

1. INTRODUCTION

The purpose of this 2017 San Joaquin Joint Powers Authority (SJJPA) Business Plan Update (“Business Plan”) is to identify SJJPA’s intentions for State Fiscal Year (FY) 2017/18 and FY 2018/19 in its proposed management of the San Joaquins and to request the annual funds required by SJJPA to operate, administer, and market the San Joaquins.

The SJJPA Governing Board includes elected representatives of ten Member Agencies (Alameda County, Contra Costa Transportation Authority, Fresno Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, Sacramento Regional Transit, San Joaquin Regional Rail Commission, Stanislaus Council of Governments, and Tulare County Association of Governments). SJJPA held its first Board Meeting on March 22, 2013.

An Interagency Transfer Agreement (ITA) between SJJPA and the State was signed on June 29, 2015, transferring administrative responsibilities of the San Joaquins to SJJPA. These responsibilities include the following:

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

buses, and ticketing; and

- Marketing for the San Joaquins.

As required by AB 1779, during the term of the ITA, SJJPA is to submit an annual Business Plan by April 1 of each year to the Secretary of the Business, Transportation and Housing Agency – which is now the Secretary of the California State Transportation Agency (CalSTA). Starting with this Business Plan, it is now required to be submitted to the Secretary of CalSTA in draft form by April 1, 2017, and final form by June 15, 2017, to allow Amtrak time to finalize operating cost estimates. The Business Plan will be reviewed and approved by the State and used to develop an annual appropriation request to the State Legislature.

Regional Governance of the San Joaquins

In 1996, the Capitol Corridor Joint Powers Authority (CCJPA) was created to oversee the administration of the Capitol Corridor service under the provisions of Senate Bill 457 (SB 457). SB 457 authorized the State to enter into interagency transfer agreements with specified joint exercise of powers entities to assume responsibility for intercity passenger rail services and be allocated funds for that purpose. The local/regional agencies along the Pacific Surfliner and San Joaquins corridors chose not to take advantage of SB 457, and therefore the administrative responsibility for the San Joaquins and Pacific Surfliner services remained with Caltrans Division of Rail. The deadline for forming a new joint powers authority (JPA) under SB 457 was the end of 1996.

For over 18 years, without direct financial contribution by Member Agencies, the CCJPA has successfully managed the Capitol Corridor between Auburn and San Jose. Capital investments, cooperation with the Union Pacific Railroad (UPRR), and State support have allowed for dramatic increases in the frequency of service, and the Capitol Corridor intercity passenger rail service has consistently had the best on-time performance in the nation for intercity service. In addition to more cost-effective administration and operations, the CCJPA has shown that there are several other potential benefits to local authority administration of intercity passenger service including:

- The ability to have a stronger voice in advocating for service improvements and expansions;

- Local decision-making that is more responsive and adaptive to passenger issues;
- The ability to take better advantage of joint marketing and partnerships with local agencies; and
- More engagement by local communities to support the service.

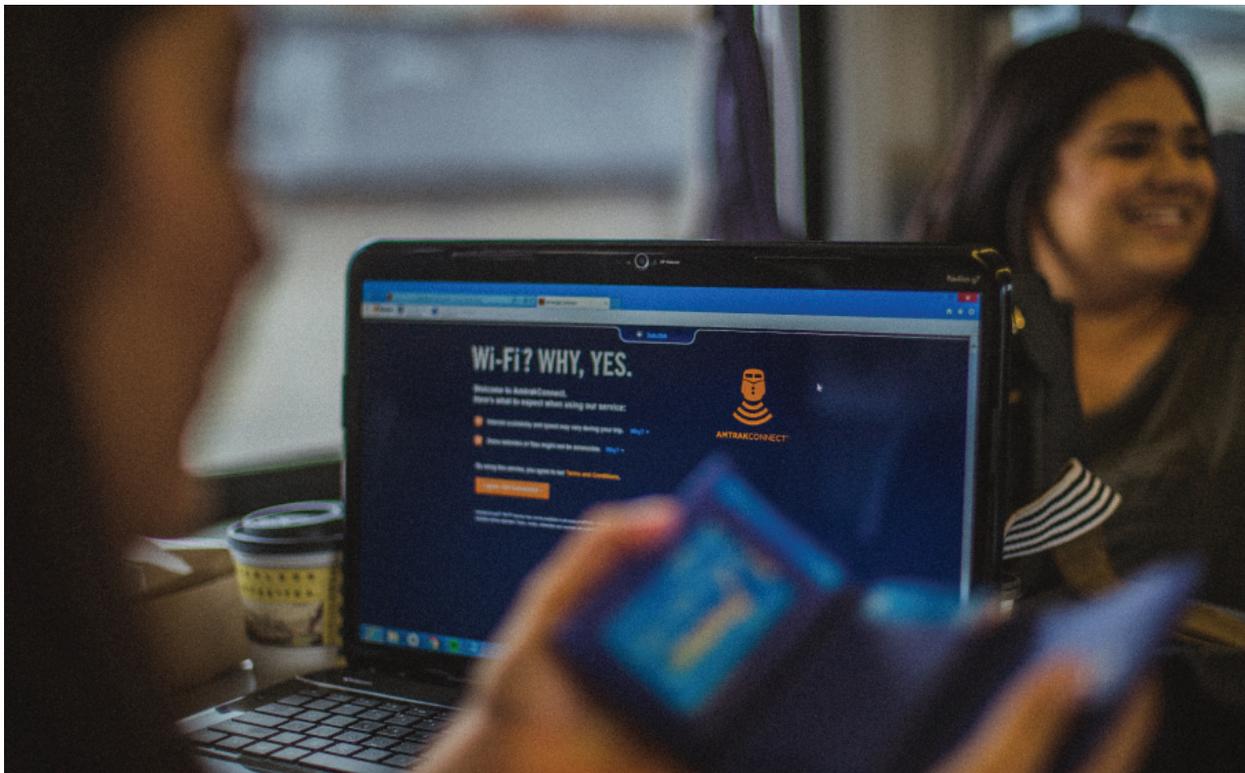
In 2012, transportation planning agencies throughout the San Joaquin Valley worked together in order to set up a regional Joint Powers Authority and to support legislation that would enable regional governance of the San Joaquins. To protect the existing service and to promote its improvement, local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

AB 1779 was passed by the Legislature on August 30, 2012 with bi-partisan support, and was signed by Governor Brown on September 29, 2012. The first SJJPA Board Meeting was held on March 22, 2013 in Merced. A similar bill (SB 1225), which was sponsored

and supported by local and regional agencies in the LOSSAN Corridor, was also passed and signed by the Governor on September 29, 2012 enabling regional governance of the Pacific Surfliner service. These two initiatives were coordinated efforts, and SJJPA and LOSSAN JPA continue to work in coordination for regional governance of both corridors and to advocate for the California Intercity Passenger Rail Program (CIPRP).

AB 1779 defines the composition of SJJPA, as well as requiring that the interagency transfer must result in administrative or operating cost reductions. AB 1779 also requires SJJPA to protect the existing service and facilities and seek to expand service as warranted by ridership and available revenue. Increases in the service and ridership will result in more jobs, improved air quality, and will help promote sustainable development in the San Joaquins Corridor.

Under the provisions of AB 1779, the State continues to provide the funding necessary for service operations, administration, and marketing. Furthermore, Caltrans Division of Rail remains responsible for the development of the Statewide Rail Plan and the coordination and integration between the three state-sup-



ported intercity passenger rail services. AB 1779 was sponsored by the San Joaquin Regional Rail Commission (SJRRRC), Sacramento Regional Transit, the Central Valley Rail Working Group, and the San Joaquin Valley Regional Policy Council.

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

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

SJJPA Board Meeting, the SJJPA Board approved SJRRRC as the Managing Agency for an additional 3-year term (September 27, 2016 – September 27, 2019).

Business Plan Requirements

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

- Service performance;
- Operating and action plan strategies;
- Short-term and longer-term capital improvements;
- Funding requirements for the upcoming fiscal year;
- External factors affecting the service;
- Plans for service expansion and enhancement efforts;
- Marketing and outreach efforts; and
- Establishment of fares.

This Business Plan Update clearly delineates how proposals to expand or modify service, including funding and accounting, are separate from locally sponsored services in the corridor. This Business Plan Update is consistent with the 2013 State Rail Plan developed by Caltrans Division of Rail (DOR) and the California High-Speed Rail Authority (CHSRA) 2016 Business Plan.

