

CAPITOL CORRIDOR

Auburn - Sacramento - Davis - Suisun/Fairfield - Martinez - Oakland/San Francisco - San Jose



Prepared by
Capitol Corridor Joint Powers Authority

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FINAL

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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 2006-07 and FY 2007-08), to be submitted to the Secretary of the Business, Transportation and Housing Agency in April 2006. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor’s growth over the past five years, and incorporates customer input as put forth in Chapter 263 of State Law.

In FY 2004-05, the CCJPA continued to raise the bar on the performance of the Capitol Corridor service, setting new records for ridership and revenues for 12 consecutive months, with results exceeding the performance standards.

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 through effective cost management, revenue enhancement, and customer service in the delivery of a safe, reliable, frequent, and high-quality passenger rail service that is a viable transportation alternative to the congested I-80, I-680, and I-880 highway corridors.

History. The Capitol Corridor service began in December 1991 with six daily trains between San Jose and Sacramento. The CCJPA assumed management responsibility for the service in October 1998; since then it has grown to become the third busiest intercity passenger rail service in the 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 20 weekday trains (18 weekend) in October 2002; 22 weekday trains in January 2003; and 24 weekday trains in April 2003. These expansions were accomplished with no increase in budget by reallocating funds from discontinued motorcoach routes.

Operating Plan. With the ongoing limitations in the State of California budget, the trend of flat allocations is expected to continue with the Draft State Budget for FY 2006-07. Within this allocation the CCJPA plans to expand upon the current service plan with added trains to and from San Jose. This service level will be maintained at a minimum over the next two fiscal years with anticipated CCJPA operating expenses as follows:

Capitol Corridor Service	FY 2006-07	FY 2007-08
Oakland – Sacramento	24 weekday trains (18 weekend)	24 weekday trains (18 weekend)
Oakland – San Jose	14 daily trains	14 daily trains
Sacramento – Roseville	Up to 6 daily trains	Up to 6 daily trains
Roseville – Auburn	Up to 4 daily trains	Up to 4 daily trains
Total Budget (Operations, Marketing & Administration)	\$26,204,000	\$26,194,000

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). In FY 2004-05, the CCJPA continued to raise the bar on the performance of the Capitol Corridor service, setting new records for ridership and revenues for 12 consecutive months, with results exceeding the performance standards:

Capitol Corridor Service FY 2006-07–FY 2007-08 Business Plan Update (Final April 2006)

- Ridership grew 8% in FY 2004-05; to date, FY 2005-06 ridership is 1% above last year.
- Revenue grew 16% during FY 2004-05; to date, FY 2005-06 revenue is up 5%.
- System operating ratio (a.k.a. farebox return) improved to 43% in FY 2004-05; to date, the FY 2005-06 operating ratio is 49%.
- On-time performance (OTP) remained steady at 85% in FY 2004-05; to date FY 2005-06 OTP is a sub-standard 68% due to service disruptions from December 2005 through February 2006, primarily caused by delays from weather, construction and freight rail traffic. (Reliability has improved recently with March 2006 posting an OTP of 80%.)

The CCJPA develops performance standards in partnership with the State and Amtrak. The table below summarizes the standards and results for FY 2004-05 and FY 2005-06 (through December 2005) as well as the standards for the next two fiscal years (see Appendix C):

Performance Standard	FY 04-05			FY 05-06			FY 06-07	FY 07-08
	Actual	Standard	Variance	Actual	Standard	Variance	Standard	Standard
Route Ridership	1,260,249	1,200,100	8.0%	418,356 (through 1/06)	409,000 (through 12/05)	2.3%	1,398,500	1,433,500
System Operating Ratio (train and feeder bus)	43%	39%	10.3%	49% (through 1/06)	42%	16.3%	43%	44%
On-Time Performance	85%	90%	(5.6%)	68% (through 1/06)	90%	(24.8%)	90%	90%

Capital Improvement Program. The CCJPA’s Capital Improvement Program (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), Caltrans’ 10-Year Statewide Rail Plan, and Amtrak’s Strategic Corridors Initiative. This CIP expands beyond the CCJPA’s current investment of \$107 million in track and station projects now underway or programmed between Auburn and San Jose.

For the first time in several years, the 2006 State Transportation Improvement Program (STIP) will have funds available to program new projects. The CCJPA has submitted a list of prioritized projects to the State to be included in the 2006 STIP, and continues to seek additional funding sources.

Elements of this CIP include projects to increase capacity, upgrade track infrastructure, build/renovate stations, add rolling stock, reduce travel times, improve reliability, and enhance passenger safety, security, and amenities. Indirect benefits include reduced congestion, improved air quality, and increased movement of goods and services on the shared freight rail corridor.

For the first time in several years, the 2006 State Transportation Improvement Program (STIP) will have funds available to program new projects. To that end, the CCJPA has submitted a list of prioritized projects to the State to be included in the 2006 STIP. In addition, the CCJPA is aggressively seeking supplemental funding sources to leverage the current \$107 million investment over the next two to five years.

Marketing Strategies. The CCJPA’s marketing strategies for FY 2006-07 and FY 2007-08 will focus on directives set forth in the updated Vision Plan and build upon the recent in-sourcing of customer service call center operations. Marketing programs and campaigns will target markets where we have 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 improving the passenger experience to attract and retain loyal, frequent riders with the introduction of enhancements such as ticket vending machines at all stations, an on-board automated ticket validation (ATV) pilot program, and, if funding permits, security cameras on trains and at stations. This annual Business Plan Update provides an overview of the CCJPA’s goals for delivering a cost-effective Capitol Corridor service while increasing ridership, revenue, and customer satisfaction through its partnerships with passengers, local communities, 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 goal is to maintain Capitol Corridor service levels between Sacramento and Oakland at 24 daily trains with expanded service of 14 trains to and from San Jose in FY 2006-07 and 2007-08. Any further service expansions will be provided within the State's budget allocation. This Business Plan Update identifies the service and capital improvements that have contributed to the Capitol Corridor's growth over the past seven 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 goal is to maintain Capitol Corridor service levels between Sacramento and Oakland at 24 daily trains with expanded service of 14 trains to and from San Jose in FY 2006-07 and 2007-08.

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)

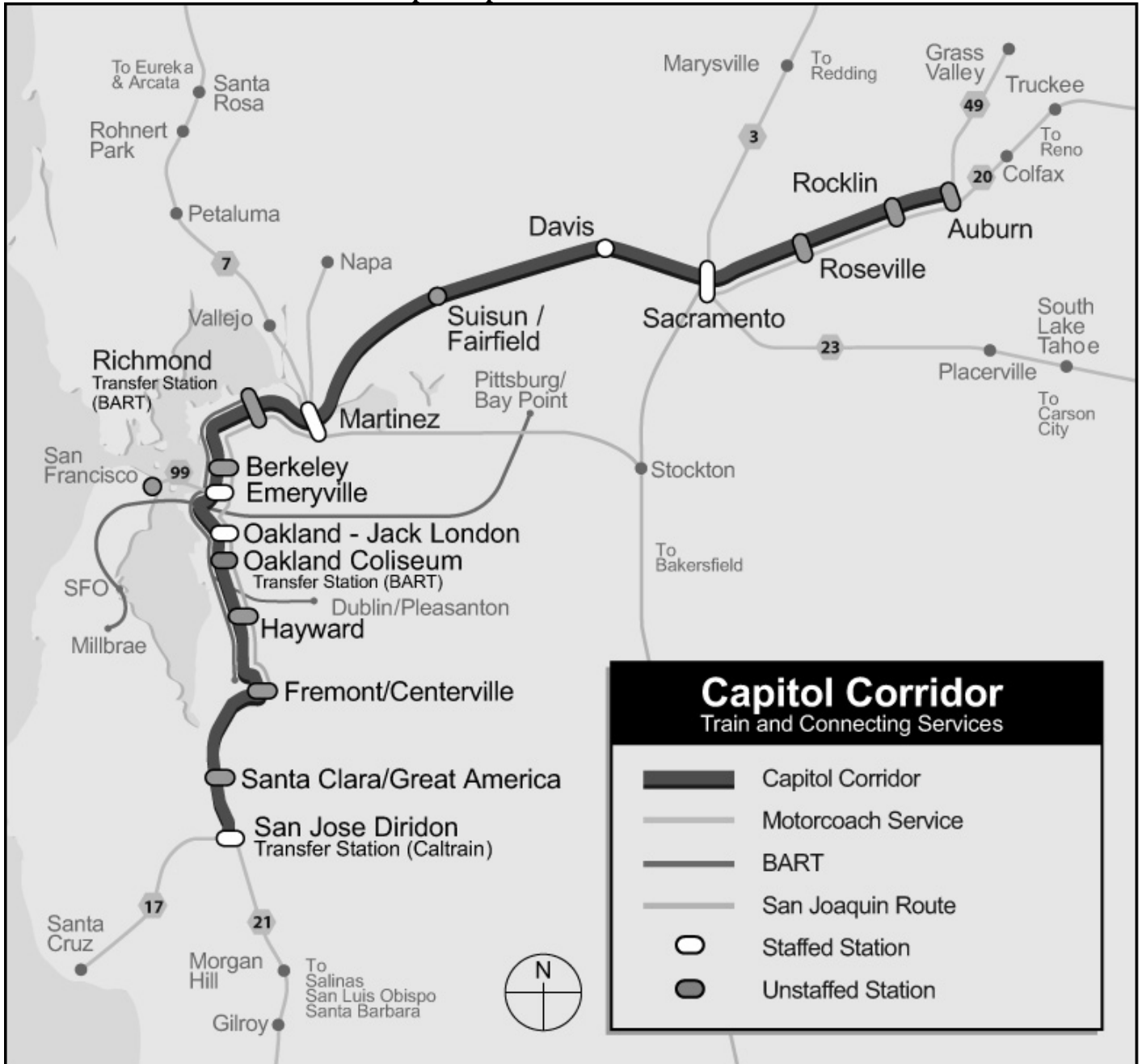
Ex-officio members of the CCJPA include the Metropolitan Transportation Commission (MTC) and the Sacramento Area Council of Governments (SACOG), the Metropolitan Planning Organizations (MPOs) along the route.

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 17 stations along the 170-mile rail corridor connecting Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco, 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. The Capitol Corridor connects outlying communities to the train service via a dedicated motorcoach network and partnerships with local transit agencies that assist passengers traveling beyond the train station.

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

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. This 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 6 daily trains between San Jose and Sacramento. In 1996, legislation was enacted to establish the Capitol Corridor Joint Powers Authority (CCJPA), a partnership among six local

transportation agencies to share in the administration and management of the Capitol Corridor intercity train service.

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

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

3. Operating Plan and Strategies

The CCJPA aims to meet the travel and transportation needs of Northern Californians by providing safe, reliable, frequent, and high-quality Capitol Corridor intercity train service. In response to growing ridership demand, several cost-effective service expansions were implemented by the CCJPA in October 2002, January 2003, and April 2003 to achieve the current schedule of 24 weekday trains between Sacramento and Oakland within the budget allocated for 18 daily trains. System performance also improved with the following changes implemented in FY 2003-04: in December 2003, the CCJPA restructured its agreement with UPRR to increase incentive payments for improved on-time performance, and in February 2004, the CCJPA and UPRR completed the Yolo Causeway Double Track Project (the last remaining major capacity constraint between Oakland and Sacramento), increasing the reliability of the trains and reducing travel time by 10 minutes. These improvements allowed the service to sustain its ridership growth, which has increased 177% over seven years. As stated in the Vision Plan, the CCJPA's eventual goal is to provide hourly train service, which will require additional rolling stock (see Section 7).

Along with improved cost efficiency, the Capitol Corridor continues to sustain ridership growth, which has increased 177% over seven years.

In August 2006, upon the completion of the Oakland to San Jose Track Improvement Project, the CCJPA will expand service between Oakland and San Jose by increasing from 8 weekday trains to 14 daily trains. In addition, if funding can be arranged, the CCJPA plans to expand service between Sacramento and Oakland from 24 daily trains to 32 daily trains utilizing track capacity previously secured by the State from the UPRR. Weekend service may also be increased from 18 trains to 22 trains between Sacramento and Oakland.

To supplement its motorcoach service, the CCJPA works with its partners and local transit providers to offer expanded options for improved transit connections. Currently, the train service connects with the BART rapid transit system at Richmond station and the Oakland Coliseum station; with Caltrain service (Gilroy – San Jose – San Francisco) at San Jose Diridon station; with the Altamont Commuter Express service (Stockton – San Jose) at the Fremont/Centerville, Great America/Santa Clara, and San Jose Diridon stations; with VTA light rail at the San Jose Diridon station; and with Sac RT light rail at the Sacramento Valley station (opening Fall 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 (the CCJPA reimburses the transit agencies for each transfer collected). In December 2005, the CCJPA added

Benicia Transit, Rio Vista Transit, and ETRAN (City of Elk Grove) to the Transit Transfer Program.

In June 2005, the CCJPA and Amtrak opted to eliminate a redundant transit service by transferring the Auburn – Grass Valley motorcoach service to an expanded Highway 49 bus service operated by Gold Country Stage (Nevada County). This transfer resulted in increased service levels, ridership, and revenues, and reduced operating costs. To continue to improve service to customers, the CCJPA will seek to expand our transit connectivity programs to other agencies along the corridor.

FY 2005-06. The CCJPA’s operating plan for the current fiscal year is as follows:

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

To supplement the added trains to/from San Jose, the CCJPA is seeking to maximize train service between Oakland and Sacramento with at least 32 daily trains, subject to available funding.

FY 2006-07. The CCJPA’s operating plan for FY 2006-07 will maintain at least the same service levels as FY 2005-06 between Oakland and Sacramento, while expanding train service to Silicon Valley/San Jose and Roseville/Auburn based on completion of required track infrastructure upgrades and approval by the UPRR. Service levels will change to:

- Oakland – Sacramento: At least 24 weekday trains (18 weekend trains); as high as 32 weekday trains (22 weekend trains)
- Oakland – San Jose: 14 daily trains
- Sacramento – Roseville: 6 daily trains
- Roseville – Auburn: 4 daily trains

FY 2007-08. The CCJPA’s operating plan for FY 2007-08 will remain the same as for FY 2006-07. The rolling stock provided to the CCJPA for maintenance supervision also includes the San Joaquin Corridor trains. Additional rolling stock is required to expand the Capitol Corridor and San Joaquin services to meet service expansion plans and to add cars/coaches to existing trainsets to ease overcrowding on some trains.

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 service with respect to service levels, reliability, and on-time performance. The CIP includes projects that have been completed or are currently underway. Since the inception of the Capitol Corridor service, over \$756 million has been invested to purchase rolling stock, build and renovate stations, upgrade track and signal systems for added trains, and construct train maintenance and layover/storage facilities. A list of CIP projects that have been completed or are currently underway is included in Appendix B.

The CIP aims to increase train reliability and frequency while reducing travel times by investing in projects designed to improve the conditions caused by ever-increasing freight and passenger rail traffic. The primary funding sources for capital projects have been the State general obligation bonds (Proposition 108s and 116) 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 sources, such as Bay Area Regional Measure 2 (RM-2), have periodically supplemented these sources.

The CCJPA has secured \$107 million for projects that are either recently completed, currently underway, or have funding committed to them. The direct benefits of these projects include

added Capitol Corridor trains, improved on-time performance, reduced travel times, and enhanced passenger amenities. Indirect benefits of the CIP include reduced congestion, improved air quality, and increased 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
Passenger Information Display System (PIDS): A passenger communications system was developed to deliver real-time information on train arrivals using advanced technology. Global positioning satellite (GPS) transponders were installed on all Capitol Corridor trains, which transmit the train's position along the route. A central server converts this real-time information to an estimated train arrival (ETA) for the train, which is sent to electronic signage at stations and to the Internet	\$1.42	The system was accepted in June 2003; upgrades continue to be implemented to keep up with the latest advances in real-time technology
Oakland Jack London – Elmhurst Track Improvements: Install central traffic control signaling system to increase speeds and add track and bridges to support the new Oakland Coliseum Intermodal Station	\$14.29	Construction complete
Yolo Causeway Double Track: Add 6 miles of second mainline track over Yolo Bypass flood channel. Project eliminated single largest rail bottleneck in corridor, thereby improving reliability and reducing travel time between Oakland and Sacramento	\$16.75	Construction complete
Newark Siding Extension Double Track: Extend and upgrade siding to mainline standards to add trains to San Jose	\$21.56	Construction complete
CP Coast Double Track: Add second main line track through UPRR/Caltrain junction to add capacity for Capitol Corridor and freight trains	\$21.29	Construction is scheduled for completion by August 2006
Track upgrades in Berkeley, Emeryville, Hayward, and Santa Clara/San Jose: Various projects to upgrade track conditions to improve reliability and passenger safety	\$2.55	Construction complete
Safety and Security Projects: Lighting, fencing, and security cameras at Auburn and Sacramento, and call boxes at unstaffed stations	\$0.33	Construction complete
Outdoor Ticket Vending Machines: Addition of outdoor ticket vending machines at Auburn, Rocklin, Berkeley, and Great America stations	\$0.34	Manufacturing begun; installation scheduled for late 2006
Automated Ticket Validation: Handheld conductor units to improve security and fare collection	\$0.45	Pilot program implementation in early 2007
Subtotal – Projects Underway	\$78.98	
Committed Programming		
San Jose 4th Track Phase 1: Add 4th mainline track between Santa Clara and San Jose to accommodate more Caltrain, ACE, and Capitol Corridor trains	\$17.90	Design plans 100% complete; construction dependent upon allocation of 2002 STIP funds
Sacramento – Roseville Track Improvements: Add track and related infrastructure between Sacramento and UPRR's Roseville Yard for near-term expansion of Capitol Corridor trains to Roseville and Auburn	\$7.28	Design plans complete; construction dependent upon allocation of 2002 STIP funds
Bahia Viaduct Track Upgrades: Improve track infrastructure to reduce travel times via installation of a crossover track between mainline tracks	\$2.94	Pending UPRR project design; project expected to begin in 2006
Subtotal – Committed Programming	\$28.12	
TOTAL SECURED FUNDING	\$107.10	

Recent Station Improvements

- Berkeley – Completed upgrades and landscape improvements in September 2005
- Emeryville – Completed extension of baggage cart path in Summer 2005
- Oakland – In June 2005, the City of Oakland, along with Amtrak, the CCJPA, and the UPRR, completed construction on the Oakland Coliseum Intermodal Station that allows connections between Capitol Corridor trains, BART, and shuttles to Oakland International Airport
- Sacramento – Added security cameras and a staffed security desk; security staff conduct regular inspections of the station and layover facilities
- Rocklin – Construction began on the station building and is expected to be complete by Spring 2006
- Emergency call boxes were installed at Santa Clara, Hayward, Oakland Coliseum, Berkeley, and Richmond stations by Summer 2005

Short-Term Capital Improvements (FY 2006-07)

In September 2005, the CCJPA, working with its member agencies, submitted a project nomination list to Caltrans to be considered for inclusion in the 2006 STIP. The 2006 STIP, (expected to be approved by the CTC in April 2006) will provide funding for numerous transportation agencies throughout California. The influx of Proposition 42 funding into the State’s transportation accounts, which had previously been shifted to cover State budget shortfalls, will allow for a more comprehensive STIP program. The CCJPA has nominated the following ranked projects in Table 4-2 for inclusion in the 2006 STIP:

**Table 4-2
2006 STIP Project Nominations for Capitol Corridor**

Rank	Project Description	Project Sponsor	Total Costs (\$M)	CCJPA Request	Local Match	Local Source
1	Emeryville Station and Track Improvements: Construct platform and track improvements for parallel moves at the north and south approaches of the station and improve freight rail access to Port of Oakland	CCJPA	\$7.50	\$7.50	--	--
2	Dumbarton Rail Project/Union City Intermodal Station: In conjunction with the Dumbarton Rail project, support Union City Intermodal Station improvements and associated track improvements to allow Capitol Corridor trains to serve the BART station, reduce travel times, and improve reliability	Caltrain	\$300.50	\$39.00	\$261.50	RM-2 ITIP RTIP local
3	Yolo Causeway Crossovers: West causeway high-speed universal crossovers. Location and size (#24s) already have UPRR agreement	CCJPA	\$6.00	\$6.00	--	--
4	Sacramento Station New Platform and Grade Separation Access: In a partnership with the private developer of the UPRR Railyard Project, finance share of improvements to support new grade-separated platforms and track infrastructure as part UPRR’s relocation of mainline tracks. Does not include the construction of a new station building or the relocation of the existing depot facility	Amtrak	\$5.00	\$5.00	--	--
5	Wireless Internet for Fleet: Install wireless Internet networks on all Northern California fleet in connection with installation of free or low-cost Internet service for customers on Capitol Corridor and San Joaquin services	CCJPA	\$3.00	\$1.50	\$1.50	Caltrans
6	Hercules Station: Add a Capitol Corridor station as part of a transit-oriented development along the city’s waterfront	City of Hercules	\$28.40	\$12.00	\$16.40	TCRP Local RTIP
7	Martinez Parking Expansion: Expand parking on the northwest side of the station and connect with the pedestrian overpass planned to extend from the existing station	City of Martinez	\$17.40	\$10.50	\$6.90	Local RTIP
	TOTAL		\$367.80	\$81.50	\$286.30	

The 2006 STIP is expected to reverse the trend from the 2004 STIP where there was no new capacity to fund projects. The State’s financial outlook appears to be improving and increased revenues to the State are finally allowing for funds to accumulate in the state’s transportation accounts to finance new projects.

With the passage of Bay Area Regional Measure 2 (RM-2) in March 2004, an additional source of funding for Capitol Corridor projects is now available through 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:

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

Long-Term Capital Improvements (FY 2007-08 and Beyond)

On a long-term basis, the STIP is expected to continue to be a steady source of CIP funding, provided the State maintains the ability to provide new programming capacity every other year with the annual transfer of Proposition 42 funds. Additional long-term sources may include new State funding initiatives or new local funding programs. Future STIP cycles after 2006 will provide additional opportunities to fund the long-term CIP as outlined in the CCJPA’s Vision Plan and supported by Caltrans’ 10-Year Statewide Rail Plan and Amtrak’s Strategic Corridors Initiative.

A potential new funding source may be available if voters pass any of the various infrastructure bond proposals. Similar to Proposition 116, an infrastructure bond measure from the late 1980s, these bond proposals recognize that the California transportation infrastructure system is underfunded and requires a steady funding source to maintain economic growth and keep up with projected population growth. Like Proposition 116, there is funding applicability for the State’s intercity rail program that would provide CIP funds for the Capitol Corridor.

On a long-term basis, the STIP is expected to be a steady source of CIP funding, provided the State maintains the ability to provide new programming capacity every other year with the annual transfer of Proposition 42 funds.

Funding at the federal level, as of this writing, has never been provided for State-supported intercity rail services. However, there are several federal legislative proposals that would change this and create a program whereby federal eligibility would be extended to cover passenger rail service (apart from Amtrak funding). As a consequence, the CCJPA is working with Amtrak and Caltrans to use the roughly \$106 million CIP to leverage federal funding. Assuming an 80/20 federal/state split, the CCJPA could receive over \$350 million in federal funds, which would be invested to finance numerous CIP projects listed in Table 4-3. These projects support the CCJPA’s service expansion plans aimed at reducing travel times, upgrading track infrastructure, and improving passenger amenities.

The CIP is consistent with the Regional Transportation Plans (RTPs) adopted by the San Francisco Bay Area Metropolitan Transportation Commission (MTC), the Sacramento Area Council of Governments (SACOG), 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. A significant long-term project is the expansion of the Capitol Corridor service beyond Auburn to the Reno/Sparks area in Northern Nevada. The CCJPA, Caltrans, and the Nevada Department of Transportation have begun evaluating the necessary capital improvements as well as operational needs for this project.

**Table 4-3
Long-Term Capital Improvement Categories**

Capitol Corridor: Capital Cost Figures: Existing and Projected		3/31/2006				
Project Name	Description	CCJPA Commitment	Total Cost (in millions)	CCJPA Share	Match Share	Match Source
Rolling Stock						
Rolling Stock	State purchase of Rolling Stock to allow for increased service - 3 sets	N	\$50.000	\$0.000	\$50.000	
Projected Capital Expenditures						
Yolo Causeway Crossovers	West causeway high-speed universal crossovers. Location and size (#24s) already have UPRR agreement	Y	\$6.000	\$6.000	\$0.000	
CP Coast Double Main Extension	Extend double track north of CP Coast to US 101. Allows CCJPA to increase from 7 round trips to 11 round trips.	Y	\$20.000	\$10.000	\$10.000	
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	Y	\$7.500	\$7.500	\$0.000	
Dumbarton Rail Project Segment G	In conjunction with Dumbarton Rail project, support final Union City Intermodal Station design and associated track improvements	Y	\$90.000	\$39.000	\$51.000	RM-2, ITIP, RTIP, local
Union City Intermodal Station			\$70.000	\$0.000	\$70.000	
Hayward Double Track	Add a second track between Elmhurst and Industrial Parkway (Union City) to allow for up to 16 round trips between Oakland and San Jose (also supports Dumbarton Rail)	Y	\$15.000	\$15.000	\$0.000	
Grade Crossing Projects and Safety Match Program	Implement High Street, Davis Street, and Hesperian Street Grade separation projects utilizing a variety of funding sources. Also maintain CCJPA match for other grade crossing improvement projects	Y/N	\$60.000	\$20.000	\$40.000	Grade sep funds, local, State, Fed
Albrae and Newark Sidings	Previously planned project but reduced due to environmental mitigation costs. These segments are mostly designed now by UPRR using a #30 switch for high speed moves at the north end of the Alviso wetlands and will improve reliability.	Y/N	\$5.500	\$5.500	\$0.000	
Davis Station Platform Rebuild or New Station	Create a new island platform between the two main tracks with grade separated access which will eliminate the holdout rule which currently delays passenger and freight trains OR build a new location for the main Davis station near the Mondavi center.	N	\$20.000	\$5.000	\$15.000	
Fairfield-Suisun Platform Rebuild	Create a new island platform between the two main tracks with grade separated access which will eliminate the holdout rule which currently delays passenger and freight trains	N	\$16.000	\$4.000	\$12.000	
Car Marker @ Stations Program	Create a standardized car marker system at all stations and platforms so that trains can consistently be spotted which will allow for more rapid boarding and improve travel time	N	\$2.000	\$2.000	\$0.000	
Martinez Parking Expansion	Expand parking on the north west side of the station and connect with the pedestrian overpass planned to extend from the existing station	N	\$17.400	\$10.500	\$6.900	Contra Costa Sales Tax
Sacramento Station new platform and grade separation access	Make a Sacramento platform access that corresponds to the timing of the UPRR freight track move (anticipated in the next three years) and that supports the long term plans for Sacramento Station	N	\$5.000	\$5.000	\$0.000	
New Swanston Sacramento Station	Establish a new Station at Swanston (with additional Sacramento RT connections) and add an additional UPRR main track between Hagen and Swanston with a layover yard	N	\$20.000	\$8.000	\$12.000	
Wireless Internet for Fleet	Install wireless internet networks on all northern California fleet in connection with install of free or low-cost internet service for customers on Capitol Corridor and San Joaquin services (costs are estimated at a maximal level)	N	\$4.000	\$4.000	\$0.000	
Reno Rail Extension	Extend Capitol Corridor service to Reno with stops inbetween. Purchase new rolling stock; upgrade tracks and stations, as needed	N	\$120.000	\$60.000	\$60.000	mix of funding sources not identified
Dedicated Track Improvement Program	Establish a dedicated gang for the Capitol Corridor service area that would conduct the track improvement program	N	\$10.000	\$5.000	\$5.000	UPRR
Embarcadero Third Main Track	Construct a third main track in the Oakland Jack London Embarcadero area which will ensure reduction of conflicting movement of freight and passenger rail between the Oakland Yard and Oakland Jack London Square Station	N	\$15.000	\$3.000	\$12.000	Port of Oakland, UPRR
			TOTAL	\$603.400	\$209.500	\$293.900

5. Performance Standards & 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 customer-focused, cost-effective train service designed to sustain growth in ridership and revenue. Over the past seven years, ridership has continued to grow by increasing market demand along the congested I-80/I-680/I-880 highway corridors and by providing a high-quality public transportation service that is competitive in terms of frequency, travel time, reliability, and price.

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 2004-05 and FY 2005-06 (through December 2005) 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 2009-10.

**Table 5-1
Performance Standards for Capitol Corridor Service**

Performance Standard	FY 04-05			FY 05-06			FY 06-07	FY 07-08
	Actual	Standard	Variance	Actual	Standard	Variance	Standard	Standard
Route Ridership	1,260,249	1,200,100	8.0%	418,356 (through 1/06)	409,000 (through 12/05)	2.3%	1,398,500	1,433,500
System Operating Ratio (train and feeder bus)	43%	39%	10.3%	49% (through 1/06)	42%	16.3%	43%	44%
On-Time Performance	85%	90%	(5.6%)	68% (through 1/06)	90%	(24.8%)	90%	90%

FY 2004-05 Performance Standards and Results

The service plan during FY 2004-05 remained the same as FY 2003-04 with 24 weekday trains between Sacramento and Oakland (18 weekend), 8 weekday trains between Oakland and San Jose (12 weekend), and 2 daily trains between Roseville/Auburn and Sacramento. This is the maximum level of service attainable with the current rolling stock and trainsets available and assigned to the Capitol Corridor.

FY 2004-05 was one of the most successful years in terms of service performance for the Capitol Corridor. Ridership and revenue records were set for 12 consecutive months, with results exceeding performance standards. Service reliability exceeded the 90% standard from October 2004 through January 2005; however, on-time performance declined for the remainder of the fiscal year due to increased freight traffic and subsequent track congestion.

FY 2004-05 was one of the most successful years in terms of service performance for the Capitol Corridor. Ridership and revenue records were set for 12 consecutive months, with results exceeding performance standards.

Service reliability exceeded the 90% standard from October 2004 through January 2005; however, on-time performance declined for the remainder of the fiscal year due to increased freight traffic and subsequent track congestion.

- Ridership grew 8% in FY 2004-05 (exceeded standard)
- Revenue grew 16% during FY 2004-05 (exceeded standard)
- System operating ratio improved to 43% in FY 2004-05 (exceeded standard)
- On-time performance remained steady at 85% in FY 2004-05, compared to 86% the previous year

FY 2005-06 Performance Standards and Results to Date

The CCJPA, in cooperation with Amtrak and Caltrans, developed the FY 2005-06 standards based on the ridership, revenue, and operating expenses identified in the current FY 2005-06 CCJPA/Amtrak operating contract. These standards are presented in Table 5-1.

Ridership. Ridership year-to-date for FY 2005-06 is ahead of business plan projections by 1%, and above prior year results by 1%.

System Operating Ratio. System operating ratio (total revenues divided by fixed-price operating costs, a.k.a. farebox return) YTD for FY 2005-06 is 49%, significantly above the 42% standard, primarily due to the continued increased in revenues and the reduced operating expense of the customer service call center, which has been transferred from Amtrak to BART.

On-Time Performance. On-time performance YTD for FY 2005-06 is 68%, well below the 90% standard. This decline in reliability to date is due to service disruptions from December 2005

through February 2006, primarily caused by delays from weather, construction and freight rail traffic. (Reliability has improved recently with March 2006 posting an OTP of 80%.)

FY 2006-07 and FY 2007-08 Performance Standards

Table 5-1 provides the preliminary performance standards for FY 2006-07 and FY 2007-08. Appendix C shows the measures used to develop the performance standards. These fiscal year standards will be revised when more data becomes available.

FY 2006-07 Action Plan

For FY 2006-07, 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 2006-07

- Update CIP and develop list of Capitol Corridor intercity rail projects to be included in the 2006 STIP Interregional Improvement Program (IIP)
- Prepare a market research program in cooperation with Caltrans and Amtrak
- Work with the State to secure additional rolling stock, the primary barrier to expansion of capacity and Capitol Corridor service levels
- Secure funds from the 2006 STIP to advance and complete programmed track projects
- Complete “car marker program” at selected stations to decrease passenger loading time and improve overall running times
- Seek marketing and promotional partnerships to leverage added value and/or revenues
- Monitor and expand the programs with transit agencies to improve connectivity between the trains and local transit services
- Participate in the development of the planned Fairfield/Vacaville and Hercules stations and the Union City Intermodal Station/Dumbarton Rail commuter service
- Work with local, state, and federal agencies and interested parties to secure funding to implement Auburn/Sacramento – Richmond/Oakland regional trains

The CCJPA will work with local, state, and federal agencies and interested parties to secure funding to implement Auburn/Sacramento – Richmond/Oakland regional trains.

2Q FY 2006-07

- Initiate expanded train service to and from San Jose (up to 14 daily trains)
- Select vendor to install wireless fidelity (“Wi-Fi”) equipment on all trains in the Northern California fleet to enable wireless Internet access
- Begin pilot program and testing for the on-board automated ticketing and validation (ATV) system for conductors to reduce fraud, improve revenue collection and streamline reporting
- Evaluate measures to improve train and motorcoach performance, including modifications to the service
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak’s performance
- Complete Phase I of track and signal improvements between Oakland and San Jose
- Seek funds to support the second phase of security improvements, including but not limited to cameras on trains and at stations

3Q FY 2006-07

- Develop revised Business Plan Update for FY 2007-08
- Host Annual Public Workshops to present service plans and receive input

- Develop Annual Performance Report and other information to present an overview of current performance and future plans

4Q FY 2006-07

- Develop FY 2007-08 marketing program, including market research
- Conduct on-board surveys to assess rider profile and solicit feedback on Amtrak's performance

FY 2007-08 Action Plan

This action plan for FY 2007-08 is preliminary and will be revised during the second half of FY 2006-07. 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
- Continue to secure funds for additional rolling stock, safety and security upgrades, and track and signal projects to meet service expansion plans
- 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 modes in the corridor, including the automobile. Ticket types include standard one-way and round-trip fares as well as monthly passes and 10-ride tickets valid for a 45-day period. These discounted multi-ride fares are competitive with other transportation modes and have become increasingly popular due to the high number of repeat riders who use the Capitol Corridor trains as their primary means of travel along the corridor. The monthly and multi-ride tickets can be used year-round for all regularly scheduled train service.

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

The current fare structure is based on a one-way tariff, with the round-trip tariff being equal to double the one-way tariff. Generally, there are two seasonal periods for Capitol Corridor fares: peak season during the summer and off-season for the remainder of the year. There are also holiday fares that are slightly higher than those charged during the peak season. Discount fares are available to seniors, students, military personnel, and children under age 15. Amtrak also provides reduced fares for certain groups, such as AAA members. Fare modifications are used selectively to maximize revenue and ridership, while working towards the State's eventual farebox recovery goal of 50%.

FY 2006-07 Fares

Over the past seven 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 2006-07. For the upcoming fiscal year, the CCJPA plans to increase fares when train service is expanded between Oakland and San Jose, which will also help to improve reliability and reduce travel times. As part of its Marketing Program (Section 8), the CCJPA will develop a variety of fare promotions that pursue opportunities to increase customer satisfaction and ridership without making major changes to Amtrak's current fare structure. Opportunities include:

For the upcoming fiscal year, the CCJPA plans to increase fares when train service is expanded between Oakland and San Jose, which will also help to improve reliability and reduce travel times.

- Customer loyalty and referral programs will encourage trial of the service by new riders
- The Automated Ticket Validation (ATV) pilot program is a joint effort with Amtrak to provide conductors with handheld computer units that allow for on-board real-time validation and sales of tickets. 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 that the units 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 routes to parallel local transit services will help increase overall system ridership and revenues
- In a joint effort with Amtrak, existing ticket vending machines (TVMs) will either be replaced or new units will be installed at all stations by late 2006. The TVMs will accept debit and credit cards only.

Taken together, these fare and ticketing projects and programs for FY 2006-07 will enhance customer convenience and increase revenue yield through expanded TVM availability and usage and improved revenue collection with the ATV project, while continuing to meet the State's eventual farebox recovery goal of 50%.

FY 2007-08 Fares

While still preliminary, the projected fare structure for FY 2007-08 will follow the program set forth in FY 2006-07. The CCJPA will perform periodic reviews of the fare structure and make modifications with Amtrak as necessary. In addition, the CCJPA will pursue opportunities to increase customer satisfaction and ridership without making major changes to Amtrak's fare structure. Opportunities include:

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

7. Service Amenities, Food Services and Equipment

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

Service Amenities

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

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

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

Telecommunications. California Cars that provide food service are equipped with one telephone for passenger use in the lower level of the train car. 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 laptop computers on the trains.

Research indicates that permanent procurement of wireless Internet/network services based on the emerging WiMax standard will best accommodate the needs of the Capitol Corridor service into the future, including its use in operational applications such as ticketing and security.

Bicycle Access. The original Cab and Coach Cars and newly acquired California Cars have bicycle storage units that hold three bicycles on the lower level of the train car. The newly acquired Cab Cars have storage space for up to 13 bicycles on the lower level.

Wi-Fi Internet Access. The trials for wireless Internet services are still ongoing based on a technology using satellite and cellular communications. Research over the past two years indicates that permanent procurement of wireless Internet/network services based on the emerging WiMax standard, a landside antenna-based technology, will best accommodate the needs of the Capitol Corridor service into the future, including its use in operational applications such as ticketing and security. The CCJPA will be working to procure technology based on this system over the next year.

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

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

Food and Beverage Services

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

- 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 it 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. New fleet acquisitions recently proposed by the Governor will dramatically increase the capacity of the service. Recent federal legislative proposals also raise the possibility of leveraging State dollars with a federal match.

Using previously allocated State funds, the CCJPA, Caltrans, and Amtrak have created a multi-year program of train upgrades that will improve the performance of the rolling stock and maintain the valued assets of the State's investment in the service.

Oakland Maintenance Facility. The new Oakland Maintenance Facility opened for business on Nov. 1, 2004. This facility is designed to accommodate the service expansion plans of the Capitol Corridor and San Joaquin services. Amtrak, Caltrans Rail, and the CCJPA will continue to make incremental improvements to maximize the facility's efficiency.

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

Work Completed (FY 2005-06 and Prior)

- The original fleet of locomotives has been through an extensive 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 were also repainted

Upcoming Work (FY 2006-07 and Beyond)

- The door systems have been completely redesigned to improve operation and maintenance via a microprocessor-controlled door operator system. These have been installed in the first 17 coaches that have been overhauled so far
- Improvements are being made to the ducting and filtration systems of the renovated HVAC control system, providing better air quality and climate control
- Restroom facilities are being upgraded, including 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
- The communication connections between train cars are being upgraded to provide better volume control, improved real-time signage, and capabilities for expanded Wi-Fi service to the entire train via a network-ready cable

8. Marketing Strategies

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

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

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

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 mid-day, mid-week travel and customer retention efforts

such as Rider Appreciation and Tell-a-Friend programs. Major media campaigns promote riding the train to popular events such as Oakland Raiders games. The CCJPA will develop promotional programs that create awareness of the train as way to reach fun destinations throughout Northern California. Working with hotels and convention/visitor bureaus, the CCJPA will create seasonal destination-based packages to sports events and cultural attractions (San Jose Grand Prix, Old Sacramento, etc.).

Partnership Brand Marketing. The Capitol Corridor’s Strategic Marketing Partnership Program has established metrics to enhance the CCJPA’s trade promotion negotiations, allowing selected partners to market their products through Capitol Corridor marketing channels. The program now has a solid foundation for increasing value and revenues to the advertising program by partnering with well-known organizations that share similar target audiences.

Joint Marketing. Working with Amtrak and Caltrans, the CCJPA achieves cost efficiencies in marketing the State-supported rail services through select joint promotions and campaigns.

Communications and Public Relations The CCJPA places great importance on keeping in constant communication 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, electronic 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 events and amenities

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

- Advocacy efforts will aim to increase the Capitol Corridor’s visibility and recognition as a unique interagency partnership
- Communities along the Capitol Corridor have joined the CCJPA to share awareness-building efforts in their respective cities through local marketing campaigns
- An Annual Performance Report informs the public and elected officials of the service’s success and benefits 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
- The CCJPA will leverage riders who use and benefit from the service as advocates in their communities

FY 2006-07 Marketing Program

The CCJPA’s FY 2006-07 Marketing Program will focus on meeting the increased ridership projections, using marketing strategies based on our existing core service. In FY 2007, the CCJPA will shift primarily to solo campaigns, but will retain the most lucrative shared promotions with Amtrak and Caltrans. Advertising media will consist primarily of radio traffic sponsorships, promotionally driven media buys, and online ads. Specific marketing programs will target the markets most likely to benefit from our planned service expansions. Marketing initiatives will also aim to enhance the distinctiveness and visibility of the Capitol Corridor brand. Key elements will include:

In FY 2006-07, specific marketing programs will be developed to target the markets most likely to benefit from the Capitol Corridor's planned service expansions.

- Advertising messages and creative that reflect the CCJPA's emphasis of 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 coincide with service expansion

FY 2007-08 Marketing Program

The CCJPA will place continued emphasis on the Capitol Corridor brand to increase regional brand awareness and test for advertising effectiveness. Creative execution will emphasize local character and personalize the service, including possible image and identity modifications.

9. Annual Funding Requirement: Costs & Ridership Projections

The primary purpose of this Business Plan Update, as identified in the ITA, is to request the annual funds required by the CCJPA to operate, administer, and market the Capitol Corridor service for agreed-upon service levels. Previous sections in this document describe the proposed operating plan, planned service improvements, and capital improvements for FY 2006-07 and FY 2007-08.

FY 2006-07 and FY 2007-08 Operating Costs

Based on the Operating Plan and Strategies (Section 3), Amtrak has provided its best estimate for FY 2006-07 and FY 2007-08. These costs are shown in Table 9-1 and include the basic train service and associated feeder bus service (routes 20, 21, and 23), including the CCJPA's proportionate share of costs relating to the Highway 17 Express bus service (San Jose – Santa Cruz) and Highway 49 Express bus service (Auburn – Grass Valley).

FY 2006-07 and FY 2007-08 Marketing Expenses

The CCJPA's marketing budget for FY 2006-07 and FY 2007-08 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 2006-07 and FY 2007-08 Administrative Expenses

Table 9-1 identifies the estimate for the FY 2006-07 and FY 2007-08 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 (FY 2005-06) transfer of customer service call center operations from Amtrak to BART, the CCJPA's managing agency. However, the total allocation to the CCJPA remains the same as in prior years.

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

**Table 9-1
CCJPA FY 2006-07 – FY 2007-08 Funding Requirement
Capitol Corridor Service (Minimum Levels)**

Service Level	FY 2006-07				FY 2007-08	
		Incremental Increase			TOTAL	TOTAL
Sacramento-Oakland						
Weekday	24				24	24
Weekend	18				18	18
Oakland-San Jose						
Weekday	8	6			14	14
Weekend	12	2			14	14
Sacramento-Roseville	2		4		6	6
Roseville-Auburn	2			2	4	4
Ridership (a)	1,272,800	74,200	39,100	12,400	1,398,500	1,433,500
Total Train Operating Expenses	\$ 32,863,000	\$ 1,399,000	\$ 644,000	\$ 334,000	\$ 35,240,000	\$ 35,945,000
Equipment Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Train Expenses	\$ 32,863,000	\$ 1,399,000	\$ 644,000	\$ 334,000	\$ 35,240,000	\$ 35,945,000
Total Bus Expenses	\$ 2,665,000	(42,000)	-	(29,000)	\$ 2,594,000	\$ 2,659,000
TOTAL Expenses (a)	\$ 35,528,000	\$ 1,357,000	\$ 644,000	\$ 305,000	\$ 37,834,000	\$ 38,604,000
Train Revenue	\$ 13,607,000	\$ 719,000	\$ 409,000	\$ 157,000	\$ 14,892,000	\$ 15,606,000
Bus Revenue	\$ 1,512,000	(20,000)	-	(15,000)	\$ 1,477,000	\$ 1,543,000
TOTAL Revenue (a)	\$ 15,119,000	\$ 699,000	\$ 409,000	\$ 142,000	\$ 16,369,000	\$ 17,149,000
CCJPA Funding Requirement						
CCJPA Operating Costs (b)	\$ 20,409,000	\$ 658,000	\$ 235,000	\$ 163,000	\$ 21,465,000	\$ 21,455,000
Insurance for State-Owned Equipment (c)	\$ 425,000	\$ -	\$ -	\$ -	\$ 425,000	\$ 425,000
Minor Capital Projects (d)	\$ 325,000	\$ -	\$ -	\$ -	\$ 325,000	\$ 325,000
Subtotal-CCJPA Operating Expenses	\$ 21,159,000	\$ 658,000	\$ 235,000	\$ 163,000	\$ 22,215,000	\$ 22,205,000
Marketing (e)	\$ 1,174,000	\$ -	\$ -	\$ -	\$ 1,174,000	\$ 1,174,000
Administrative Expenses (f)	\$ 2,815,000	\$ -	\$ -	\$ -	\$ 2,815,000	\$ 2,815,000
TOTAL CCJPA Funding Request	\$ 25,148,000	\$ 658,000	\$ 235,000	\$ 163,000	\$ 26,204,000	\$ 26,194,000

(a) CCJPA provided initial estimates for ridership, revenue, and operating costs. Amtrak to provide final estimates in March 2006.

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

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

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

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

(f) Includes additional administrative expenses to CCJPA resulting from transfer of call center/phone information services from Amtrak to CCJPA/BART.

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 expired in February 2005 and was renewed for a five-year term through February 2010, consistent with 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 appropriated and otherwise secured

by the CCJPA during FY 2006-07 and FY 2007-08 to support the Capitol Corridor service are solely expended to operate, administer, and market the service.

11. Consideration of Other Service Expansions & Enhancements

Consistent with the CCJPA's Vision Plan, this section presents service expansion and enhancement opportunities beyond the CCJPA's FY 2006-07 and FY 2007-08 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. Over the past two years, a conceptual planning study has been underway to determine the feasibility and funding opportunities for the operation and necessary capital improvements to provide peak hour regional rail service between Auburn/Sacramento and Richmond/Oakland. These proposed trains would be integrated with the Capitol Corridor intercity trains to provide 30-minute headways during the weekday peak periods. The planning study was completed in October 2005.

Silicon Valley/Santa Clara County Markets. Efforts continue to expand public rail transportation to the South Bay. With the passage of Bay Area Regional Measure 2 in March 2004, a \$1 increase in local bridge tolls will be the primary funding source (with matching State and federal funds) for the introduction of peak hour commuter train service between an expanded Union City

Intermodal Station and San Jose/San Francisco via the Dumbarton Rail bridge. The CCJPA is co-project applicant with Caltrain for the planning, construction and implementation of this service. The CCJPA will work with project partners to ensure that Capitol Corridor trains are closely coordinated and integrated with ACE and the new Dumbarton Rail commuter trains, especially along the shared track between Union City and Fremont/Newark. In addition, VTA and BART continue planning and environmental studies for the proposed extension of BART from Southern Alameda County to San Jose. The development and operation of this proposed BART extension would be coordinated with existing and additional Capitol Corridor trains to and from San Jose and Silicon Valley.

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

Additional Service Expansion. The CCJPA continues to work with Amtrak, Caltrans, and other interested agencies to increase train service levels on the Capitol Corridor. The CCJPA will utilize the Caltrans 10-Year Statewide Rail Plan to develop and implement its vision of bi-directional hourly service.

In a partnership with Placer County TPA and Caltrans Division of Rail, the CCJPA completed a conceptual planning study in January 2005 on the proposed extension of Capitol Corridor trains to Reno/Sparks (via Truckee). The study identified conditions along the rail route and at existing or proposed stations, developed conceptual train schedules, estimated ridership/revenue projections and operating costs, prepared a preliminary capital improvement plan, and established an action plan to implement the service extension by FY 2009-10.

However, the extension of service to Reno/Sparks has been suspended at the request of the Union Pacific Railroad. When UPRR is prepared to consider passenger rail service coupled with their extensive freight rail service plans in the corridor, the CCJPA may then be able to work with UPRR to establish the envisioned service. At that point, the CCJPA will work with Amtrak, the City of Reno, and other agencies to ensure that the extension of Capitol Corridor trains to Reno will serve Reno station, renovated and re-opened with the completion of the Reno railroad-trenching project.

The CCJPA has adopted a Train Service Policy that encourages partnerships among several passenger rail services and local/regional transportation agencies to ensure that proposed service extensions provide mutual cost savings through the use of joint facilities and equipment.

The CCJPA has set forth and adopted a Train Service Policy that supports the future extensions to new markets beyond the Capitol Corridor. It encourages partnerships among several passenger rail services and local/regional transportation agencies to ensure that these 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:

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

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

Appendices

**Appendix A
Capitol Corridor Historical Performance**

Fiscal Year	Trains	Ridership	Prior Year	per day	Revenue*	Prior Year	Expense*	Prior Year	Ratio*	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%	\$24,288,609
FFY 05/06 (h)	24	507,776	4.8%	3,360	\$6,352,785	4.9%	\$13,071,574	-12.3%	48.6%	\$6,718,789

* Cost statistics include train service as well as bus service

RT = Round trip

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

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

- a. Statistics available for partial year only because service began in December 1991.
- b. Fourth round-trip began in April 1996.
- c. Statistics presented for FFY 97/98 and each subsequent FFY to conform with Performance Standards developed by BT&H.
- d. 10 trains began on October 25, 1998 and 12 trains began on February 21, 1999.
- e. 14 trains were added effective February 28, 2000
- f. 18 trains were added effective April 29, 2001
- g. 20 trains were added October 27, 2002; 22 trains were added January 6, 2003; 24 trains were added April 28, 2003
- h. Ridership and revenue shown is the period through February 2006.

**Appendix B
Programmed or Completed Capitol Corridor Projects (as of December 2005)**

Programmed or Completed Projects (Preliminary and Tentative - Subject to Revision)	Costs
<u>Station Projects</u>	
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 (a)	\$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 (b)	\$2,640,575
SUBTOTAL – Station Projects	\$207,933,144
<u>Track and Signal Projects</u>	
Placer County	\$500,000
Auburn Track and Signal Improvements	\$350,000
Sacramento – Roseville (3 rd Track) Improvements	\$6,950,000
Yolo Causeway 2 nd Track	\$16,754,185
Sacramento – Emeryville	\$60,219,132
Oakland – Santa Clara (Hayward Line) [1991]	\$14,900,000
Niles Junction – Newark (Centerville Line) (c)	\$10,667,740
Sacramento – San Jose C-Plates	\$14,156
Oakland – San Jose	\$76,680,000
San Jose 4 th Track	\$41,850,000
Bahia Viaduct Track Upgrade	\$2,940,000
Harder Road (Hayward) Undercrossing (2001)	\$8,898,000
SUBTOTAL – Track and Signal Projects	\$240,723,213
<u>Maintenance and Layover Facility Projects</u>	
San Jose (Pullman Way) Maintenance Facility	\$5,789,862
Oakland Maintenance Facility (new)	\$63,835,956
Oakland Maintenance Base (former site)	\$464,884
Colfax/Auburn Layover Facility (d)	\$691,956
Roseville Layover Facility	\$157,702
Sacramento Layover Facility	\$941,316
SUBTOTAL – Maintenance and Layover Facility Projects	\$71,881,676
Rolling Stock (California Cars and Locomotives) (e)	\$235,282,226
TOTAL – PROGRAMMED OR COMPLETED PROJECTS	\$755,820,259

**Appendix C
Capitol Corridor Performance Standards FY 2004-05 to FY 2009-10**

PERFORMANCE STANDARD	FY 2004-05				FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
	ACTUAL	STANDARD	VARIANCE ACTUAL TO STANDARD	PERCENT CHANGE	STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD	PRELIMINARY STANDARD
NUMBER OF DAILY TRAINS (SAC-OAK)	24	24			24	24#	24#	32@	32@
USAGE									
Route Ridership	1,258,179	1,200,100	58,079	4.8%	1,247,700	1,398,500	1,433,500	1,856,000	1,893,100
Average Daily Ridership	3,447	3,288	159	4.8%	3,418	3,832	3,927	5,085	5,187
Percent Change in Route Ridership	8.0%	3.0%	\$	\$	4.0%	12.1%	2.5%	29.5%	2.0%
Percent Change in Train Passenger Miles	8.6%	5.1%	\$	\$	-98.5%	7857.5%	2.5%	36.8%	2.0%
Percent Change in Train Miles	0.0%	0.0%	\$	\$	0.0%	15.8%	0.0%	53.9%	0.0%
Passenger Miles per Train Mile (PM/TM)	95.0	91.9	3.1	3.4%	1.4	95.2	97.5	86.7	88.4
COST EFFICIENCY									
Farebox Ratio (Train and Bus Service)	43.1%	39%	4.6%	-	42%	43%	44%	45%	46%
Percent Change in Total Revenue	13.5%	1.8%	-	-	8.0%	11.5%	4.8%	33.8%	3.0%
Percent Change in Total Expenses	1.6%	2.3%	-	-	-1.3%	8.7%	2.0%	31.2%	2.5%
Train Revenue per Train Mile	\$ 15.25	\$ 13.85	\$ 1.40	10.1%	\$ 14.66	\$ 14.27	\$ 14.96	\$ 13.43	\$ 13.84
Train Revenue per Passenger Mile (Yield)	\$ 0.161	\$ 0.151	\$ 0.010	6.5%	\$ 0.1587	\$ 0.150	\$ 0.153	\$ 0.155	\$ 0.157
Train Expenses per Train Mile	\$ 35.92	\$ 36.37	\$ (0.45)	-1.2%	\$ 36.21	\$ 33.77	\$ 34.45	\$ 29.90	\$ 30.64
Train Only State Cost per Train Mile	\$ 20.67	\$ 22.52	\$ (1.85)	-8.2%	\$ 21.54	\$ 19.50	\$ 19.49	\$ 16.46	\$ 16.81
Train Only State Cost per Passenger Mile	\$ 0.22	\$ 0.25	\$ (0.03)	-11.2%	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.19	\$ 0.19
SERVICE QUALITY									
On Time Performance	84.2%	90%	-6%	-	90%	90%	90%	90%	90%
Percent of California Car Fleet Available	89.0%	87%	2%	-	87%	87%	87%	87%	87%
OPERATING RESULTS									
TRAIN AND BUS									
Total Revenue	\$15,147,733	\$ 13,585,000	\$ 1,562,733	11.5%	\$ 14,678,000	\$ 16,369,000	\$ 17,149,229	\$ 22,954,000	\$ 23,643,000
Total Expenses	\$35,007,472	\$ 35,250,000	\$ (242,528)	-0.7%	\$ 34,804,000	\$ 37,834,000	\$ 38,604,000	\$ 50,659,000	\$ 51,925,000
Total State Operating Cost ^	\$ 22,147,472	\$ 22,930,000	\$ (782,528)	-3.4%	\$ 20,851,000	\$ 22,215,000	\$ 22,205,000	\$ 28,780,000	\$ 28,607,000
TRAIN ONLY									
Train Only Revenue	\$13,738,256	\$ 12,480,000	1,258,256	10.1%	\$ 13,210,000	\$ 14,892,000	\$ 15,606,000	\$ 21,576,000	\$ 22,223,000
Train Only Expenses	\$32,361,472	\$ 32,781,000	(419,528)	-1.3%	\$ 32,617,000	\$ 35,240,000	\$ 35,945,000	\$ 48,012,000	\$ 49,212,000
Train Only State Operating Cost	\$18,623,216	\$ 20,301,000	(1,677,784)	-8.3%	\$ 19,407,000	\$ 20,348,000	\$ 20,339,000	\$ 26,436,000	\$ 26,989,000
Passenger Miles	85,559,120	82,806,900	2,752,220	3.3%	1,247,800	99,293,500	101,775,838	139,200,000	141,982,500
Train Miles	900,854	901,302	(448)	0.0%	900,854	1,043,530	1,043,530	1,606,000	1,606,000

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

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

¶ - Per Business Plan Update/Amtrak Contract

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

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

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

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

Appendix D
How's Business

How's Business?



Ridership

Capitol Corridor Performance
Ridership Trends
FFY 06 vs. FFY 05

4.8% Overall 12-Month Growth
6.1% Overall Prior 12 Month Growth Period

Ridership Last 12 Months=1,264,732
Ridership Prior 12 Month Period=1,206,993

▨ Prior Year ■ Last 12 Months

