



Gilroy-Salinas Feasibility Study

Final Report

April 27, 2020

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Acknowledgments

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Table of Contents

1	Executive Summary	6
1.1	Framework for Analysis	8
1.2	Key Takeaways	9
1.3	Specialized Analyses	11
1.4	Recommendations and Next Steps.....	11
2	Introduction	14
2.1	Study Purpose	14
2.2	Study Background	15
3	Analysis Approach	19
3.1	Framework for Analysis	19
3.2	Service Assumptions	20
3.3	External Engagement.....	21
3.4	Internal Interviews	21
3.5	Specialized Analyses	22
4	Key Findings	24
4.1	Key Takeaways from the Internal Interviews.....	24
4.2	Results of Specialized Analyses	29
4.3	Key Cost Drivers and Considerations	29
5	Recommendations and Next Steps	34
5.1	Questions to Explore in Further Studies	35

List of Figures and Tables

Figure 1: Framework for Analysis.....	8
Figure 2: Caltrain System Map	15
Figure 3: Kick-Start Phase to Salinas	17
Figure 4: Regional Rail Network with Proposed Monterey Extension	18
Table 1: Key Takeaways from Internal Interviews.....	10
Table 2: Preliminary Conditions for JPB Operation of the Salinas Extension.....	13
Table 3: JPB Mobilization and Start-up Cost Elements	30
Table 4: JPB Operations & Maintenance Cost Elements.....	31
Table 5: Initial TAMC Cost Elements and Considerations	32
Table 6: Preliminary Conditions for JPB Operation of the Salinas Extension.....	35

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1 Executive Summary

This report presents the findings from the Gilroy-Salinas Feasibility Study. It was produced by an integrated Project Team composed of Peninsula Corridor Joint Powers Board (JPB) staff and consultants. This is the first study the JPB has conducted exploring the possibility of a service extension to Salinas (referred to as the “Salinas Extension” for brevity throughout this report). It was conducted between May and November 2019.

The Transportation Agency for Monterey County (TAMC) is planning an extension of passenger rail service from San Jose to Salinas as part of the Monterey County Rail Extension Project. TAMC serves as Monterey County’s regional transportation planning agency and is a state-designated agency responsible for planning and financial programming of transportation projects. TAMC is the state-designated rail authority for Monterey County and is provided with a number of powers related to the implementation of rail service and for connections to rail service in adjacent and neighboring counties and cities. In the *California State Rail Plan (2018)*, the California Department of Transportation (Caltrans) identified the establishment of a regional rail network on the Central Coast with connections from Santa Cruz, Monterey, and Salinas to the state-wide network at Gilroy as a critical component for the future of the Central Coast Region.¹ Both TAMC and Caltrans have requested JPB look into the feasibility of operating this service on behalf of TAMC.

The purpose of this Study is to evaluate the feasibility of using JPB trains to extend rail service to the existing Salinas Station in Monterey County. (TAMC has plans to construct a layover facility and a new platform at the Salinas Station). Specifically, this Study was focused on answering critical due diligence questions around operations, governance, and legal considerations.

This Executive Summary provides an overview of this report. It includes a summary of the Study’s analysis approach and key findings from the internal due diligence effort. It also presents recommendations for the next steps for JPB as well as key considerations for TAMC to contemplate to move the service extension forward with JPB. The full report and appendices follow the Executive Summary.

Service Assumptions

JPB provides inter- and intra-county commuter rail service (Caltrain) along the San Francisco Peninsula Corridor, including San Francisco, San Mateo, and Santa Clara counties. Caltrain serves 32 stations along the 77.2-mile route between San Francisco and Gilroy.

For the purposes of this initial analysis, the service assumptions regarding extended Caltrain service to Salinas, described below, formed the basis of all feasibility discussions.

- **The Near-Term Service Scenario** assumes that Caltrain would operate service to a future Salinas Station via the extension of the existing Caltrain Gilroy train schedule. This service would be

¹ 2018 California State Rail Plan: Connecting California. Caltrans, 2018:
<http://libraryarchives.metro.net/DPGTL/harvested/2018-California-state-rail-plan.pdf>

offered before the start of blended High-Speed (HSR) rail service on the corridor and after the electrification of the Caltrain mainline from the Tamien Station to San Francisco. Remaining locomotive haul push-pull diesel service is assumed to be the vehicle used for this service scenario. No weekend service is assumed.

- **The Long-Term Service Scenario** assumes service patterns would change after the introduction of HSR rail service and electrified service to the Gilroy Station. At this early stage of contemplation, the long-term assumption is that service would operate as a weekday shuttle between the Gilroy and Salinas stations. Passengers would then need to transfer at the Gilroy Station to a different train to “shuttle” them to the Salinas Station in the southbound direction. This change in service pattern will help support through HSR service, which would head east towards Merced/Madera after stopping at the Gilroy Station.² Northbound passengers would also need to transfer at the Gilroy Station to northbound destinations, terminating in San Francisco. Shuttle services would operate at shorter headways, especially during the peak period, to allow transfers between Salinas Station and the Gilroy Station. Diesel service is also assumed for this service scenario.

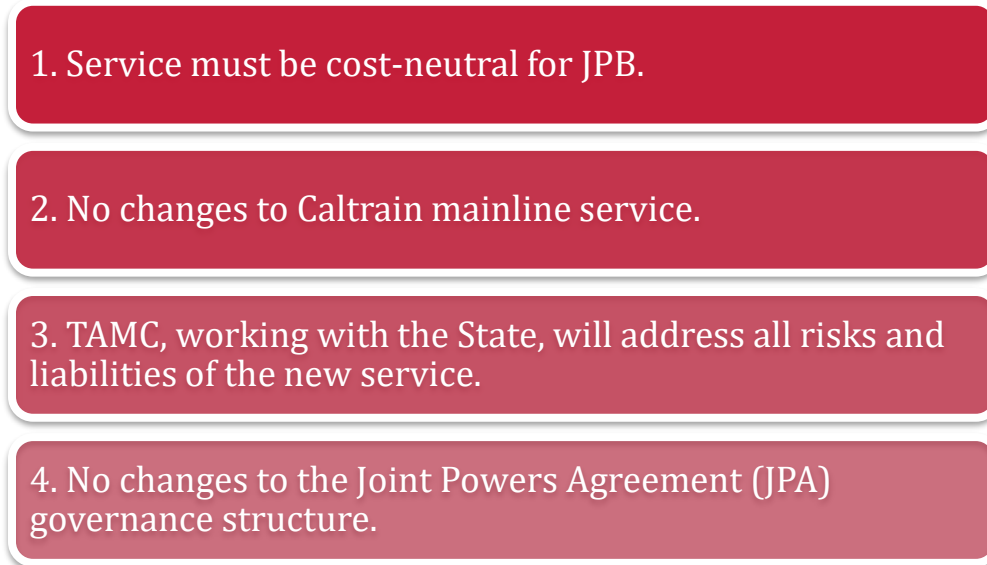
This report is focused on the near-term service scenario, as the long-term scenario is dependent on factors outside of JPB’s purview. JPB encourages TAMC to coordinate with the California High-Speed Rail Authority and other involved agencies regarding long-term service scenario scheduling and operational options.

² More information on the proposed statewide HSR alignment can be found at: https://www.hsr.ca.gov/high_speed_rail/project_sections/

1.1 Framework for Analysis

This Study is predicated on and guided by four principles, presented in Figure 1 and discussed below.

Figure 1: Framework for Analysis



1. The service must be cost-neutral for JPB.

All capital and operating costs (both direct and indirect) associated with providing the Salinas Extension must be paid by TAMC in a fee for service arrangement between JPB and TAMC to achieve cost neutrality. This arrangement would be memorialized in a contract between JPB and TAMC, which is discussed in more detail later in this report.

2. The service must cause no changes to the Caltrain mainline.

Every day, JPB is committed to providing reliable and safe Caltrain service along its mainline between San Francisco and Gilroy. Future service to Salinas must not result in any changes to the operation of Caltrain mainline service nor cause any negative impacts. Examples of negative impacts to mainline service are service delays, scheduling conflicts, strain on rolling stock deployment, and strain on staff capacity (both on-board and oversight).

3. TAMC will work with the State to assume all risks and liabilities for the new service.

Liability and risk in the case of an accident or incident is a complexity that freight and passenger rail operators must deal with daily, especially when operating on shared-use corridors. Caltrain cannot assume any liability for the TAMC service. Any future service scenarios to Salinas would require TAMC, or its designee, to hold its own railroad liability insurance per the limits set by *The Fixing America's Surface*

Transportation Act (FAST Act).³ JPB legal counsel would work to negotiate terms and conditions that limit JPB's liability in any other necessary areas of exposure, such as 13(c) liability. 13(c) is a federal labor protection statute for transit employees administered by the Department of Labor (DOL). TAMC intends to partner with the State to address these issues.

4. Service and any associated contracts must not change the Joint Powers Agreement (JPA) governance structure.

Any future arrangement between JPB and TAMC must not result in any change to the JPA structure of governance as it currently stands now or in the future. Service would be provided in a fee for service arrangement where TAMC would be a project partner rather than a JPA member.

1.2 Key Takeaways

This section summarizes key takeaways from the Study, including key highlights from internal interviews, specialized analysis efforts around design and operations, as well as next steps and recommendations for moving forward.

Internal Interviews

To better understand the possible feasibility and implications of a Salinas Extension, the Project Team conducted interviews with JPB staff across a variety of departments, as well as JPB's legal counsel team and insurance advisors. These interviews were the foundation of the due diligence process, as JPB staff are experts on how the Caltrain system and services offered to customers work today and how a new service can potentially work in the future. Table 1 presents key takeaways from the internal interviews conducted with JPB staff, organized by issue area.

³ Federal Register, Vol. 18, No. 6, January 11, 2016, "Adjustment to Rail Passenger Transportation Liability Cap," Office of the Secretary of Transportation, Department of Transportation. <https://www.govinfo.gov/content/pkg/FR-2016-01-11/pdf/2016-00301.pdf>

Table 1: Key Takeaways from Internal Interviews

Category 1: Legal, Contractual, and Governance	
1A	Agreements
	A fee for service arrangement must be the contractual arrangement between JPB and TAMC for the Salinas Extension.
	Roles and expectations should be clearly defined in the contractual agreement between JPB and TAMC, including clearly defining financial responsibility and reimbursement.
	The operation of the Salinas Extension would necessitate a contract amendment between JPB and TASI to account for an expanded scope of services.
1B	Labor Protections / 13(c)
	Legal counsel recommends full 13(c) indemnification of JPB by TAMC.
1C	Insurance and Liability
	JPB currently holds railroad liability insurance for mainline service between San Francisco and Gilroy.
	JPB would require that TAMC, in collaboration with Caltrans/CalSTA, purchase its own railroad insurance (at least \$295M) to comply with the <i>National Passenger Railroad Liability Act</i> .
1D	Positive Train Control
	JPB assumes UPRR would be responsible for PTC installation on the stretch of right-of-way between Gilroy and Salinas, as they are the owners. TAMC would need to confirm this.
	JPB would need to work with UPRR on PTC system interoperability testing between Control Point Lick in San Jose and the Gilroy Station.
Category 2: Operational and Maintenance Considerations	
2A	Crew Training, Mobilization, and Schedule
	The following training would be needed for crews before the start of revenue service to Salinas: efficiency testing, 240 engineer licenses, and territory qualifications.
	The FRA regulates several aspects of crew labor, including hours of service and periods of rest between shifts, which limits crew scheduling and hours of service options for any new services. These regulations also affect schedules and crew base locations.
	A Salinas-based crew and crew base are recommended.
2B	Rolling Stock, Storage, and Maintenance
	Caltrain has the diesel rolling stock needed to provide service to the Salinas Station.
	To be confirmed by detailed analysis, it is thought that in the short-term, the railyard and rolling stock needed to serve Salinas can be shared with Gilroy at the Gilroy Station. Additionally, in the short-term fueling of vehicles may be done at the Gilroy Station, and in the long-term at Salinas.
2C	Union Pacific Railroad Coordination
	As owners of the track between Gilroy and Salinas, UPRR is responsible for the track repair and maintenance of way, signaling, dispatch, and grade crossings.
	TAMC will need to negotiate a trackage rights agreement with UPRR.
	JPB would request an advisory role in the negotiation process between TAMC and UPRR.
2D	Fare Collection, Management, Enforcement, and Title VI
	JPB staff suggests a more detailed study in the next phase, with TAMC's involvement, to determine fares and fare collection.
	Fare or fares set for the extension must align with the Caltrain Fare Policy.
	TAMC, in collaboration with Caltrans/CalSTA, would be responsible for Title VI compliance for the new service, including an equity analysis for new service, an equity analysis for the Salinas Station, and providing a cash-fare payment option. JPB may support TAMC in this process.

Category 1: Legal, Contractual, and Governance	
	An amendment to the Codified Tariff may be needed, as the extension would represent a new service area. A public hearing would be required.
	Caltrain TVMs can be programmed to collect fares, but this would require significant coordination between JPB staff and TAMC on infrastructure, IT, financial, security logistics, and operating costs.
2E	Safety and Security
	UPRR and/or TAMC would be responsible for all right-of-way and station-based safety and security issues for the Salinas Extension.
	JPB recommends TAMC or its designee hire a security vendor and contract with local law enforcement to provide security and patrol services at the Salinas Station.
2F	Customer Service
	The majority of Salinas-specific customer service (CS) needs can be handled from JPB Headquarters by CS staff
	No new Caltrain lost and found center is recommended for Salinas due to the high overhead cost.

Source: LK Planning, HNTB, JPB, 2019.

1.3 Specialized Analyses

In addition to conducting internal interviews, the Project Team worked with JPB staff on two specialized analysis efforts:

- 1) Crews and Scheduling Operational Analysis; and
- 2) The Station Design Review.

The Operations Analysis was a high-level review to determine the feasibility of serving the future Salinas Station from a crew and scheduling perspective. In addition, the analysis helped identify key cost drivers. From a crew and scheduling perspective, the Salinas Station can be served as an extension of the existing Caltrain Gilroy train schedule. Further, more detailed analysis and coordination in the future will be necessary, as service patterns and schedules will change with the electrification of the Caltrain corridor in 2022 (expected).

For the Station Design Review effort, JPB staff reviewed the packages of drawings (at the 75 percent design level) provided by TAMC. JPB staff compared all drawing sets related to station design against Caltrain’s 2019 Engineering Standards and Track Charts. The Station Design Review is documented in a separate memorandum. It includes comments on the design packages for TAMC’s consideration as they move into the final design phase and recommendations on ADA-required amenities for the planned Salinas Station.

1.4 Recommendations and Next Steps

Through the due diligence process, the Project Team did not find any significant operational, legal, or design roadblocks that would deem the project infeasible from the JPB’s perspective (assuming that those conditions identified in Table 1 above and Table 2 below are achieved). The Project Team has concluded that an extension to Salinas is feasible for JPB within specific parameters and conditions of operation. Although the Salinas Extension is considered feasible at this initial phase of study, it would mark the first

time that JPB has entered into a fee for service arrangement for an extended period with another agency. JPB staff must work closely with legal counsel to minimize any potential risk exposure contractually as there are risks and unknowns inherent in any new service arrangement.

In terms of next steps, TAMC should formally request that Caltrain further evaluate this service extension, and JPB staff should formally update the JPB on TAMC's request. Next, TAMC would need to agree to the four foundational elements in a memorandum of understanding (MOU) with JPB in order for the project to progress to further phases of study:

1. Service must be cost-neutral for JPB;
2. No changes to the Caltrain mainline (San Francisco to Gilroy);
3. TAMC, working with the state, must address all risks and liabilities of the new service; and
4. No changes to the JPA governance structure.

TAMC and JPB Coordination

Following this initial MOU, JPB and TAMC staff would need to begin actively engaging in discussions about the parameters and conditions of service. Table 2 includes a preliminary list of conditions to be met in order for JPB to operate the new service on behalf of TAMC. The purpose of this list is to help jump-start more focused discussions between TAMC and JPB staff if the project moves forward. This list also serves as a starting point for subsequent MOUs between the two agencies.

This list was developed by the Project Team in collaboration with legal counsel during the due diligence process, with a focus on identifying areas of potential risk or challenge for the Salinas Extension. It is important to note that this list is not meant to be fully comprehensive nor representative of the full universe of possible conditions ultimately to be agreed upon by the two agencies. The Project Team expects that further discussions between legal counsel, TAMC staff, and JPB staff in the next phase(s) of study will reveal new, detailed factors for the two agencies to resolve.

Table 2: Preliminary Conditions for JPB Operation of the Salinas Extension

#	Conditions
1	TAMC must reimburse JPB for all capital, operating, and overhead costs. ¹
2	TAMC to secure or demonstrate a viable funding plan for capital and operating funding for the first five years of service, including capital costs for the Salinas Station.
3	TAMC or its designee must hold railroad liability insurance.
4	TAMC must contractually indemnify JPB for any 13(c) liability, should a claim arise.
5	Provision of service must be established in a contract between JPB and TAMC reviewed and approved by the JPB (fee for service arrangement).
6	TAMC service cannot begin until Caltrain is full electrified and stabilized. This service is estimated to be operational in 2022.
7	TAMC to negotiate and enter into the necessary agreements with UPRR. JPB staff would be advisers/monitor the process. This process includes trackage rights and positive train control obligations.
8	TAMC to agree that service to Salinas would be provided via the extension of the Caltrain Gilroy schedule.
9	TAMC and Caltrain to conduct a joint fare study that follows and is reflective of Caltrain’s Adopted Fare Policy.

Source: LK Planning, HNTB, JPB, 2019

Notes: 1. JPB considers overhead costs separate from capital and operations and maintenance costs. JPB staff would manage, coordinate, and invoice TAMC for overhead services in a yet-to-determined set of billing processes.

Internal and External Coordination

Continued coordination with various JPB departments will also be needed moving forward, including the Executive Team, Planning, Rail Operations, Communications, and Finance. The Chief Operating Officer of Rail will work with JPB staff and the Communications Department to keep external partners, such as California State Transportation Agency (CalSTA/Caltrans), the Metropolitan Transportation Commission (MTC), and JPB's member agencies, updated on the status of the project.

Post-Implementation

If the project is ultimately implemented, the Project Team recommends JPB staff conduct a thorough evaluation of service performance after the first year of revenue service.

2 Introduction

2.1 Study Purpose

The Transportation Agency for Monterey County (TAMC) is planning an extension of passenger rail service from San Jose to Salinas as part of the Monterey County Rail Extension Project. In the *California State Rail Plan* (2018), Caltrans identified Salinas extension in the near-term scenario.⁴ Both TAMC and Caltrans requested Caltrain to look into the feasibility of providing this service on behalf of TAMC. It should be acknowledged that Caltrain could not assume the service until Caltrain is in electrified service.

The purpose of the Gilroy-Salinas Feasibility Study is to evaluate the feasibility of using Caltrain trains and crews to extend rail service to the Salinas Station in Monterey County. The feasibility effort was internally focused within Caltrain to answer due diligence questions around operations, governance, and legal considerations. This report summarizes the results of the Feasibility Study, which kicked off in May of 2019 and concluded in November of 2019.

This report is organized as follows:

- **Executive Summary:** The Executive Summary provides a summary of the approach, key findings, and next steps identified as part of this Study.
- **Analysis Approach:** The Analysis Approach section presents the framework that guided Caltrain's due diligence and research efforts.
- **Key Findings:** Key findings from the internal interviews, operations analysis, and design review are presented in this section. It includes high-level cost drivers and considerations for the Peninsula Corridor Joint Powers Board (JPB) and TAMC to consider moving forward.
- **Recommendations and Next Steps:** This section presents JPB's requirements for operating the extension on behalf of TAMC, along with proposed next steps for advancing the potential extension into further phases of study and initiating inter-agency coordination.

⁴ 2018 California State Rail Plan: Connecting California. Caltrans, 2018:
<http://libraryarchives.metro.net/DPGTL/harvested/2018-California-state-rail-plan.pdf>

The Peninsula Corridor Joint Powers Board (JPB) is a joint powers authority created by a Joint Powers Agreement (JPA). The three-member agencies of the JPB are: The City and County of San Francisco, the San Mateo County Transit District, and the Santa Clara Valley Transportation Authority (VTA). The JPB has full responsibility for Caltrain passenger rail service. The JPB's Board of Directors includes representatives from San Francisco, San Mateo, and Santa Clara Counties. The JPA creating the JPB designates the San Mateo County Transit District as the Managing Agency of the JPB.⁶ For more detailed information on the history, structure, and performance of Caltrain, please reference the *FY2018-2027 Caltrain Short Range Transit Plan (2019)*.⁷ For more information on Caltrain's long-term service vision for 2040 and beyond years, please reference the Caltrain Business Plan (in-progress).⁸

About TransitAmerica Services (TASI)

The Rail Division at JPB is responsible for the day-to-day operation of Caltrain and provides direct oversight of the rail contract operator, TransitAmerica Services, Inc. (TASI). TASI began running Caltrain operations in 2012, and the term of their current contract with JPB extends through June 30, 2022. TASI employees include both union and non-union staff. Currently, 11 labor unions represent workers associated with the maintenance and operations of the rail service. These unions hold agreements with TASI. The TASI contract provides for railroad management, dispatch, safety, operations, track maintenance, signals, systems, and vehicles.

⁶ San Mateo County District (the District) staff provide administrative management for the Caltrain system, with departments providing staff support in engineering, finance, capital project development, project monitoring, planning, marketing, customer service, public and media relations, fare and schedule setting, human resources, contracts and procurement, performance monitoring, budget and grant administration, and public outreach. Some staff are dedicated to Caltrain only. Several District employees perform part of their work for Caltrain from District bus storage and maintenance bases or the Central Equipment and Maintenance Facility (CEMOF) in San Jose.

⁷ *FY2018-2027 Caltrain Short Range Transit Plan*. Peninsula Corridor Joint Powers Board, 2019: http://www.caltrain.com/projectsplans/Plans/Short_Range_Transit_Plan.html?

⁸ The Caltrain Business Plan Project Website can be viewed at: <https://caltrain2040.org/>

About TAMC

TAMC serves as Monterey County's regional transportation planning agency and is a state-designated agency responsible for planning and financial programming of transportation projects. TAMC is the state-designated rail authority for Monterey County and is provided with a number of powers related to the implementation of rail service and for connections to rail service in adjacent and neighboring counties and cities. The proposed passenger rail extension to the train station in Salinas is part of TAMC's larger Monterey County Rail Extension Project, which also envisions future phases that would include: a new station in Pajaro/Watsonville (connection to the Santa Cruz Branch Line), and a new station in Castroville (connection to the Monterey Branch Line). TAMC is proceeding with a "Kick Start" project utilizing available State funds that would accommodate initial service and track improvements at Gilroy and Salinas (Figure 3). TAMC's "Kick Start" project assumes that two of the trains now laying over in Gilroy would instead lay over in Salinas, departing Salinas early in the morning and returning late in the evening. The goal of the project is to extend the existing schedule of Gilroy trains departing northward and returning southward during peak hours Figure 4 shows the Proposed Monterey County Extension Project within the broader context of the San Francisco

Figure 3: Kick-Start Phase to Salinas



Source: TAMC, 2019.

Bay Area regional rail network. As noted earlier, UPRR owns the right-of-way (ROW) between the Gilroy Station and the planned Salinas Station. There is currently freight activity along the ROW as well as one round trip of passenger rail, the Amtrak Coast Starlight route. As owners of the ROW, UPRR is responsible for dispatch and maintenance of way activities. Passenger rail providers who intend to operate trains along this ROW must enter into a negotiation process with UPRR to develop a trackage rights agreement. For example, JPB holds a trackage rights agreement with UPRR for the ROW south of Control Point Lick to the current terminus of Caltrain service at the Gilroy Station.

Figure 4: Regional Rail Network with Proposed Monterey Extension



Source: TAMC, 2019.

3 Analysis Approach

3.1 Framework for Analysis

This Study was predicated on and guided by the four principles presented and discussed below.

1. Service must be cost-neutral to JPB.

Any future service scenarios to Salinas with JPB serving as the operator must be cost-neutral to JPB. As noted above, the JPB's Board of Directors includes representatives of San Francisco, San Mateo, and Santa Clara counties. The JPB's member agencies each contribute funds to support Caltrain's operating and capital expenditures. It would be unfair to these members to expect them to fund services beyond the existing service boundaries. Additionally, the JPB lacks a dedicated source of funding and has ongoing funding challenges. The service extension cannot place any additional strain on the JPB's budgets.

TAMC would be financially responsible for all capital and operating costs (direct and indirect) associated with the new service in a fee for service arrangement with JPB. This arrangement would be memorialized in a contract between JPB and TAMC. Any capital costs wholly associated with TAMC, such as designing, building, and maintaining the new Salinas layover facility, are fully the responsibility of TAMC. The Financial Department at JPB would be responsible for segregating the costs associated with the extension of service and creating a streamlined billing system for invoicing these costs directly to TAMC.

2. Service must cause no changes to the Caltrain mainline (San Francisco to Gilroy).

The Caltrain mainline is composed of 32 stations along the 77.2-mile route between San Francisco and Gilroy. Every day, Caltrain is committed to providing reliable and safe service along this mainline. Future service to Salinas must not cause negative impacts to the daily provision of mainline service, such as service delays, financial strain, schedule conflicts, strain on rolling stock deployment, and strain on staff capacity (both on-board and oversight).

3. TAMC, or its designee, must assume all risks and liabilities for the new service.

Liability and risk in the case of an accident is a complexity that freight and passenger rail operators must deal with, especially when operating on shared-use corridors. The Amtrak Reform and Accountability Act of 1997 set a \$200 million aggregate allowable limit on all claim awards for rail passengers against defendants.⁹ This limit was raised to \$295 million in *The Fixing America's Surface Transportation Act* (FAST Act).¹⁰ Any future service scenarios to Salinas would require TAMC, or its designee, to hold its own railroad liability insurance. JPB legal counsel would work to negotiate terms and conditions that limit JPB's liability and risk in any other necessary areas of exposure, such as 13(c) liability. 13(c) is a labor protection statute for transit employees governed by the U.S. Department of Labor (DOL).

⁹ Report to Congress: Shared-Use of Railroad Rights-of-Way. Federal Railroad Administration, July 2019. <https://www.fra.dot.gov/eLib/details/L20458>

¹⁰ Federal Register, Vol. 18, No. 6, January 11, 2016, "Adjustment to Rail Passenger Transportation Liability Cap," Office of the Secretary of Transportation, Department of Transportation. <https://www.govinfo.gov/content/pkg/FR-2016-01-11/pdf/2016-00301.pdf>

4. Service and any associated contracts must not change the Joint Powers Agreement (JPA) governance structure.

In 1987, representatives of the City and County of San Francisco, the San Mateo County Transit District, and the Santa Clara County Transit District (now the Santa Clara Valley Transportation Authority, VTA), began the effort to create the JPB to transfer administrative responsibility for Caltrain from the State to the local level. In July 1991, a JPA, signed by the three agencies, stipulated the JPB membership and powers, specified financial commitments for each member agency, delegated the District as the managing agency, and detailed other administrative procedures. Any future arrangement with TAMC will not result in a change to the JPA structure of governance. Service would be provided in a fee for service arrangement where TAMC would be a project partner rather than a new member of the JPA.

3.2 Service Assumptions

For the purposes of this initial analysis, the following service assumptions formed the basis of all feasibility discussions:

- **The Near-Term Service Scenario** assumes that Caltrain would operate service to Salinas via the extension of an existing Caltrain Gilroy train schedule. This service would be offered before the start of blended High-Speed (HSR) rail service on the corridor and after the electrification of the Caltrain mainline from the Tamien Station to Gilroy Station. Remaining locomotive haul push-pull diesel service is assumed to be the vehicle used for this service scenario. No weekend service is assumed.
- **The Long-Term Service Scenario** assumes service patterns would change after the introduction of HSR rail service and electrification to the Gilroy Station. At this early stage of contemplation, the long-term assumption is that service would operate as a weekday shuttle between the Gilroy and Salinas stations. Passengers would then need to transfer at the Gilroy Station to a different train to “shuttle” them to the Salinas Station in the southbound direction. This change in service pattern will help support through HSR service, which would head east towards Merced/Madera after stopping at the Gilroy Station.¹¹ Northbound passengers would also need to transfer at the Gilroy Station to northbound destinations, terminating in San Francisco. Shuttle services would operate at shorter headways, especially during the peak period, to allow transfers between Salinas Station and the Gilroy Station. Diesel service is also assumed for this service scenario.

This report is focused on the near-term service scenario, as the long-term scenario is dependent on factors outside of JPB’s purview. JPB encourages TAMC to coordinate with the California High-Speed Rail Authority and other involved agencies regarding long-term service scenario scheduling and operational options.

¹¹ More information on the proposed statewide HSR alignment can be found at: https://www.hsr.ca.gov/high_speed_rail/project_sections/

3.3 External Engagement

TAMC staff provided JPB staff with background project documents as well as the latest station design packages for review. They also made themselves available to answer any questions for JPB staff during the Study. However, engagement between JPB and TAMC staff during this Study was limited, as this phase of the process was mostly internally focused on conducting due diligence with JPB staff and legal counsel. Additionally, JPB staff informed representatives from the California State Transportation Agency (CalSTA) on the progress of the study throughout the process. JPB staff did not directly engage with UPRR during this Study.

3.4 Internal Interviews

The Project Team conducted interviews with JPB staff across a variety of departments to explore the feasibility and understand the implications of a potential Salinas Extension. These interviews were the foundation of the due diligence process, as JPB staff are experts on how the system and services offered to customers work today and how it could work in the future. The Project Team explored the following issue areas through the interviews:

- Customer Service
- Fare Policy, Management, and Enforcement
- Insurance and Liability
- Legal Considerations
- Labor and Mobilization
- Planning, Policy, and Governance
- Positive Train Control Compliance
- Rail Operations and Fleet Maintenance/Rolling Stock
- Operations Compliance - Federal Railroad Administration (FRA) and the California Public Utilities Commission (CPUC)
- Safety and Security
- Station Design
- UPRR Considerations

Representatives from various JPB departments contributed to these interviews, including:

- Engineering and Maintenance
- Insurance and Claims (including representatives from USI, JPB's insurance brokerage)
- Legal Counsel (Hansen Bridgett LLP)
- Marketing and Customer Service
- Planning
- Rail Operations
- Safety and Security
- Information Technology (IT)

Overall, the due diligence process was iterative. An initial set of feasibility questions within each of the 12 issues areas guided the internal interviews. At each initial meeting, the Project Team provided JPB staff with

background on the project and discussed the four principles that guiding the Study (see Section 3.1). The Project Team would then workshop the initial set of questions relevant to that department, working to formulate answers collaboratively as well as uncover any new questions or issues to be explored at subsequent meetings. If necessary, follow up meetings were scheduled with additional department representatives to continue answering questions or explore a specific issue in greater detail.

3.5 Specialized Analyses

The following sections delve into the approach for the more specialized feasibility analyses that took place as part of this Study, including:

- Crews and Scheduling Operational Analysis
- Station Design Review

Operations Analysis

A high-level analysis was conducted to determine the feasibility of serving the Salinas Station from a crews and scheduling perspective. In addition, the analysis helped identify key cost drivers. One of the key drivers of the analysis stems from FRA regulations. The FRA regulates several aspects of crew labor, including hours of service and periods of rest between shifts.¹² Crews can work a maximum of 12 hours, followed by a mandatory 10 hours off duty. The regulations include more complexities, but these two aspects are most critical for this analysis, in addition to crew base requirements.

Station Design Review

TAMC provided JPB staff with three packages of drawings for review (75% design-level). JPB staff reviewed two of the three packages, comparing all drawing sets related to station design against Caltrain's 2019 Engineering Standards and Track Charts.

Below is a quick summary of the contents of each package provided, and Caltrain's areas of focus for the review (if applicable):

- Package 1 consists exclusively of amenities, roadway, parking, and highway improvements beyond the railroad right-of-way. JPB staff did not review Package 1, as it is not related to the right-of-way or station designs.
- Package 2 depicts designs for the planned Salinas layover facility, platform and station tracks, and was reviewed in full by JPB staff.
- Package 3 depicts improvements to Caltrain's Gilroy, Morgan Hill, and Tamien Stations. JPB staff reviewed Package 3 only for the drawings related to Gilroy Station improvements. The Morgan Hill and Tamien improvements were designed with Capitol Corridor as the proposed operator, and those changes would not be required for an extension of existing Caltrain service from Gilroy to Salinas.

¹² Title 49 Code of Federal Regulations § 228.405 - Limitations on duty hours of train employees engaged in commuter or intercity rail passenger transportation: <https://www.law.cornell.edu/cfr/text/49/228.405>

This station design review memo is organized into two parts. First, JPB staff provided detailed comments on the design package, noting items that would need to be changed or clarified to be consistent with Caltrain Engineering Standards. Next, staff crafted a list of station amenities, with minimum American with Disabilities Act (ADA) requirements specifically identified. JPB staff requests TAMC consider these comments before moving into the final design phase.

4 Key Findings

This section presents the key findings from the Study, organized into three main parts: 1) key takeaways from the internal interviews; 2) results from the operations analysis; and 3) highlights from the Station Design Review. These findings informed the overall feasibility assessment of the proposed service extension to Salinas.

4.1 Key Takeaways from the Internal Interviews

This section presents key takeaways from the internal interviews conducted with JPB staff and legal counsel, organized by issue area.

Category 1: Legal, Contractual, and Governance

1A: Agreements

- A fee for service arrangement must be the contractual arrangement between JPB and TAMC for a Salinas Extension.
- Roles and expectations should be clearly defined in the contractual agreement between JPB and TAMC, including clearly defining financial responsibility for the extension and the process for TAMC to reimburse Caltrain for costs associated with operating the service, any start-up costs, and all JPB staff and consultant costs.
- Also, the operation of the Salinas Extension would necessitate a contract amendment between JPB and TASI, setting forth a scope of services to provide the new service to Salinas, along with any required changes to contract terms.
- There will be no amendments to the Joint Powers Agreement.

1B: Labor Protections / 13(c)

- Legal counsel recommends full 13(c) indemnification of JPB by TAMC pursuant to the terms of the contract between JPB and TAMC.
- If TAMC partially funds the extension with federal transit dollars, they should be aware of any possible 13(c) implications of such grant monies. JPB staff strongly encourages TAMC to seek legal counsel on 13(c) issues related to the Salinas Extension.¹³ Currently the project is 100% funded by the State.

1C: Insurance and Liability

- JPB currently holds railroad liability insurance for mainline service between San Francisco and Gilroy.

¹³ 13(c) is a federal labor protection statute for transit employees administered by the Department of Labor (DOL). Section 13(c) requires, as a precondition to any FTA grants, that the DOL certify that "fair and equitable" labor agreements are made to protect transit employees. This protective agreement is commonly referred to as a 13(c) Agreement.

- JPB would require that TAMC, in collaboration with Caltrans/CalSTA, purchase its own railroad insurance (at least \$295M to meet the *National Passenger Railroad Liability Act*). JPB would work with TAMC to discuss the potential need for TAMC to hold other types of insurance, such as property insurance (for the new Salinas layover facility) and environmental insurance. JPB would require that the JPB, its member agencies, TASI, and UPRR be additionally insured on all TAMC insurance policies.

1D: Positive Train Control

- Positive Train Control (PTC) is an advanced command, control, communications, and information system designed to prevent train accidents by controlling train movements. PTC systems improve railroad safety by significantly reducing the probability of collisions between trains, reducing casualties to roadway workers and damage to their equipment, and speeding accidents.¹⁴
- As mandated by the *Rail Safety Improvement Act of 2008*, all U.S. operators must have a certified PTC system by December 2020.¹⁵ PTC would be required on the right-of-way between Gilroy and Salinas. JPB assumes that UPRR would be responsible for PTC installation on this stretch of right-of-way, as they are the owners. TAMC would be required to confirm PTC compliance with UPRR.
- The Caltrain mainline between San Francisco and San Jose Tamien will be PTC-compliant by 2020.
- Overall, there are three equipment components to PTC: 1) on-board, 2) back-office/dispatch, and 3) wayside. Wayside equipment includes radios and wayside indication units (WIUs) for communication. All Caltrain diesel-multiple units have PTC-equipment installed onboard. Any back-office/dispatch and wayside equipment for the service extension must be compliant with Caltrain's on-board equipment.
- JPB would need to work with UPRR on PTC system interoperability testing between Control Point Lick and the Gilroy Station to ensure compatibility. A process to do this is already in place, as JPB staff has been coordinating on a similar effort with UPRR between Control Point Lick and the Gilroy Station on UPRR-owned right-of-way.

Category 2: Operational and Maintenance Considerations

2A: Crew Training, Mobilization, and Schedule

- Through the Code of Federal Regulations (CFR), FRA regulates railroads, including several aspects of crew labor, like hours of service and periods of rest between shifts.¹⁶ Crews can work a maximum of 12 hours, followed by a mandatory 10 hours off duty. Among other requirements, these regulations have implications for how TASI crews are staffed and scheduled by JPB staff.
- Labor capacity to serve Salinas is entirely dependent on crew scheduling and hours of service for the extension.
- TAMC should establish a Salinas Crew Base, which would entail a new physical building with specific amenities for crews.

¹⁴ Positive Train Control Legislation and Regulations, Current Initiatives, FRA: <https://www.fra.dot.gov/Page/P0564>

¹⁵ Title 49 Code of Federal Regulations, § 236.I – Positive Train Control Systems: <https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=e6d522db02b2b7be91220df2f0f09de7&rgn=div5&view=text&node=49:4.1.1.1.30&idno=49#49:4.1.1.1.30.9>

¹⁶ Title 49 Code of Federal Regulations § 228.405 - Limitations on duty hours of train employees engaged in commuter or intercity rail passenger transportation: <https://www.law.cornell.edu/cfr/text/49/228.405>

- The following training would be needed for crews before the start of revenue service to Salinas: efficiency testing, 240 licenses for locomotive engineers, and territory qualifications.¹⁷ Efficiency training is compliance testing over the entire ROW between Gilroy and Salinas. All crew members' 240 locomotive engineer licenses need to be kept up-to-date and new licenses would need to be approved for any new hires. Territory qualification entails an engineer to operate a train along the new route for familiarization and, ultimately, qualification to operate on the right-of-way between Gilroy and Salinas.

2B: Rolling Stock, Storage, and Maintenance

- JPB has the diesel rolling stock needed to provide service to the Salinas Station. Trains would be overhauled as needed to extend their lifespans. More detail on the existing rolling stock can be found in the *FY2018-2027 Caltrain Short-Range Transit Plan*.¹⁸
- If trains are dedicated only to the Salinas Extension, a total of three consists is recommended, including one spare. This equates to 15 passenger cars (to form 6-car consists), three locomotives, and three cab cars. A railyard at the Salinas Station would be used for overnight storage.
- An overnight maintenance crew would be needed for everyday maintenance and cleaning of equipment at the Salinas Station.
- Equipment would need to travel up to Caltrain's Central Equipment and Maintenance Facility (CEMOF) in San Jose every few weeks for regularly scheduled repairs.
- A separate fueling truck would need to service vehicles at the Salinas Station.
- To be confirmed by detailed analysis, it is thought that in the short-term, the railyard and rolling stock needed to serve Salinas can be shared with Gilroy at the Gilroy Station. Additionally, in the short-term fueling of vehicles may be done at the Gilroy Station, and in the long-term at Salinas.

2C: Union Pacific Railroad Coordination

- UPRR owns the track between Gilroy and Salinas. As owners, UPRR is responsible for the: track repair and maintenance of way, signaling, dispatch, and grade crossings. UPRR is responsible for installing PTC on its right-of-way. Grade crossings are regulated by the FRA and, in California, by the CPUC.
- Passenger rail operators that run trains along this right-of-way need to enter into a trackage rights agreement with UPRR. For example, JPB holds a trackage rights agreement with UPRR between Control Point Lick and the Gilroy Station. In the case of the Salinas Extension, TAMC would need to enter into a trackage rights agreement with UPRR. TAMC should take the lead on negotiating and executing such an agreement, which would likely require regulatory approval from the federal Surface Transportation Board.

¹⁷ "240 Licenses" refers to a federally-mandated locomotive engineer licensing and certification program pursuant to the Rail Safety Improvement Act of 1988 (Public Law No. 100-342, § 4, 102 Stat. 624, 625-27) More information is available in the Federal Register: <https://www.federalregister.gov/documents/2008/12/31/E8-31062/qualification-and-certification-of-locomotive-engineers-miscellaneous-revisions#p-13>

¹⁸ Caltrain Short-Range Transit Plan FY 2018-2027, JPB, June 2019:
[http://www.caltrain.com/Assets/ Planning/Caltrain+SRTP+-+FY18-27+-+Adopted.pdf](http://www.caltrain.com/Assets/Planning/Caltrain+SRTP+-+FY18-27+-+Adopted.pdf)

- JPB staff and Legal Counsel would like to serve as advisers in the negotiation process between TAMC and UPRR, and closely monitor the terms of the trackage rights agreement under which they would be operating service on TAMC's behalf.

2D: Fare Collection, Management, Enforcement, and Title VI

- Overall, JPB staff suggests a more detailed future study with TAMC's involvement to determine the fares for this service extension. Fares set for the extension must align with the Caltrain Fare Policy.¹⁹ Fares should be evaluated in terms of the broader objectives and goals of the extension, as well as the type of customer TAMC would be serving and trying to attract.
- For reference, Caltrain fares are currently calculated based on distance, according to zones that are approximately 13-miles in length. There are three zones between the Gilroy Station and the Salinas Station.
- Because TAMC exists outside of the Metropolitan Transportation Commission (MTC) jurisdictional area, offering Clipper Cards will require discussion between TAMC and MTC. Currently, there are no locations in Monterey or Santa Cruz County to reload Clipper cards.
- Title VI of the Civil Rights Act of 1964 protects people from discrimination based on race, color, and national origin in programs and activities receiving federal financial assistance. As recipients of FTA funding, JPB must comply with Title VI regulations. JPB maintains a Title VI Compliance Program, which was most recently approved by the JPB Board in November 2016, with the next update expected in November of 2019.²⁰
- Before service begins to Salinas, TAMC, in collaboration with Caltrans/CalSTA, would need to conduct a study to determine their requirements under Title VI. It needs to be determined if the extension would be treated as a separate new service or an extension of the Caltrain service which may have different requirements.
- Per Title VI requirements, TAMC must provide a way for people who do not have a cell phone or credit card to pay cash payment for fares. The purchase location(s) does not need to be on-board trains or at the station. A retail location, such as a convenience store, can sell fare media for cash and satisfy this requirement.
- The Caltrain Fare Structure (known as the Codified Tariff) does not currently include Salinas.²¹ If service were to be extended to this station, the tariff would need to be amended to include the Salinas Station and its zone placement along the Caltrain line, fare products to be offered (i.e., monthly, day-pass, etc.), and the price of each fare product. Amending the tariff requires a public hearing.
- Caltrain Ticket vending machines (TVMs) can be programmed to collect fares for the Salinas Extension. If Caltrain TVMs are used, Caltrain's IT department and TVM Maintenance Team would need to coordinate further with TAMC on infrastructure requirements on the platform and equipment servicing.

¹⁹ Caltrain Fare Policy. JPB, 2018: [http://www.caltrain.com/Assets/ Planning/Caltrain+Fare+Study/Caltrain+Fare+Policy+-+Adopted+12-6-18.pdf](http://www.caltrain.com/Assets/Planning/Caltrain+Fare+Study/Caltrain+Fare+Policy+-+Adopted+12-6-18.pdf)

²⁰ Caltrain Title VI Compliance Program: <http://www.caltrain.com/riderinfo/TitleVI.html>

²¹ Caltrain Codified Tariff, JPB, 2017: <http://www.caltrain.com/Fares/farestructure.html>

- Caltrain TVMs accept cash payment. However, this requires vaulting services and increased security on the platforms, as robberies of TVM vaults have occurred, especially at low-frequency stations. Vaulting services refers to secure cash collection/treasury services. A vendor using an armored cash collection vehicle traveling from station to station typically provides this service.
- Also, if TVMs are used for fare collection for the extension, it will be necessary to have further discussions as to how this fare revenue is to be managed by Caltrain and credited to TAMC.
- TAMC, or its designee, would be responsible for parking management and pricing at the Salinas Station.

2E: Safety and Security

- All right-of-way and station-based safety and security issues for the Extension would be handled by UPRR and TAMC, consistent with Caltrain's policies.
- As owners of the right-of-way, UPRR is responsible for securing the track, such as fencing along the track and maintaining designated emergency access points. TAMC would need to work with UPRR on the specifics around securing the track if any right-of-way upgrades are needed for increased passenger rail service (beyond what is in place today for Amtrak's Coast Starlight Route).
- TAMC, or its designee, will be responsible for security at the Salinas station. In terms of providing security personnel, TAMC has several options. They can hire a third-party vendor, UPRR security, and/or enter into a contract with a local police department. Contracting with local police is recommended even with a third-party vendor in place. The local police and any third-party security vendor(s) would need to be trained for rail-specific issues. JPB staff and TASI would want to be informed on the security arrangements in place so on-board crews can communicate with the appropriate personnel should an on-board incident arise between Gilroy and Salinas.
- The following is a list of safety and security considerations for TAMC to consider at the Salinas Station, in some cases with UPRR involvement:
 - Eliminate any line of sight issues as engineers approach signals and crossings (e.g., operations issue, track inspection);
 - Confirm radio towers have a strong signal to communicate with Caltrain's control center;
 - Ensure access for emergency responders on the right-of-way.
 - Conduct a Threat Vulnerability Analysis at the station needed during the design/build stage;
 - Conduct a Job Hazard Analysis of the rolling stock and crews (during the design phase);
 - Consider a closed system at this station if possible; and
 - Offer emergency first responders training for any train incidents. JPB staff conducts an annual training, and Monterey County/City of Salinas first responders can be invited to this event.

2F: Customer Service Questions

- The majority of Salinas-specific customer service (CS) needs can be handled from Caltrain Headquarters by CS staff. They are available from 7:00 AM to 7:00 PM on weekdays, and 8:00 AM to 5:00 PM on weekends and holidays.
- CS staff can handle Salinas-related calls but would need some additional training for Salinas-specific questions.

- On-board needs, such as stocking paper take-ones, can be handled with the assistance of on-board TASI staff.
- No new lost and found center is recommended for Salinas. Customers would need to travel to San Jose, San Carlos, or San Francisco to pick-up their item. If an emergency item is lost, such as prescription medication or a personal medical device, TASI would address quickly per standard Caltrain procedure in these situations.

4.2 Results of Specialized Analyses

As discussed in Section 3.5, JPB staff conducted a high-level operational review to determine the feasibility of serving the Salinas Station from a crew and scheduling perspective. The analysis helped identify key cost drivers. From a crew and scheduling perspective, the Salinas Station can be served as an extension of the existing Caltrain Gilroy train schedule. TAMC should include a Salinas Crew Base at the Salinas Station to serve Salinas-based crews in the future. More detailed operations analysis and coordination between JPB staff and TAMC staff in the future will be necessary, as service patterns and schedules will change with the electrification of the Caltrain corridor in 2022 (expected).

The results of the Station Design Review can be found in Appendix A. Details on the mini-high platforms recommended for ADA accessibility at the stations are also included in Appendix A.

4.3 Key Cost Drivers and Considerations

This Study did not include cost estimating for capital or operating costs. However, the Project Team developed a list of key cost drivers that can be used in further phases of study to help inform cost estimating efforts. The focus of developing the key cost drivers at this phase of study was to identify critical cost elements for JPB as well as critical cost elements for TAMC's consideration. JPB direct costs are categorized into Mobilization and Start-up Capital Cost Elements (Table 3) and Operations and Maintenance Cost Elements (Table 4). It is assumed these costs would be isolated, along with the indirect costs of the service, and passed on to TAMC in a fee for service arrangement. TAMC-only costs are categorized by issue area (Table 5) and include other considerations, such as federal clearances and UPRR coordination. These types of costs should be viewed as preliminary and not exhaustive.

Table 3: JPB Mobilization and Start-up Cost Elements

Item		Comments and Contingencies
Mobilization and Training		
1	Territory Qualification training for all TASI engineers	Required to operate in new territory between Gilroy and Salinas.
2	Efficiency Training	Compliance testing over the entire alignment.
3	CFR 240 Engineer Licenses	Required for any new hire engineers that would work on a crew to/from Salinas.
Fare Management		
4	Joint Fare Study	Joint study with TAMC recommended.
5	Public Hearing to amend Codified Tariff	Materials and labor costs if public hearing is required.
Systems Costs		
6	PTC interoperability testing between JPB and UPRR	Can replicate process currently being conducted between Control Point Lick and Gilroy involving JPB staff and UPRR.
Labor		
7	Legal Counsel for TASI negotiations	
8	Legal Counsel for TAMC negotiations	This would also include advising on UPRR negotiations.
9	JPB staff coordination	Coordination with TAMC, Union Pacific, TASI, CalSTA, and other external stakeholders.
10	Finance oversight and billing	New process needed to separate costs and bill TAMC.

Source: LK Planning, HNTB, JPB, 2019.

Table 4: JPB Operations & Maintenance Cost Elements

Item		Comments and Contingencies
Labor and Vendors		
1	New/extended crew hours labor costs	Crews would work longer hours to accommodate service to Salinas from Gilroy.
2	“Deadhead” crew shuttle costs	Costs to shuttle crews back to CEMOF at the end of each shift.
3	Overnight maintenance crew	Share crew with Gilroy/or new crew
4	TVM monthly and emergency maintenance	Labor and materials if TVMs used at Salinas Station.
5	Annual First Responders Training	Standard across the mainline. Conducted annually. Local Law Enforcement would be invited from Monterey County.
6	JPB staff coordination and oversight	Labor and any new hire costs. Includes additional Customer Service and Lost and Found labor and materials.
Vehicle Maintenance ²²		
7	Fuel	Location TBD
8	Daily maintenance	JPB can isolate a percentage of costs for TAMC to cover.
9	Major vehicle parts and maintenance, including any vehicle overhauls.	Regular maintenance conducted at CEMOF about once per month. JPB staff would need to isolate state of good repair fees.
10	Recycling/trash disposal services (on-board)	On-board train trash and recycling processing fees.
Systems Costs		
11	PTC back-office facilities shared use	JPB would isolate costs as a percentage of equipment use and labor for TAMC reimbursement.

Source: LK Planning, HNTB, JPB, 2019.

²² Further discussion regarding the isolation of costs will be required, and should include Caltrans as well.

Table 5: Initial TAMC Cost Elements and Considerations

Item		Comments and Contingencies
Federal Clearances		
1	FRA clearances and plan updates	Rail Activation Plan possibly required. (This plan details how to stand up new service).
Title VI Compliance		
2	Title VI Equity Analysis for new service	
3	Title VI Site Equity Analysis for new station (Salinas)	
UPRR Coordination and ROW Access		
4	Trackage rights agreement negotiations	TAMC to conduct directly with UP. JPB would want to be advisers/monitor the process as the operator.
5	PTC equipment and maintenance	Coordinate with UPRR on the process and any fees for use. JPB would conduct interoperability testing.
6	ROW services for track repair and maintenance of way, signaling, dispatch, and grade crossing maintenance/access	To be handled by UP and worked into the trackage rights agreement.
7	Track construction/rehabilitation	As needed.
8	Grade crossing rehabilitation	As needed.
9	Emergency access points for first responders along ROW	TAMC to discuss with UPRR.
Insurance and Liability		
10	Railroad Liability Insurance	At least \$295M to meet the National Passenger Railroad Liability Act.
11	Property Insurance	Property insurance recommended for Salinas Station.
12	Environmental Insurance	Potentially needed. TAMC to consult their insurance advisors.
Capital Costs for Salinas Station		
13	Construction of station platform	
14	Track construction	
15	Crew quarters/base	TBD to determine appropriate facilities provided to crews.
16	Salinas layover facility/Railyard	Coordinate with JPB on appropriate sizing and design.
17	TVMs	Two would be needed if TVMs ultimately are used at this station.
18	Data line and power conduits for TVMs	Only needed if TVMs are installed and used for fare collection.
19	Wiring cabinets	Only needed if TVMs are installed and used for fare collection.
20	AT&T installation costs	Only needed if TVMs are installed and used for fare collection.
21	Visual Messaging Signs (VMS)	JPB can provide specifications to TAMC for interoperability.

Item		Comments and Contingencies
22	Bike lockers	
23	ADA station equipment and signage	See Appendix A for full list.
24	Wayfinding signage	
Safety and Security at Salinas Station and along ROW		
25	CCTV at stations	Above TVMs is the most critical location, if used.
26	Gates	Trains and TVMs must be kept secured.
27	Blue buttons for emergency assistance	Locate on platforms.
28	Crime Prevention through Maintenance and Design Study	To be conducted during design/build phase.
29	Threat Vulnerability Analysis Study	To be conducted during design/build phase.
Labor and Vendors		
30	Security Vendor	Allied Security is an option. Union Pacific Security may also be an option.
31	Local Law Enforcement Contracting	JPB has a contract with the San Mateo County Sheriff's Department. A similar arrangement is recommended in Monterey County or City of Salinas law enforcement with TAMC choosing its designee.
32	Janitorial services	TAMC or its designee responsible to clean and maintain station area.
33	Parking Enforcement Team	TAMC or its designee responsible for Salinas Station parking lot.
34	Legal Counsel Services	For various contract negotiations, including with JPB, as well as Title VI and 13(c) liability.
35	Insurance Advisors/Brokerage	
36	Rail Operations Specialist	Specialist(s) needed to coordinate with JPB Rail Operations Manager and team.

Source: LK Planning, HNTB, JPB, 2019.

5 Recommendations and Next Steps

Through the due diligence process, the Project Team did not find any significant operational, legal, or design roadblocks that would deem the project infeasible. The Project Team has concluded that an extension to Salinas is feasible for JPB within specific parameters and conditions of commercial and operational nature. Although the Salinas Extension is considered feasible at this initial phase of study, it would mark the first time in recent history that JPB has entered into a fee for service arrangement for an extended period with another agency. JPB staff must work closely with legal counsel to minimize any potential risk exposure contractually as there are risks and unknowns inherent in any new service arrangement.

In terms of next steps, TAMC should formally request that JPB further evaluate this service extension, and JPB staff should update the JPB Board of Directors on TAMC's request. Next, TAMC would need to agree to the four foundational elements in a memorandum of understanding (MOU) with JPB in order for the project to progress to further phases of study:

1. Service must be cost-neutral for JPB;
2. No changes to the Caltrain mainline (San Francisco to Gilroy);
3. TAMC, working with the state, must assume all risks and liabilities of the new service; and
4. No changes to the Joint Powers Agreement (JPA) governance structure.

TAMC and JPB Coordination

Following this initial MOU, JPB and TAMC staff would need to begin actively engaging in discussions about the parameters and conditions of service. Table 6 includes a preliminary list of conditions to be met in order for Caltrain to operate the new service on behalf of TAMC. The purpose of this list is to help jump-start more specialized discussions between TAMC and JPB staff if the project moves forward. This list also serves as a starting point for subsequent MOUs between the two agencies.

The list in **Table 6** was developed by the Project Team in collaboration with legal counsel during the due diligence process, with a focus on identifying areas of potential risk or challenge for the Salinas Extension. It is important to note that this list is not meant to be comprehensive nor representative of the full universe of possible conditions to be ultimately agreed upon between the two agencies. The Project Team expects that further discussions between legal counsel, TAMC staff, and JPB staff in the next phase(s) of study will reveal new, detailed factors to be resolved between the two agencies.

Internal and External Coordination

In addition, continued coordination with various JPB departments will be needed, including the Executive Team, Planning, Rail Operations, Communications, and Finance. The Chief Operating Officer of Rail will work with JPB staff and the Communications Department to keep external partners, such as CalSTA/Caltrans, the MTC, and JPA partner agencies, updated on the status of the project.

Post-Implementation

If the project is ultimately implemented, the Project Team recommends that a thorough evaluation of service performance is conducted after the first year of revenue service.

Table 6: Preliminary Conditions for JPB Operation of the Salinas Extension

#	Conditions
1	TAMC must reimburse JPB for all capital, operating, and overhead costs. ¹
2	TAMC to secure or demonstrate a viable funding plan for capital and operating funding for the first XX years of service, including capital costs for the Salinas Station.
3	TAMC must hold its own railroad liability insurance.
4	TAMC must contractually indemnify JPB for any 13(c) liability, should a claim arise.
5	Provision of service must be established in a contract between JPB and TAMC reviewed and approved by the JPB (fee for service arrangement).
6	TAMC service cannot begin until Caltrain is full electrified and stabilized. This service is estimated to be operational in 2022.
7	TAMC to negotiate and enter into the necessary agreements with UPRR. JPB staff would be advisers/monitor the process.
8	TAMC to agree that service to Salinas would be provided via the extension of the Caltrain Gilroy schedule.
9	TAMC and Caltrain to conduct a joint fare study that follows and is reflective of Caltrain’s Adopted Fare Policy.

Source: LK Planning, HNTB, JPB, 2019.

Notes: 1. JPB considers overhead costs separate from capital and operations and maintenance costs. JPB staff would manage, coordinate, and invoice TAMC for overhead services in a yet-to-determined set of billing processes.

5.1 Questions to Explore in Further Studies

In the process of conducting internal interviews with JPB staff, some issues arose that the Project Team felt was more appropriate to explore in later phases of Study, in coordination with TAMC. These issues are discussed below. Also, JPB staff urges TAMC to closely review the list of considerations detailed in Table 5 of Section 4.4 of this Study.

Fare Enforcement: The Salinas Extension would be the first time Caltrain is operating in Monterey County. TAMC would need to establish a formal process for fare oversight within this new territory and establish a means to resolve any legal disputes within the Superior Court of Monterey County. In addition to consideration of relevant Penal Code statutes, TAMC would need to consider adopting fare enforcement ordinance(s), a process for issuing fare citations, and coordinate with the Superior Court with regard to adjudicating any fare violations.

Local law enforcement contracting: JPB currently contracts with the San Mateo County Sheriff's Department to provide law enforcement on the Caltrain mainline between San Francisco and Gilroy, also known as Transit Police Bureau. The Bureau is responsible for policing all Caltrain rail equipment, stations, right-of-way, and facilities throughout San Francisco, San Mateo and Santa Clara counties. The Transit Police are also responsible for the investigation of crimes, collisions, accidents, and deaths involving Caltrain passenger trains. They also provide extra security at special events, projects, and investigations as needed.²³ Additional security is provided by a vendor, Allied Security. However, given the distance to Salinas, it is neither feasible nor financially prudent for the San Mateo County Sheriff's Department to provide coverage.

As a result, JPB strongly recommends TAMC develop a relationship with local law enforcement to provide similar services within Monterey County ROW and at the Salinas Station. JPB would like to be informed on the security arrangements in place so on-board crews can communicate with the appropriate personnel should an on-board incident arise between Gilroy and Salinas.

Specialized Fare Study: The process of setting fares involves many variables. TAMC and JPB should collaborate on a deeper dive analysis into setting fares for the Salinas Extension. Caltrain recently completed a comprehensive Fare Study, which can provide a useful framework for starting discussions with TAMC.²⁴ JPB asks that the specialized fare study for the Salinas Extension is reflective of Caltrain's Adopted Fare Policy.²⁵

Train Scheduling: In the future, JPB would need to determine the exact run time for Salinas to Gilroy and Gilroy to Salinas to calculate the precise timing of deadhead moves and departure/arrival times at the Salinas Station. This can be achieved through coordination with UPRR or running a special train operated by a territory-qualified engineer to gather this information in the field. As the Caltrain schedule changes over time, especially post-electrification, the scheduling recommendations for the Salinas trains will change. As a result, more detailed scheduling analysis is recommended in further phases of study in coordination with TAMC and UPRR.

Station Design: The Station Design Memorandum included in Appendix A is considered a starting point for discussions between JPB's Engineering Department and TAMC's design team. Further discussions and coordination will be needed as designs for the Gilroy and Salinas Stations move forward.

Long-Term Service Scenarios: Passenger rail at a regional and state-wide scale will likely look very different in the coming decades, involving many agencies, funding partners, and network connectivity opportunities not yet known at the time of conducting this Study. Given these unknowns, JPB encourages TAMC to coordinate with the California High-Speed Rail Authority and other involved agencies regarding long-term service scenario scheduling and operational options to the Salinas Station.

²³ Transit Police Bureau, San Mateo County Sheriff's Office: <https://www.smcsheriff.com/patrol-services/transit-police-bureau>

²⁴ Caltrain Fare Study, JPB, 2018:

<http://www.caltrain.com/Assets/Planning/Caltrain+Fare+Study/Caltrain+Fare+Study+Draft+Phase+1+Report.pdf>

²⁵ Caltrain Fare Policy, JPB, 2018: <http://www.caltrain.com/Assets/Planning/Caltrain+Fare+Study/Caltrain+Fare+Policy+-+Adopted+12-6-18.pdf>