

STATE CAPITOL SACRAMENTO, CALIFORNIA 95814

January 9, 2024

The Honorable Toks Omishakin Secretary, California State Transportation Agency (CalSTA) 400 Capitol Mall, Suite 2340 Sacramento, CA 95814

Dear Secretary Omishakin:

The Senate formed the Transportation Subcommittee on LOSSAN Rail Corridor Resiliency with recognition that the 351-route mile LOSSAN (Los Angeles – San Diego – San Luis Obispo) coastal railroad corridor is in urgent need of both attention and action. The three informational hearings of the Subcommittee conducted this year have exposed challenges that continue to threaten the line while identifying potential solutions for a resilient future. The time is now for increased state leadership. The undersigned Members of the California Legislature respectfully ask that the California State Transportation Agency (CalSTA) prioritize the coastal rail line and prepare an immediate action plan to meet the urgency of this moment.

This rail line is of national, state, and regional significance. The LOSSAN corridor has been a part of Southern California for more than a century and connects a mega-region of 14.3 million residents. There are 27 Senate and Assembly representatives in Southern California with an Amtrak Pacific Surfliner station in their district. The corridor supports more than \$1 billion in freight service annually and parallels heavily travelled roadways across the region.

This existing corridor is at risk of critical failures that threaten service and further loss of ridership. The corridor moved more than 8.3 million passenger trips in FY 2019 and is now operating at less than half of that ridership – a projected 3.9 million trips annually based on the fourth quarter of FY 2023 ridership data. The corridor cannot provide the level of service needed to attract and retain ridership while facing prolonged track closures, unreliable service, infrequent trains, and poor rider experience. Gaining ridership in what has historically been the second-busiest intercity rail line in the nation requires us to think differently and boldly.

Our request for greater focus on this existing transit corridor is occurring at a time when the California Air Resources Board (CARB) confirms emissions from the transportation sector are growing, not declining. Passenger vehicles accounts for more than 25% of all statewide emissions. Mode shifting drivers from cars into transit depends upon the transit being reliable, fast and convenient. In coastal

Southern California, where a large number of urbanized centers already exist, the LOSSAN corridor offers a clear opportunity to facilitate mode shift, lower vehicle miles traveled (VMT), and reduce traffic congestion. Building ridership requires customer confidence in the reliability of the public transportation services. Service disruptions caused by outdated technologies, track or train maintenance issues, or communications problems from under-staffed or closed customer service and sales offices create a downward spiral for ridership. We know what drives ridership — reliable, frequent, and accessible service.

We are aware of the letter dated September 13, 2023, from CalSTA to the Chair of the LOSSAN Rail Corridor Agency Board (Att. 1) as part of the annual business plan process which states that there are projected funding deficits in the state support required to operate intercity passenger rail service. CalSTA assessed that in the near term "any increases to services ... will be difficult to support" and that the state does "not anticipate having the resources to operate more service than is currently operating on the Pacific Surfliner" this fiscal year. We also understand that there have been suggestions that Amtrak's Pacific Surfliner could save money by reducing the quality of the passenger experience, including cutting passenger-facing amenities, like porter service, business class and reduced ticket counter hours.

We are aware of the state's \$68 billion deficit and recognize that hard decisions need to be made throughout the state's \$310 billion budget. The state's continued investment of \$55.1 million for FY 2022-23 Pacific Surfliner operations is a necessary and worthwhile investment. Additionally we believe that it is short sighted to cheapen the passenger experience along the Pacific Surfliner, which is an experience that riders seek and are willing to pay for. We urge the state to think beyond one year in planning for the investments needed to fully restore 100 percent of service and to operationalize all available passenger rail slots between San Luis Obispo and San Diego that are currently unfilled. Supporting this level of investment must be a top priority for the state.

Additionally, there are clear governance issues that need to be addressed by the state. The Senate Office of Research released the report "The LOSSAN Rail Corridor: Advancing the Corridor's Capital Investment Priorities" (Att. 2) in December 2023 and summarized key findings during the Subcommittee's third hearing. The report highlighted the importance of the rail corridor as part of California's comprehensive multimodal transportation system, as outlined in the California Transportation Plan 2050. The 2021 LOSSAN Rail Corridor Agency "Corridor Optimization Study" (Att. 3) provides a strategic framework and vision for service expansion over the next decade. However, the report states that "the [LOSSAN] agency lacks either the authority or significant incentives to ensure its recommendations are prioritized by other stakeholders". This means that while this is a plan to grow ridership and invest in capital infrastructure projects there is no mechanism to ensure that the different owners and operators along the corridor are willing to work with urgency toward shared goals. The State has a responsibility to act on these findings and remedy this.

It is clear that a formalized partnership, with required deliverables, between the State, CalSTA, LOSSAN Rail Corridor Agency, track owners, and operators is needed for the corridor to achieve its goals. We respectfully request that all existing authorities available to CalSTA be utilized to begin that effort immediately. Additionally, we ask that CalSTA identify where future legislative action may be necessary for CalSTA to effectively manage the rail corridor and ensure all stakeholders are working

together toward a shared vision. To underscore the need for state leadership, the chief executives of the Southern California transit agencies and Metropolitan Planning Organizations (MPOs) have requested the state lead a long-term vision for the corridor in collaboration with stakeholders to address the resiliency and service challenges (Att. 4).

We ask that CalSTA immediately prioritize the following actions:

- ➤ Work with the Legislature's Subcommittee on LOSSAN Rail Corridor Resiliency to formalize a partnership to convene, coordinate, and arbitrate among stakeholders' priorities to result in ridership increases and prioritized capital investments.
- Restore cut service and begin service expansions as soon as possible
- > Identify resources needed to achieve the goals outlined in the State Rail Plan specific to the LOSSAN rail line.
- ➤ Identify a new <u>non-rail</u> funding source for emergency bus services during track closures, including potential state highway funds. The current practice of funding these bus services from the California Intercity Rail Program the primary funding source for intercity rail operations and customer-facing services like ticket counters relies on cuts to rail service or the passenger experience to cover emergency expenses. Due to issues in San Clemente, this resulted in a \$6.5 million loss of funding for rail operations last year.

We look forward to working together to create a bright future for the LOSSAN rail corridor. A thriving rail corridor is crucial to meeting our goals for the car-free 2028 LA Olympics, hosting the 2026 FIFA World Cup, supporting our tourism sector, and reducing greenhouse gas emissions. Together, we can reenergize the vision and success of this rail corridor.

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