

AMENDED IN ASSEMBLY JUNE 26, 2012

AMENDED IN SENATE MAY 1, 2012

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL

No. 1117

Introduced by Senator DeSaulnier

February 17, 2012

An act to ~~add Section 14521.5 to amend Sections 14036 and 14522~~ of the Government Code, and to add Section 185033.1 to the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1117, as amended, DeSaulnier. ~~Statewide passenger rail transportation plan.~~ *Passenger rail: planning.*

Existing law creates the California Transportation Commission, with various powers and duties relating to the programming and allocation of certain funds available for transportation capital improvement projects and various other transportation policy matters, *and authorizes the commission to develop guidelines for preparation of regional transportation plans.* Existing law creates the Department of Transportation with various powers and duties relating to the state highway system and other transportation modes, including the authority to contract for conventional rail passenger service. Existing law requires the department to prepare a 10-year State Rail Plan on a biennial basis, *with both passenger and freight rail elements.* Existing law creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties, including preparation of a business plan on a biennial basis. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st

Century, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes.

~~This bill would require the California Transportation Commission to prepare a statewide passenger rail transportation plan relative to conventional and high-speed intercity passenger rail, commuter rail, and urban rail transit containing various elements. The bill would require the Department of Transportation to assist the commission, as specified. The bill would require the commission to adopt the plan by September 2014, and update the plan every 4 years thereafter. The bill would require the plan to contain goals for integrated passenger rail services and facilities, and to adopt policies and guidelines to be used by the department, the authority, and regional transportation agencies in the development of their plans, and would prohibit those agencies from taking inconsistent actions. The bill would require regional transportation planning agencies to submit their plans for commuter rail and urban rail transit to the commission by December 31, 2013~~ *include in its guidelines for regional transportation plans policy direction regarding the integration of all passenger rail services into a coordinated system with emphasis on intermodal facilities and cost-effective rail services, as specified. The bill would revise the requirements for the 10-year state rail plan prepared by the department to require the plan to be consistent with the federal Passenger Rail Investment and Improvement Act of 2008 and to contain various passenger rail elements, including, among other things, plans for a comprehensive and integrated statewide rail system, a statement of the state's passenger rail service objectives, and identification of improvements that have utility both for freight and passenger rail services. The bill would delete the requirement for the state rail plan to have a freight rail element. The bill would require the department to submit a draft plan under these new requirements for review and comment to the commission and authority by April 30, 2015, would require public hearings on the plan, and would require the final plan to be submitted to the commission for its advice and consent by December 31, 2015. The bill would require the final plan to be approved by the Secretary of Business, Transportation and Housing by March 1, 2016, and then to be submitted to the Legislature. The bill would require the plan to be updated at least every 5 years.*

This bill would also impose certain requirements on the High-Speed Rail Authority with regard to ~~the high-speed rail element of the plan and implementation of projects on an incremental basis~~ *blended systems*

by the authority, including preparation of ~~an incremental high-speed rail development program, as specified~~ *a plan in that regard*, by December 31, 2013, which would be incorporated into the authority's business plan.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*
3 *(a) Passage of the federal Passenger Rail Investment and*
4 *Improvement Act of 2008 (PRIIA) requires comprehensive rail*
5 *plans in order for states to be eligible for new federal rail capital*
6 *grants. To comply with federal law, the state rail plan must include,*
7 *at a minimum, all of the following:*
8 *(1) An inventory of the existing transportation system and rail*
9 *services and facilities within the state, and an analysis of the role*
10 *of rail transportation within the state's surface transportation*
11 *system.*
12 *(2) A review of all rail lines within the state, including proposed*
13 *high-speed rail corridors.*
14 *(3) A statement of the state's passenger rail objectives.*
15 *(4) A general analysis of the transportation, economic, and*
16 *environmental impacts of rail in the state, including congestion*
17 *mitigation, trade and economic development, air quality, land use,*
18 *energy use, and community impacts.*
19 *(5) A long-range investment program for current and future*
20 *freight and passenger rail infrastructure in the state.*
21 *(b) The Department of Transportation, pursuant to Section*
22 *14036 of the Government Code, is responsible for the preparation*
23 *of a 10-year state rail plan, to be updated biennially. Furthermore,*
24 *the department has been designated by the Federal Railroad*
25 *Administration as the responsible agency for development of the*
26 *federally required state rail plan.*
27 *(c) In addition to the PRIIA requirements, California should*
28 *build upon its existing rail planning activities, as follows:*
29 *(1) To foster more complete integration of passenger rail*
30 *throughout the transportation system, including high-speed,*

1 *intercity, commuter, and connections to urban passenger rail*
2 *systems.*

3 *(2) To support the state's goal of an integrated, multimodal*
4 *transportation system and to establish a framework for the delivery*
5 *of cost-effective rail services in California that promote climate*
6 *stabilization, job access, environmental enhancements, and*
7 *improved mobility.*

8 *(3) To address issues relating to the shared use of rail lines by*
9 *freight and passenger services.*

10 *(4) To provide detailed insight into the concerns facing the*
11 *state's transportation system and to set forth a vision of how rail*
12 *transportation can address those issues.*

13 *SEC. 2. Section 14036 of the Government Code is amended to*
14 *read:*

15 14036. (a) The department shall prepare a 10-year State Rail
16 Plan biennially for submission to the Legislature, the Governor,
17 the Public Utilities Commission, and the California Transportation
18 Commission. ~~The plan shall be submitted to the California~~
19 ~~Transportation Commission on or before October 1, 1995, and on~~
20 ~~or before October 1 of each odd-numbered year thereafter, for its~~
21 ~~advice and consent, and to the Legislature, the Governor, and the~~
22 ~~Public Utilities Commission by the following March 1. The plan~~
23 ~~shall consist of a passenger rail element and a freight rail element~~
24 *Pursuant to Section 22702 of Title 49 of the United States Code,*
25 *the department is designated as the state rail transportation*
26 *authority to prepare, maintain, coordinate, and administer the*
27 *plan.*

28 *(b) The passenger rail element shall:*

29 *(1) Comply with the requirements set forth in the federal*
30 *Passenger Rail Investment and Improvement Act of 2008 (PRIIA;*
31 *Public Law 110-432).*

32 *(2) Include plans for a comprehensive and integrated statewide*
33 *passenger rail system, including high-speed rail, conventional*
34 *intercity and commuter rail, and connections to urban rail systems.*

35 *(3) Review all high-speed rail routes, the rail freight system,*
36 *conventional intercity and commuter rail systems, and urban rail*
37 *system connections to high-speed rail and conventional intercity*
38 *and commuter rail systems, including a statement of the state's*
39 *passenger rail objectives for routes in the state.*

1 (4) *In consultation with the freight railroad industry, identify*
2 *improvements that have utility to both rail freight and passenger*
3 *rail services in the state.*

4 (5) *Include an inventory of the existing rail transportation*
5 *system and rail services and facilities in the state, and an analysis*
6 *of the role of rail transportation within the state's overall*
7 *transportation system.*

8 (c) (1) *The department shall submit, for review and comment,*
9 *a draft plan developed pursuant to this section to the High-Speed*
10 *Rail Authority and the commission on or before April 30, 2015.*

11 (2) *Prior to final adoption of the plan, the department shall hold*
12 *at least two public workshops on the draft plan, with at least one*
13 *workshop in northern California and one in southern California.*

14 (3) *The final plan shall be submitted to the commission for its*
15 *advice and consent on or before December 31, 2015. The*
16 *department shall notify the commission how it incorporated the*
17 *commission's comments.*

18 (4) *On or before March 1, 2016, the final plan shall be submitted*
19 *to the Business, Transportation and Housing Agency for approval*
20 *pursuant to Section 22702 of Title 49 of the United States Code.*

21 (5) *The approved plan shall thereafter be submitted to the*
22 *Legislature.*

23 (d) *The plan shall be updated, at a minimum, every five years*
24 *thereafter. The process for review and approval shall be essentially*
25 *the same as provided for the initial plan pursuant to subdivision*
26 *(c).*

27 ~~(b) The passenger rail element shall contain all of the following:~~

28 ~~(1) For capital and operating subsidies and costs, all actual~~
29 ~~encumbrances for the prior two fiscal years; and for state~~
30 ~~operations, all actual expenditures for the prior two fiscal years.~~
31 ~~All revenues shall be identified by source.~~

32 ~~(2) For capital and operating subsidies, estimated encumbrances~~
33 ~~and revenues for the current year; and for state operations,~~
34 ~~estimated expenditures for the current year. The department shall~~
35 ~~use the same format as is required for prior year expenditures~~
36 ~~pursuant to paragraph (1).~~

37 ~~(3) For the budget year and the nine following fiscal years,~~
38 ~~proposed encumbrances for capital and operating subsidies and~~
39 ~~costs shall be reported in the same format as is required for the~~

1 prior year's expenditures. For state operations, proposed
2 expenditures for the budget year shall be reported.

3 (4) ~~The identification and cost of capital facilities necessary to
4 enhance competitiveness of rail passenger services, including, for
5 each intercity route, a list of at least the three highest priority
6 capital improvement projects, with cost estimates and a funding
7 plan.~~

8 (5) ~~A performance evaluation of all services in operation for
9 the two prior years, including performance trends, potential for
10 efficiency and effectiveness, possible improvements, and strategies
11 to achieve that potential. This shall include an evaluation of all
12 feeder bus services, using, among other things, criteria based on
13 ridership levels, break-even points, and levels of growth in service
14 utilization. The number of daily feeder bus runs, if any, that failed
15 to carry even one passenger shall be identified.~~

16 (6) ~~A recommendation of a level of and program for services
17 over a 10-year period, including a list of service enhancements on
18 existing and additional routes, with funding and priority
19 recommendations. This shall include identification of feeder bus
20 service improvements and a management and operating plan for
21 achieving these improvements.~~

22 (7) ~~An evaluation of reports by regional planning agencies and
23 county transportation commissions on commuter service
24 alternatives in their regions, including presentation of their
25 recommendations.~~

26 (8) ~~A map showing all existing intercity and commuter
27 passenger rail routes and services, all proposed intercity and
28 commuter passenger rail routes and services, and all intercity and
29 commuter passenger rail routes and services that are the subject
30 of feasibility studies.~~

31 (9) ~~A report on the expenditure of marketing activities funds
32 for purchases of media advertising of rail passenger services.~~

33 ~~This report shall be prepared in consultation with the Public
34 Utilities Commission and the National Rail Passenger Corporation.
35 The department may consult with other agencies, organizations,
36 and persons with expertise. The department shall employ realistic
37 assumptions, using Public Utilities Commission cost data whenever
38 possible, with respect to the level of services it can provide and
39 the cost of these services when developing the program.~~

1 ~~(10) A discussion of the department's overall marketing strategy~~
2 ~~as it relates to the intercity rail passenger service, including feeder~~
3 ~~bus service, and a report on the expenditure of marketing activities~~
4 ~~funds for purchases of media advertising of rail passenger services.~~

5 ~~(11) A discussion of fare policies and practices, including all~~
6 ~~of the following:~~

7 ~~(A) The relationship of fare policies to ridership and yield,~~
8 ~~including the impact of (A) a variety of regular fares, including~~
9 ~~fares such as midweek and other off-peak discounts, (B) discount~~
10 ~~fare blackouts during certain holiday travel periods on yield and~~
11 ~~ridership, and (C) discount fares for small groups traveling~~
12 ~~together.~~

13 ~~(B) Lightly traveled route segments where current fares are too~~
14 ~~high for the demand, and where ridership or yield, or both, would~~
15 ~~increase with lower fares.~~

16 ~~(C) A potential fare policy that would maximize both ridership~~
17 ~~and yield.~~

18 ~~(D) A summary of discussions with Amtrak on the subject of~~
19 ~~fares.~~

20 ~~(e) The freight rail element shall contain all of the following:~~

21 ~~(1) Environmental aspects, which shall include air quality, land~~
22 ~~use, and community impacts.~~

23 ~~(2) Financing issues, which shall include a means to obtain~~
24 ~~federal and state funding.~~

25 ~~(3) Rail issues, which shall include regional, intrastate, and~~
26 ~~interstate issues.~~

27 ~~(4) Intermodal connections, which shall include seaports and~~
28 ~~intermodal terminals.~~

29 ~~(5) Current system deficiencies.~~

30 ~~(6) Service objectives, such as improving efficiency,~~
31 ~~accessibility, and safety.~~

32 ~~(7) New technology, which shall include logistics and process~~
33 ~~improvement.~~

34 ~~(8) Light density rail line analyses, which shall include traffic~~
35 ~~density, track characteristics, project selection criteria, and~~
36 ~~benefit-cost criteria.~~

37 *SEC. 3. Section 14522 of the Government Code is amended to*
38 *read:*

39 14522. In cooperation with the regional transportation planning
40 agencies, the commission may prescribe study areas for analysis

1 and evaluation by such agencies and guidelines for the preparation
2 of the regional transportation plans.

3 *The commission shall include in these guidelines policy direction*
4 *regarding the integration of all passenger rail services, including*
5 *high-speed, intercity, commuter, and urban passenger rail services,*
6 *into a coordinated system with an emphasis on intermodal facilities*
7 *connecting the various passenger rail systems with each other as*
8 *well as with the overall transportation system, and provision of*
9 *cost-effective passenger rail services that contribute to climate*
10 *stabilization, job access, environmental enhancements, and*
11 *improved mobility.*

12 ~~SECTION 1. Section 14521.5 is added to the Government~~
13 ~~Code, to read:~~

14 ~~14521.5. (a) The commission shall prepare a statewide~~
15 ~~passenger rail transportation plan, with the following elements:~~

16 ~~(1) A statement of the goals for an integrated rail passenger~~
17 ~~system consisting of high-speed intercity rail, conventional intercity~~
18 ~~rail, commuter rail, and urban rail transit services and facilities.~~

19 ~~(2) Identification of all of the following:~~

20 ~~(A) Proposed investments in high-speed intercity rail and~~
21 ~~conventional intercity rail services and facilities.~~

22 ~~(B) Proposed investments in commuter rail and urban rail transit~~
23 ~~services and facilities.~~

24 ~~(C) Corridors in which new or enhanced improvements will be~~
25 ~~made.~~

26 ~~(D) A demonstration of the plan's consistency with the~~
27 ~~requirements of Senate Bill 375 (Chapter 728 of the Statutes of~~
28 ~~2008) and subsequent amendments.~~

29 ~~(E) An assessment of transportation energy requirements for~~
30 ~~high-speed intercity rail, conventional intercity rail, commuter rail,~~
31 ~~and urban rail transit services.~~

32 ~~(F) An assessment of the ability of passenger rail transportation~~
33 ~~services to reduce regional and intercity highway congestion, and,~~
34 ~~in the case of high-speed rail, an assessment of the ability of the~~
35 ~~service to reduce intercity passenger airline travel and congestion.~~

36 ~~(G) Identification of rail corridors and expected impediments~~
37 ~~to their development, including the availability of rights-of-way~~
38 ~~for tracks, stations, and maintenance facilities.~~

39 ~~(b) In preparing the plan, the commission shall adopt policies~~
40 ~~and guidelines for developing high-speed intercity rail,~~

1 conventional intercity rail, commuter rail, and urban rail transit
2 services and facilities, as follows:

3 (1) Performance goals related to passenger capacity, financial
4 capacity, and service performance, and frequency of passenger
5 rail services based on the estimated size of statewide, regional,
6 and local travel markets.

7 (2) Performance goals for connections between rail systems to
8 ensure convenience and to increase travel opportunities for
9 passengers connecting between various rail systems.

10 (3) Capital and operating revenue estimates for the development
11 of high-speed intercity rail, conventional intercity rail, commuter
12 rail, and urban rail transit services and facilities. The estimates
13 shall be for 5-, 10-, and 20-year time horizons.

14 (e) The department shall be responsible for assisting the
15 commission in the preparation of the statewide passenger rail
16 transportation plan, including the preparation of draft policies and
17 the preparation of the draft plan consistent with this section and
18 the commission's policies. The department shall cooperate with
19 the commission in defining the scope of work and the schedule
20 for producing the plan.

21 (d) The policies and guidelines shall be developed in
22 consultation with the department, the High-Speed Rail Authority,
23 regional transportation planning agencies, and the agencies
24 administering or operating commuter rail and urban rail transit
25 systems.

26 (e) The policies and guidelines shall be used by regional
27 transportation planning agencies when developing the rail mass
28 transportation element of their regional transportation plans. The
29 regional agencies shall not take actions that are inconsistent with
30 the policies and guidelines adopted by the commission.

31 (f) The regional transportation planning agencies shall submit
32 their rail plans for commuter rail and urban rail transit to the
33 commission on or before December 31, 2013.

34 (g) The policies and guidelines shall be used by the department
35 when preparing the conventional State Rail Plan pursuant to
36 Section 14036 and the High-Speed Rail Authority, or its successor,
37 when preparing the High-Speed Rail Business Plan pursuant to
38 Section 185033 of the Public Utilities Code. Neither the department
39 nor the authority shall take actions that are inconsistent with the
40 policies and guidelines adopted by the commission.

1 ~~(h) The commission shall incorporate statewide and regional~~
 2 ~~rail plans into the statewide passenger rail transportation plan~~
 3 ~~prepared pursuant to this section, provided the other plans are~~
 4 ~~consistent with the policies and guidelines adopted by the~~
 5 ~~commission.~~

6 ~~(i) The peer review group established pursuant to Section~~
 7 ~~185034 of the Public Utilities Code may be convened by the~~
 8 ~~commission to provide an independent review and comment on~~
 9 ~~the proposed policies and guidelines, and on issues encountered~~
 10 ~~during the preparation of the plan.~~

11 ~~(j) The commission shall submit a draft plan developed pursuant~~
 12 ~~to this section to the department, the High-Speed Rail Authority,~~
 13 ~~regional transportation planning agencies, and the Legislature on~~
 14 ~~or before April 30, 2014, for review and comment. The commission~~
 15 ~~shall hold at least two public workshops, with at least one workshop~~
 16 ~~in northern California and one in southern California, to secure~~
 17 ~~public comments on the draft plan.~~

18 ~~(k) The final plan shall be adopted at the September 2014~~
 19 ~~meeting of the commission and updated every four years thereafter.~~
 20 ~~The commission may extend the adoption date by up to 60 days.~~

21 ~~SEC. 2.~~

22 ~~SEC. 4.~~ Section 185033.1 is added to the Public Utilities Code,
 23 to read:

24 185033.1. (a) Consistent with Proposition 1A (2008) and the
 25 policies and guidelines of the California Transportation
 26 Commission relative to the high-speed intercity rail element of the
 27 statewide passenger rail transportation plan adopted pursuant to
 28 ~~Section 14521.5 14036~~ of the Government Code, the authority
 29 shall plan for implementation of ~~an incremental high-speed rail~~
 30 ~~development program with the following features~~ *blended systems,*
 31 *consistent with its business plan prepared pursuant to Section*
 32 *185033. The authority's plan pursuant to this section shall include,*
 33 *at a minimum, both of the following:*

34 (1) ~~Investments~~ *Identification of investments* in passenger rail
 35 projects in the Phase I high-speed rail corridor (San Francisco
 36 Transbay Terminal-Los Angeles Union Station-Anaheim) that
 37 benefit conventional intercity and commuter rail services ~~but~~ that
 38 are compatible with being upgraded to high-speed rail service in
 39 the future.

1 (2) Investments in operable segments in the Phase I high-speed
2 rail corridor that generate sufficient passenger revenue to be
3 attractive to private investors, that will be electrified, and that will
4 be converted to high-speed rail service in the future.

5 ~~(3) Proposed upgrades to conventional intercity and commuter~~
6 ~~rail segments that connect with Phase I projects and would enhance~~
7 ~~the performance of future high-speed rail service, such as Anaheim~~
8 ~~to San Diego and San Jose to Oakland and Sacramento.~~

9 ~~(4) Maximization of state, local, federal, and private funds to~~
10 ~~support intercity and commuter passenger rail development,~~
11 ~~including high-speed rail.~~

12 ~~(5) Projects that will create employment opportunities and meet~~
13 ~~rail development goals.~~

14 (b) In developing the incremental high-speed rail development
15 *blended* program, the authority shall consult with the department,
16 regional transportation planning agencies, agencies administering
17 or operating commuter rail, freight railroads operating in the
18 conventional intercity and commuter rail corridors and in the Phase
19 I corridors, and firms that have experience in commercial
20 high-speed intercity rail operations.

21 ~~(e) The authority shall identify one or more possible operating~~
22 ~~segments in the Phase I corridor as a candidate for a public-private~~
23 ~~partnership. This shall be done in cooperation with a regional rail~~
24 ~~agency and a private rail development consortium. The selected~~
25 ~~segment shall have substantial existing intercity or commuter rail~~
26 ~~ridership. There shall be a competitive procurement process~~
27 ~~consistent with the existing procurement authority of the authority~~
28 ~~to select the consortium. In pursuing a public-private partnership,~~
29 ~~the authority shall minimize the capital and operating risks to the~~
30 ~~state.~~

31 ~~(d)~~

32 (c) The authority shall submit a draft of its incremental
33 development *blended* program to the California Transportation
34 Commission and the Legislature on or before December 31, 2013.
35 The program shall subsequently be incorporated into the authority's
36 business plan prepared pursuant to Section 185033.