

Senate Bill 1098

LOSSAN Rail Corridor Working Group

*Report to the Legislature
Pursuant to the Southern California Rail Revitalization Act*

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Executive Summary

The Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor is among California's most critical transportation assets. The Pacific Surfliner is the second-busiest intercity rail service in the United States, second only behind the Northeast Corridor, and carries millions of passengers annually between San Diego and San Luis Obispo along one of the most congested highway corridors in the country. Metrolink provides commuter rail service across six counties in the greater Los Angeles Basin, connecting workers to major employment centers and relieving pressure on freeway infrastructure that is often at or beyond capacity. The North County Transit District's (NCTD) COASTER service links San Diego's North County communities to downtown San Diego, serving a corridor where highway capacity is limited and congestion continues to worsen. The corridor passes through some of California's most economically productive and densely populated communities, and its reliability, resilience, and long-term viability are matters of statewide significance.

Senate Bill 1098 (Chapter 777, Statutes of 2024) directed the California State Transportation Agency (CalSTA) to convene a LOSSAN Rail Corridor Working Group, including representatives from rail infrastructure owners; passenger and freight rail operators; regional transportation and planning agencies; stakeholder organizations representing business, community, environmental, labor, transportation, and civic interests; and relevant state agencies with regulatory and rail oversight responsibilities. The Working Group is tasked with developing consensus recommendations on strategies to strengthen the corridor's coordination, management, and performance of all passenger rail services in the corridor. The Working Group, composed of representatives from LOSSAN member agencies, rail operators, convened to develop recommendations intended to strengthen coordination, management, and performance across the corridor. This report transmits the Working Group's draft consensus recommendations and feedback to the Legislature. To facilitate broader stakeholder input, CalSTA conducted targeted public outreach through small group listening sessions as well as a public comment period on the draft report prior to finalizing the working group recommendations.

Pursuant to statute, prior to submitting this report to the Legislature, CalSTA, on behalf of the Working Group, will share the report recommendations with the

governing boards of NCTD, LOSSAN, and Metrolink to solicit input and feedback.¹ Any resulting feedback received will be compiled and transmitted to the Legislature as Appendix C in a supplement to this report.

The timing of this report is significant. This work was informed by the context of growing fiscal pressure across the corridor's three primary passenger operators. The Pacific Surfliner, Metrolink, and NCTD services each face structural operating deficits in the coming years, which coincides with the buildup to the 2028 Summer Olympic and Paralympic Games and an expected surge in corridor demand. The 2028 Summer Olympic and Paralympic Games will be hosted across the greater Los Angeles region, with competition venues spanning from San Diego to Los Angeles. The LOSSAN Corridor will serve as a primary transportation spine connecting the Southern California megaregion with ridership demand expected to reach levels that will stress current operational capacity. The Olympics will generate a sustained surge in transit usage across the region, with elevated demand occurring over multiple weeks rather than a single event period. The increase in ridership is expected to generate additional fare revenue for the system while placing significant pressure on service capacity and operational resources.

Consistent with statutory requirements, the report addresses the following policy areas²:

Of the required report topics identified in statute, the following four policy areas are a primary focus of this report:

- (A)** strategies to increase rail service coordination and reduce disruptions or delays;
- (B)** alternative management and operations models or structures that improve intercity and regional rail services;
- (C)** changes to state statutes, rules, or funding necessary to improve corridor performance; and

¹ California Senate Bill 1098 (Blakespear, 2024), *Passenger and Freight Rail: LOSSAN Rail Corridor*, Chapter 777, Statutes of 2024, California Legislature.

² California Senate Bill 1098 (Blakespear, 2024) § 1, subd. (c)(1) (A - (D)), Chapter 777, Statutes of 2024.

(D) coordination of planning and project development through the federal Corridor Identification and Development Program (CIDP).

Pursuant to statute, CalSTA convened the Working Group and facilitated development of this report through a collaborative process involving Working Group participants, partner agencies, stakeholders, and other consulted parties. The recommendations contained in this report reflect an effort to identify consensus perspectives and areas of alignment across the diverse interests and operational realities present throughout the corridor and, unless otherwise noted, are intended to reflect Working Group input rather than formal positions adopted by CalSTA.

Key findings and recommendations include:

- Establishing a corridor-wide asset management and written fleet strategy that aligns equipment, facilities, and infrastructure needs with funding.
- Encourage state grant programs to fund State of Good Repair (SGR) projects and develop administrative flexibility to accommodate the inherent uncertainties of complex rail capital projects.
- Formalizing a cooperative agreement or memorandum of understanding (MOU) between CalSTA, the LOSSAN Corridor, and the California Coastal Commission to identify where streamlining solutions for rail projects in the coastal zone can be identified and other solutions to assist in the delivery of rail projects.
- Establishing a Vision Zero framework for rail safety along the LOSSAN Corridor, with a data-driven pipeline of safety improvement investments.
- Aligning state grant programs with the Federal Corridor Identification and development Program (CIDP) project development pipeline to strengthen the corridor's competitiveness for federal capital funding.
- Streamlining the California Environmental Quality Act (CEQA) review for passenger rail projects by establishing agency comment deadlines, a conflict resolution protocol for multi-jurisdictional projects, and a pathway to make permanent the judicial review provisions introduced under Chapter 60, Statutes of 2023 SB 149 (Chapter 60, Statutes of 2023).
- Review opportunities to modernize the Transportation Development Act (TDA) by removing the farebox recovery ratio penalty and developing new metrics and performance measures that replace the farebox

recovery penalty, which also aligns with consensus recommendations from the final Transit Transformation Task Force.³

- Developing and issuing statewide guidance for how intercity passenger rail, including the Pacific Surfliner, is documented and coordinated in Regional Transportation Plans (RTPs).

The sections that follow provide additional context on these findings and recommendations, including the operational, governance, funding, resiliency, and policy considerations that informed the Working Group's discussions and consensus recommendations.

³ California State Transportation Agency. *Transit Transformation Task Force Final Report*. 2025. https://calsta.ca.gov/-/media/calsta-media/documents/ttff_final_report-ally.pdf

1.0 Background and Statutory Context

The LOSSAN Rail Corridor is one of the most complex rail environments in the country. Spanning 351 miles, the Pacific Surfliner is the second busiest passenger rail corridor in the country, with approximately 8.3 million passenger trips in 2019, the last full year pre-COVID pandemic. In addition, the corridor supports more than \$1 billion in annual freight volume, transported by two Class 1 Freight operators—Union Pacific (UPRR) and Burlington Northern-Santa Fe (BNSF)—and serves multiple ports of national significance, including those in Los Angeles, Long Beach, San Diego, and Port Hueneme. The U.S. Department of Defense also has designated a section of LOSSAN as part of the Strategic Rail Corridor Network.⁴

Infrastructure ownership and operating authority along the corridor is distributed among multiple public agencies and freight railroads. Pacific Surfliner intercity service is managed by the LOSSAN Agency and operated by Amtrak. Commuter rail services are provided by Metrolink in the greater Los Angeles Basin and Inland Empire with NCTD's COASTER operating between Oceanside and Downtown in San Diego County. Both the UPRR and BNSF hold freight rights and own segments of corridor infrastructure in portions of the alignment, and the corridor traverses a complex web of grade crossings, interlockings, and shared track arrangements.⁵

This structural complexity has historically presented challenges to corridor-wide coordination. The Legislature recognized these challenges in enacting SB 1098, which established the Working Group process as a vehicle for developing actionable, consensus-based reforms.

SB 1098 directed the Working Group to report to the Legislature on all the following policy areas:

⁴ California State Senate. (2023). *The LOSSAN rail corridor report*.

<https://sor.senate.ca.gov/sites/sor.senate.ca.gov/files/LOSSAN%20Rail%20Corridor%20Report.pdf>

⁵ California Department of Transportation. (2024). *California State Rail Plan 2024*. <https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/california-state-rail-plan/2024-ca-state-rail-plan-a11y.pdf>

- Policy Area A: Strategies to increase rail service coordination and reduce disruptions or delays, including those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing.
- Policy Area B: Alternative management and operations models or structures that improve intercity and regional rail services.
- Policy Area C: Changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services, including a review of how local and regional planning agencies incorporate train service information in planning documents.
- Policy Area D: Coordination of planning and project development through the federal Corridor Identification and Development Program.⁶

The Working Group included representatives from:

- California Senate Staff
- California Coastal Commission
- Caltrans
- Federal Transit Administration (FTA)
- The Los Angeles County Metropolitan Transportation Authority (LA Metro)
- LOSSAN Agency
- Metrolink
- North County Transit District (NCTD)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Diego Association of Governments (SANDAG)
- Santa Barbara County Association of Governments (SBCAG)
- Southern California Association of Governments (SCAG)
- Ventura County Transportation Commission (VCTC)

The initial restart of this group convened in person four times between February 2026 and May 2026 to deliver this draft report, which included full working group meetings as well as agency-specific consultations to augment the full working group meetings. Recommendations were developed through a deliberative

⁶ California Legislature. (2024). *Senate Bill No. 1098 (2023–2024 Regular Session)*. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1098

process and reflect consensus positions of the Working Group membership unless otherwise noted.

The Working Group's deliberations unfolded against a backdrop of significant fiscal pressure across the corridor's three primary passenger operators. To illustrate this, NCTD is expected to have a projected funding gap of over \$60 million through Fiscal Year (FY) 2030 and is proposing their first rate hike since 2009⁷. Metrolink faces a \$35 million operating shortfall in fiscal year 2026–27. In response to equipment reliability issues, it has already reduced service and is considering deeper cuts of at least one-third of remaining service as soon as October 2026, along with a possible fare increase⁸. The Pacific Surfliner, while having recently achieved pre-pandemic service levels, may need to consider service cuts starting in FY 2027-28 as the recent restoration of service has been buoyed by a three-year augmentation to the state-supported intercity passenger rail program from Public Transportation Account, which is set to expire after FY 2026-27⁹.

In addition, ridership recovery and farebox recovery continue to lag pre-pandemic numbers while operating costs have grown substantially due to a mix of inflationary pressure impacting the entire rail and transit industry¹⁰. These challenges are not unique to California rail operators, but the impact on the LOSSAN Corridor is compounded by the complex decision-making environment that SB 1098 was enacted to address.

The Working Group deliberated, but did not make recommendations on, specific appropriations or funding levels, but the broader fiscal context facing the agencies help inform the urgency of the recommendations in this report.

⁷ NCTD Board Agenda Packet: April 16, 2026 (Revised). 16 Apr. 2026, <https://d4lp5oxce4dvw.cloudfront.net/wp-content/uploads/Board-Agenda-Packet-April-16-2026-REVISED.pdf>. Accessed 5 May 2026.

⁸ Southern California Regional Rail Authority. Board Meeting Packet, 27 Mar. 2026. Metrolink, <https://d2kbbkoa27fdvtw.cloudfront.net/metrolink/81b4bd133a38182c6f558799b51329fe0.pdf>

⁹ Legislative Analyst's Office. Overview of California's State-Supported Intercity Rail Routes and Funding. 30 May 2025, <https://lao.ca.gov/handouts/transportation/2025/Overview-of-Intercity-Rail-Routes-and-Funding-053025.pdf>

¹⁰ California State Transportation Agency. Transit Transformation Task Force Final Report. 2025. <https://calsta.ca.gov/-/media/calsta-media/documents/ttff-final-report-a11y.pdf>

2.0 Policy Area A: Strategies to Increase Rail Service Coordination and Reduce Disruptions or Delays

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations to increase rail service coordination and reduce disruptions or delays, including, but not limited to, those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing. The recommendations made pursuant to this should result in improved maintenance and conditions of assets, reduced track closures, and greater on-time performance.

2.1 State of Good Repair

CHALLENGE

The corridor lacks a comprehensive corridor-wide asset management framework or plan that integrates infrastructure, equipment, and facility conditions across all partners. Without a unified planning instrument, agencies operate against different asset inventories, performance standards, and replacement cycles, making it difficult to align investments, identify gaps, and present a coherent funding strategy to state and federal partners.

RECOMMENDATIONS

1. The corridor should develop a written fleet and asset management plan that aligns equipment, facilities, and infrastructure needs with funding. The plan should identify investment gaps with sufficient specificity to support grant applications and capital programming.
2. Require that the written fleet and facilities plan analyze opportunities for future shared equipment, maintenance and layover facilities, and processes that can drive efficiencies across all operators in the corridor. This should be complementary to the intercity fleet plan and layer analysis relevant to commuter rail operations where feasible.

CHALLENGE

State of good repair (SGR) projects remain needed and face significant hurdles. Administrative and policy barriers have adversely affected these projects and current federal, state, and local funding sources have proven inadequate in meeting increasing SGR needs.

RECOMMENDATIONS

1. Review state program for opportunities to support SGR rail projects where feasible. Program guidelines are encouraged to develop and incorporate specific considerations for SGR eligibility, emphasizing safety, reliability, and maintaining existing infrastructure.
2. Programs are encouraged to prioritize projects that include meaningful non-state local and federal funding contributions, while also recognizing circumstances where state investment may be necessary to address critical needs that exceed local fiscal capacity.

CHALLENGE

Grant funding deadlines for allocation and timely use of funds are often inflexible, creating potential funding gaps. Rigid timelines fail to account for common rail project uncertainties that are outside the control of project sponsors and may result in funding expiring before project completion. Additionally, while local agencies play a critical role in funding participation, non-state local and federal funding sources do not always prioritize regional and intercity rail investments when faced with competing needs.

RECOMMENDATIONS

1. Program criteria should allow for the prioritization of projects that demonstrate significant non-state local/federal funding contributions, recognizing local commitment as an indicator of project readiness and shared investment.

2.2 Coastal Resiliency

CHALLENGE

There is a need to carefully balance Coastal Commission policies that prioritize natural bluff, shoreline, and coastal access, with the need to protect critical rail infrastructure that supports statewide passenger service. In locations where existing improvements are vulnerable, there is a need to facilitate the timely repair or replacement of protective infrastructure necessary to maintain safe and reliable operations.

RECOMMENDATIONS

1. In coordination with the LOSSAN Working Group, the California State Transportation Agency (CalSTA) and the California Coastal Commission (CCC) should develop a cooperative agreement or MOU to identify where streamlining solutions for rail projects in the coastal zone can be identified and other solutions to assist in the delivery of rail projects. For example, if a federal nexus is identified project sponsors may coordinate with the Coastal Commission to determine whether the project can proceed through the federal consistency process in lieu of the traditional Coastal Development Permit (CDP). Additional clarity from the Coastal Commission on when each process applies would help project sponsors make informed decisions early and further improve permitting efficiency.
2. In coordination with the Coastal Commission, evaluate options to streamline and deliver projects that repair, maintain, or enhance *existing* passenger rail infrastructure, including existing protective measures such as seawalls. This could include clearly defined pathways for the repair or replacement of existing protective infrastructure where necessary to maintain safe and reliable rail operations, particularly in areas vulnerable to erosion and slope instability.

CHALLENGE

Emergency closures resulting from bluff failures, slope instability, storm damage, sea level rise, or other coastal resiliency challenges have historically lacked a standardized, systemwide response protocol. In many cases, responses are developed in an ad hoc manner, varying by jurisdiction, owning agency, or incident type. This lack of a unified framework can complicate coordination among state agencies, local jurisdictions, rail operators, emergency responders, and regulatory bodies, particularly when rapid action is required to ensure public safety and restore essential transportation services.

RECOMMENDATIONS

1. Develop a corridor-wide playbook that defines roles, decision thresholds, and timelines for agencies when bluff instability is detected. Include pre-defined triggers (e.g., erosion rates, track exposure, geotechnical warnings) to reduce ad hoc decision-making. This should include standardized communication protocols across agencies and to the public to avoid fragmented messaging during closures.
2. The State may develop a state emergency response protocol that mirrors the state's established role in freeway incidents for emergency incidents that exceeds a defined threshold. This may include, but is not limited to, Caltrans activating a standardized incident command structure for rail-related emergencies, including rapid deployment of field crews, engineers, and operations coordination. Utilize pre-positioned emergency contracts and resources to immediately stabilize infrastructure and protect the rail right-of-way. Coordinate directly with regional partners with authority to elevate issues to the Caltrans Director or CalSTA Secretary of Transportation as appropriate.

2.3 Track Closures

CHALLENGE

Track closures resulting from trespassers and vehicle strikes along the LOSSAN corridor occur with relative frequency and can lead to significant service disruptions, delays, and cascading impacts across the regional rail network. These incidents often involve interactions at grade crossings or along the right-of-way, where a lack of physical separation, inconsistent safety treatments, and human factors contribute to vulnerability. There is a need for a standardized, corridor-wide approach to reduce the frequency and severity of passenger and vehicle strikes.

RECOMMENDATIONS

1. The LOSSAN Working Group should establish a Vision Zero framework for rail within the LOSSAN Corridor, with the explicit goal of eliminating passenger and vehicle strike incidents through a combination of data-driven prioritization, targeted infrastructure investment, and coordinated interagency action.
2. Member agencies should compile and maintain a unified safety data set to identify and map high-risk locations with the greatest frequency and severity of incidents. Use that analysis to prioritize a ranked pipeline of targeted improvements: grade separations, enhanced barriers and fencing, upgraded crossing controls, and visibility and warning enhancements.
3. Implement ongoing performance monitoring to ensure continuous reduction of risk and measurable progress toward eliminating strikes corridor-wide.

CHALLENGE

While corridor-wide coordination among operators and infrastructure owners has improved through regular monthly forums, maintenance scheduling practices remain misaligned in terms of advance confirmation and temporal distribution. Short lead times for finalizing Absolute Work Windows (AWWs), combined with a concentration of closures on weekends when intercity ridership is highest, creates uncertainty for long-term planning, complicates customer communication and ticketing, and contributes to service disruptions, reduced ridership, and increased operational costs, often disproportionately affecting intercity services.

RECOMMENDATIONS

1. Commission an independent study to look at the most cost-effective way to implement work windows for all services across the corridor.
2. Establish a corridor-wide standard for earlier and more consistent confirmation of AWWs, aligning toward 60–90 day confirmation where feasible, while continuing annual and long-range AWW planning to preserve operational flexibility.
3. Expand coordination within existing monthly coordination calls to prioritize alignment of work windows — shifting where possible to nighttime or weekday closures that minimize intercity passenger impacts.
4. Proactively consolidate maintenance activities across operators to reduce the frequency and overlap of disruptions.

CHALLENGE

Equipment spare availability is a contributor to operational challenges. LOSSAN, the San Joaquins Joint Powers Authority (SJJPA), and the Capitol Corridor Joint Powers Authority (CCJPA) share a common pool of passenger equipment. NCTD and Metrolink do not share a common pool of equipment.

RECOMMENDATIONS

1. Leverage the Rail Fleet Consortium being led by the Caltrans Division of Rail as a primary vehicle for coordination. Use this venue to explore joint procurements and service contracting to attract more bidders and aggregate buying power statewide — broadening vendor competition, reducing unit costs, improving equipment interoperability, and strengthening overall fleet reliability and availability.

3.0 Policy Area B: Alternative management and operations models or structures that improve intercity and regional rail services.

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations for alternative management and operations models or structures that improve intercity and regional rail services.

3.1 Alternative Management and Operations Models or Structures

CHALLENGE

There is a lack of an enforceable, corridor-wide decision-making forum or process, which often results in a reduced ability to align varying priorities, funding, interests between owners, operators, planners, regulators. As a result, corridor-wide outcomes are dependent on coordination that is largely voluntary and not always aligned with overall system performance.

RECOMMENDATIONS

1. Rather than creating a new layer of coordination by formalizing the SB 1098 Working Group, use existing avenues to formalize this coordination. Specifically, the working group recommends using the Rail Leadership Group for strategic leadership engagement and the LOSSAN Technical Advisory Committee as a staff led forum to advance priorities established by the Leadership Group.

The Working Group also discussed, but did not reach consensus on, two additional governance proposals considered during deliberations: establishing a

formal corridor operating review process with authority over schedule and work window approvals, and formalizing the SB 1098 Working Group as a permanent standing body with board-designated membership and a defined charter. These proposals are noted for the Legislature's awareness but are not carried forward as consensus recommendations of the Working Group.

CHALLENGE

There is a need for enhanced coordination at key transfer points between intercity and regional services in order to further improve the passenger experience across jurisdictions.

1. Encourage corridor operators to align schedule changes during the same periods of the year, with April and October identified as preferred implementation windows, while preserving flexibility for ad hoc changes to account for unanticipated extenuating circumstances. The goal is predictability for passengers and connecting services without creating an inflexible mandate that fails to account for operational realities.
2. Require regular updates and revisions to the LOSSAN schedule optimization study on a fixed cadence established in advance, to ensure that operations across corridor services are continually optimized.

The Working Group also discussed, but did not reach consensus on, three additional proposals in this area: mandating that all corridor operators implement schedule changes on a single fixed date; establishing reciprocal Ex-Officio membership between the LOSSAN Agency board and the Metrolink board of directors; and creating an independent entity with authority to review and approve schedules across multiple corridor operators. These proposals are noted for the Legislature's awareness but are not carried forward as recommendations of the Working Group.

CHALLENGE

Passenger rail operations on the LOSSAN corridor are constrained by private freight railroad control over much of the infrastructure used by public operators. Dispatching authority on key corridor segments are retained by the private infrastructure owners, leaving public agencies without direct control over on-time performance and scheduling flexibility.

RECOMMENDATIONS

1. In coordination with CalSTA and the Caltrans Division of Rail, designate a primary host railroad liaison and negotiator. This role may lead a coordinated freight railroad sub working group so that the LOSSAN corridor can speak with one voice on freight issues relevant to all member agencies, with a specific focus on Amtrak's federal statutory rights and how those rights can be more effectively leveraged across the corridor and statewide.

4.0 Policy Area C: Changes to state statutes, rules, or funding necessary to improve services in the corridor.

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations for changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services with a focus on streamlining, clarifying, and improving existing processes or procedures. In making recommendations and providing feedback, the working group shall review how local and regional planning agencies responsible for recommending transportation strategies include information about train service, operations, capital projects, resiliency, and performance in their respective planning documents, including, but not limited to, sustainable communities strategies, regional transportation plans, transportation demand management plans, and long-range transportation plans.

4.1 Changes to State Statutes or Rules

CHALLENGE

There are opportunities to streamline or clarify CEQA requirements as they apply to passenger rail projects, in ways that maintain environmental protection while reducing time and cost.

RECOMMENDATIONS

1. Define review deadlines for agency comments and approvals on passenger rail projects subject to CEQA and create a formal conflict resolution protocol applicable when multiple jurisdictions impose conflicting requirements. Clear timelines and a defined escalation pathway may reduce the ad hoc nature of multi-agency review coordination and provide project sponsors with greater certainty in scheduling environmental clearance.
2. Consider making permanent the CEQA streamlining judicial review provisions for certain transportation-related projects introduced through SB 149 (Statutes of 2023), once all ten authorized letters have been issued and program outcomes have been evaluated. If evaluation demonstrates that the streamlined process delivers timely and defensible environmental review, the Legislature should consider extending those provisions to provide a durable tool for accelerating high-priority passenger rail investments.
3. Clarify CEQA and add the following to the existing statutory exemption: "Activities by an rail carrier or on behalf of a rail carrier under the authority of the Surface Transportation Board for the 'construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State.'"

4.2 Changes to Funding

As noted in the background section of this report, the Working Group's deliberations unfolded against a backdrop of significant fiscal pressure across the corridor's three primary passenger operators. Decreases in ridership and revenues, coupled with expensive capital projects (with costs rising faster than inflation), have led to a near-term funding crisis for some systems. Without

intervention, agencies risk cutting service to balance operating and capital budgets, a move that would undermine ridership, reliability, and public confidence, and lead to further budget, service and ridership reductions. Costs are rising due to a number of factors outside of typical transit agency control, from broader inflation, lack of control of underlying infrastructure, and land-use patterns.¹¹ Looking ahead, broader rail and transit funding also faces risks tied to shifting economic conditions and the transition to zero-emission vehicles, underscoring the urgency of finding solutions that stabilize operations both now and in the future.

The Working Group did not make recommendations on appropriations or funding levels, which are within the Legislature's purview, but the fiscal context informs the recommendations in this report. It should also be noted that the topic of funding is covered in other sections of this report, specifically as it relates to SGR projects and competitive grant funding programs.

CHALLENGE

As currently written, the Transportation Development Act (TDA) contains features that have not kept pace with current operating conditions. The farebox recovery ratio penalty, currently suspended due to the COVID-19 pandemic but scheduled to resume in fiscal year 2027, is the most immediate example. Reinstating a metric that was designed for pre-pandemic ridership patterns would penalize agencies still rebuilding their ridership base and divert institutional attention toward compliance rather than performance improvement.

RECOMMENDATIONS

1. Consistent with approved recommendations in the Transit Transformation Task force:
 - a. Review opportunities to modernize the Transportation Development Act (TDA) by removing the farebox recovery ratio penalty and developing new metrics and performance measures that replace the farebox recovery penalty, which is currently suspended due to

¹¹ California State Transportation Agency. *Transit Transformation Task Force Final Report*. 2025. https://calsta.ca.gov/-/media/calsta-media/documents/ttff_final_report-a11y.pdf

the COVID-19 pandemic, but is set to resume beginning in fiscal year 2027.

- b. Review opportunities to develop new metrics and performance measures that replace the farebox recovery penalty and update these measures on a regular cadence.
- c. Review opportunities to update other formulaic funding programs (i.e., LCTOP, SGR) to align with revisions to TDA reporting requirements and incentives.

4.3 Guidance for Addressing Intercity Rail in Regional Transportation Plans

CHALLENGE

Regional Transportation Plans (RTPs) travel demand models do not consistently or accurately account for the benefits of intercity passenger rail, which often accrue beyond the boundaries of any single metropolitan planning region. This means that the Pacific Surfliner service, as the second busiest intercity service in the country, is often undercounted in single-region planning processes.

RECOMMENDATIONS

1. Request Caltrans to provide greater technical assistance for intercity rail modeling in RTP development. For example, the Pacific Surfliner traverses the jurisdictions of six Metropolitan Planning Organizations (MPO), each of which independently develop its own travel demand models. These models are not necessarily calibrated to a common standard for intercity rail and may not share consistent assumptions. As a result, the benefits tied to intercity rail are likely being understated.
2. Request Caltrans to develop standardized technical guidance for how intercity passenger rail services that span multiple regions should be modeled in travel demand models used in RTPs.

CHALLENGE

There is a need to better integrate intercity passenger rail in regional planning processes.

RECOMMENDATIONS

1. Statewide guidance should be issued to establish a common framework for how passenger rail is described and coordinated in RTPs.
2. This may include: expectations for baseline documentation of existing and planned rail services, key corridor characteristics, and coordination with operators and state agencies, as well as clarifying roles when corridors span multiple MPOs.
3. Statewide guidance should be issued for how MPOs should reference corridor-level resiliency needs, such as common data sources, definitions, and high-level assessment expectations.
4. Align guidance with existing state resilience funding programs to help ensure that identified needs can more easily move from planning into project development.

5.0 Policy Area D: Coordination of Planning and Project Development through the Federal Corridor Identification and Development Program

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations on coordination of planning and project development through the federal Corridor Identification and Development Program (CIDP) established pursuant to 49 U.S.C. Section 25101. The CIDP represents a significant opportunity for the LOSSAN Corridor to access federal capital funding by embedding corridor projects in a nationally recognized, FRA-coordinated planning framework.

Further, California remains committed to the Corridor Identification and Development Program process as a planning and investment framework for the five Caltrans-sponsored corridors, including the LOSSAN Corridor, regardless of the federal program's status. The state will continue applying its core planning principles to the service development planning process, including capital project sequencing tied to key service outcomes and coordination between state, regional, and operating partners, as the organizing framework for corridor-wide planning and investment decisions.

5.1 Member Agency Participation in the CIDP Process

RECOMMENDATIONS

1. Acknowledging that Caltrans serves as the lead agency and primary coordinator for California's participation in the CIDP, LOSSAN member agencies and the LOSSAN Agency will support and actively engage in the CIDP process by providing timely data, participating in federally required planning activities, and coordinating local project development work with the state-led corridor planning effort.
2. This approach is consistent with FRA's expectations for state rail authority involvement and positions California to speak with a unified voice in federal planning processes. Full LOSSAN corridor participation will strengthen the quality and credibility of the corridors selected for CIDP participation and improve the competitiveness of projects that emerge from the process for federal capital funding.

5.2 Alignment of Funding with CIDP Priorities

RECOMMENDATIONS

1. To the extent possible, CalSTA and Caltrans should endeavor to align state grant programs, including TIRCP, TCEP, and SCCP, with the project priorities established through the CIDP process. Inclusion of projects on the CIDP capital project list should be an explicit selection consideration in grant evaluations, recognizing that CIDP inclusion reflects a rigorous, federally coordinated prioritization process.
2. This approach reinforces the integrity and utility of the CIDP project list as a planning tool and positions LOSSAN Corridor projects to present a coherent funding strategy that pairs state investment with competitive federal

applications under programs such as CRISI, the Federal-State Partnership Program, and other federal funding opportunities.

5.3 Standing Interagency Coordination Structure for CIDP Milestones

RECOMMENDATIONS

1. The LOSSAN JPA, in coordination with Caltrans, should establish a standing interagency coordination structure specifically organized around Step 2 CIDP milestones and deliverables. This structure should provide regular touchpoints aligned with FRA's staged development process, with clear expectations for member agency participation and data contribution at each stage.
2. Structured milestone coordination reduces the risk of gaps in corridor-level data submissions, improves the quality of FRA deliverables, and builds institutional readiness for the capital project development that follows CIDP selection.

5.4 Federal Advocacy Grounded in CIDP Status

RECOMMENDATIONS

1. CalSTA, Caltrans, and the LOSSAN member agencies should actively leverage California's participation in the CIDP as a foundation for federal legislative and policy advocacy on behalf of the LOSSAN Corridor. Corridors with formal CIDP status occupy a recognized position within FRA's national passenger rail framework, and that status should be used strategically in engagements with FRA leadership, the Office of the Secretary of Transportation, and California's congressional delegation.
2. Advocacy efforts should connect corridor-specific investment needs to national policy priorities and should seek to advance LOSSAN Corridor projects in FRA budget discussions and competitive program design.

5.0 Conclusion

The LOSSAN Rail Corridor is one of California's most important transportation assets. It connects major metropolitan regions along the state's coast, serves millions of passengers annually, and supports the economic vitality of

communities from San Diego to San Luis Obispo. Sustaining and strengthening this corridor will require not only continued investment, but also the institutional structures capable of coordinating that investment effectively across a complex network of agencies, operators, jurisdictions, and infrastructure owners.

The Working Group approached its charge under SB 1098 with the recognition that many of the corridor's challenges reflect longstanding structural conditions. Governance arrangements, funding programs, and operational practices have evolved over time in ways that do not always align with the corridor's current scale, ridership, or performance expectations. The recommendations contained in this report reflect the Working Group's collective view that targeted and deliberate actions can improve coordination, strengthen reliability, and better position the corridor to meet future demand.

The recommendations in this report are intended to be actionable and designed to support both near-term implementation and long-term improvement. While some recommendations may be advanced administratively within existing authority, others may require additional coordination, policy development, or legislative action. Collectively, these recommendations are intended to improve corridor performance and strengthen the long-term viability, resiliency, coordination, and reliability of passenger and freight rail services.

The Working Group also recognizes that achieving the objectives outlined in this report will require sustained coordination among CalSTA, Caltrans, the LOSSAN Agency, corridor member agencies, the Legislature, as well as our partners at the federal, regional, and local levels. Continued collaboration, information sharing, and regular coordination among these entities will be important to maintaining momentum and advancing the recommendations identified in this report.

The California State Transportation Agency respectfully submits this report to the Legislature pursuant to SB 1098, and looks forward to continued collaboration with the Legislature, corridor partners, and federal stakeholders in support of these recommendations and the long-term performance of the LOSSAN Corridor.

Appendix A: Reference Documents

| # | Document Title | Author / Agency |
|---|--|---|
| 1 | LOSSAN Corridor wide Schedule Optimization Study https://www.octa.net/pdf/LOSSAN_Optimization_Report_2022.pdf | LOSSAN Agency 2022 |
| 2 | LOSSAN Annual Business Plan https://www.octa.net/pdf/LOSSAN_Business_Plan_FY26-27-FY27-28.pdf?n=2026 | LOSSAN Agency 2026 |
| 3 | The LOSSAN Rail Corridor: Advancing the Corridor's Capital Investment Priorities https://stran.senate.ca.gov/sites/stran.senate.ca.gov/files/LOSSAN%20Rail%20Corridor%20Report.pdf | California Senate Office of Research 2024 |
| 4 | 2024 California State Rail Plan https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan | Caltrans 2024 |
| 5 | Corridor Identification and Development Program: Guidance for Applicants https://railroads.dot.gov/corridor-identification-and-development-program | Federal Railroad Administration (FRA) 2023 |
| 6 | Final Report from the Los Angeles-San Diego-San Luis Obispo (LOSSAN) San Diego Regional Rail Corridor Working Group https://calsta.ca.gov/-/media/calsta-media/documents/sdregrailcorridorfinalreportfinala11y.pdf | California State Transportation Agency (CalSTA) 2021 |
| 7 | Transit Transformation Task Force https://calsta.ca.gov/-/media/calsta-media/documents/ttff_-final_report-a11y.pdf | CalSTA 2025 |

Appendix B: Working Group Meeting Agendas

[See Attachment]

| Meeting Date | Meeting Title / Type | Location / Format | Agenda |
|----------------------------------|--|--|------------|
| February 19 th , 2026 | LOSSAN Working Group Restart and Cadence | 1 Gateway Plaza, Los Angeles, CA 90012 | [Attached] |
| March 27 th , 2026 | Review Policy Areas A & D | 550 South Main Street, Orange, CA 92863 | [Attached] |
| April 28 th , 2026 | Review Policy Areas B & C | 900 Wilshire Blvd, Los Angeles, CA 90017 | [Attached] |
| May 11, 2026 | Review Draft Report and Public Comment | Virtual | [Attached] |

LOSSAN Corridor Regional Working Group
 February 19, 2026, from 11:30 AM – 2:30 PM
 LA Metro Headquarters
 1 Gateway Plaza
 Los Angeles, CA 90012
Mulholland Conference Room (15th floor)

| <u>Time</u> | <u>Agenda Item</u> | <u>Topic</u> | <u>Presenter</u> |
|-------------|--------------------|--|-------------------------------------|
| 11:30 am | Item 1 | Welcome and introductions | Chair James Hacker, CalSTA |
| 11:45 am | Item 2 | LOSSAN Working Group Restart and Cadence | CalSTA |
| 12:15 pm | Item 3 | SB 1098 Overview, Framing and Discussion | CalSTA |
| 1:00 pm | Item 4 | LOSSAN Corridor ID Update + Discussion | Caltrans |
| 1:30 pm | Item 5 | Known Resiliency Projects | CalSTA, Caltrans + partner agencies |
| 2:00 pm | Item 6 | Open Discussion and Next steps | CalSTA + All |
| 2:30 pm | Item 7 | Adjourn | Chair James Hacker |

Gavin Newsom
Governor

Toks Omishakin
Secretary

400 Capitol Mall, Suite 2340
Sacramento, CA 95814
916-323-5400
www.calsta.ca.gov

LOSSAN SB 1098 Working Group

March 27, 2026
1:00 PM

MEETING LOCATION: 550 South Main Street
Main Conference Room
Orange, CA 92863

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at LOSSAN.SB1098@calsta.ca.gov, or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

AGENDA

- 1) Welcome and Opening Remarks
- 2) Review Report Outline and Structure
- 3) Review Policy Area 1 (*Strategies to increase rail service coordination and reduce disruptions or delays including, but not limited to, those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing*).
- 4) Review Policy Area 4 (*Coordination of planning and project development through the federal Corridor Identification and Development Program*)
- 5) Review Governing Board Approach for LOSSAN Agency, Metrolink and NCTD
- 6) Open Discussion
- 7) Next Steps

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Governor

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LOSSAN SB 1098 Working Group

April 28, 2026
1:00 PM

MEETING LOCATION: 900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at LOSSAN.SB1098@calsta.ca.gov, or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

AGENDA

- 1) Welcome and Opening Remarks
- 2) Review Recommendations for Policy Area 'A' from March 2026 meeting.
- 3) Review Recommendations for Policy Area 'D' from March 2026 meeting.
- 4) Review Policy Area 'B' (*Alternative Management Models or Structures*).
- 5) Review Policy Area 'C' (*Changes to Statutes, Rules, or Funding Necessary for Improvement*)
- 6) Open Discussion
- 7) Next Steps

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LOSSAN SB 1098 Working Group

May 11, 2026
1:00 PM

MEETING LOCATION: VIRTUAL MEETING

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at LOSSAN.SB1098@calsta.ca.gov, or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

Interested parties may register using the following link:
<https://events.gcc.teams.microsoft.com/event/f0d6042a-7d60-4099-8545-7b48adf92a33@621b0a64-1740-43cc-8d88-4540d3487556>

AGENDA

- 1) Welcome and Opening Remarks
- 2) Review Draft Recommendations for Policy Area A – Public Comment
- 3) Review Draft Recommendations for Policy Area B – Public Comment
- 4) Review Draft Recommendations for Policy Area C – Public Comment
- 5) Review Draft Recommendations for Policy Area D – Public Comment
- 6) Open Discussion
- 7) Next Steps