Despite having fewer weekdays than March 2017, March 2018 saw Year-over-Year (YoY) growth in both ridership and revenue. A total of 143,036 passengers rode Capitol Corridor trains in March 2018, up 1.3% over March 2017, and revenue increased 2.9% YoY. The Year-to-Date (FYTD 18) System Operating Ratio is 58%, well above the FY 18 standard of 52%. Customer Satisfaction rose to 85% for February 2018 (the most recent result), but remains well below the FY 18 standard of 90% due to substandard On-Time Performance (OTP). Service reliability for March 2018 slipped to 85% (the lowest end-point OTP in 14 months) primarily due to 3rd party incidents (trespasser and grade crossing events).

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Ridership</td>
<td>143,036</td>
<td>139,796</td>
<td>$27,850</td>
<td>6.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,959,254</td>
<td>3,992,724</td>
<td>$17,677,522</td>
<td>6.5%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Operating Ratio</td>
<td>57%</td>
<td>55%</td>
<td>58%</td>
<td>4.7%</td>
<td>11.5%</td>
</tr>
<tr>
<td>OTP</td>
<td>85%</td>
<td>92%</td>
<td>89%</td>
<td>-5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>85</td>
<td>89</td>
<td>85</td>
<td>-3.2%</td>
<td>-5.7%</td>
</tr>
</tbody>
</table>

The following are ridership highlights for March 2018:
- Average weekend ridership for March was up 5.9% compared to March 2017 due to good weather and various discount campaigns (Take 5 and Friends & Family)
- Average weekday ridership for March remained strong, with a 2.8% YOY increase due to continued economic growth in Northern California.

FY 18-19 Draft State Budget
On January 10, 2018, Governor Brown released his proposed FY 18-19 Budget. This draft budget represents the first full year of new revenues from SB 1, with approximately $5B in the upcoming annual budget. The Draft FY 18-19 budget continues to support the operation of the three intercity passenger rail routes (San Joaquins, Pacific Surfliner, and Capitol Corridor) at $131 million, the same as the enacted FY 17-18 budget.

The Governor’s draft budget may be updated as part of the May Revise based on recent successful market auctions for Cap and Trade allowances that will update the Cap and Trade Expenditure Plan and the 2019 TIRCP spending plan. The draft budget will also be updated to include Amtrak’s submittal of the final FY 18-19 operating (and ridership and revenue) estimates, which are due in late Spring 2018.

State Legislation
Proposition 69 – Protection of SB1 Funds: Proposition 69, which will appear on the June 2018 statewide ballot, memorializes Assembly Constitutional Amendment (ACA) 5 (Frazier) that was enacted last year. This bill and the subsequent Prop 69 ensure revenues from Senate Bill 1 (SB1) will be dedicated to transportation purposes. ACA 5 is intended to nullify concerns that SB1 funds will be diverted from their intended purposes. Prop 69 requires a simple majority approval by voters to be enshrined in the state constitution.

The CCJPA has access to, or can compete for, the following SB1 fund sources: direct allocations of approximately $5 million per year from the State Rail Assistance (SRA) account; apply for approximately $250 million in annual Transit Intercity Rail Capital Program (TIRCP) funds; and indirect receipt of Trade Corridor Enhancement Program (TCEP) and Solutions for Congested Corridors (SCC) funds through project partners.
Federal Legislation and Funding
Federal FY 18 Appropriations
As background, increased appropriations levels were agreed to on February 10, 2018, when statutory budget caps were lifted which allowed for increased funding for national defense, provided emergency disaster aid funding, lifted the debt ceiling, extended certain health care and tax authorizations, and maintained government operations until March 23, 2018. This action set the stage for the Omnibus FY 18 legislation that was enacted on March 23, providing an additional $20B in financial resources. Notably, the TIGER Program was significantly enhanced from $500M in FY 17 to $1.5B, and the three FAST Act discretionary programs, including the Rail Title accounts, also benefited from increased appropriations in FY 18.

Rail Title Accounts. The FAST Act Rail Title accounts were big winners in the enacted FY 18 Omnibus budget. Amtrak receives a total of $1.94B, $447M (30%) more than in FY 17 and $342M over the FAST Act FY 18 authorized level. $1.29B is appropriated for Amtrak’s National Network (long distance plus state-supported routes), with $50M set-aside for Positive Train Control (PTC) installation on state-supported routes.

Funding for the CRISI and SOGR discretionary grant programs also increased significantly. Notably, the bill expands eligibility for the CRISI program to include commuter railroads, a change from the original FAST Act, and also sets aside $250M of the $593M in funds for PTC.

<table>
<thead>
<tr>
<th>Rail Title Accounts</th>
<th>FY'17 Enacted</th>
<th>FAST Act FY'18 Authorized</th>
<th>Final FY'18 Omnibus</th>
<th>vs FY'17 Enacted</th>
<th>vs FY'18 Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amtrak NEC</td>
<td>$328M</td>
<td>$515M</td>
<td>$650M</td>
<td>+$322M</td>
<td>+$135M</td>
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<tr>
<td>Amtrak National Network</td>
<td>$1.16B</td>
<td>$1.08B</td>
<td>$1.29B</td>
<td>+$0.13B</td>
<td>+$0.21B</td>
</tr>
<tr>
<td>FRA CRISI Grants</td>
<td>$68M</td>
<td>$230M</td>
<td>$593M</td>
<td>+$525M</td>
<td>+$363M</td>
</tr>
<tr>
<td>FRA SOGR Grants</td>
<td>$25M</td>
<td>$175M</td>
<td>$250M</td>
<td>+$225M</td>
<td>+$75M</td>
</tr>
<tr>
<td>FRA Restoration Grants</td>
<td>$5M</td>
<td>$20M</td>
<td>$20M</td>
<td>+$15M</td>
<td>-</td>
</tr>
</tbody>
</table>

Proposed Federal FY 19 Budget
On February 12, the President introduced his budget proposal for FY 19. The proposal includes the transferring of management and financial support of the longer distance trains (over 750 route miles) to states, while flat-lining financing for state-supported intercity passenger rail services. Concurrently, the FY 19 appropriations process is well underway on a Congressional level, with input being sought from members on the House side, and outside witness testimony being garnered by the Senate THUD subcommittee. If the process and outcome for the FY 19 federal budget follows the same path as FY 18, the Rail Title appropriations for FY 19 could yield another windfall of capital grants available for state-supported intercity passenger rail agencies. CCJPA staff, working its state IPR agency partners, will continue to work closely with House and Senate appropriations and related rail committee staff to maximize FY 19 appropriations levels for the FAST Act Rail Title accounts.

Federal FY 17 Rail Title Appropriations
The Federal Rail Administration (FRA), as the grantor of the federal Rail Title funds in the FAST Act of 2015, has released a Notice of Funding Opportunity (NOFO) for the following FY 17 appropriated federal funds:
- Consolidated Rail Infrastructure and Safety Improvements (CRISI): $65.2 million. Competitive grants to finance improvements to passenger and freight rail services in terms of safety, efficiency, or reliability. PTC and other technology items, as
well as rail line relocation, are also eligible for funding. A 50% match is required.

The NOFO contains guidelines for the grant applications for CRISI funds (which are due in mid-June 2018), including eligible project uses and other requirements for the expenditure of these federal funds. The CCJPA is an eligible applicant and staff is working with CalSTA and Caltrans to determine the best application(s) for the Capitol Corridor and other California passenger rail services.

Customer Service Program Upgrades

**CCJPA Bike Access Program:** The installation of secure electronic bicycle lockers at all stations was completed in December 2017. BikeLink eLockers are now available at 14 Capitol Corridor stations: Auburn, Roseville, Sacramento, Davis, Fairfield-Vacaville, Suisun-Fairfield, Martinez, Richmond (shared with BART), Berkeley, Emeryville, Oakland Jack London Square, Oakland Coliseum (shared with BART), Hayward, and Santa Clara-Great America. CCJPA staff will continue to promote the use of station eLockers through various marketing and outreach efforts. Other initiatives underway by CCJPA staff include continuing to develop and refine the folding bicycle rental service project; the installation of new angled bike racks to increase onboard bike storage capacity; and completion of design for updated bike storage on two Amtrak Superliner cars in the Capitol Corridor service rotations. (Testing of prototype to be done by June 2018.)

Marketing & Communications

The Take 5 Weekend fare promotion ended on March 31, but was replaced the first week in April with the Buy One, Get One Saturdays offer, which will run through the end of September 2018. The Senior Midweek Discount offer also kicked off in March, and Friends & Family continued. With the launch of the 2018 spring/summer media campaign, all Capitol Corridor offers are now being aggressively marketed in the service area's key markets. Along with the media campaign, the CCJPA ad agency worked with staff to launch the social engagement campaign for *Every Ride Has a Story*, found at www.capitolcorridorstories.com. This campaign is collecting travel stories from riders for a chance to win a weekend getaway in Berkeley and San Francisco. Strategic marketing partnerships in March included Pier 39, Giants Enterprises, the Oakland A’s (25% discount to home games, with season beginning on March 29), the Sacramento River Cats, Sac Republic, and Great America. Staff also continues to work on additional partnerships, including Visit Sacramento, Visit Oakland, SHN, Live Nation, Discovery Kingdom, and more, as well as AAA.

Safety Initiatives

**Station Signage and Platform Safety Upgrades:** BART’s contractor completed installation of the improved informational signage at select Capitol Corridor stations in February 2018. These glass front display signs will hold train schedules, safety and other pertinent information, following the signage standard adopted at the September 2015 CCJPA Board meeting. Amtrak has continued installation of security cameras at the Auburn, Rocklin, Roseville, and Suisun stations. In addition, Amtrak has continued installation of lighting and a wayside power system at the Auburn layover site. Amtrak anticipates completion of these projects by the end of May 2018.

**Positive Train Control Update:** Trackside PTC collision-avoidance system has been installed along the Union Pacific Railroad’s section of track used by the Capitol Corridor trains (Auburn-Santa Clara). Amtrak, in support of the California’s efforts to meet the Congressional deadline of December 31, 2018 for the operation of PTC for the state’s passenger railroad services, is now testing and will complete commissioning of the PTC hardware (electronic equipment) on the state-owned Northern California rail vehicles (locomotives and cab control cars) by late summer 2018. Amtrak has “federated” the Amtrak Back-Office Server (BOS) with the nation’s host railroad dispatch centers ensuring the location of Amtrak-operated trains can be communicated to the dispatch centers. PTC-enabled Capitol Corridor trainsets will likely begin operating in mid-2018. Caltrain has installed...
its trackside PTC system and tested its BOS and recently has begun installing onboard PTC equipment on its train sets.

Project Updates

Travel Time Savings Project: UP is completing the final stage of the work remaining, recalibrating the timing of the crossing gate arms along the affected segments of the route. The CCJPA, Amtrak, and UP will then conduct ride studies to verify time savings. This work should be completed by Spring 2018. The intent is to reduce run times by up to 10 minutes for Capitol Corridor trains between Sacramento and San Jose.

Sacramento-Roseville 3rd Track Project: Funding is in place for all project phases of the Sacramento-Roseville 3rd Track Project, Phase 1, which will allow the Capitol Corridor to operate an additional two round trips along this segment. The designer has begun the work of surveying and testing, as well as all the other design work needed to plan improvements for this project. The present schedule indicates that the design phase of this project will be completed in early 2020. Construction of the necessary improvements will follow, which will permit the Capitol Corridor to add two more round trips daily between Sacramento and Roseville. Visit www.sactoroseville3rdtrack.com for more information.

Renewable Diesel Pilot Program Status Report: The testing of Renewable Diesel (RD) began in early September 2017, and in late October 2017, the locomotive operated as the sole power unit on the weekday test train (Train 529/536 Auburn-Oakland run). Since then, there have been no noticeable changes in the performance of the locomotive, nor has there been any significant loss of power. On December 29, 2017, California Air Resources Board (CARB) personnel completed their emissions testing of the locomotive, and we are awaiting those results from CARB. The CCJPA and Caltrans are in talks with Cummins and Siemens to schedule the RD testing on a new Charger locomotive. If all tests show that RD is operationally suitable, the CCJPA will shift towards the use of RD for normal operations.

Outlook – Closing
Midway through FY 18, Capitol Corridor trains continue to exceed budget projections for ridership, revenue, and cost efficiency; however, efforts have increased with Amtrak and UP to return service reliability to levels historically achieved by Capitol Corridor trains in the past two to three years. This in turn should increase OTP levels back to the more desirable 92% to 95% range. Concurrently, the CCJPA will be working with its service partners to implement and test Positive Train Control on Capitol Corridor trains, enhance safety programs and upgrade customer amenities, and advance planning/design and environmental documents for the Sacramento-Roseville 3rd Track Phase 1 and Oakland-San Jose Project Phase 2A for the Capitol Corridor.