




**September 16, 2024**

**To:** Members of the Board of Directors  
**From:** Jason Jewell, Managing Director   
**Subject:** Federal Fiscal Year 2024-25 Operating Agreement with Amtrak for Pacific Surfliner Intercity Passenger Rail Service

### **Overview**

To provide continued operation of the Pacific Surfliner intercity passenger rail service as included in the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2024-25 and 2025-26, a new operating agreement must be negotiated with Amtrak. The current agreement with Amtrak will end on September 30, 2024. Staff is seeking to negotiate a one-year operating agreement with Amtrak.

### **Recommendation**

Authorize the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a term of one year, in an amount not to exceed \$55,053,935, for federal fiscal year 2024-25.

### **Background**

On September 18, 2023, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) authorized the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a one-year term in an amount not to exceed \$53,867,079, for federal fiscal year (FFY) 2023-24. Agreement L-4-0004 was executed for \$48,046,482, and is effective October 1, 2023, through September 30, 2024. The lower cost incorporated into the executed Agreement was primarily the result of changes to the Passenger Rail Investment and Improvement Act (PRIIA) 209 rates and cost methodology, approved by the State-Amtrak Intercity Passenger Rail Committee after September 18, 2023.

***Discussion***

To continue providing Pacific Surfliner intercity rail service, staff are recommending the Board authorize the Managing Director to negotiate and execute a one-year operating agreement, effective October 1, 2024, through September 30, 2025. The recommendation for a single year contract is to ensure the continuity of the Pacific Surfliner service at the current service levels of 10 round trips between Los Angeles and San Diego, with the anticipated increase to 12 round trips during the third quarter of the fiscal year, utilizing equipment anticipated to be deployed from northern to southern California. The LOSSAN Agency will continue to coordinate with Amtrak, the California Department of Transportation (Caltrans), Capitol Corridor Joint Powers Authority (CCJPA) and San Joaquin Joint Powers Authority (SJJPA) on further service restoration planning. Future service modifications, including the capacity for additional service, are currently being reviewed for feasibility, additional equipment availability, and funding. Any amendments necessary to the Amtrak operating agreement to allow for a further increase in service levels during the year, will be brought to the Board for approval, along with any budget amendments as needed.

The FFY 2024-25 not-to-exceed agreement amount of \$55,053,935, is consistent with the Board approved FY 2024-25 budget included within the Annual Business Plan for the operation of Pacific Surfliner intercity rail service and \$500,000 for minor capital projects funding. Funding for minor capital projects has historically been approved by Caltrans for \$500,000 annually. LOSSAN Agency staff has been coordinating with Caltrans, Amtrak, CCJPA, and SJJPA on refining forecast estimates for FFY 2024-25. LOSSAN Agency staff will bring back to the Board any agreement or budget amendments necessary consistent with funding levels approved by the State.

***Summary***

The current operating agreement to provide Pacific Surfliner intercity passenger rail service is set to expire September 30, 2024. To continue to provide safe, reliable, and efficient intercity passenger rail service on the Los Angeles – San Diego – San Luis Obispo rail corridor, a new operating agreement with Amtrak is necessary. Staff is recommending a one-year agreement be negotiated and executed with Amtrak in an amount not to exceed \$55,053,935 for federal fiscal year 2024-25.

***Attachment***

None.