November 17, 2025

_To:_ Members of the Board of Directors

From: Jason Jewell, Managing Director

Subject: Temporary Additional Santa Barbara Service

Overview

At the request of the Ventura County Transportation Commission and the Santa Barbara County Association of Governments, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency has been coordinating to support the restoration of peak northbound early-morning service to Santa Barbara and Goleta. This effort has led to two pathways to pursue this service, one utilizing a temporary subcontract with Metrolink for use of Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency track access rights, and the other is expediting Pacific Surfliner plans to implement service expansion to Goleta and San Luis Obispo, which is included the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Annual Business Plan. Staff seeks Board of Directors' direction to prioritize expanded Pacific Surfliner intercity service as the pathway to provide future peak-period service while maximizing the value of available operating slots and increasing service across the entire rail corridor.

Recommendation

Direct staff to prioritize all efforts to pursue Pacific Surfliner service expansion including the 6th roundtrip to Goleta and 3rd roundtrip to San Luis Obispo as the pathway to provide additional intercity rail service.

Background

In 2022, Ventura County Transportation Commission (VCTC) and the Santa Barbara County Association of Governments (SBCAG) requested the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) restore peak northbound early-morning service to Santa Barbara and Goleta. The Pacific Surfliner previously operated an early-morning train from Los Angeles Union Station to Goleta, which SBCAG partially subsidized. However, the service, which began in April 2018, experienced reliability issues and overall low demand. It was eliminated as part of COVID-related service reductions in March of 2020.

The LOSSAN Agency's fiscal year (FY) 2025-26 and 2026-27 Annual Business Plan (ABP) includes plans for roundtrips serving the Ventura and Santa Barbara County stations and traveling further north to San Luis Obispo in FY 2026-27, following the full restoration of pre-COVID service levels. This planned service expansion of Pacific Surfliner service in FY 2026-27 includes a 6th roundtrip to Goleta and 3rd roundtrip to San Luis Obispo. The planned schedule for this service expansion would serve the peak period service times for Ventura and Santa Barbara Counties while providing added mid-day southbound full-corridor service out of San Luis Obispo. Due to previous equipment and funding resource availability, the LOSSAN Agency did not include this service expansion plan in its ABP until FY 2026-27.

In response to VCTC and SBCAG's desire to initiate peak-morning service sooner than what is included in LOSSAN's ABP, the LOSSAN Agency engaged the Southern California Regional Rail Authority (SCRRA or Metrolink) to explore the possibility of Metrolink temporarily utilizing the LOSSAN Agency's Union Pacific track access rights to provide one additional roundtrip between Moorpark and Goleta stations on a subcontracted basis. Since late 2024, the four agencies - Metrolink, VCTC, SBCAG, and LOSSAN - have engaged in regular discussions to coordinate and plan the proposed temporary Metrolink subcontracted service.

At the June 16, 2025, Board of Directors' (Board) meeting, the LOSSAN Agency Board authorized the Managing Director to negotiate the terms of agreements necessary to subcontract the temporary service and directed the Managing Director to bring back necessary agreements. The Board action authorized only the temporary use of the time slot by Metrolink and any agreement necessary for the subcontracted service must ensure LOSSAN's ability to implement the planned Pacific Surfliner service expansion north of Los Angeles to Santa Barbara, Goleta, and San Luis Obispo.

The rail access necessary to support the LOSSAN Agency's planned service expansion was secured through a Board-approved Passenger Service Enhancement and Infrastructure Improvements Agreement executed between the LOSSAN Agency and Union Pacific Railroad (UPRR), which owns and operates the Santa Barbara Subdivision of the LOSSAN Rail Corridor. This Agreement was executed in July 2020 and established terms for increased Pacific Surfliner train service, including securing the additional service slots. A supplemental Passenger Rail Cooperative Agreement (PRCA) includes provisions for operations and maintenance reimbursements and performance-based incentive payments. The agreements provide for two additional Pacific Surfliner train pairs.

In return for increased track access, the LOSSAN Agency agreed to pay UPRR track access fees and on-time performance (OTP) incentives as well as fund infrastructure improvements to support the expanded service. To date, the LOSSAN

Agency has made approximately $282 million in combined capital and operating investments in the Santa Barbara Subdivision. The infrastructure projects, which were funded through State grants, include centralized traffic control, powered sidings, bridge replacements, new rails, and ties. Future use of the rail time slots negotiated as part of the agreements requires payment of the track access fees and OTP incentives to UPRR by the LOSSAN Agency.

The Transit and Intercity Rail Capital Program (TIRCP) grant agreements that funded these projects specify their purpose as financing improvements that enable additional intercity passenger rail service between Los Angeles and San Luis Obispo. The LOSSAN Agency is required to report annually to California Department of Transportation and the California State Transportation Agency on project outcomes associated with the funding. In practical terms, the two additional train pairs (the 3rd roundtrip to San Luis Obispo and a future train pair) represent the operational outcomes that the TIRCP-funded improvements were designed to achieve. Without implementing these roundtrips, the LOSSAN Agency cannot demonstrate that the intended benefits and performance outcomes have been realized, which could be interpreted as noncompliance with TIRCP reporting requirements and would undermine the State's return on investment in the rail corridor.

Discussion

Since the Board action in June 2025, several key areas have evolved that impact both the Metrolink subcontract pathway and the Pacific Surfliner service pathway.

Subcontracted Track Access

In July 2025, the LOSSAN Agency learned that UPRR would require a new operating agreement between the LOSSAN Agency and UPRR to identify Metrolink as an alternative operator on the Santa Barbara Subdivision. This requirement became necessary when Metrolink transitioned from Amtrak to its new contracted service provider, Alstom. Since July, the LOSSAN Agency has actively pursued such an agreement; however, UPRR has communicated that given their resources are currently fully dedicated to efforts supporting a national acquisition, the soonest they can provide a draft agreement would be the first quarter of 2026. This new draft agreement, once received, will then need to be reviewed by the LOSSAN Agency to ensure the terms are consistent with the existing Board-approved PRCA. The time needed for the review and negotiation is not known at this time, which makes the timing of the Metrolink subcontract unknown.

Due to the extended timeframe needed to implement the Metrolink subcontract, it is now likely that this pathway would negatively impact the LOSSAN Agency's ability to implement its planned service expansion.

Equipment Availability

Equipment availability has been one of the primary constraints to the LOSSAN Agency implementing additional service north of Los Angeles. In October 2025, the LOSSAN Agency received a pre-award authority letter from the Federal Railroad Administration committing to funding a $27 million Restoration and Enhancement Grant Award (R&E Grant). The R&E Grant funds the restoration of the 11th, 12th and 13th roundtrip between Los Angeles and San Diego and fully restores pre-COVID service levels. The 11th and 12th roundtrips were implemented in Q4 FY2024-25 and the implementation of the 13th roundtrip between Los Angeles and San Deigo is now planned for January 2026. To implement the expanded service funded through the R&E Grant, Caltrans and the three Joint Powers Authorities (JPAs) agreed to expedite the redeployment of equipment from the northern California fleet to the LOSSAN Agency. The redeployed vehicles, which will make a 10th train set available for revenue operations, began arriving at the Los Angeles Maintenance Facility in October 2025.

With this additional equipment and a 10th trainset, the Pacific Surfliner fleet will have sufficient capacity to implement both the 13th roundtrip in the south and the service expansion in the north. The LOSSAN team has developed schedules that support peak period service through Ventura and Santa Barbara Counties as well as a midday departure from San Luis Obispo that provides service to the entire corridor to San Diego.

Impacts on Planned Service Expansion

Finally, the developments described above, and the recent communications received from SBCAG make it clear that implementing service via the Metrolink subcontracted pathway would negatively impact the LOSSAN Agency's planned service expansion, which is inconsistent with the June 2025 Board action. In a letter submitted to the Executive Committee as public comment at the November 6 meeting, SBCAG indicated their intent in implementing the Metrolink subcontracted service is to fulfill the requirements of Measure A, a Santa Barbara County voter-approved sales tax measure, and to sustain the subcontracted service for multiple years. According to the letter, "Any commuter service funded in part by local sales tax must be structured to qualify for Federal Transit Administration (FTA) reporting and formula funding from the first day of operation. This is critical to recoup local and State investments, while sustaining service in future years."

The LOSSAN Agency Board has approved the Metrolink subcontract concept and the use of the LOSSAN Agency's track access slot as temporary and time-limited to ensure it does not impact the ability to implement our service expansion. Allowing Metrolink to subcontract for anything more than a limited time puts our service expansion at significant risk, including the risk of transferring the train slot. It also undermines the intent of the LOSSAN Agency agreement with UPRR that provides for the two additional train pairs for intercity rail purposes and is contrary to the intent of the TIRCP grant award which funded the service improvements.

Summary

Due to the developments described above, which have occurred since the Board's prior action, LOSSAN Agency staff does not see a viable path forward for the Metrolink subcontract pathway that fits the needs of SBCAG and VCTC.

The LOSSAN Agency has recently proposed to SBCAG and VCTC a Pacific Surfliner option which includes a one-year pilot for the service, subsidized by the two agencies, and a small portion from current LOSSAN Agency funding reserves. This funding approach would hold the State financially harmless, while the LOSSAN Agency pursues other funding options, including the possibility of other stakeholder contributions, federal funding or State funding, in order to continue the service past one year.

In addition to being consistent with the prior Board action, the proposal offers several advantages over the Metrolink subcontracted pathway. It can be implemented sooner at a lower net cost to SBCAG and VCTC, it provides more service (7 days/week 365 days/year versus weekdays only) and will produce better ridership and farebox recovery. The proposal also alleviates a $5 million self-insurance requirement borne by SBCAG and VCTC, which is included in the Metrolink subcontract.

In addition, there are numerous additional benefits to implementing additional service now instead of waiting until the future, including:

- Direct advancement of the State Rail Plan's near-term goals for service expansion to Santa Barbara and San Luis Obispo.
- Maximization of State investment in the UPRR Passenger Rail Cooperative Agreement and the TIRCP-funded service improvements.
- Reduction of standing-room conditions and capacity constraints across the corridor.
- Introduction of schedule enhancements including peak-period Ventura–Santa Barbara service, a mid-morning northbound arrival into San Luis Obispo, and a mid-day southbound departure—all of which meet identified regional needs.
- Maximization of operational efficiencies and equipment utilization by leveraging the same equipment cycles being deployed for the 13th roundtrip to provide additional service.
- Strategic timing to expand service in advance of the FIFA World Cup in 2026 and as a foundation for LA28.

It is important to note that the State has indicated in their 2025 Annual Business Plan approval letter that no funding is provided in FY 2026 for the 6th roundtrip to Goleta and 3rd roundtrip to San Luis Obispo, and that no revenues from the FRA R&E Grant ($27 million over six years) can be used to fund this service expansion. However, the State has approved funding for three years (FY 2025-27) to support all three California Joint Power Authorities to restore services. The LOSSAN Agency will continue to request from the State that savings realized from R&E Grant be reinvested into the LOSSAN Corridor to support and sustain expanded service.

For the FY 2026-27 and 2027-28 ABP, staff also plans to include a funding request for the 3rd roundtrip to San Luis Obispo (which includes the 6th roundtrip to Goleta) consistent with the current ABP. Staff will continue to pursue funding opportunities to support and sustain Pacific Surfliner services.

Summary

Staff recommends the Board of Directors direct staff to prioritize all efforts to pursue Pacific Surfliner service expansion including the 6th roundtrip to Goleta and 3rd roundtrip to San Luis Obispo as the pathway to provide additional intercity rail service.

Attachment

None.