




July 15, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Agreement with the Union Pacific Railroad for the Reimbursement of Positive Train Control Implementation

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 amended budget includes funding to reimburse the Union Pacific Railroad for improvements and enhancements to the Santa Barbara subdivision, including the implementation of positive train control. In order to facilitate these improvements and enhancements, a cooperative agreement between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and the Union Pacific Railroad is necessary. Board of Directors authorization is requested for the Managing Director to negotiate and execute an agreement for the reimbursement of these expenses.

Recommendation

Authorize the Managing Director to negotiate and execute an agreement with the Union Pacific Railroad, in an amount not to exceed \$8,550,676, for improvements and enhancements on the Santa Barbara subdivision including the full implementation of positive train control.

Background

The Pacific Surfliner intercity passenger rail service travels over 351 miles of track operated and maintained by four different host railroads. In order to provide safe, reliable, and efficient service, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) seeks and provides funding for improvements and enhancements to the LOSSAN rail corridor in partnership with its member agencies. These improvements and enhancements include both rehabilitation and new capital projects, from signal and communications improvements to bridge replacements and double tracking. Key to these improvements over the last several years has been Positive Train Control (PTC), which has been successfully implemented throughout the LOSSAN rail corridor as required by federal law. Although Amtrak was responsible for the implementation of the onboard and back office components of PTC for the Pacific Surfliner service, the host railroads were responsible for the track side infrastructure elements. On

June 18, 2018, the LOSSAN Agency Board of Directors (Board) approved an amendment to the LOSSAN Agency's fiscal year (FY) 2018-19 budget to include approximately \$9 million to reimburse the Union Pacific Railroad (UPRR) for track side infrastructure improvements, including PTC. At that time, the LOSSAN Agency Board directed staff to return with a plan for the utilization of these funds.

Discussion

Following Board approval to amend the FY 2018-19 budget to include funding for improvements and enhancements on the Santa Barbara subdivision including PTC, LOSSAN Agency staff has worked closely with UPRR to identify areas to improve the safety, reliability, and efficiency on the corridor between Moorpark and San Luis Obispo including the implementation of PTC. In order to reimburse the UPRR for investments previously made to implement PTC, staff is seeking Board approval to authorize the Managing Director to negotiate and execute an agreement with the UPRR in an amount not to exceed \$8,550,676. These funds will be used to compensate UPRR for investments already made and will not exceed a proportional share of whatever costs Amtrak negotiates for the Coast Starlight service. Once this reimbursement is made, it will satisfy all requests from UPRR relative to the implementation of PTC on the Santa Barbara subdivision.

Summary

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's approved fiscal year 2018-19 budget includes funds for the reimbursement of Union Pacific Railroad costs associated with the implementation of positive train control and other enhancements and track side improvements on the Santa Barbara subdivision. Staff is seeking authorization from the Board of Directors for the Managing Director to negotiate and execute an agreement with the Union Pacific Railroad for the reimbursement of these expenses.

Attachment

None.

Prepared by:

A handwritten signature in black ink, appearing to read 'R. Lopez', with a long horizontal flourish extending to the right.

Roger M. Lopez
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