

Date of Hearing: July 12, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
SB 477 (Cannella) – As Amended May 26, 2017

SENATE VOTE: 40-0

SUBJECT: Intercity rail corridors: extensions.

SUMMARY: Allows a local joint powers authority (JPA) operating intercity rail service to expand service beyond its statutorily-defined corridor, if specific conditions are met. Specifically, **this bill:**

- 1) Allows an intercity rail agreement executed between the board of a local JPA (board) and the Department of Transportation (Caltrans) to be amended to provide for the extension of the affected rail corridor to provide intercity rail service beyond the defined boundaries of the corridor, as described in existing law.
- 2) Allows a proposed extension of a corridor and implementation of expanded intercity rail service on the extended portion of the corridor to occur when all of the following conditions have been met:
 - a) The proposed extension and intercity rail service expansion are recommended and justified in the board's business plan and that business plan is subsequently adopted by the board;
 - b) The amended intercity transfer agreement, containing the proposed extension and intercity rail service expansion is consistent with the State Rail Plan and is approved by the Secretary of the California State Transportation Agency (CalSTA Secretary); and,
 - c) The joint board makes a determination that the proposed extension and intercity rail service expansion will not jeopardize or come at the expense of other existing intercity rail services.

EXISTING LAW:

- 1) Authorizes Caltrans to contract with Amtrak for intercity rail passenger services and provides funding for these services from the Public Transportation Account.
- 2) Authorizes Caltrans, subject to approval of the CalSTA Secretary, to enter into interagency transfer agreements with local JPAs whereby the JPA assumes responsibility for administering the state-funded intercity rail service in a particular corridor.
- 3) Defines the boundaries of the three intercity rail corridors as follows:
 - a) The LOSSAN Corridor is defined as the San Diego-Los Angeles-San Luis Obispo intercity passenger rail corridor;

- b) The San Joaquin Corridor is defined as the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland intercity passenger rail corridor; and,
 - c) The Capitol Corridor is defined as the Colfax-Sacramento-Suisun City-Oakland-San Jose rail corridor.
- 4) Requires each participating JPA to prepare an annual business plan for their respective intercity rail corridor.
 - 5) Requires, pursuant to federal law, states to develop State Rail Plans at least once every five years to be eligible for federal funding for high-speed rail and intercity passenger rail programs.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- 1) Unknown, significant cost pressures, to the extent the expansion of rail JPA service corridors beyond defined boundaries results in funding capital expenditures for rail expansion over other regional or state priorities. In addition, the extension of rail corridors would result in increased state expenditures for intercity rail operating subsidies. (Public Transportation Account)
- 2) Minor and absorbable costs to Caltrans and CalSTA to review and amend interagency transfer agreements. (State Highway Account)

COMMENTS:

- 1) **Bill Summary.** This bill allows an intercity rail agreement executed between a local JPA and CalSTA to be amended to extend the affected rail corridor and provide expanded intercity rail service beyond the defined boundaries of the corridor, under the following conditions:
 - a) The proposed extension and service expansion are recommended and justified in the JPA's business plan and that business plan is subsequently adopted by the JPA;
 - b) The amended agreement is consistent with the State Rail Plan and approved by CalSTA; and,
 - c) The JPA makes a determination that the proposed extension and service expansion will not jeopardize or come at the expense of other existing intercity rail services.

This bill is sponsored by the Transportation Agency for Monterey County (TAMC).

- 2) **Author's Statement.** According to the author, "California's three intercity rail corridors have statutorily defined boundaries, however, all three stop short of the County of Monterey. It is the intent of this legislation to permit Capitol Corridor to extend south of San Jose and LOSSAN to extend north of San Luis Obispo, while at the same time providing all three JPAs the flexibility to expand beyond their original boundaries without the requirement of future legislation, assuming that certain conditions are met."

- 3) **Background.** Existing law authorizes Caltrans to contract with Amtrak for intercity rail passenger services and provides funding for these services from the Public Transportation Account. Existing law defines the boundaries for the state's three intercity rail corridors. The LOSSAN corridor is defined as the San Diego-Los Angeles-San Luis Obispo intercity passenger rail corridor. The San Joaquin corridor is defined as the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland intercity passenger rail corridor. The Capitol corridor is defined as the Colfax-Sacramento-Suisun City-Oakland-San Jose rail corridor.

Prior to 2012, Caltrans' Department of Rail managed and funded two of these intercity rail services – the Pacific Surfliner Line, serving the LOSSAN Corridor, and the San Joaquin Line, serving the San Joaquin Corridor. The Capitol Corridor was, and still is, managed by a JPA that administers day to day operations within specified service boundaries.

Two bills in 2012 authorized Caltrans to transfer to local JPAs responsibility for administering intercity passenger rail service in the LOSSAN Corridor and the San Joaquin Corridor. AB 1779 (Galgiani), Chapter 801, Statutes of 2012, authorized Caltrans to transfer all responsibility for administering state-funded intercity passenger rail service in the San Joaquin corridor through an interagency transfer agreement with the San Joaquin Joint Powers Authority. SB 1225 (Padilla), Chapter 802, Statutes of 2012, authorized Caltrans to transfer all responsibility for administering intercity passenger rail service in the LOSSAN corridor through an interagency transfer agreement with the LOSSAN Rail Corridor Agency.

On July 1, 2015, Caltrans entered into interagency transfer agreements with the three rail JPAs for the provision of intercity passenger rail service in the defined corridors, including administration and marketing. Caltrans remains responsible for providing state funding for each intercity rail line. The agreements cover an initial three-year period, and may be extended thereafter by mutual agreement. Existing law requires each of the rail JPAs to submit an annual business plan to Caltrans that includes, among other things, annual state funding requests and future projections for service expansion and enhancements. The rail JPAs' business plans also include long-term planning for service expansions and corridor extensions.

- 4) **State Rail Plan.** Federal law requires states to develop State Rail Plans at least every five years to be eligible for federal funding for high-speed rail and intercity passenger rail programs. The law also encourages states to develop strategies and policies for enhanced passenger and freight rail services that benefit the public. The most recent State Rail Plan, developed by CalTrans and approved by CalSTA, was issued in 2013. CalTrans is presently developing the next State Rail Plan, which it expects to release in mid-2018.

The 2013 State Rail Plan established a statewide vision and objectives, set priorities, and developed implementation strategies to enhance passenger and freight rail service in the public interest, using 2020 as the five-year horizon, 2025 as the 10-year horizon, and 2040 as the 20-year horizon. This 2040 horizon coincided with the analysis horizon of the California Transportation Plan and many of California's Regional Transportation Plans. The 2013 State Rail Plan provided a comprehensive listing of long-range investment needs for California's passenger and freight infrastructure and supported the state's goal of developing an integrated, multimodal transportation network. The 2013 State Rail Plan also guided federal and state rail investments to improve the movement of people and goods while enhancing economic growth and quality of life.

The State Rail Plan of 2013 discussed the emerging corridors that are the subject of this bill as part the overall effort to connect the state by rail and integrate the state's rail network. Specifically, the emerging corridors include the extension of Capitol Corridor service south to Salinas; the extension of Pacific Surfliner service in both directions, north to San Jose and east to the Coachella Valley through Riverside County; and, the possible extension of San Joaquin service north of Sacramento to Chico and Redding. All of these options are also included in the JPAs' respective business plans as future possibilities.

- 5) **Arguments in Support.** The TAMC, sponsor of this measure, writes, "This bill would enable two emerging passenger rail projects planned for Monterey County to be operated by existing joint powers boards. TAMC has long advocated for an extension of passenger rail service from San Jose to Salinas. SB 477 would allow the Capitol Corridor to extend south of San Jose, which will provide an alternative to the highly congested U.S. 101 corridor to access to jobs, education, and health care in Silicon Valley and the San Francisco Bay Area.

"Since 1992, the Coast Rail Coordinating Council, a coalition of coastal county transportation and planning agencies, has advocated for increased passenger rail service on the coast line, possibly as an extension of passenger rail service north of San Luis Obispo to San Jose/San Francisco. SB 477 would allow the LOSSAN Rail Corridor to extend north of San Luis Obispo, to close a gap in passenger rail service along the California coast."

- 6) **Arguments in Opposition.** None on file.
- 7) **Double-Referral.** This bill is double-referred to the Transportation Committee, where it will be heard on July 10, 2017.

REGISTERED SUPPORT / OPPOSITION:

Support

Transportation Agency for Monterey County [SPONSOR]
California Partnership for the San Joaquin Valley
Capitol Corridor Joint Powers Authority
Central Valley Rail Working Group
City of Salinas
Coast Rail Coordinating Council
Los Angeles-San Diego-San Luis Obispo Rail Corridor (support in concept)
Madera County Transportation Commission
Monterey County
Riverside County Transportation Commission
Sacramento Regional Transit District
San Joaquin Joint Powers Authority
San Joaquin Regional Rail Commission
San Joaquin Valley Regional Planning Agencies' Directors' Committee
San Luis Obispo Council of Governments
Santa Barbara County Association of Governments
Santa Cruz County Regional Transportation Commission
Shasta Regional Transportation Agency

Opposition

None on file

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