1,567,000
Total Train Operating Expenses	$ 46,341,000	$ 47,431,000
Equipment Capital Costs	$ -	$ -
Total Train Expenses	$ 46,341,000	$ 47,431,000
Total Bus Expenses	$ 2,050,000	$ 2,101,000
TOTAL Expenses (a)	$ 48,391,000	$ 49,532,000
Train Revenue	$ 21,940,000	$ 23,037,000
Bus Revenue	$ 1,475,000	$ 1,512,000
TOTAL Revenue (a)	$ 23,415,000	$ 24,549,000
CCJPA Funding Requirement		
CCJPA Operating Costs	$ 24,976,000	$ 24,983,000
Insurance for State-Owned Equipment (b)	$ 425,000	$ 425,000
Minor Capital Projects (c)	$ 350,000	$ 350,000
Subtotal-CCJPA Operating Expenses	$ 25,751,000	$ 25,758,000
Marketing (d)	$ 1,174,000	$ 1,174,000
Administrative Expenses (e)	$ 3,502,000	$ 3,502,000
TOTAL CCJPA Funding Request (f)	**$ 30,427,000**	**$ 30,434,000**

(a) Amtrak provided final estimates for ridership, revenue, and operating costs.
(b) Amtrak procures insurance coverage for state-owned equipment that is operated for service.
(c) Expenses to be allocated for small or minor capital projects.
(d) Due to State budget constraints, the FY 2008-09 and FY 2009-10 marketing expenses will be capped at the same levels as the seven prior fiscal years ($1,174,000). Does not include contributions by Amtrak or additional resources provided by the State (i.e., market research program).
(e) Includes administrative expenses to CCJPA for call center/phone information services now provided by CCJPA/BART.
(f) The FY 2008-09 funding request is greater than the current amount in the Governor's Draft FY 2008-09 Budget due to approval of additional funds to support increased expenses (labor, fuel, health care).

CCJPA's proportionate share of costs relating to the local transit service partnerships. As stated in the previous section of this Business Plan Update, ridership and revenue are expected to continue to grow for FY 2008-09 and FY 2009-10; however this growth has been offset by Amtrak's preliminary estimates for operating expenses, which have exceeded the ridership and revenue growth. As such, the CCJPA's operating budget is expected to increase compared to FY 2007-08 and prior fiscal years. As these projections are estimates, the CCJPA will work with Amtrak to reduce the operating expense growth and/or increase revenue yield.

FY 2008-09 and FY 2009-10 Marketing Expenses
The CCJPA's marketing budget for FY 2008-09 and FY 2009-10 will fund the respective year's Marketing Programs presented in Section 8. The CCJPA will develop the various campaigns and programs. The preliminary budget estimates illustrated in Table 9-1 represent only direct expenditures of the CCJPA and do not include any costs for marketing programs provided solely by Amtrak or the State.

FY 2008-09 and FY 2009-10 Administrative Expenses
Table 9-1 identifies the estimate for the FY 2008-09 and FY 2009-10 budgets that support the administrative activities of the CCJPA for the Capitol Corridor service. There has been a shift in funds from the operating budget to the administrative budget due to the October 2005 transfer of customer service call center operations from Amtrak to BART, the CCJPA's managing agency.

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. Any 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).

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 prior agreement with the CCJPA to serve as the CCJPA's Managing Agency was renewed in February 2005 for a five-year term through February 2010, consistent with the enactment of AB 1717 in September 2003. This longer term will allow the CCJPA Board to more effectively 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 secured by the CCJPA during FY 2008-09 and FY 2009-10 to support the Capitol Corridor service are solely expended to operate, administer, and market the service.

11. CONSIDERATION OF OTHER SERVICE EXPANSIONS AND ENHANCEMENTS

Consistent with the CCJPA's Vision Plan, this section presents service expansion and enhancement opportunities beyond the CCJPA's FY 2008-09 and FY 2009-10 service plans and funding requirements. Planning for potential new services will require securing capital improvements, additional operating funds, and institutional agreements.

Auburn/Sacramento – San Francisco Bay Area Regional Rail Markets. A conceptual planning study has been completed that identifies the feasibility and funding opportunities for the operation and necessary capital improvements to provide peak hour weekday regional rail service between Auburn/Sacramento and Richmond/Oakland. These proposed locally-funded trains would be integrated with the Capitol Corridor intercity trains to provide 30-minute headways during weekday peak periods. The planning study was completed in October 2005. The next steps include securing local, State, and federal funds (both capital and operational) and working with the UPRR on the necessary track infrastructure projects to support these additional peak-hour trains. Until a source of capital funding is identified and available, and until UPRR provides a scope of improvements required, this effort is effectively suspended.

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 WEEKDAY PEAK PERIODS.

Silicon Valley/Santa Clara County Markets. While the CCJPA recently increased train service to/from San Jose in August 2006, efforts continue to expand public rail transportation to the South Bay. Bay Area Regional Measure 2 (RM-2), which approved a $1 increase in local bridge tolls as of March 2004, provides an important funding source (with matching State and federal funds) for the introduction of Caltrain-operated 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 Rail commuter trains, especially along the shared track between Union City and Fremont/Newark. In addition, VTA and BART will 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 will be coordinated with existing and additional Capitol Corridor trains to and from San Jose and Silicon Valley.

Recent State and Regional Rail Plans – Additional Service Expansion. The CCJPA has been involved over the past few years with Caltrans on its development of the biennial 10-Year Statewide Rail Plan to identify the capital and operational needs over the term of the 10-year plan. This year MTC developed a 50-year Regional Rail Plan, of which the CCJPA was a member of the steering committee for the plan. The CCJPA was also an active participant in the development of the environmental studies for the California High Speed Rail Authority, which was incorporated into MTC's Regional Rail Plan.

The Caltrans' 10-Year Statewide Rail Plan included the proposed extension of Capitol Corridor trains to Reno/Sparks, Nevada (via Truckee). Currently, plans for the extension of service to Reno/Sparks have been suspended at the request of the UPRR, which at this time is not prepared to consider passenger rail service coupled with their extensive freight rail service plans in the Auburn – Reno corridor. Therefore, Capitol Corridor efforts with UPRR are focused upon facility and service improvements between Sacramento, Roseville, and Auburn.

The MTC's Regional Rail Plan examined the future alignments and service plans for the Capitol Corridor, going beyond MTC's Bay Area boundaries to explore options extending into the Sacramento region. Basically, MTC has provided a necessary vision for the future of passenger and freight rail service in Northern California and will provide guidance in future planning periods (10, 20, and 50 years) with alternative alignments, service plans, and rolling stock configurations.

The CCJPA has set forth and adopted a Train Service Policy that supports 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 proposed service 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:

- 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 (Transportation Agency of Monterey), Redding/Chico (Caltrans), Napa/Santa Rosa (Napa/Sonoma counties), and San Francisco-Los Angeles via the Coast Subdivision [Salinas/San Luis Obispo routing] (Coast Rail Coordinating Council)
- Other service extensions/expansions within the Capitol Corridor as identified in current, ongoing interregional rail studies such as the MTC Regional Rail Plan

APPENDICES

APPENDIX A
CAPITOL CORRIDOR HISTORICAL PERFORMANCE

Historical Service Statistics

Fiscal Year	Daily Trains	Total Ridership	% Change Prior Year	Riders Per Day	Revenue*	% Change Prior Year	Operating Expenses*	% 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	2.9%	$35,579,266	-2.4%	37.2%	$22,708,181
FFY 04/05	24	1,260,249	8.1%	3,450	$15,148,333	15.0%	$35,110,571	-1.3%	43.2%	$19,962,238
FFY 05/06 (h)	24/32	1,273,088	1.0%	3,490	$16,014,636	5.7%	$35,147,033	0.1%	45.8%	$19,132,397
FFY 06/07	32	1,450,069	13.9%	3,970	$19,480,992	21.6%	$40,533,332	15.3%	48.1%	$21,052,340
FFY 07/08 (i)	32	642,465	12.9%	4,227	$8,973,795	19.3%	$17,224,175	2.0%	52.1%	$8,250,380

* Cost statistics include train service as well as bus service

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. Increase to 8 trains 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 began on February 28, 2000

f. 18 trains began on April 29, 2001

APPENDIX B

PROGRAMMED OR COMPLETED CAPITOL CORRIDOR PROJECTS (AS OF DECEMBER 2006)

Programmed or Completed Projects (Preliminary and Tentative - Subject to Revision)	Costs
Station Projects	
Colfax	$2,508,165
Auburn	$3,131,656
Rocklin	$2,114,173
Roseville	$1,619,104
Sacramento*	$11,549,526
Davis	$5,326,643
Fairfield/Vacaville	$29,000,000
Suisun/Fairfield	$3,834,049
Martinez*	$38,145,628
Richmond*	$21,924,408
Berkeley	$4,745,500
Emeryville*	$17,252,136
San Francisco – Ferry Building*	$584,842
Oakland Jack London Square*	$20,319,077
Oakland Coliseum	$6,132,000
Hayward	$1,782,500
Fremont/Centerville	$3,544,050
Great America/Santa Clara	$3,082,627
San Jose Diridon	$27,138,542
Platform Signs	$63,101
Real-time message signs (design)	$1,494,842
Other	$2,640,575
SUBTOTAL – Station Projects *shared stations with the San Joaquin route	$207,933,144
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	$14,555,533
Sacramento – Emeryville	$60,219,132
Oakland – Santa Clara (Hayward Line) [1991]	$14,900,000
Niles Junction – Newark (Centerville Line)	$10,667,740
Sacramento – San Jose C-Plates	$14,156
Oakland – San Jose	$59,405,333
San Jose 4th Track	$41,850,000
Bahia Viaduct Track Upgrade	$2,940,000
Harder Road (Hayward) Undercrossing [2001]	$8,898,000
SUBTOTAL – Track and Signal Projects	$221,249,894
Maintenance and Layover Facility Projects	
San Jose (Pullman Way) Maintenance Facility	$5,789,862
Oakland Maintenance Facility (new – owned by the State)	$63,835,956
Oakland Maintenance Base (former site)	$464,884
Colfax/Auburn Layover Facility	$691,956
Roseville Layover Facility	$157,702
Sacramento Layover Facility	$941,316
Capitalized Maintenance	$2,000,000
SUBTOTAL – Maintenance and Layover Facility Projects	$73,881,676
Rolling Stock (California Cars and Locomotives – owned by the State)	$235,282,226
TOTAL – PROGRAMMED OR COMPLETED PROJECTS	**$738,346,940**

APPENDIX C
CAPITOL CORRIDOR PERFORMANCE STANDARDS FY 2006-07 TO FY 2011-12

PERFORMANCE STANDARD	FY 2006-07				FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	ACTUAL	STANDARD	VARIANCE ACTUAL TO STANDARD	PERCENT CHANGE	STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD
NUMBER OF DAILY TRAINS (SAC-OAK)	32	32			32	32	32	32	32@
USAGE									
Route Ridership	1,450,069	**1,511,100**	**(61,031)**	-4.0%	**1,458,600**	**1,525,000**	**1,567,000**	**1,609,000**	**1,885,000**
Average Daily Ridership	3,973	4,140	(167)	-4.0%	3,996	4,178	4,293	4,408	5,164
Percent Change in Route Ridership	13.9%	20.8%			-3.5%	4.6%	2.8%	2.7%	17.2%
Percent Change in Train Passenger Miles	10.7%	20.4%			-3.5%	5.3%	3.5%	3.1%	20.3%
Percent Change in Train Miles	24.4%	29.0%			-0.7%	0.0%	0.0%	0.0%	19.0%
Passenger Miles per Train Mile (PM/TM)	82.3	87.4	(5.2)	-5.9%	85.0	89.5	92.6	95.5	96.5
COST EFFICIENCY									
System Operating Ratio (as calculated by CCJPA)	**48%**	**51%**	**-3.1%**	–	**49%**	**48%**	**50%**	**51%**	**49%**
Percent Change in Total Revenue	20.7%	35.8%	–	–	-0.4%	13.9%	4.8%	5.0%	11.3%
Percent Change in Total Expenses	15.3%	14.1%	–	–	4.7%	14.5%	2.4%	3.0%	15.0%
Train Revenue per Train Mile	$15.55	$15.46	$0.09	0.6%	$16.02	$18.26	$19.18	$20.14	$18.00
Train Revenue per Passenger Mile (Yield)	$0.19	$0.18	$0.01	6.9%	$0.19	$0.20	$0.21	$0.21	$0.21
Train Expenses per Train Mile	$32.64	$31.41	$1.23	3.9%	$33.49	$38.58	$39.48	$40.67	$39.50
Train Only State Cost per Train Mile	$17.09	$15.94	$1.15	7.2%	$17.47	$20.31	$20.31	$20.53	$21.50
Train Only State Cost Per Passenger Mile	$0.21	$0.18	$0.03	14.0%	$0.21	$0.23	$0.22	$0.21	$0.22
SERVICE QUALITY									
On Time Performance	75%	**90%**	**-17%**	–	**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	$19,447,892	$20,634,000.00	-$1,186,108.00	-5.7%	$20,561,000	$23,415,000	$24,549,000	$25,776,000	$28,698,946
Total Expenses	$40,533,332	$40,385,000.00	$148,332.00	0.4%	$42,272,000	$48,391,000	$49,532,000	$51,018,000	$58,677,100
Total State Operating Cost ^	**$20,476,000**	**$20,476,000.00**	**$0.00**	**0.0%**	**$22,596,000**	**$25,751,000**	**$25,758,000**	**$26,142,000**	**$30,878,154**
TRAIN ONLY									
Train Only Revenue	$18,097,990	$18,706,000.00	(608,010)	-3.3%	$19,247,000	$21,940,000	$23,037,000	$24,189,000	$25,732,000
Train Only Expenses	$37,993,000	$37,993,000.00	-	0.0%	$40,233,400	$46,341,000	$47,431,000	$48,854,000	$56,477,100
Train Only State Operating Cost	$19,895,010.00	$19,287,000.00	608,010	3.2%	$20,986,400	$24,401,000	$24,394,000	$24,665,000	$30,745,100
Passenger Miles	95,749,983	105,777,350	(10,027,367)	-9.5%	102,102,000	107,512,500	111,257,000	114,721,700	137,975,700
Train Miles	1,163,984	1,209,754	(45,770)	-3.8%	1,201,305	1,201,305	1,201,305	1,201,305	1,429,800

^ - 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 2005-06 and FFY 2006-07. Actual contract cost may be lower, but not higher.

¶ - Per Business Plan Update/Amtrak Contract

@ - Standard assumes increased train service to San Jose, Placer County: 32 Oakland-Sacramento weekday trains (22 on weekends), 22 daily trains to/from San Jose, 4 daily trains to/from Roseville and 2 daily trains to/from Auburn.

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

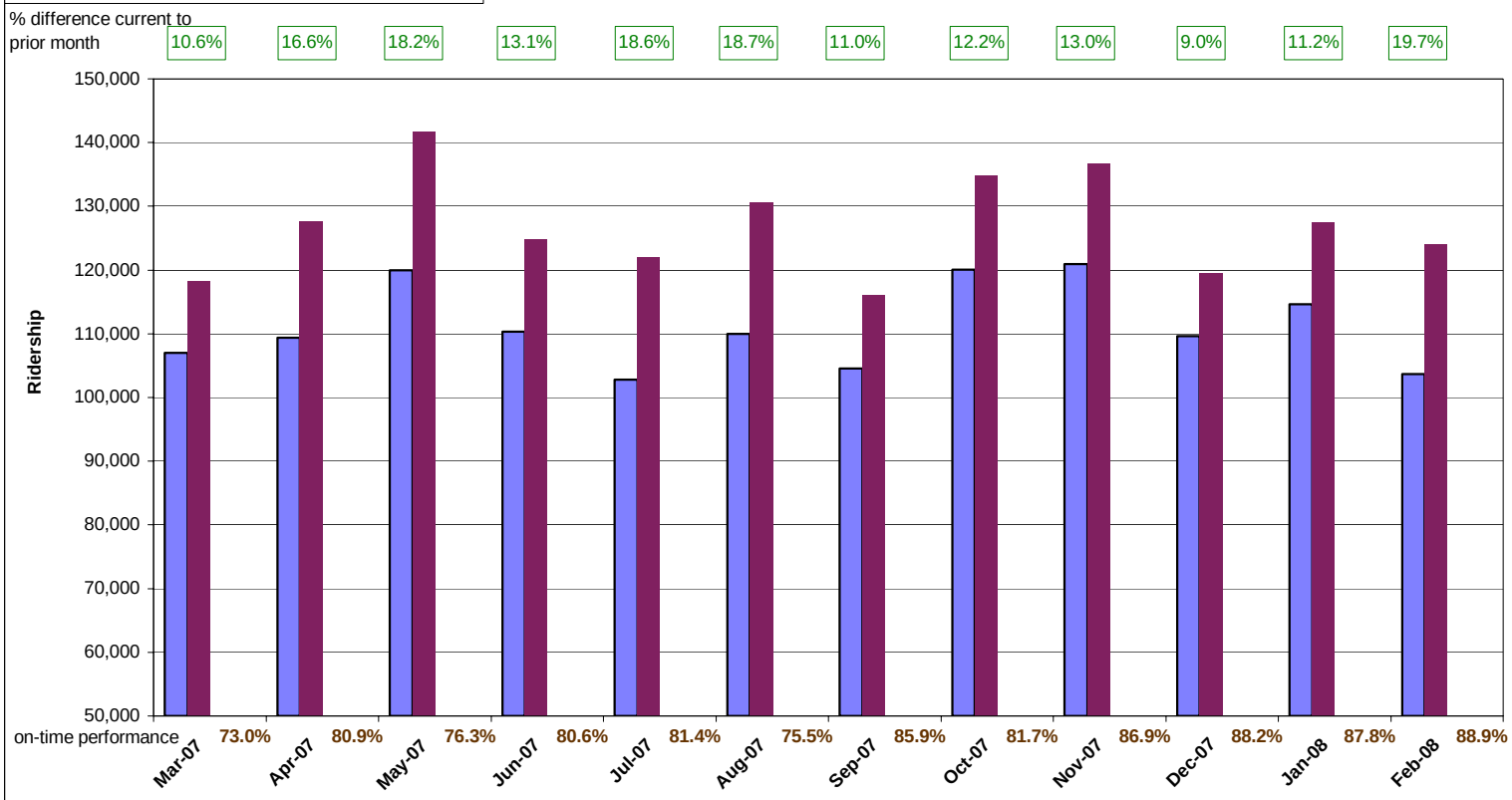
APPENDIX D
HOW'S BUSINESS

How's Business?

Ridership

14.29% Overall 12-Month Growth

5.4% Overall Prior 12-Month Growth

Ridership Last 12 Months=1,523,630

Ridership Prior 12 Months=1,333,082