

LOSSAN

LOSSAN

RAIL CORRIDOR AGENCY

INTERIM WORK PLAN



Revised JULY 2014

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1.0 INTRODUCTION

The following Interim Work Plan provides an overview of the Managing Agency's major activities and objectives for the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) during the Start-Up Term between December 2013 and June 2015, or execution of the Interagency Transfer Agreement (ITA) with the State of California (State), whichever comes first. Consistent with the Administrative Support Agreement executed in November 2013, an updated work plan is being submitted that reflects discussions with the California State Transportation Agency (CalSTA) and the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) since the Interim Work Plan was approved by the LOSSAN Board of Directors (Board) in January 2014.

During the first half of the Start-Up Term, the administrative duties previously performed by the San Diego Association of Governments (SANDAG) were transitioned to the Orange County Transportation Authority (OCTA) in its role as the LOSSAN Managing Agency, and work began on negotiating the ITA with CalSTA and Caltrans DRMT. As we move into the second half of the Start-Up Term beginning in July 2014, the vision of the LOSSAN Agency will be maintained and Managing Agency staff will strive to implement the goals outlined in the LOSSAN Strategic Implementation Plan as we also work with our state partners to negotiate a draft ITA by January 2015, with a planned execution by June 2015. This will require the full coordination and collaboration of all LOSSAN member agencies. During this time, the LOSSAN Agency's role remains primarily advisory, and Managing Agency staff will continue to work with CalSTA, Caltrans DRMT, and Amtrak to improve the Pacific Surfliner passenger rail service, while laying the groundwork for when the LOSSAN Agency assumes full administrative responsibility for Pacific Surfliner operations after the ITA is executed.

The Interim Work Plan expands upon the scope of work included in OCTA's original proposal and addresses the additional requests made since the time the proposal was submitted. The proposal and associated budget focus on the scope of work outlined in the request for proposals and correspond with two primary goals during the Start-Up Term:

Administration of the LOSSAN Agency as it currently exists and preparing the LOSSAN Agency to assume its new role post ITA; and

Timely and successful negotiation of the ITA to allow the LOSSAN Agency to assume full administrative and oversight responsibility for the state-supported Pacific Surfliner passenger rail service, including identification of more cost-effective strategies for the administration and operations of the Pacific Surfliner intercity passenger rail (IPR) service.

2.0 OVERVIEW AND BACKGROUND

Senate Bill 1225 (Chapter 802, Statutes of 2012), (SB 1225) approved in September 2012, authorizes the LOSSAN Agency to oversee the state-supported IPR service, commonly referred to as Pacific Surfliner, operating on the LOSSAN rail corridor. The LOSSAN Agency, has been laying the groundwork to assume these responsibilities for several years. The most recent effort began with the Strategic Assessment in 2010, followed by the Strategic Implementation Plan in 2012. These plans lay out the overall vision for the rail corridor both in the short and long term, and also include several major goals and initiatives to improve the customer experience, as noted below:

- Collectively provide the infrastructure to allow more peak period trains, faster through-express trains and additional service improvements that meet current and future conventional and high-speed intercity, commuter, and freight demands both north and south of Los Angeles Union Station
- Integrate regional fare policy and develop common fare media that are based in part on early implementation lessons in the rail corridor as appropriate (electronic revenue collection)
- Integrate and/or coordinate operations and develop more efficient operating schedules and dispatching for rail corridor services
- Implement a strategy for seamless rail travel in the corridor
- Collaborate to identify and establish new services for un-served and underserved markets
- Integrate and improve traveler information, standardized to the extent possible
- Coordinate with Long-Distance Passenger Rail and connecting Motorcoach Services.

Following the passage of SB 1225, the LOSSAN Board of Directors (Board) in November 2013 approved an Administrative Support Agreement between the LOSSAN Agency and OCTA. This agreement has allowed OCTA to assume responsibility as the Managing Agency for the LOSSAN Agency during what is defined as the Start-Up Term, covering a 12- to 18-month period from December 2013 to June 2015.

Agency Roles and Responsibilities:

It is necessary to understand the agencies involved in providing passenger rail service along the rail corridor and those that will be involved in the LOSSAN Agency's goal of assuming full administrative and oversight responsibility for state-supported IPR service in the LOSSAN rail corridor. The list below provides a summary of the agencies that will be directly and actively involved, and what their respective roles currently are and will be through the Start-Up Term.

LOSSAN Agency: Joint Powers Authority (JPA) legislatively permitted to assume administrative and oversight responsibility of the state-supported Pacific Surfliner IPR service on the LOSSAN rail corridor. Currently serves in an advisory and planning role for the rail corridor.

LOSSAN Member Agencies: The nine voting LOSSAN member agencies are providing financial support to cover Managing Agency costs during the Start-Up Term. They are key partners that will provide important technical and policy input at the Staff Working Group, Technical Advisory Committee (TAC), and Board of Directors level throughout the Start-Up Term and beyond.

CalSTA: State office responsible for the funding and oversight of California's three IPR corridors, and **Caltrans DRMT**, which is currently responsible for day-to-day management of the Pacific Surfliner and San Joaquin IPR service.

Amtrak: The current contracted operator of the state-supported IPR service on the LOSSAN rail corridor and owner of 40 of the rail cars and all locomotives utilized in providing this service. Previously a funding partner in this service.

Capitol Corridor Joint Powers Authority (CCJPA): Agency responsible for the operations and oversight of the Capitol Corridor passenger rail service between San Jose, Oakland, Sacramento, and Auburn. It was the first non-state agency to assume responsibility and oversight for state-supported passenger rail service in California in 1998.

San Joaquin Joint Powers Authority (SJJPA): Agency legislatively permitted to assume administrative and oversight responsibility of the state-supported IPR service along the San Joaquin rail corridor between Bakersfield, Stockton, Oakland, and Sacramento. The San Joaquin Regional Rail Commission has been selected as the managing agency for this rail corridor to act on behalf of the SJJPA, similar to OCTA's role on behalf of LOSSAN.

OCTA: Selected by the LOSSAN Board as the LOSSAN Managing Agency during the Start-Up Term, and for an initial three-year term beginning after execution of the ITA. OCTA serves as the LOSSAN Agency's staff, and will be primarily responsible for the development and negotiation of the ITA between the LOSSAN Agency and the State. Also referred to in the Plan as "Managing Agency".

In addition to the agencies that will be actively participating in the development and negotiation of the ITA, there are a number of stakeholders who will be engaged throughout the process. These stakeholders include rail operators such as Metrolink, COASTER, and the freight railroads, as well as right-of-way owners along the rail corridor and the California High-Speed Rail Authority. A listing of those stakeholders is below:

Rail Operators

Southern California Regional Rail Authority
North County Transit District
BNSF Railway
Union Pacific Railroad
Amtrak

Right-of-Way Owners

BNSF Railway

Union Pacific Railroad

North County Transit District

Los Angeles County Metropolitan Transportation Authority

OCTA

Ventura County Transportation Commission

San Diego Metropolitan Transit System

The successful transfer of responsibility from the State to the LOSSAN Agency will be dependent on the full engagement and coordination of all the agencies noted in this section. To ensure this engagement, the Managing Agency has commenced regular coordination meetings with those agencies directly involved in the ITA negotiation process and has conducted coordination meetings with each of the additional stakeholders identified. Updates on the ITA negotiation process and these meetings will be reported out to the Staff Working Group, TAC and Board as part of the normal course of business.

3.0 TRANSFER OF ADMINISTRATIVE DUTIES

The first task the Managing Agency has undertaken is to assume all administrative duties for the LOSSAN Agency. The transition of duties was completed in January 2014, and the Managing Agency is performing the administrative duties on an ongoing basis. The core administrative duties include but are not limited to:

- Prepare agendas and provide staff support for all meetings of the LOSSAN Board, Executive Committee, ad hoc committees, and other meetings as needed, including meeting arrangements, teleconferencing, general correspondence, and administrative support
- Coordinate and facilitate the TAC to review, on behalf of the LOSSAN Board, technical issues associated with IPR operations and related services in the LOSSAN rail corridor
- Coordinate and facilitate the LOSSAN Staff Working Group, which was formed by the Managing Director and authorized by the LOSSAN Board, and is made up of staff representatives from each voting LOSSAN member agency. The group will meet on an as-needed basis, and had its first meeting in June 2014.
- Maintain public information, including LOSSAN Web Site (www.lossan.org), fact sheets, and other public documents and collateral material
- Coordinate with the CalSTA, Caltrans DRMT, and Amtrak on the day-to-day management of state-funded IPR service
- Coordinate with other rail agencies and organizations for joint advocacy at the state and federal levels.
- Budget for meeting costs and staff travel to and from LOSSAN meetings and Chairman and Vice Chairman travel to and from advocacy meetings in Sacramento and Washington (2-3 total per year) and periodic joint leadership meetings (up to quarterly)

- Coordinate on the continued development and planning of capital projects on the rail corridor
- Report regularly to the LOSSAN Board regarding LOSSAN rail corridor issues
- Facilitate interaction with other entities involved in operation, construction, renovation, and marketing of the rail corridor intercity service
- Provide legal counsel to advise and represent the LOSSAN Agency
- Prepare and file all legally required notices and reports, including Form 700s and State Controller's Report, and all other state and federal reporting requirements

SANDAG staff developed a comprehensive overview and guidance document regarding the duties it performed in the role of staff support to the LOSSAN Agency. This document served as the primary basis for transferring the LOSSAN administrative functions from SANDAG to the new Managing Agency. Staff from the Managing Agency and SANDAG also participated in weekly coordination calls in the months leading up to the formal transfer of responsibilities in December 2013.

As of January 2014, the Managing Agency assumed full responsibility for the duties/functions outlined above, and is performing them on an ongoing basis. A further discussion of these duties is included in the Agency Administration section below.

4.0 INTERAGENCY TRANSFER AGREEMENT

The successful negotiation and execution of the ITA is the primary goal during the Start-Up Term. The ITA will include the following major elements:

- Date and conditions for transfer of service and expected funding levels for the first three years; this funding is to be sufficient to sustain existing service levels for rail and thruway bus as well as of administrative and marketing expenses transferred from the Caltrans DRMT
- Level of service to be provided and coordination with the feeder bus and connecting passenger rail service
- Commitment of annual funding levels to sustain the existing levels of service
- Invoicing schedule and reimbursement provisions
- Performance standards and reporting, as required by SB 1225 to ensure a cost effective and operationally efficient service
- Financial reporting, accounting, and auditing responsibilities
- Terms for the assumption of the operating contract with Amtrak and the lease terms for the 10 railcars owned by the State

In addition to these major elements, the ITA will include a number of subtopics that are further outlined below.

A major aspect of the transfer of responsibility centers around performance measures to ensure that the service maintains a basic standard of performance both in terms of operations and cost under control of the JPA. To that end, there is also a requirement to show cost effectiveness or cost savings by transferring the service from the State to the

JPA. To ensure that requirement is met, the Managing Agency will throughout the process be seeking opportunities to improve the performance and cost recovery of the system, through service changes, contract modifications, and other opportunities to economize. In addition, the Managing Agency will continue to work with the CalSTA, Caltrans DRMT, and Amtrak to accurately document existing costs and procedures prior to the transfer in order to provide a benchmark for the service post-ITA.

The approach to negotiating the ITA will be consensus building across the multiple and sometimes competing agency interests. Managing Agency staff began laying the ground work for developing the ITA prior to the Administrative Support Agreement being executed, by beginning regular coordination meetings with the SJJPA. This coordination will allow the LOSSAN Agency and SJJPA to combine efforts to include a united and uniform approach with the State. These efforts have included and will continue to include regular coordination meetings, as well as unified data and information requests to the State and Amtrak.

The Managing Agency is also utilizing the work of the CCJPA on the Capitol Corridor service, and has completed an analysis of their guiding documents and agreements. The ITA that exists between the State and the CCJPA, will serve as the starting point for developing the ITA for the LOSSAN rail corridor. We have broken that agreement down into logical sections to develop and negotiate. A sample of those sections is below:

1. Levels of Service
 - a. Existing Levels
 - b. Planned Growth (included in adopted plans)
 - c. Changes to Service
 - d. Connections and Connecting Services
2. Annual Funding Levels
 - a. Cash Flow
 - b. Payment Process
 - c. Annual Certification/Commitment
 - d. Funding for Changes in Service
 - e. "Surplus Funds"
3. Feeder – Bus Service
 - a. Service Levels
 - b. Changes to Route(s) and Frequency(ies)
 - c. Cost Sharing
4. Liability Insurance and Indemnification
5. General Provisions
 - a. Parties
 - b. Transfer of Responsibility
 - i. Retained State Positions (if any)
 - c. Approval Processes (ITA, Business Plan, Budget, etc)
 - d. Assumption of Existing Agreements
 - i. Lease for Equipment
 - ii. Operating Contract
 - iii. Use agreements with Host Railroads/Stations

- iv. Maintenance Agreement
- v. Are these existing contracts sufficient for the intent (ie: right amount of equipment, operators, contingencies, etc)
- 6. Roles and Responsibilities
 - a. Service Changes
 - b. Vehicle Maintenance
 - c. Annual Reports and Approvals
 - i. Business Plan
 - ii. Budget
 - iii. Cash Flow
- 7. Performance Standards
 - a. Submittals
 - b. Review and Approvals
- 8. Capital Projects
 - a. Existing Assets (if any)
 - b. Responsible Parties for Maintenance and New Construction
 - c. Funding

The State has restructured its transportation agency and as of January 2014 has appointed Chad Edison as the deputy secretary for transportation at the CalSTA, overseeing rail. The State had previously indicated that it was not comfortable opening formal discussions on the ITA process and schedule until this position was filled. The Managing Agency outlined a baseline schedule for the negotiations and execution of the ITA with a goal of completion by or before June 2015, and regular meetings with the state and Deputy Secretary Chad Edison began in late January 2014.

Managing Agency staff have met with Deputy Secretary Chad Edison, along with staff from the Caltrans DRMT and the SJJPA in person approximately eight times between January 2014 and June 2014 in both Sacramento and southern California. The meetings have been productive and collaborative, and thus far have largely focused on development of required performance standards and metrics, the planned division of roles and responsibilities between the locally managed JPAs and the State post-ITA, and future equipment utilization. In June 2014, the parties agreed to a work plan to update and develop language in the base ITA document, as well as the appendices. Managing Agency staff appreciates the cooperation of its state partners and their willingness to move the ITA negotiation process forward in an efficient manner, and in close coordination with the SJJPA.

An updated schedule for the ITA negotiation process is included as Appendix A, based on the discussions with the State to date, with the goal of having a draft ITA completed by January 2015 with full administrative responsibility assumed July 2015, consistent with state fiscal year (FY). The Board, TAC, and Staff Working Group will continue to be provided regular updates on the schedule at each meeting and in the interim as necessary.

The schedule outlines the timeframes for key components of the ITA to be developed and requires coordination with LOSSAN member agencies and continued cooperation

from the State. There will be multiple opportunities for review by the Staff Working Group and TAC throughout the process, with the Board reviewing and approving appendixes and business plan chapters as they are developed.

The key milestones in the ITA development process include:

- Review and analyze the existing agreement between the State and CCJPA
- Budget development and adoption
- Business plan
- Draft ITA submitted for review
- Draft ITA approved by LOSSAN Board

As part of the final ITA, the LOSSAN Agency must submit a business plan. The Managing Agency will draft an initial three-year business plan to be submitted for approval concurrently with ITA that includes strategic initiatives referenced in the Administrative Support Agreement approved by the LOSSAN Board in November 2013. An outline of the proposed business plan will be presented to the LOSSAN TAC and Board in July 2014, and it will draw heavily on work already completed as part of the LOSSAN Strategic Implementation Plan, which was adopted by the LOSSAN Board in April 2012.

5.0 LOSSAN AGENCY ADMINISTRATION

As the Managing Agency, OCTA's approach to staffing remains providing maximum benefit to the member agencies while minimizing costs. This is achieved by utilizing a streamlined approach with minimal dedicated staffing, including only four positions during the Start-Up Term, supported by OCTA's vast array of supporting services. The supporting services, such as accounting, clerk of the board, etc., are captured through the overhead rate and as such are only attributable to hours spent by the dedicated staff. A detailed organization chart is included as Appendix B.

There are both general and specific administrative duties that will occur simultaneously with the development of the ITA. These duties have been outlined below under their respective functional areas. These represent the regular and ongoing duties the Managing Agency will perform through the Start-Up Term. The list below includes not only duties previously overseen by SANDAG staff, but also the additional tasks that the Managing Agency will assume responsibility for during the Start-Up Term which are specific to the LOSSAN Agency's expanded role under SB 1225.

5.1 General Administrative Services (ALL ITEMS ONGOING EXCEPT AS NOTED)

- Prepare agendas and minutes for monthly LOSSAN TAC and Board meetings
- Establish new subcommittees of the LOSSAN Board (Planning & Operations, and Finance & Administration), proposed to meet quarterly to review and provide guidance to the full LOSSAN Board prior to execution of the ITA (*Pending Board direction*)

- Fulfill all state and federal reporting requirements (Form 700, State Controllers Report, etc.)
- Maintain updated www.lossan.org web site now hosted at octa.net
- Post archived audio of Board meetings
- Maintain and update of collateral materials and all public documents (fact sheets, joint corridor timetable, etc.)
- Negotiate, recommend the award of, and manage all necessary agreements for the LOSSAN Agency, including but not limited to the ITA, agreements for the provision of passenger rail services, and use of tracks and other facilities, subject to approval by the LOSSAN Board
- Seek, obtain, and administer grants, subject to the provisions of the LOSSAN Joint Powers Agreement (*Supported grant applications submitted by member agencies*)
- Provide a risk management program to cover the LOSSAN Board and each of the agencies in the performance of their duties pursuant to the JPA, and obtain appropriate insurance coverage to implement said risk management program (*Insurance purchased as required in Administrative Services Agreement, risk management program will be developed for Initial Term*)
- Provide legal counsel to advise and represent LOSSAN Agency
- Coordinate comments from LOSSAN member agencies on planning and environmental documents impacting service in the LOSSAN rail corridor
- Facilitate the development of, update, and review prioritized capital plan and identify potential funding strategies (*Planned for FY 2014-15*)
- Prepare a matrix of strategic initiatives and track progress toward implementation (*Planned for FY 2014-15*)
- Develop policies and procedures for implementation post ITA
- Prepare a monthly progress report in writing to the LOSSAN Board outlining administrative activities, including ITA negotiations, overall coordination activities, and budget tracking
- Prepare an annual business plan for approval by the LOSSAN Board, including provisions for the implementation of the goals outlined in the LOSSAN Corridorwide Strategic Implementation Plan (2012) and the appropriate Strategic Initiatives. The first business plan will be developed during the Start-Up Term and will cover the Initial Term. Each subsequent annual business plan will be submitted to the CalSTA by April 1 for review and recommendation. The business plan will include the following key elements:
 - Report on recent and historical performance (ridership, revenue, farebox recovery, on-time performance)
 - Operating plan including proposed service enhancements
 - Short- and long-term capital improvement programs
 - Funding requirements for the upcoming FY to maintain at least specified minimum levels of service
 - Action plan with specific performance goals and objectives
 - Discussion of how funding and accounting for state-funded IPR service will be separate from locally funded services

- Identification of any proposed changes in fares, schedules, capital improvements, or marketing and operational strategies to meet performance standards established in ITA
- Proposed changes in service amenities, or food and beverage services
- Identification of performance standards
- Verify reasonableness of ridership and revenue projections and funding request
- Route and schedule coordination with Amtrak Thruway bus services and other IPR corridors or passenger rail services

5.2 Legislative Advocacy

- Implement legislative platform approved by LOSSAN Board on November 20, 2013 – suggest changes as necessary
- Provide legislative updates and bill analysis to LOSSAN Board as appropriate, but not less than quarterly (*In progress, next update July 2014*)
- Organize annual advocacy trips to Washington, D.C. and Sacramento (*Sacramento trip completed, Washington, D.C. trip tentatively scheduled for summer 2014*)
- Participate in planning and implementation of a State Rail Caucus/Committees (Senate and Assembly) (*Both committees formed; Assembly committee will hold first meeting in September 2014*) Assist with and participate in quarterly California IPR Chairman and Vice Chairman meetings
- Assist with review and preparation of California IPR report to the California State Legislature and United States Congress (*Complete*)
- Coordinate with other existing and developing California IPR corridors for joint advocacy at state and federal levels
- Work with state and local agencies to ensure IPR service on the LOSSAN rail quarter receives and equitable share of cap-and-trade revenues

5.3 Financial Management and Budget

- Develop and prepare standardized reports for review and presentation to the LOSSAN Board, including (example template included as Appendix C): (*Complete/ongoing*)
 - Monthly budget updates and progress on key tasks
 - Comparison of budget to actual with variance
 - Funds expended and remaining
 - Non budgeted items
- Establish bank accounts for LOSSAN Agency funds separate from OCTA accounts (requires LOSSAN Board resolution) (*Complete*)
- Establish time sheet codes to track dedicated and shared staff time (*Complete*)
- Establish budgeting and accounting systems to track revenue and expenditures (*Complete*)
- Invoice LOSSAN member agencies for shares of Start-Up Term budget in January 2014 and July 2014 (*January invoice complete; July pending*)

- Ensure that a Certified Public Accountant prepares and submits to the LOSSAN Agency as soon as practical after the end of each FY, a post audit of the financial transactions and records of the LOSSAN Agency for the preceding year *(In process)*
- Prepare and submit a proposed budget for the succeeding FY to the LOSSAN Board on or before the last meeting of March of each year. As part of the annual budget process, recommend the annual budget and staffing resources and support functions for the LOSSAN Agency, including job classifications, salary ranges and organizational functions and duties *(Will be completed concurrent with ITA)*
- Prepare and submit all required financial reports

Start-Up Term Budget

At the October 16, 2013 meeting, the LOSSAN Board approved Resolution No. 2013-12, which authorized an estimated Managing Agency budget for the Start-Up Term of \$1,030,888. This budget is consistent with OCTA's budget proposal for the Start-Up Term. The budget is intended to cover roughly an 18-month period between signing the Administrative Support Agreement with OCTA and the execution of the ITA with the State. Embedded in that budget is staff time associated with facilitating the two major goals of the Start-Up Term:

- Administration of the LOSSAN Agency as it currently exists and preparing the LOSSAN Agency to assume its new role post ITA
- Timely and successful negotiation of the ITA

As noted in the earlier Agency Administration section, the Managing Agency's approach to staffing utilizes a streamlined approach with minimal dedicated staff supported by OCTA's vast array of support services. The Managing Agency is committed to delivering on the goals of the Start-Up Term by executing the ITA on or before the June 2015 deadline, and seeking every opportunity to maximize the Start-Up Term budget. To the extent that the ITA can be delivered ahead of schedule, this will afford opportunities to utilize staff time towards developing and implementing other strategic goals and key initiatives.

The Managing Agency has provided a detailed monthly report to the LOSSAN Board that includes the current status, a 30-day look ahead, and any issues and resolutions associated with each task in the scope of work, as well as an expenditure report that includes the budget, expenses, and balance remaining. This has provided regular and consistent reporting to the LOSSAN Board and ensured complete transparency in the process. A template for this report is included as Appendix C.

Consistent with the LOSSAN chief executive officers group recommendation and LOSSAN Board approval, the budget shares have been divided among the LOSSAN member agencies based on 75 percent on the county's share of corridor ridership and

25 percent on the number of votes on the LOSSAN Board. Applying this formula to the estimated Start-Up Term budget resulted in the following regional shares: (1) LOSSAN North – 15 percent; (2) LOSSAN Central – 25 percent; (3) LOSSAN South Central – 32 percent; and (4) LOSSAN South – 28 percent. Member agencies in each region then determined how regional shares would be divided via separate agreements. A detailed matrix of agency shares divided by FY is provided in Table 1 below.

Per the Administrative Support Agreement, the Managing Agency will invoice LOSSAN member agencies for their respective shares of the FY 2013-14 Start-Up Term budget in January 2014, and for the FY 2014-15 share between July 1 and July 30, 2014. Shared staff in OCTA's accounting department prepared invoices for FY 2013-14, and issued them in mid-January 2014, following the LOSSAN Board's approval of a resolution permitting managing agency to open a new bank account on behalf of the LOSSAN Agency. A summary of the Managing Agency's proposed expenditures for the Start-Up Term that is consistent with the budget and scope of work presented in OCTA's proposal dated June 14, 2013, is included as Appendix D.

Table 1			
REVENUE SHARING BETWEEN LOSSAN MEMBER AGENCIES FOR MANAGING AGENCY START-UP TERM			
Region	Total for 18 months	FY 2013-14 Share	FY 2014-15 Share
<i>South</i>	\$283,494	\$110,248	\$173,246
SDMTS	\$94,498	\$36,749	\$57,749
NCTD	\$94,498	\$36,749	\$57,749
SANDAG	\$94,498	\$36,749	\$57,749
<i>South Central</i>	\$332,461	\$129,290	\$203,171
OCTA	\$221,641	\$86,194	\$135,447
RCTC	\$110,820	\$43,097	\$67,724
<i>Central</i>	\$260,299	\$101,227	\$159,072
Metro	\$260,299	\$101,227	\$159,072
<i>North</i>	\$154,633	\$60,135	\$94,498
VCTC	\$51,544	\$20,045	\$31,499
SBCAG	\$51,544	\$20,045	\$31,499
SLOCOG	\$51,544	\$20,045	\$31,499
	\$1,030,888	\$400,901	\$629,987

*numbers subject to rounding

- SDMTS – San Diego Metropolitan Transit System
- NCTD – North County Transportation District
- SANDAG - San Diego Association of Governments
- OCTA – Orange County Transportation Authority
- RCTC – Riverside County Transportation Commission
- Metro – Los Angeles Metropolitan Transportation Authority
- VCTC – Ventura County Transportation Commission
- SBCAG – Santa Barbara County Association of Governments
- SLOCOG – San Luis Obispo Council of Governments

5.4 Operations

- Service initiatives and improvements - Work with Amtrak, Metrolink, and COASTER to improve schedule coordination in advance of the transition of

administrative responsibility for Pacific Surfliner IPR service (*Ongoing – attending monthly Caltrans-Amtrak operations meetings*)

- Request and analyze detailed operating and cost information from Caltrans DRMT/Amtrak for Pacific Surfliner service, as well as all applicable contracts and agreements (*Request complete, still waiting on some more detailed data*)
- Coordinate with Caltrans DRMT on day-to-day management of Pacific Surfliner and Amtrak Thruway bus service prior to transfer of management responsibility
- Look for opportunities to enhance coordination of Pacific Surfliner service with Amtrak Thruway bus service and connecting transit services
- Continue regular reporting to LOSSAN Board on corridor trends, issues, and opportunities
- Develop an action plan to assess feasibility of implementing service initiatives outlined in LOSSAN Strategic Implementation Plan and Attachment B of the Administrative Support Agreement. The initiatives focus on enhancing ridership, revenue and on-time performance, and managing costs. Some of the initiatives can be further explored and developed during the Start-Up Term as schedule and budget permit. OCTA will include these initiatives in the initial three-year business plan. The initiatives are summarized below: (*Will be incorporated into business plan*)
 - **Operations**
 - Cost-effective equipment and crew utilization, improved on-time performance, increased farebox recovery, differentiation of service, response to service disruptions, special event service, rail safety
 - **Customer Experience**
 - Bike storage, real-time train status, Rail 2 Rail, station improvements, food and beverage service, including food and beverage cost recovery
 - **Connectivity**
 - Transit connectivity and on-board pass sales, statewide connectivity, schedule coordination
 - **Marketing**
 - Market research, joint marketing, social media, newsletter, school groups, new corridors
 - **Board of Directors Involvement**
 - Ride with managing director and LOSSAN Board members, LOSSAN Board member rail pass

5.5 Marketing

- Facilitate bimonthly LOSSAN rail corridor marketing calls and begin shifting the focus of the calls from solely information sharing to coordination on joint marketing opportunities
- Update the LOSSAN Board annually on efforts to institutionalize a LOSSAN rail corridor corporate identity, including but not limited to the establishment and maintenance of branding (logo, public communication, marketing), web site, employee workspace design, and distinct corporate identity (domain, e-mail,

business cards, letterhead, etc.), and social media presence (*Discussion will be included in business plan*)

- Develop a comprehensive interim LOSSAN marketing plan that outlines work required to generate the market intelligence needed to develop a strategic and effective business and marketing plan for IPR service in the LOSSAN rail corridor (proposed work effort outlined in Appendix E) (*Work started and will be included in business plan*)

5.6 Stakeholder Outreach

- Arrange meetings with LOSSAN Board Members and key staff at all LOSSAN member agencies, including a Board Member orientation packet and field tours of Pacific Surfliner service and facilities (*Complete, except for meetings with Metro and RCTC, which are planned for summer 2014*)
- Meet with host railroads and operators (Amtrak, BNSF, UP, Metrolink, COASTER) (*Complete*)
- Meet with CalSTA Deputy Secretary for Transportation Chad Edison (*Complete and ongoing*)
- Meet with key staff at Caltrans DRMT (*Complete and ongoing*)
- Meet with frontline Amtrak employees currently working to deliver Pacific Surfliner IPR service (train and engine crews, on-board services, station staff, mechanical, etc.) (*Initial meetings held, additional planned*)

5.7 Planning

- Continue to coordinate with Caltrans DRMT and other public agencies on short- and long-range planning efforts, including the State Rail Plan, Service Development Plans, environmental documents, and other rail planning efforts impacting the LOSSAN rail corridor
- Review and prioritize proposed service initiatives and capital plans (*Will be included in business plan*)

6.0 PROGRESS ON 100-DAY ACTION PLAN

At the September 25, 2013 LOSSAN Board meeting, OCTA staff presented a proposed 100-day action plan that provided an overview of major activities OCTA intended to undertake during its first 100 days as the LOSSAN Managing Agency. The matrix below provides a summary of progress made to date on each of the items included in the 100-day plan since the Administrative Support Agreement was fully executed on November 21, 2013.

Item #	Task	Progress to Date
1.	Execute administrative support agreement	Complete. Agreement executed on November 21, 2013
2.	Consider forming ad-hoc LOSSAN Board committee to provide guidance on the ITA	This was discussed at November 2013 LOSSAN Board meeting; ITA matters will flow through the Executive Committee
3.	Meet with Caltrans Director, CalSTA, and Amtrak leadership to discuss transition process and ITA	<ul style="list-style-type: none"> • Staff participated in several conference calls with Brian Kelly, Secretary of CalSTA to discuss approach to negotiating the ITA and process for information requests from the State • Staff and as well as the Managing Agency's strategic advisor have had multiple calls and meetings Amtrak leadership to discuss information requests and the eventual transition of administration responsibilities for Pacific Surfliner service • Staff has had several calls and meetings with Caltrans DRMT staff • Monthly meetings have been scheduled with CalSTA Deputy Secretary for Transportation Chad Edison

Item #	Task	Progress to Date
4.	Coordinate with SJJPA and CCJPA on ITA	<ul style="list-style-type: none"> • Staff has been working closely with the SJJPA since October 2013, including standing coordination calls with SJJPA staff • Worked with SJJPA staff to review CCJPA ITA and applicability as a starting point for Pacific Surfliner and SJJPA ITAs • Submitted a joint information request to Caltrans DRMT and Amtrak in early November 2013 and held a follow up call with SJJPA, Amtrak, and Caltrans DRMT staff in late November 2013 • Hosted IPR Chairs/Vice Chairs meeting at OCTA in October 2013 and participated in biweekly IPR staff calls • Worked with both SJJPA and CCJPA staff to establish Senate and Assembly committees on IPR • Participating in biweekly calls with SJJPA and monthly joint meetings with SJJPA, CalSTA and Caltrans DRMT
5.	Meet and coordinate with railroad owners (public and private)	Meetings completed between January 2014 and July 2014, to continue as needed
6.	One-on-one meetings with LOSSAN agencies	All meetings complete with exception of Metro and RCTC, which are planned for summer 2014
7.	Finalize interim work plan; present to LOSSAN TAC and Board	Draft plan presented to LOSSAN TAC on January 9, 2014, Board on January 15, 2014; updated plan submitted in July 2014
8.	Seek LOSSAN Board approval for Start-Up Term budget; provide regular updates to LOSSAN TAC and Board on expenditures and ITA status	<ul style="list-style-type: none"> • LOSSAN Board approved Start-Up Term budget of \$1,030,888 at its October 16, 2013 meeting • Monthly budget and status reports e-mailed to LOSSAN TAC and Board beginning in February 2014 (reporting on the prior month)
9.	Develop requirements for contracted services (mechanical, etc.)	<ul style="list-style-type: none"> • Pending discussions with Caltrans DRMT regarding roles and responsibilities as part of the ITA

Item #	Task	Progress to Date
10.	Review legislative platform	<ul style="list-style-type: none"> • Staff worked with SANDAG staff to refine the 2013 legislative platform before it was reviewed by LOSSAN TAC and approved by the Board at its November 20, 2013 meeting • OCTA legislative staff will suggest edits to the platform as needed and begin providing legislative updates and bill analyses to LOSSAN TAC and Board as appropriate
11.	Update fact sheets, web site, collateral material	<ul style="list-style-type: none"> • Managing Agency staff worked with SANDAG to successfully transfer the LOSSAN web site (www.lossan.org) to OCTA's network in December 2014 • The LOSSAN web site has been redesigned to refresh its appearance, improve functionality, and allow for new features, such as posting of archived audio from LOSSAN Board meetings • All existing collateral materials were updated by SANDAG before it was transferred to new web site; OCTA will continue to update fact sheets and collateral material as needed, including LOSSAN rail corridor joint timetable
12.	Review and prioritize proposed service initiatives and capital plan	<ul style="list-style-type: none"> • Key service initiatives for Initial Term included as attachment to Administrative Support Agreement • Staff will review capital plan and discuss with LOSSAN TAC and Board in FY 2014-15

7.0 NEXT STEPS

Using the Interim Work Plan as a guide, the Managing Agency will continue to focus its efforts on accomplishing the two major goals identified for the Start-Up Term over the next 12 to 18 months:

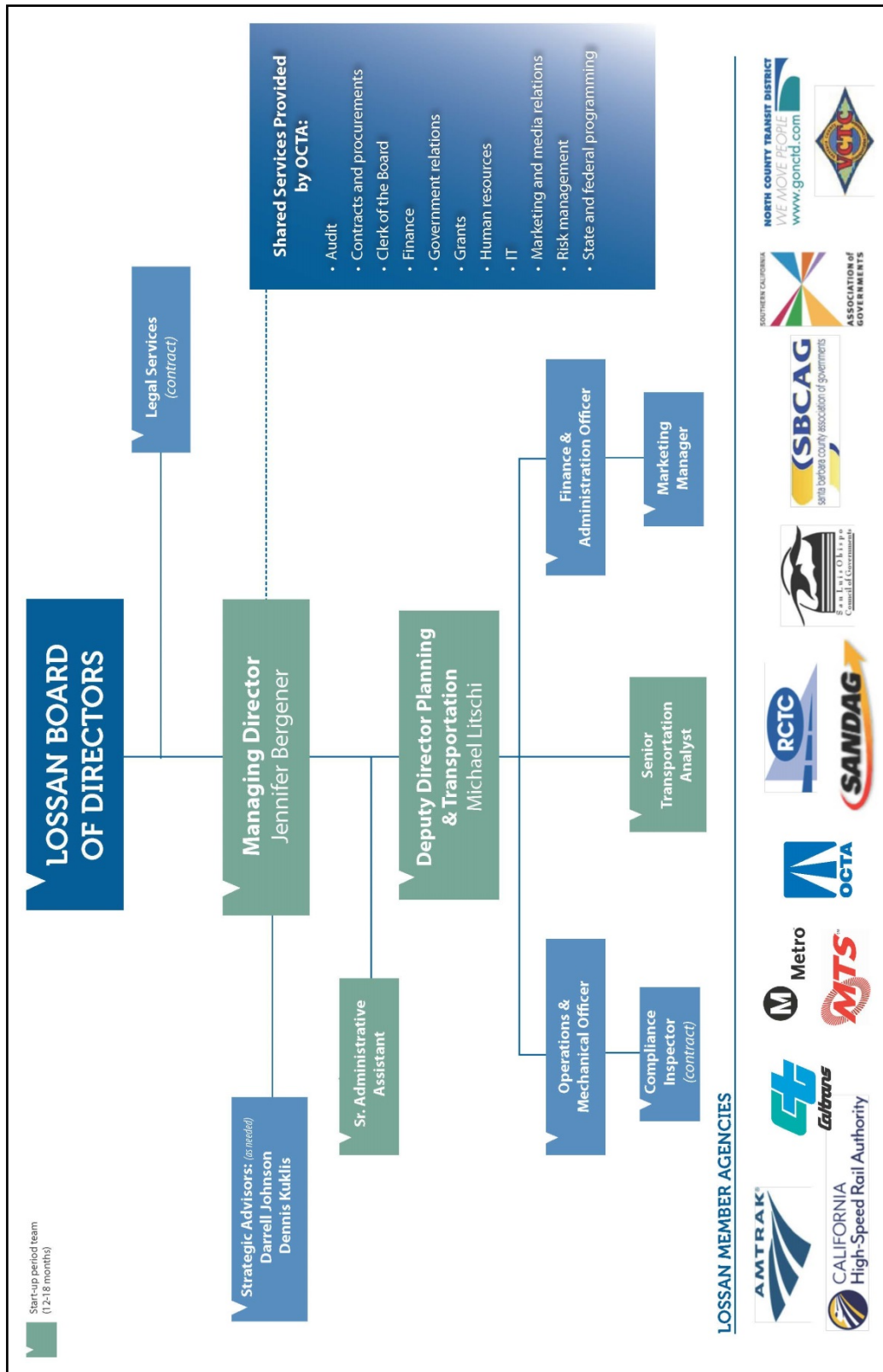
- Providing cost-effective administrative services to the LOSSAN Agency in its current advisory role while preparing the LOSSAN Agency and Board to assume the expanded role it will take on after execution of the ITA; and
- Timely and successful negotiation of the ITA with the State to assume oversight responsibility for the state-funded Pacific Surfliner IPR service.

The Managing Agency will provide monthly reports to the TAC and Board on the progress made toward achieving these goals, along with reports on any challenges encountered along the way that could impact budget or schedule, and proposed remedies. With the full coordination and involvement from the member agencies and stakeholders, the Managing Agency looks forward to bringing Pacific Surfliner service to the next level of success under local management, while providing for a better and more cost-effective service that enhances the passenger experience, provides better connections and offers additional transportation options.

	2013					2014										2015									
	Q1		Q2			Q3			Q4				Q1			Q2				Q3			Q4		
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June		
Managing Agency Selected																									
Administrative Support Agreement (Task 1 - 100 Day Action Plan)																									
Interim Work Plan (Task 7 - 100 Day Action Plan)																									
Interim Work Plan Update																									
Develop and Present Budget for Interim Work Plan (Task 8 - 100 Day Action Plan)																									
LOSSAN ADMINISTRATION																									
Board of Directors (Board) Meetings						15	19	17	28	19		21	14	15	20	17	15								
Executive Committee (Quarterly or As Needed)																									
Technical Advisory Committee (TAC) Meetings (bi-Monthly or as needed)						9	6	6	3	1		10	4	6											
Formation of Ad-Hoc Committee of the Board for the interagency transfer agreement (ITA) (Task 2 - 100 Day Action Plan)																									
CEOs meetings (Monthly or As Needed)																									
Status and Expenditure Reports (Monthly Presentation to the Board)																									
Develop and Present Risk Management Plan & Update																									
Annual Post Audit of Expenses																									
Bi-Monthly Marketing Meetings																									
Develop Marketing Plan and Updates																									
Managing Agency to Meet with Member Agencies (Task 6 - 100 Day Action Plan) <i>Two agencies outstanding</i>																									
Managing Agency to Meet with Host Railroads (Task 5 - 100 Day Action Plan)																									
On-going coordination meetings with Host Railroads (No less than quarterly and as often as needed)																									
Managing Agency to Meet with California High-Speed Rail Authority within first 100 days and quarterly thereafter																									
Update LOSSAN Website and Collateral Materials (Task 11 - 100 Day Action Plan)																									
Annual Budget Development and Adoption (Annually)																									
FY 2015																									
FY 2016																									
Development of Policies and Procedures for Contracting (Task 9 - 100 Day Action Plan) <i>Utilize Managing Agency Policies for Interim Period and Develop Agency Policies for Startup Period</i>																									
Update the Prioritized Capital Plan																									
Review Legislative Platform (Annually) (Task 10 - 100 Day Action Plan)																									
Legislative Updates (Quarterly or as needed)																									
Interagency Transfer Agreement																									
Negotiation ITA																									
Coordination Meetings with San Joaquin Joint Powers Authority (Biweekly for the Duration) (Task 4 - 100 Day Action Plan)																									
Review of Existing Key Documents (CCJPA - ITA)																									
Data Request from Div of Rail & Amtrak (initial request Nov; on-going)																									

APPENDIX B

LOSSAN MANAGING AGENCY ORGANIZATION CHART



APPENDIX C

MONTHLY STATUS AND EXPENDITURE REPORT TEMPLATE

**START-UP TERM MONTHLY STATUS AND EXPENDITURE REPORT
December 1, 2013 to December 31, 2013**

Task	Work Completed This Period	30-Day Look Ahead	% Complete	Outstanding Issues and Resolution
Task 1: Administrative Support Agreement	Task complete. Agreement approved by LOSSAN Board and fully executed on 11/21/13	None.	100	None.
Task 2: Staff Transition Plan/Interim Work Plan	<ul style="list-style-type: none"> Continued coordination calls with SANDAG staff Launched new www.lossan.org Set up LOSSAN budget and invoicing procedures 	<ul style="list-style-type: none"> Submit draft Plan in Jan. 	85	<ul style="list-style-type: none"> Need Board resolution to open bank acct.
Task 3: Interagency Transfer Agreement	<ul style="list-style-type: none"> Continued coordination calls with SJJPA Submitted data request to Caltrans/Amtrak 	<ul style="list-style-type: none"> Follow-up on data request Analyze data received 	5	<ul style="list-style-type: none"> Caltrans/Amtrak ability to provide data in timely manner
Task 4: Managing Agency Facilities and Staffing				
Task 5: Agency Budget				
Task 6: Key LOSSAN Initiatives				

APPENDIX C

LOSSAN RAIL AGENCY
MONTHLY EXPENDITURE REPORT

	Budget (FY 14)	Actual	Year to Date	Variance	Balance Remaining
BUDGETED EXPENSES:					
Dedicated Staff	\$310,901				
Legal Counsel	\$68,000				
Travel (mileage, train, other)	\$12,000				
Consultant Services	\$10,000				
Overhead					
SUBTOTAL					
NON-BUDGETED EXPENSES:					
Business cards					
Pins					
Additional Insurance					
TOTAL					

APPENDIX D

START-UP TERM BUDGET SUMMARY

Category	FY 14 Budget	FY 15 Budget	Total
Managing Agency Staff Time*	\$310,901	\$479,987	\$790,888
Legal Services	\$68,000	\$120,000	\$188,000
Travel (mileage, airfare, train, etc)	\$12,000	\$20,000	\$32,000
Consultant Services	\$10,000	\$10,000	\$20,000
Total	\$400,901	\$629,987	\$1,030,888

*Includes use of Managing Agency shared staff for functions outlined in organization chart in Appendix B, with costs captured utilizing an overhead rate of 142 percent applied to dedicated staff hours. Office space and other direct costs also built into overhead rate.

APPENDIX E

LOSSAN MARKETING ASSESSMENT AND PLAN OUTLINE

1. Brand Assessment

A brand is the idea and image connected with the name, logo, slogan, or design of a specific product or service.

Branding is fundamental and is invaluable in fostering any business growth. To uncover the current brand image that exists in the minds of our customers and the public, we will study and analyze the various existing brand identities for the Pacific Surfliner IPR service. This will include names, logos, slogans, marketing and communication campaign materials, digital appearance, etc. In addition to reviewing previous study findings provided by Amtrak and Caltrans DRMT, new surveys may be conducted. The results from the assessment will be essential in developing impactful branding that effectively conveys the unique personality, core values and strategic objectives of the Pacific Surfliner IPR service.

2. Marketing and Communications Audit

To develop and implement an effective marketing communications strategy, the OCTA Marketing Department will conduct a marketing and communications audit of the Pacific Surfliner service. An audit is a review of all current marketing and other communications vehicles to answer some basic questions:

- What are we saying about our company/brand/service?
- Is the message consistent across formats and audiences?
- How are we presenting the information?
- Who are we talking to?

Staff will begin by gathering all existing materials, including service and corporate brochures, timetable/schedules, customer survey reports, business cards and letterhead, annual reports, advertisements, direct mail pieces, signage, website/social media, press releases and promotional items, etc. The results of the audit will help clarify the communications strategy and provide a framework for future plan development.

3. Ridership/Revenue Trending Analysis

Staff will conduct an analysis of past ridership and ticket sales to identify key factors, such as operational, seasonal, policy, environmental, fare, promotion strategy, technology etc., that impact ridership and ticket sales. The insights from this analysis will help benchmark future marketing efforts and develop a program to repeat successes while avoiding known pitfalls.

4. Market Study and Development

A close study of the market along the LOSSAN rail corridor will be conducted to define target markets and gauge ridership potential based on existing customer surveys and profiles previously prepared by Amtrak and Caltrans DRMT. The study will use this information to develop a market profile for each individual station and identify any gaps in data, including:

- Destination trip generators
- Origin trip generators
- Demographics
- Psychographics
- Existing and potential station connections

In addition, OCTA will work with marketing, communications, and rail staff at Amtrak, Caltrans DRMT, and LOSSAN member agencies to explore partnership opportunities that could help expand market reach for IPR service on the LOSSAN rail corridor.

5. Marketing and Communication Plan and Budget Development

This effort will lay the groundwork for a comprehensive marketing and communications plan that can be implemented concurrent with approval of the ITA and transfer of administrative responsibility for the Pacific Surfliner service to the LOSSAN Agency.

The plan will outline LOSSAN's market/SWOT analysis and future marketing/communications efforts, including marketing management process, market segmentation, branding, marketing campaigns, promotional/special events, media relations and public outreach tactics, customer communication mechanisms and budgeting.