



**ITEM ID:** 2023-235-0

**TRANSMITTAL DATE:** June 2, 2023

**MEETING DATE:** June 9, 2023

**TO:** Executive Committee

**FROM:** Paul Hubler, Chief Strategy Officer

**SUBJECT:** Cooperative Agreement for Continuance of Rail-2-Rail (R2R) Program with the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Corridor Agency and the National Passenger Railroad Corporation

### **Issue**

The current Rail-2-Rail (R2R) Agreement with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN) and the National Passenger Railroad Corporation (Amtrak) was last extended to June 30, 2023. A new Cooperative Agreement is needed to continue the R2R program.

### **Recommendation**

It is recommended that the Committee recommend the Board authorize the Chief Executive Officer to negotiate and execute an amendment which extends Agreement No. L-9-0006 between LOSSAN, the Southern California Regional Rail Authority (Authority), and Amtrak to continue the Rail-2-Rail (R2R) program for a six-month term through December 31, 2023, for a total maximum amount of \$200,000.

### **Strategic Commitment**

This report aligns with the Strategic Business Plan commitment of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This agreement advances a partnership between the Authority and LOSSAN that creates opportunities for reciprocal travel that is

greater than each of their separate services.

## **Background**

The R2R program was initiated in 2003 through a cooperative agreement between the California Department of Transportation (Caltrans), the Authority, and Amtrak. The R2R program was intended to leverage available capacity on the Pacific Surfliner for the mutual benefit of both the Authority and the Pacific Surfliner by providing additional capacity for Metrolink passengers at a time when the Authority needed capacity and had no options to provide it.

The program also intended to help increase ridership and fare revenue on the Pacific Surfliner by carrying Metrolink passengers. The more prominent expression of R2R is a mutual pass acceptance between the Pacific Surfliner and Metrolink on the lines that follow the LOSSAN Corridor – the Orange County Line, most of the Ventura County Line, and portions of the Antelope Valley Line, 91/Perris Valley Line, and IEOC Line that share stations with those lines. R2R allows Pacific Surfliner and Metrolink monthly passholders to utilize either service within the limits of their valid ticket at no additional charge and provides for a reciprocal use for Pacific Surfliner passengers.

Currently, the R2R program allows the Authority to offer up to 24 additional daily trips to its monthly passholders at a fraction of the cost to provide that service independently. A secondary expression of the R2R Program is the concept of shared services or “Codeshare”. With the “Codeshare” concept, certain trips of the Pacific Surfliner operate as if they are also Metrolink trains. They are included on the Metrolink schedule and accept all Metrolink fare media to ride. This type of arrangement was initiated in 2005 and applied to one trip in each direction on the portion of the LOSSAN corridor between Los Angeles Union Station and Ventura County (parallel to the Ventura County Line), under the name “Shared Services.” In October 2021, this was extended to a second roundtrip to support a LOSSAN schedule change that impacted Metrolink schedules and renamed “Codeshare” to improve passenger understanding. Because “Codeshare” trains are effectively treated as part of the Metrolink schedule, the effectiveness of Metrolink fare media is not subject to black-out dates.

In the last three full fiscal years before the pandemic (FY17, FY18 and FY19), an average of 302,049 Metrolink riders per year took advantage of the R2R Program. This equated to about 25,171 passengers per month. The next two fiscal years demonstrate the impact to ridership and R2R usage. FY20, which had a little more than one quarter affected by the pandemic, saw annual R2R usage drop to 192,001. FY21 was entirely affected by the pandemic and had a total of 12,184 R2R uses in the year. The FY21 monthly average of 1,015 passengers per month was less than 5% of prior monthly averages. Usage has climbed in FY22 as COVID-19 pandemic restrictions have lifted from 1,567 in July 2021 to 5,192 in April 2022. These counts, however, are still much lower than pre-pandemic trends. When R2R started, the Authority reimbursed Amtrak \$2.20 per boarding. In 2015, this rate more than doubled to \$4.50.

On March 18, 2019, the LOSSAN Board of Directors approved Cooperative Agreement L-9-0005, which extended the R2R Program between the Authority and Amtrak for a term of one year through June 30, 2020. The reimbursement rate was recommended to be \$7.00 per boarding with an annual cap of \$2,400,000 between July 1, 2019, and June 30, 2020. In October 2020, the agreement was amended to extend the program until June 30, 2021, and

subsequently the agreement was amended two additional times to extend the expiration date to June 30, 2023, and add a second roundtrip to the rechristened Codeshare program.

## **Discussion**

The Authority and LOSSAN have since continued to explore ways in which the agreement could be improved. One area explored was changes to service blackout periods. It was thought that, with pandemic ridership lower than previous levels, blackout dates could be suspended and that a crowding threshold to re-institute a blackout date could be developed. Eventually, LOSSAN decided to continue the blackout dates given a potential for overcrowding due to robust ridership recovery with the Pacific Surfliner services, which was less dependent on commuters as a share of their total ridership.

The discussions between LOSSAN and the Authority staff eventually focused on the addition of Pacific Surfliner Trains to the Codeshare status. The proposed extension agreement clarifies the status of Codeshare trains. It also clarifies the extension of Codeshare fare media acceptance to the station located adjacent to the Ventura County Fairgrounds so long as the Authority adds that station to its fare table and sells fares to that location. The proposed agreement incorporates these clarifications to Codeshare service. It recommends continuation of the program with these changes but otherwise as-is until December 31, 2023, at the same \$7.00 per boarding rate, up to a maximum budgeted amount of \$200,000, while SCRRA and LOSSAN continue and finalize negotiations around potential changes to the Codeshare offering.

Once negotiations have been concluded SCRRA staff will return to the Board to update the agreement and incorporate the Codeshare negotiated terms. The goal is to conclude negotiations in the next couple of months; the six-month agreement extension is to prevent a gap in service as negotiations continue.

## **Budget Impact**

The amount for which contract authority is requested (\$200,000) is included in the Proposed Operating Budget for FY 24 and is consistent upon its anticipated adoption at the June 23, 2023, Board meeting.

## **Next Steps**

Staff will continue to work with LOSSAN and Amtrak to pursue refinements to fare enforcement data transfer, fare reimbursement rates, trains to be included in the Codeshare arrangement, and dates subject to blackout provisions to contribute to a new replacement cooperative agreement that will take effect prior to the end of FY24.

In the meantime, staff recommends that the Board authorize the CEO to negotiate and execute the option contained therein Cooperative Agreement No. L-9-0006 (Attachment A) to continue the Rail-2-Rail Program for a term of six months, through December 31, 2023, for a total contract value of \$200,000. Once negotiations are finalized staff will return to the Board by December 2023 for approval to incorporate negotiated Codeshare terms to the R2R

agreement.

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Approved by: Paul Hubler, Chief Strategy Officer

**Attachment(s)**

[Attachment A - AgreementL-9-0005 Amendment 5](#)