



Capitol Corridor Performance Report 2008

THE CAPITOL CORRIDOR JOINT POWERS AUTHORITY





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Executive Summary

The Capitol Corridor Joint Powers Authority (CCJPA) is proud to celebrate 10 years of successful management of the Capitol Corridor® intercity passenger rail service. In addition to summarizing our FY 2008 results and FY 2009 plans, this report describes how far we've come over the past decade. See the inside back cover for a special commemorative timeline that describes major milestones in the history of CCJPA's management of the Capitol Corridor.

FY 2008 continued our excellent record of prudently managing public funds to deliver high-quality passenger rail service:

- Overall ridership grew 16.8%, revenue grew 22%, and our revenue-to-cost ratio reached an all-time high of 55%
- Last year's track capacity investments paid off with vastly improved on-time performance, averaging 86% systemwide (with an outstanding 91% in the last quarter of FY 2008)
- Union Pacific Railroad's performance was 96%, among the best on the entire Amtrak system
- Once again, we set new records for ridership and revenue even though train service levels remained unchanged from the prior year

Over the past 10 years, service frequency, ridership, and revenue quadrupled, while the revenue-to-cost ratio improved by 77%. The CCJPA achieved these gains with little or no increase in State subsidy by constantly improving efficiency and reinvesting cost savings and revenues back into the service.

Performance *Ten Years of CCJPA Management*

	Service Level	Ridership	Revenue	Revenue to Cost Ratio
FY 2008	32 daily trains	1,694,000	\$23.7 million	55%
<small>(PRE-CCJPA)</small> FY 1998	8 daily trains	463,000	\$6.25 million	30%
Ten Year Improvement	+300%	+269%	+275%	+77%

While our performance metrics show steady year-over-year improvement, they aren't the only indicators that matter. The CCJPA continues to win industry recognition, and our customer satisfaction is higher than ever, and regularly tops the rankings of Amtrak-operated services. Along with our riders, we are also doing our part to protect the environment by taking cars off the road and reducing traffic congestion, gasoline usage, pollution, and carbon dioxide emissions.

To sustain and build upon our success, we need to plan for the next 10 years – and beyond. Changes in State funding have made it more difficult to secure long-term capital funds for equipment purchases and construction projects to maintain quality, improve reliability, and expand the service to meet future demands. While Proposition 1B will provide some funding for near-term projects, we remain focused on identifying a steady source of capital funds for ongoing improvements and investments in the Capitol Corridor. The key to sustained success remains regular capital investment, the overhaul of rolling stock, and capitalized maintenance of track.

As always, we extend our thanks to everyone who has contributed to our achievements over the past 10 years – the CCJPA Board, our six member agencies, our transportation partners, and our loyal riders – and we appreciate the opportunity to continue to serve you.

Dorothy W. Dugger, *Executive Director*

Eugene K. Skoropowski, *Managing Director*

Welcome Aboard: Capitol Corridor Overview

The Capitol Corridor is an intercity passenger rail route that provides a convenient and environmentally-responsible choice for people traveling along the congested I-80, I-680, and I-880 freeways by operating safe, frequent, reliable, and

affordable train service to 17 stations in 8 Northern California counties: Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco, and Santa Clara. With 1.7 million passengers annually, the Capitol Corridor is the third busiest Amtrak-operated route in the nation.

As manager of the Capitol Corridor service since October 1998, the Capitol Corridor Joint Powers Authority (CCJPA) has built an impressive record of

consistent growth and financial and operational success. Over the past 10 years, ridership on the Capitol Corridor increased 269%, revenue increased 275%, and the revenue-to-cost ratio improved by 77%. In the same period, service levels quadrupled – from 8 daily train trips between Sacramento and San Jose to the current schedule of 32 daily trips. These gains were made possible by focusing on operational efficiency, safety, and security; collaborative planning and partnerships; and a commitment to superior customer service. Most remarkably, these continuous improvements were achieved with a State operating budget allocation that remained flat for six consecutive years and only recently received a modest increase to offset higher fuel and Amtrak labor expenses. Our relentless pursuit of efficiency enabled us to deliver significant service expansions by reinvesting cost savings and revenues above business plan projections into the service. This sustained performance reflects the success of the Capitol Corridor train system

as a viable transportation alternative in the communities it serves.

Our Vision

The CCJPA's priorities and guiding values are described in our Vision Statement. We exist to:

- Provide high-quality passenger rail and connecting bus service that is safe, frequent, reliable, and affordable
- Develop rail service as the preferred means of travel along the San Jose – Oakland/San Francisco – Sacramento – Auburn route
- Deliver cost-effective expansion of superior passenger rail service
- Build on constructive relationships with our partners: riders, local communities, Amtrak, the Union Pacific Railroad (UPRR), and the State of California

Our History

On December 12, 1991, the State of California Department of Transportation (Caltrans) and the National Railroad Passenger Corporation (Amtrak) initiated the Capitol Corridor intercity train service with six daily trains between San Jose and Sacramento. In 1996, legislation was enacted to establish the Capitol Corridor Joint Powers Authority (CCJPA), a partnership among six local transportation agencies to share in the administration and management of the Capitol Corridor intercity train service. The CCJPA is overseen by a Board of Directors comprised of members from each of the six agencies along the Capitol Corridor route. In July 1998, an Interagency Transfer Agreement (ITA) transferred the operation of the Capitol Corridor service to the CCJPA for a three-year term. In July 2001, the ITA was extended for another three-year term through June 2004. In September 2003, legislation was enacted that eliminated the sunset date in the ITA and established the current, permanent governance structure for the CCJPA.

*“I love traveling
by train.
The Capitol
Corridor is
clean, safe, and
has great service.
What else
could I ask for?
Thank you.”*

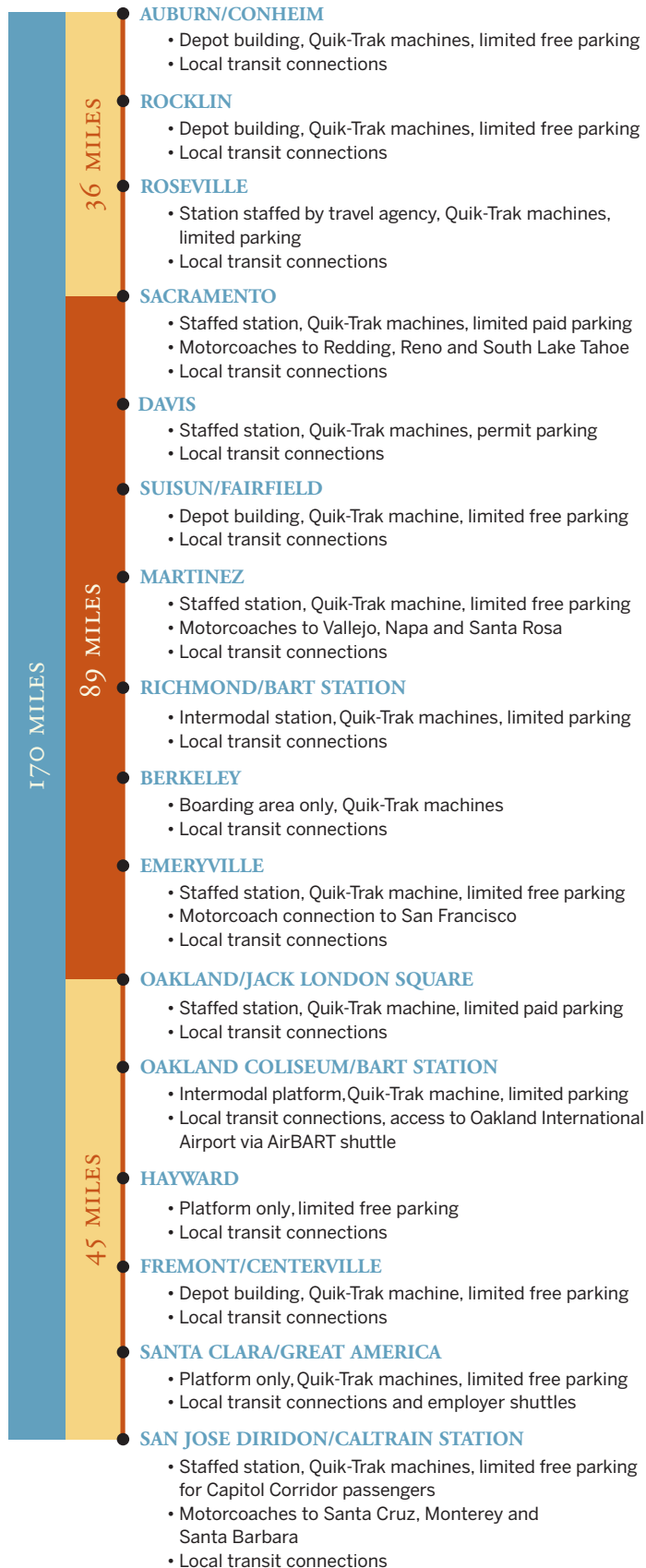


Environmental Benefits of Rail

Riding the Capitol Corridor is a personal choice motivated by numerous factors including convenience, comfort, and cost. According to the American Automobile Association (AAA), the average cost of driving a car is 45–71 cents per mile, not including tolls and parking. The average cost of a full-fare Capitol Corridor ticket is about 35 cents per mile traveled, and can be as low as 14 cents per mile with a multi-ride ticket. Over time, this can add up to significant savings.

Increasingly, train passengers are interested in more than just the impact to their wallets. More people are recognizing the “indirect” benefit of train travel as an environmentally-friendly alternative to driving. In FY 2008, Capitol Corridor trains kept nearly 84 million vehicle miles traveled (VMTs) off the road, greatly reducing traffic congestion, the consumption of gasoline, and emissions of harmful pollutants and greenhouse gases. Over the 10 years that the CCJPA has operated the Capitol Corridor service, nearly 559 million VMTs were eliminated from California roads. The cumulative impact is huge: in FY 2008, we estimate that 83.58 tons of carbon dioxide (CO₂) were prevented from entering the atmosphere as a result of passengers choosing to ride the train instead of driving. Over our 10-year service history, we estimate that the Capitol Corridor has helped eliminate 271.01 tons of CO₂ emissions. As more people discover the train, the environmental “savings” will continue to add up too.





Service Overview

In FY 2008, the Capitol Corridor provided intercity passenger trains between San Jose and Sacramento/Auburn with service to 16 train stations spanning the 170-mile corridor. The Capitol Corridor route operates on tracks primarily owned and dispatched by the UPRR, and a small two-mile segment owned by Caltrain. The CCJPA manages the Capitol Corridor service through an operating agreement with Amtrak. Trains provide direct connections to 19 local public transit systems and five passenger rail or rail transit systems, including BART, VTA, ACE, Caltrain, and Amtrak’s national train network. To supplement the train service, dedicated feeder bus and local transit routes serve communities south of San Jose (Santa Cruz, Monterey, Salinas, San Luis Obispo, Santa Barbara), north of Martinez (Vallejo, Napa, Santa Rosa, Eureka) and east of Sacramento (Truckee, Colfax, Reno, South Lake Tahoe). Together, these transit systems serve the second-largest urban area in the Western United States.

Administration & Management

Over the past 10 years, the CCJPA has distinguished itself through its successful operation of the Capitol Corridor train service and its innovative and collaborative management structure. The interregional partnership among the CCJPA’s six member agencies – established through State legislation – is the first and only one of its kind to manage an intercity train service. The CCJPA Board of Directors is supported by the CCJPA staff and the staff of its member agencies, who work together to develop the service’s operating strategies, marketing programs, and service planning activities. The CCJPA establishes operating and management policy on capital and operating funds, fares, service levels, equipment maintenance, schedules, marketing, and business planning for the Capitol Corridor as part of the State’s intercity rail program.

San Francisco Bay Area Rapid Transit District (BART) Management Contract

The enabling legislation called for BART to provide dedicated staff and administrative management to the CCJPA. Since that time, the CCJPA Board has extended the contract through February 2010. BART's management responsibilities on behalf of the CCJPA include: providing a professional management staff whose sole focus is the Capitol Corridor; overseeing day-to-day train and motorcoach scheduling and operations; reinvesting operating efficiencies into service enhancements; overseeing deployment and maintenance (by Amtrak) of rolling stock for the Capitol Corridor and San Joaquin routes; managing subcontracted feeder bus routes; interfacing with Amtrak and the UPRR on dispatching and railroad-related issues; and coordinating with Caltrans, Amtrak, the UPRR, the California Transportation Commission (CTC), and local communities to develop and implement a Capital Improvement Program.

Other Partners

The Capitol Corridor service is developed with input from our riders, private sector stakeholders (such as Chambers of Commerce), and public sector stakeholders (such as local transportation agencies), along with the partners who help deliver the service – Amtrak, the UPRR, Caltrans, and the various agencies and communities that are along the Capitol Corridor.

Finances

Each year the CCJPA receives funding from the State of California Business, Transportation and Housing Agency (BT&H) to cover operating costs and marketing expenses. In turn, the CCJPA contracts with Amtrak for the operation of the Capitol Corridor service. The primary source of funding for capital improvements has traditionally been the State Transportation Improvement Program (STIP), which allocates funds every two years. Recent State budgetary measures have reduced the share of STIP funds, so supplementary funding is currently being provided by the Intercity Rail Account of Proposition 1B. When it was passed in the November 2006 State General Election, Prop 1B set aside \$19.95 billion in State general

Fiscal Year	Service Levels	Allocated Budget	Actual Costs	Reinvested in Improvements
Operating Budget (millions)				
FY 07-08	32	\$22.6	\$22.0	\$0.6
FY 08-09	32	\$27.9	\$26.9 ^a	\$1.0
Marketing Budget (millions)				
FY 07-08		\$1.1	\$1.1	
FY 08-09		\$1.1	\$1.1	

^a Projected

obligation bonds. Of that total amount, CCJPA may apply for a partial share of the \$400 million Intercity Rail Account and \$1 billion intended for transit safety and security improvements.

Previous allocations from the State's Public Transportation Account and the Traffic Congestion Relief Program provided additional funding for track and station upgrades which enabled the August 2006 service expansion to occur. The CCJPA also receives local transportation funds directly or via collaborative track and station projects sponsored by local communities.

The CCJPA is committed to maximizing cost efficiencies in its operation of the service. By continuing its fixed-price operating agreement with Amtrak, the CCJPA is able to stabilize operating costs and maximize revenue yield by reinvesting cost savings and revenues above business plan projections into service enhancements.

Annual Business Plan

Each year the CCJPA submits to the State a Business Plan for the following two fiscal years that specifies annual operating and marketing strategies; performance standards and goals for farebox ratio, ridership, and on-time performance; capital improvement plans; and the funding request to the State for the CCJPA's annual operating, marketing, and administrative costs for inclusion in the State budget proposal to the Legislature.

Long-Term Objectives

To supplement the annual Business Plan, the CCJPA Board developed a Vision Plan (updated in April 2005) that includes a list of long-term financial and service objectives to guide our plans over the next 5 to 20 years:

- Provide hourly service daily, from 5 a.m.–10 p.m.
- Achieve farebox recovery of 50%
- Reduce train cost per passenger mile to 20¢
- Reduce travel time by 12%
- Achieve on-time performance of 90% or more
- Continuously improve customer satisfaction

Both Caltrans and Amtrak used these objectives to develop their respective state or national passenger rail plans that include the Capitol Corridor.

Operations

Train Equipment

The CCJPA is responsible for the administration and maintenance supervision of the State-owned fleet of rail cars and locomotives assigned to Northern California. The State-owned equipment includes California Locomotives, among the most modern, quiet, and cleanest operating locomotives

in the United States; the California Café Car with onboard food service and space for 49 passengers; and the wheelchair-accessible California Coach Car with restrooms and space for 88 passengers.

In 2009, we will see many changes and improvements in

our fleet. The rebuilding of the head-end power (HEP) units on all locomotives continues, and we have one locomotive in Colorado being retrofitted with the latest technology and emissions controls in the industry. Starting in 2009, train car interiors will be updated with the replacement of upholstery, carpets, and curtains. The addition of security cameras and testing of new systems that improve locomotive performance and reduce emissions will begin very soon.

“I appreciate that there are so many trains available daily.”

With certain trains now filled to capacity, the CCJPA is working with Caltrans to procure new rail cars and locomotives to accommodate more passengers. Since this may take a few years, Caltrans has arranged for several rebuilt Amtrak Superliner Coaches to help the Capitol Corridor as a short-term solution.

Motorcoach Equipment

Through its contracted private motorcoach operators, Amtrak provides feeder bus routes that connect outlying communities to the Capitol Corridor service. Each air-conditioned motorcoach is equipped with a wheelchair lift, restroom, and storage space for baggage and bicycles.

Local Connections

The unique structure of the CCJPA enables communities served by the Capitol Corridor to participate in the development of programs that promote the use of the Capitol Corridor trains.

- Surveys show that more than 25% of Capitol Corridor passengers arrive at the station via bus, light rail or other forms of transit. By coordinating transit connections with other services, the Capitol Corridor helps reduce the number of vehicles contributing to traffic congestion and pollution.
- The Transit Transfer program allows passengers to transfer free of charge to nearly all local transit lines that serve the stations, including Sacramento RT, Rio Vista Transit, E-Tran (Elk Grove Transit), Yolobus, Unitrans, County Connection, Santa Clara VTA, AC Transit, Fairfield-Suisun Transit, Benicia Breeze, and WestCAT.
- The CCJPA has negotiated reciprocal ticketing agreements with Roseville Transit and Placer Commuter Express buses that parallel the Capitol Corridor route between Sacramento, Roseville, and Auburn.
- Passengers are offered a 20% discount on BART tickets purchased on board the Capitol Corridor trains to facilitate transfers to the Richmond and Oakland Coliseum Intermodal Stations.
- Partnerships with Gold Country Stage (Nevada County), Monterey-Salinas Transit, and Santa Cruz Metro offer passengers even more transportation choices throughout Northern California.

Rail Safety

The CCJPA and Amtrak, our operating partner, are committed to upholding the highest standards of safety and safe operating practices. The CCPJA continues to invest in capital projects to improve safety and security, including security cameras at stations; a new security operations center; upgrades to cameras, lighting and fencing at the Oakland maintenance facility; and upgrades to the electronic signage at stations. In addition, two dedicated Amtrak police officers provide safety and security assistance to the Capitol Corridor, along with local police, BART Police, and Union Pacific Police.

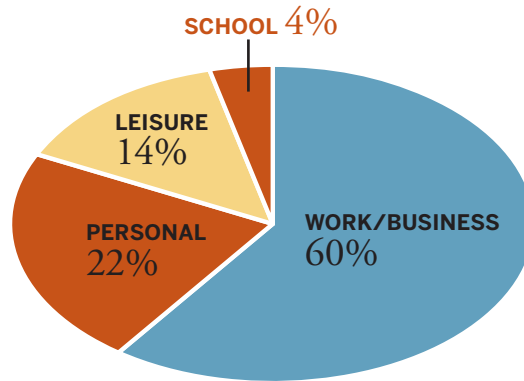
Another top priority for the CCJPA is to promote rail safety awareness to the public by partnering with local agencies and communities to provide effective education, outreach, and enforcement. Trespassing and grade-crossing incidents have a severe impact on our service performance and reliability. With the number of these incidents on the rise, the CCJPA will increase its coordination with Operation Lifesaver, a voluntary effort by railroads, safety experts, law enforcement officials, and public agencies to participate in safety education campaigns for the media and the public.

Ridership

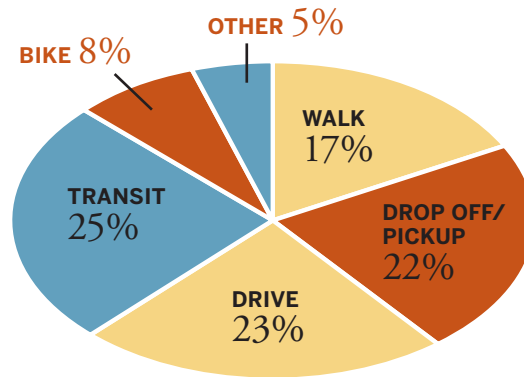
The typical rider on the Capitol Corridor takes the train as a convenient and enjoyable alternative to driving. Riders take the train both for business and leisure travel, with destinations concentrated in the Sacramento Valley, Sierra Nevada Foothills, San Francisco/East Bay area, and San Jose/Silicon Valley area. More than half of all riders use discounted multi-ride tickets, an attractive option for regular business travelers and those who take the train two or three times a week.

Customer Feedback

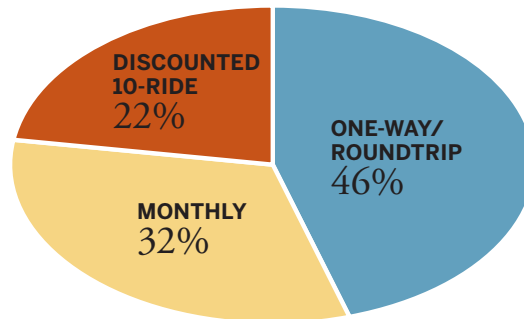
The CCJPA takes pride in its customer-focused service delivery, and our hard work is paying off. We received the highest rankings ever in our FY 2008 On Board Survey and we are consistently ranked either first or second among Amtrak-operated services nationally.



RIDER PROFILE – TRIP PURPOSE FFY 2008



TRAVEL TO STATION MODE FFY 2008



TICKET TYPES FFY 2008

We encourage passengers to provide input on our service performance through comment cards on the trains, phone calls, letters, and email. We use this feedback to identify and prioritize service modifications, capital improvements, and desired amenities in the Capitol Corridor service.

Where We've Been: FY 2008 Performance

FY 2008 Service Plan Highlights

FY 2008 was about reaping the rewards of prior track capacity investments, which significantly improved on-time performance for the service.

Together with escalating fuel prices, these factors

helped propel the Capitol Corridor to new levels of ridership and revenue, even though train frequency remained unchanged since August 2006. The CCJPA maintained the service plan that started in August 2006, with 32 weekday trains between Sacramento and Oakland/San Francisco; 14

daily trains to San Jose; and 2 daily trains east of Sacramento to Roseville, Rocklin, and Auburn.

Despite a flat budget allocation, the CCJPA continued to make performance gains in every metric across the board:

- Overall ridership grew 16.8%, continuing the trend of ridership growth every year.
- Passenger activity at the Richmond Intermodal Station – which connects the Capitol Corridor with BART service – grew 38% over the prior year, while Suisun and stations in the South Bay experienced greater than 20% growth over the same period.
- Weekday peak hour trains in the morning and evening account for 66% of total ridership, with several of those trains experiencing over 80% seat utilization on a regular basis.
- Operating ratio (farebox recovery) improved to 55%, surpassing the 50% goal stated in our Vision Plan for the first time.
- Gains in ridership contributed to record revenue, up 22% over the previous year.

“I love riding the train. You guys always make my trips as convenient as possible.”

- On-time performance improved dramatically, with systemwide reliability at 86% and exceptional performance in August and September (92% and 94% respectively). This improvement makes Union Pacific Railroad’s operation of the Capitol Corridor service among the top three in the nation for on-time performance. Sustaining and improving our reliability continues to be a priority.

Capital Improvement Program (CIP)

While the financial crisis felt around the world impacted the State’s finances, especially transportation capital funding, the CCJPA was able to secure \$17 million in Proposition 1B Intercity Rail and transit safety and security funds. Securing needed capital expansion funds and capitalized maintenance funds remains a significant challenge.

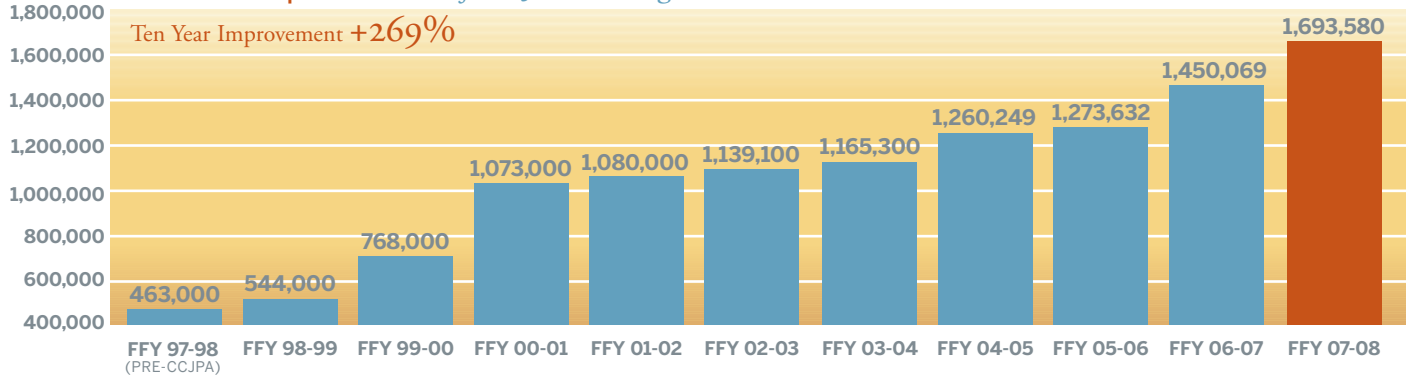
Station Upgrades

- Quik-Trak ticketing machines were installed or upgraded at nearly all Capitol Corridor stations, helping to drive up revenues while reducing onboard ticket sales by 50%.
- Sacramento, the busiest station on the route, was upgraded with a safer pedestrian crossing between the station building and platform, reconfigured bus access and circulation, and new landscaping improvements, thanks to Sacramento Regional Transit and the City of Sacramento.

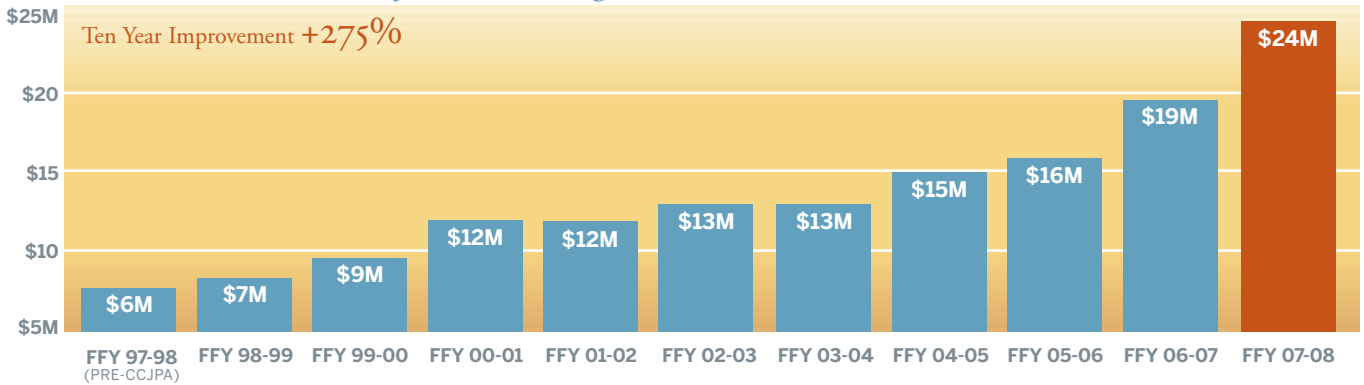
Wireless Networking

The CCJPA has a thorough understanding of the technical and business model specifications to deploy a wireless network that supports operational applications as well as Internet access for passengers. Working with UPRR, the CCJPA is establishing the radio spectrum usage plan for a network that will support safety and security applications, other operational applications, and also provide Internet connectivity en route for our customers.

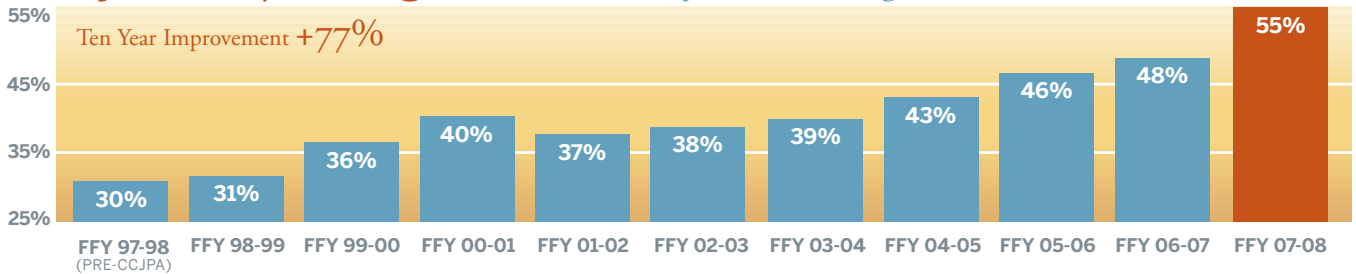
Ridership *Ten Years of CCJPA Management*



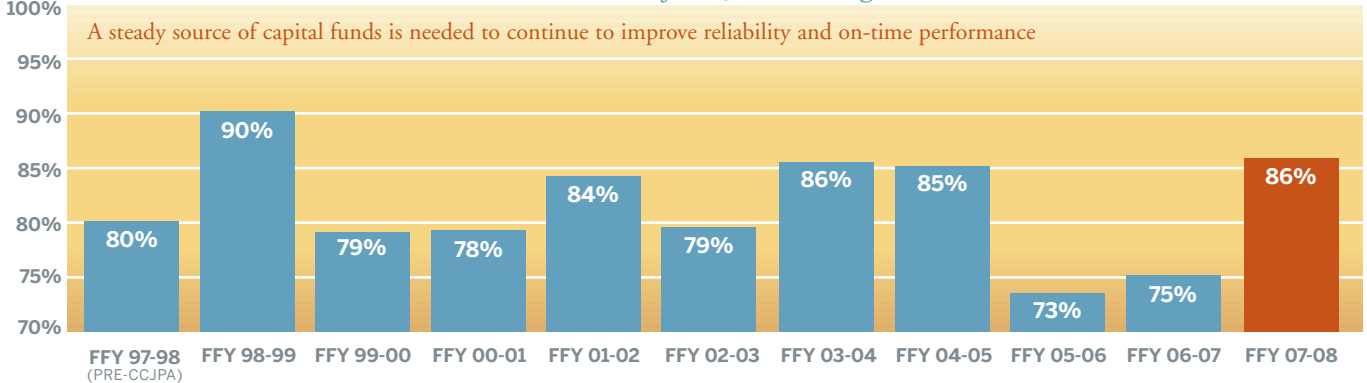
Revenue *Ten Years of CCJPA Management*



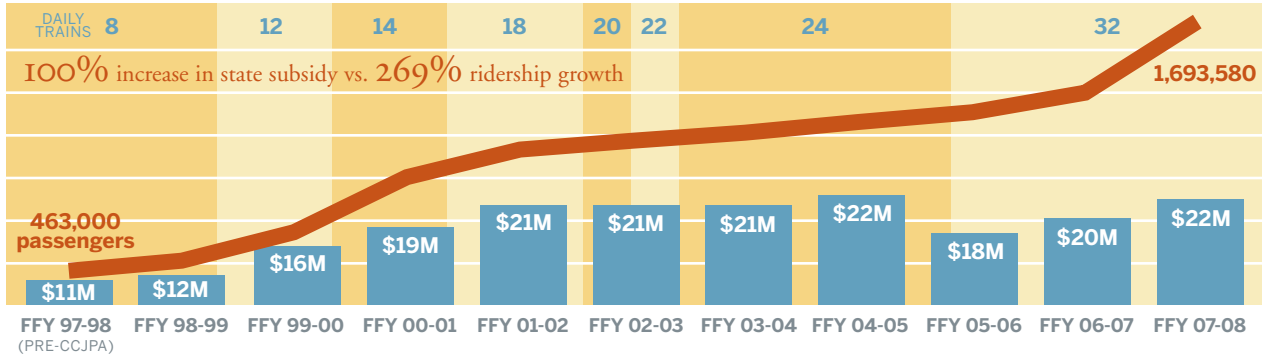
System Operating Ratio *Ten Years of CCJPA Management*



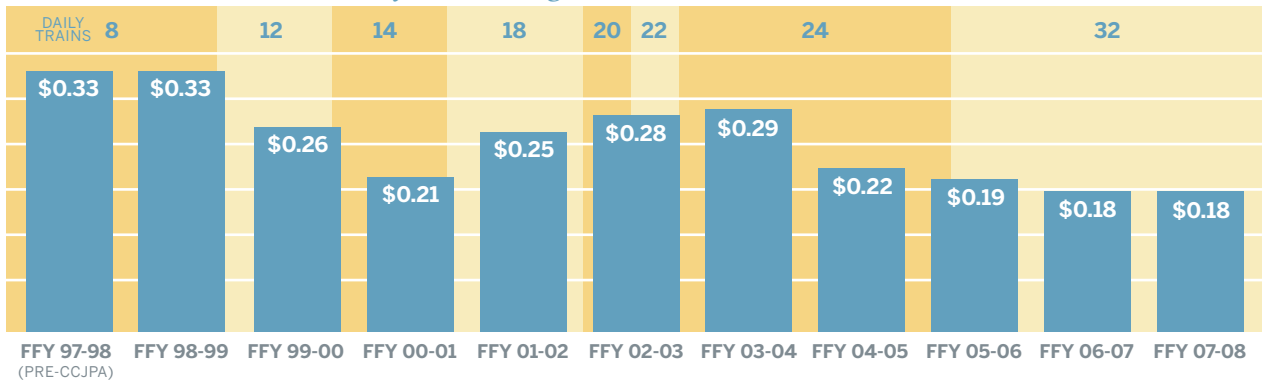
On-Time Performance *Ten Years of CCJPA Management*



Growth vs. State Subsidy *Service Level & 12 mo. Ridership vs. State Operating Costs*



Cost Trend *State Subsidy Per Passenger Mile*



Marketing Program

The CCJPA combines grassroots local marketing efforts and collaborative media campaigns to build awareness of the Capitol Corridor as a distinct brand in the Northern California region. In FY 2008, marketing efforts were primarily aimed at building ridership among leisure travelers in selected demographic and niche markets. The CCJPA continued several ongoing campaigns and repeated its most successful promotional events. In addition, the CCJPA began a strengthened media outreach effort to increase CCJPA's visibility and media coverage.

Advertising and Joint Campaigns

The CCJPA, along with Amtrak and Caltrans, continued the "Travel Made Simple" campaign, emphasizing the convenience of modern train travel. Radio and online ads supported the campaign in three major markets.

Promotional Events, Programs & Partnerships

A variety of events and programs promoted awareness and ridership this year. Many of these partnership promotions allowed CCJPA to multiply the value of its marketing dollars by sharing advertising assets.

- **Stitch 'n Ride™** – This award-winning promotion encourages ridership among knitters attending the annual Stitches West Convention in Santa Clara.
- **Rider Appreciation Events** – During these quarterly events, passengers are treated to food and beverage samples and prize drawings from promotional partners, and are able to speak directly with CCJPA team members about the service.
- **National Train Day** – Community events were held in Sacramento and Emeryville to celebrate National Train Day and present the inaugural California Golden STAR award (State Advocate of Rail).
- **Train Treks** – This discount program is targeted at school and youth groups using the train for midday/mid-week travel.

Projects Completed/Underway

	Budget (millions)	Status
AUTOMATED TICKET VALIDATION PROGRAM: Introduce handheld computer devices that automatically perform ticket validation and sales on the trains. Conductors will be provided with devices as a pilot program in partnership with Amtrak, Caltrans, and federal law enforcement agencies	\$1.20	Pilot program scheduled for Spring 2009
OUTDOOR TICKET VENDING MACHINES: Install ticket vending machines at all stations	\$0.52	Installation completed at all stations
ON BOARD SECURITY CAMERAS: Purchase and install security cameras on all locomotives and cab cars in the Northern California intercity passenger rail fleet	\$0.38	Installation to be phased in during FY 2009
CAPITALIZED MAINTENANCE PROGRAM: Joint effort with UPRR to replace ties, rails, and switches to improve reliability, maintain good ride quality, and keep tracks in state of good repair	\$2.50	Program started in 2007 and will continue through 2008
BAHIA – BENICIA CROSSOVER PROJECT: Install a universal crossover in the Bahia – Benicia area to facilitate switching and increase capacity	\$7.50	Financed with Bay Area Regional Measure 2 (RM2) and State transportation funds. Project started in 2008 and will be completed in 2009
PASSENGER INFORMATION DISPLAY SIGN (PIDS) UPGRADES: Replace current two-line platform signs with larger, ADA-compliant signs capable of displaying four lines of text	\$0.75	Project started in 2008 and will continue through 2009
SAFETY AND SECURITY UPGRADES TO OAKLAND MAINTENANCE FACILITY: Improve access control, fencing and gates, video surveillance, and mass notification systems at this facility. CCJPA has contributed \$150K of \$1.5M total budget	\$0.15	Project started in 2008 and will be completed in 2009
EMERYVILLE STATION AND TRACK UPGRADE: Install extensions of the station siding track, crossing signal upgrades, signal improvements, higher speed switches, and roadway undercrossing upgrades that improve speed and reliability	\$10.00	Scheduled for construction in early 2009 and expected to be complete by Fall 2009
SUBTOTAL–PROJECTS UNDERWAY	\$23.00	

Committed Programming

	Budget (millions)	Status
SACRAMENTO – ROSEVILLE TRACK IMPROVEMENTS: Add track and related infrastructure between Sacramento and UPRR's Roseville Yard, for near-term expansion of Capitol Corridor trains to Roseville and Auburn	\$7.28	Design concepts being evaluated
ROLLING STOCK: Overall State of California purchase of \$125M in rolling stock, of which up to \$25M will be for the Capitol Corridor	\$25.00	Caltrans is developing the specifications for the rolling stock order. Procurement is expected by mid-2009
YOLO CAUSEWAY WEST CROSSOVER: Install a universal crossover between Davis and Sacramento to improve reliability and increase capacity	\$4.00	Design to begin in early 2009. Construction planned to start in mid-2010
SUBTOTAL–COMMITTED PROGRAMMING	\$36.28	
TOTAL SECURED FUNDING	\$59.28	

- **Spare the Air/Free Transit Day** – This program, co-sponsored by the Bay Area Air Quality Management District and the Metropolitan Transportation Commission, offered one day of free transit on 30 systems throughout the Bay Area on June 19, 2008. As part of the partnership, a Capitol Corridor train car was wrapped with the Spare the Air/Ride Transit message and served as a mobile billboard to build awareness of the links between riding transit, saving money and fighting climate change.

Sports Promotional Partners

These partnerships include elements that promote Capitol Corridor brand awareness, geographic service area, and train travel to games. In-game videoboard spots, announcements and radio spots during game broadcasts, and email inclusions promote the Capitol Corridor brand, while group travel discounts, discounted train travel, and pre-game presence encourage travel via train.

Sports partners include the Oakland A’s, the Oakland Raiders, Sacramento River Cats, and Cal Golden Bears Football.

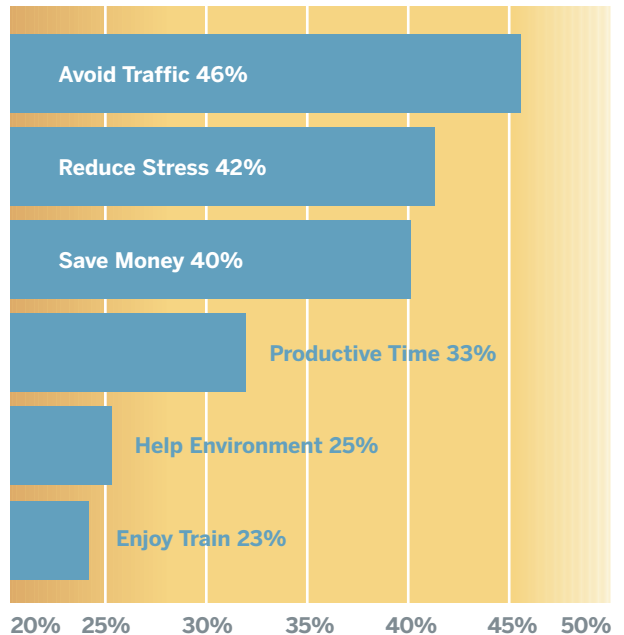
“I am very satisfied with your service – I have been taking the train for three years and have not had any problems.”

Revenue Enhancement

Targeted marketing via the Train Treks program and leisure-activity oriented promotions on weekends, as well as the addition of Quik-Trak ticket vending machines at all Capitol Corridor stations, contributed to a 22% increase in revenue in FY 2008.

Since its inception in 2002, the Train Treks program has hosted over 70,000 students and chaperones, exposing a younger generation to the benefits of train travel. Few marketing dollars are spent on this program; the success of Train Treks is due to word-of-mouth and repeat travelers. The return-on-investment (ROI) of this program is remarkable: to date it is nearly 24 to 1.

Reasons to Ride *FFY08*



Public Information and Outreach

In November 2007, CCJPA added a spokesperson to its team, who is shared with BART’s Media and Public Affairs Department. The role of the public information officer is to engage the media and answer questions about the Capitol Corridor service. In FY 2008, the Capitol Corridor was featured in 148 news stories that appeared in print, television, radio, and Internet media outlets resulting in an estimated value of over \$400,000 in “earned media.” Earned media is publicity garnered through mass media, rather than paid advertising. News coverage ranged from California mass media to national print as well as international Internet outlets.

Where We're Going: FY 2009 Planning

FY 2009 Service Plan Highlights

With limited new capital funds and with new passenger cars and locomotives not expected to arrive for at least three years, the CCJPA will focus on maintaining the 32-train service plan and improving service performance and reliability. Programs planned or underway will allow for the following improvements in FY 2009:

- Installation of the next phase of security improvements including security cameras on all locomotives and cab cars and at unstaffed stations
- Working with Caltrans on the construction of the central security operations center
- Working with Amtrak on the implementation of onboard Automated Ticket Validation (ATV) pilot program
- Working with Caltrans on upgrades to the Passenger Information Display Signs (PIDS)
- Initiation of first phases of wireless Internet access in late 2009
- Working with Union Pacific Railroad on the completion of the Bahia-Benicia Crossover to improve reliability and increase fluidity of passenger and freight trains
- Working with Amtrak, Caltrans and UPRR to begin construction on the Emeryville Station Track Improvement Project

Capital Improvement Program

The CCJPA has developed a \$550 million 10-year Capital Improvement Program (CIP) that represents a steady, sustainable investment plan to support the Vision Plan adopted by the CCJPA Board of Directors.

The CIP is primarily State-funded with some local funding support. In FY 2008, State financing for the CIP remains uncertain due to changes in transportation funding. However, the recent passage of the federal Railroad Safety Enhancement Act of 2008 (HR 2095), signed into law by the President

in October 2008, improves the funding picture by authorizing federal financing – for the first time – to support intercity rail services such as the Capitol Corridor.

As HR 2095 goes through the appropriations process, the CCJPA will receive a stable source of capital federal funding to match CCJPA dollars invested in its 10-year CIP. Among other projects, it identifies funds to develop Positive Train Control (PTC) to provide enhanced safety measures to prevent collisions between passenger and freight trains on shared rail corridors.

Marketing Program

Marketing efforts in FY 2009 will continue to build awareness of the Capitol Corridor as a distinct regional service, and drive ridership to trains with available capacity. Key tactics will include radio spots, media campaigns, and a strong online presence. Additional tactics may include:

- Seasonal promotions supported by advertising
- Public relations campaigns to maximize awareness of the Capitol Corridor brand and service and increase news media coverage
- Enhancements to the Capitol Corridor website and customer communications
- Outreach and loyalty programs such as Rider Appreciation Events
- Coordination with Amtrak and Caltrans on selected events, promotions, and creative campaigns

Longer-term marketing plans include the development of more targeted promotions and outreach via a customer relationship management (CRM) program. The deployment of a CRM solution will enable the Capitol Corridor to strengthen its relationship with customers by learning about passengers' travel preferences, delivering more tailored promotions, and following up on customer service issues.

Itinerary: 2009 Legislative Agenda

The Capitol Corridor actively participates in seeking legislative solutions to enhance train service and transportation choices in Northern California.

FY 2008 Accomplishments

- **Design-Build Transit Security Projects** – AB 387 (Duvall): This bill, enacted in July 2008, allows for the use of the design-build process for transportation security projects aimed at enhancing safety, disaster preparedness, and homeland security efforts.
- **California High Speed Rail System** – AB 3034 (Galgiani): AB 3034 made various revisions to the \$9.95 billion California High Speed Rail Bond Act to be consistent with the certified environmental document adopted in November 2005. The bond funds will be split with \$9 billion for the high speed rail system and \$950 million provided to transit agencies that connect to the high speed train system. Of the \$950 million, \$190 million will be available to the State’s intercity passenger rail corridors, including the Capitol Corridor. It is anticipated that the CCJPA will receive a minimum of \$48 million to improve connections with the proposed high speed rail

system in San Jose and Sacramento. The Bond Act was approved by State voters in the November 2008 general election.

FY 2009 Action Plan

- With the passage of HR 2095, collaborate with Amtrak, the State, and other regional partners to move this reauthorization bill through the appropriations process and secure the annual federal capital funds to be made available to the CCJPA and other State-supported intercity passenger rail agencies.
- Work with Union Pacific to define a plan and secure future capital funding sufficient to meet the CCJPA’s goal for expanded train service to San Jose and Roseville/Auburn and enhanced system safety and security projects to protect employees, passengers, and facilities.
- Work with transit agencies to ensure that all State gas and sales tax funds reserved for public/mass transit purposes are not diverted to pay for other services typically financed by the State’s general funds.

Capital Investment

10 Year Planned Investment	Cost (millions)	Increase Train Capacity	Improve On-Time Performance	Serve More/ Different Destinations	Improve Passenger & Operational Safety
Additional Trainsets	\$82M	■		■	
New/Improved Stations	\$98M		■	■	■
Grade Separation Improvements	\$67M	■	■		■
Track/Signal Improvements	\$303M	■	■	■	■
Total Capital Investment	\$550M				



Closing Message

This annual report provides highlights of the Capitol Corridor passenger rail service and summarizes our operational and financial performance in fiscal 2008. We believe that our 10-year track record of strong performance, responsible financial management, operational efficiency, and excellent customer service makes us an ideal investment for public funds. Keep in mind that an investment in mass transit infrastructure is an investment in our environment, too. Our goal remains to improve the quality of life in the communities we serve by providing safe, frequent, reliable, and affordable intercity train service. On behalf of the CCJPA Board of Directors and our member agencies and partners, thank you for your ongoing support of the Capitol Corridor.



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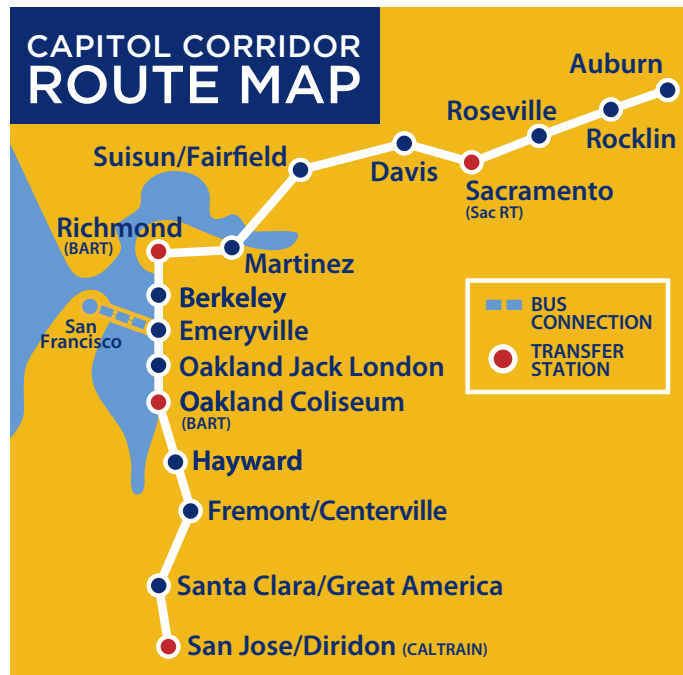
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