



**July 16, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Cooperative Agreement for Continuance of the Rail 2 Rail Program with North County Transit District

### ***Overview***

The Rail 2 Rail Program provides significant benefits to passengers traveling on the Los Angeles – San Diego – San Luis Obispo rail corridor by increasing the number of train options for travel along the corridor. The agreement to provide the Rail 2 Rail Program between the Pacific Surfliner and COASTER services on the Los Angeles – San Diego – San Luis Obispo rail corridor is set to expire on July 31, 2018, and a new agreement is necessary to continue the program. Staff has worked with North County Transit District and Amtrak to update key provisions of the Rail 2 Rail agreement, and is seeking Board of Directors' approval to continue the Rail 2 Rail program with the North County Transit District and Amtrak.

### ***Recommendation***

Authorize the Managing Director to negotiate and execute Agreement No. L-8-0013 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, North County Transit District, and Amtrak to continue the Rail 2 Rail program for a term of one year.

### ***Background***

In June 2017, recognizing the benefits of the Rail 2 Rail Program (R2R Program), the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the terms for the continuance of the R2R Program between the North County Transit District (NCTD) operating COASTER commuter rail service, and authorized the Managing Director to enter into an agreement to continue the R2R Program. The R2R Program provides improved passenger rail service along the LOSSAN rail corridor by allowing Pacific Surfliner and COASTER passengers with certain ticket types to utilize either service within the limits of their ticket at no additional charge.

The R2R Program with NCTD currently provides for eight Amtrak-operated Pacific Surfliner trains to accept COASTER fare media between Oceanside and San Diego. In addition to the stops at the already shared stations in Oceanside, Solana Beach, San Diego – Old Town, and San Diego – Santa Fe Depot, these eight Pacific Surfliner trains also make stops at two additional stations: Carlsbad Village and Sorrento Valley.

### ***Discussion***

The R2R Program has proven to be successful in supporting increased and ridership and greater flexibility for rail passengers along the LOSSAN rail corridor. In the 2016 calendar year, over 85,000 passengers took advantage of the R2R Program with NCTD. The R2R Program provides mutual benefit for Pacific Surfliner and COASTER services, by allowing COASTER to provide additional service at a fraction of the cost required to offer the same service level independently, while increasing the ridership for the Amtrak-operated Pacific Surfliner service.

The LOSSAN Agency is required, per the interagency transfer agreement with the California Department of Transportation, to maintain specific performance standards related to passenger miles, ridership, and farebox recovery. The R2R Program provides incremental increases in ridership, fare revenue, and overall passenger miles. These increases are beneficial in maintaining the performance standards of the Pacific Surfliner service and allow for cross-promotion between the services. The R2R Program is consistent with the Board approved LOSSAN Agency Business Plan for Fiscal Year (FY) 2018-19 and FY 2019-20 (Business Plan), providing improved service and connectivity along the LOSSAN rail corridor.

The current R2R Program agreement expires on July 31, 2018. Based on the performance of the R2R Program to date and the consideration of the program in the approved Business Plan, LOSSAN Agency staff recommends the continuance of this program. In reviewing the detailed performance of the R2R Program, LOSSAN Agency staff evaluated the usage by train and by station for the two additional COASTER stops. As a result of this review, staff worked with NCTD to modify the terms of the R2R Program to include all Pacific Surfliner trains while eliminating the two additional COASTER stops at Sorrento Valley and Carlsbad Village as part of the planned October 2018 schedule change. This change better reflects the actual usage of the R2R Program, will allow the program to expand to allow access to new riders and times of day, and will provide for improved operational efficiencies including on-time performance.

The remainder of the agreement is recommended to be continued in substantially the same form, with the following terms and changes:

- One-year term, effective August 1, 2018 – July 31, 2019, with the option to extend the agreement for an additional year.
- Decreased reimbursement rate of \$4.42 per boarding (previously \$4.51); consistent with the average COASTER revenue per boarding based on the most recent NCTD Consolidated Annual Financial Report (2016)
- Continued effort to develop a COASTER fare media that can be electronically scanned onboard Pacific Surfliner trains
- Increased efforts for passenger safety and security onboard and at stations
- Blackout provisions for the week of Thanksgiving, San Diego Comic-Con (including preview night), opening weekend of Del Mar race season, and Friday through Tuesday of Memorial Day and Labor Day weekends.
- Required twice annual review of service levels, ridership, station stops, and load factors to ensure the effectiveness and safety of the R2R program

LOSSAN Agency staff, working in coordination with NCTD, has developed a draft cooperative agreement consistent with the terms above for the continuance of the R2R Program.

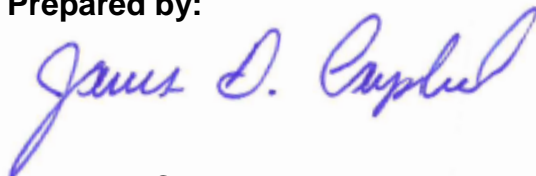
***Summary***

The Rail 2 Rail Program has improved service and connectivity along the Los Angeles – San Diego – San Luis Obispo rail corridor by allowing COASTER and Pacific Surfliner passengers to utilize either service within the limits of their tickets. The current Rail 2 Rail cooperative agreement expires on July 31, 2018. Based on the demonstrated benefits to Pacific Surfliner service, staff recommends the continuance of the Rail 2 Rail Program with the North County Transit District.

***Attachment***

None.

**Prepared by:**



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