

The Business Plan must include (GOV 14070.4):

- a) A report on the recent as well as historical performance of the corridor service;
- b) An overall operating plan including proposed service enhancements to increase ridership and provide for increased traveler demands in the corridor for the upcoming year;
- c) Short-term and long-term capital improvement programs;
- d) Funding requirements for the upcoming fiscal year; and,
- e) An action plan with specific performance goals and objectives.

This bill:

- 1) Defines a “regional rail operator” as a public agency, including a JPA, responsible for commuter rail service that receives funds from the State Rail Assistance (SRA) fund.
- 2) Defines a “special event”, as a ticketed event at a venue with a capacity of:
 - a) At least 15,000 people, for venues within one-half mile of an intercity rail station, or,
 - b) At least 50,000 people, for venues within one mile of an intercity rail station.
- 3) Requires that an interagency transfer agreement for the provision of intercity rail service includes service planning for special events.
- 4) Requires the annual business plan submitted by an intercity rail operator, commencing in fiscal year (FY) 2028, to include a special events service plan that establishes:
 - a) An operating schedule for special events with the greatest service frequency possible given available funding and equipment;
 - b) A single published schedule, available online, that includes connections to regional rail operators that operate in the intercity corridor;

- c) Fare system integration between the intercity rail operator and any regional rail operators that operate a service line beginning or ending within the intercity rail corridor; and,
 - d) Strategies that improve, among other things, wayfinding and messaging and trip planning processes between intercity rail operators and regional rail operators when either is operating at or near their ticketed capacity.
- 5) Allows the special events service plan to be submitted as an amendment to a previously adopted business plan.
- 6) Requires that by July 1, 2027, a regional rail operator operating within an intercity rail corridor fully integrates its fare system with the intercity rail operator and any other regional rail operator operating in the corridor.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, “Passenger rail services are a vital part of the state’s transportation ecosystem and growing them is important for meeting the state’s climate goals. Even though rail is ideal for moving large numbers of people, it is often not easy for passengers to purchase tickets between transit networks, plan departures and arrivals with ease, or even find schedules to plan their trip around. This is especially true for commuters to large events, such as concerts or sporting events, that can attract tens of thousands of spectators. SB 1136 provides a clear framework and tools for intercity rail corridors to better identify and plan for special events when integrating with regional rail operators for a seamless, coordinated customer experience to make taking rail more convenient and appealing.”
- 2) *Passenger rail in California.* There is a wide variety of passenger rail services available throughout California. These services range from local streetcar and light rail providing intracity transportation, to the multibillion-dollar high speed rail project that aims to connect San Francisco and Los Angeles. However, the two most prominent types of passenger rail service in the state are intercity rail and commuter rail.

For intercity rail, California hosts three intercity routes, which are among the busiest in the nation. The Capitol Corridor service in Northern California covers 170 miles, connecting Auburn to San Jose. San Joaquins’, recently renamed the Gold Runner, serves the Central Valley. In Southern California, the Pacific Surfliner service is a 351-mile coastal corridor that runs from San Diego to San Luis Obispo, traveling through Orange, Los Angeles, Ventura, and

Santa Barbara counties. Collectively, these lines serve roughly 4 million passengers annually, with the Pacific Surfliner serving roughly 2 million passengers annually alone, making it the second busiest intercity passenger rail route in the nation. Currently, all three intercity rail service lines are managed by local JPAs and operated by Amtrak, while Caltrans remains responsible for providing state funding for each intercity rail line.

The statutes governing the JPAs define the specific corridors in which they are authorized to operate and provide service. Specifically, the Capitol Corridor is defined to extend from Colfax to San Jose. The San Joaquin Corridor is defined as Los Angeles through Bakersfield to Oakland and Sacramento. The Pacific Surfliner operates in the so-called LOSSAN corridor, defined as San Diego through Los Angeles to San Luis Obispo.

For commuter rail, California has five major agencies that provide service across the state. The Altamont Corridor Express Authority (ACE) provides service in the Central Valley and Tri-Valley areas, connecting Stockton with San Jose via Tracy, Livermore, and Fremont. The Sonoma-Marín Area Rail Transit District (SMART) operates service in the north Bay Area, connecting Sonoma County with Marin County. The Peninsula Corridor Joint Powers Board (Caltrain) operates in the South Bay area, with service between San Francisco and Gilroy. In the southern part of the state, the Southern California Regional Rail Authority (Metrolink) provides service throughout the counties of Ventura, Los Angeles, San Bernardino, Orange, and Riverside. Finally, the North County Transit Development Board (Coaster) provides service between San Diego and Oceanside. Together, the five commuter rail services had annual ridership of nearly 18 million passengers in FY 2025, with Metrolink and Caltrain making up the vast majority of that number.

- 3) *Intercity rail business plans.* All intercity rail providers in the state are required to submit an annual business plan by April 1 of each year to CalSTA. The primary purpose of these business plans is to report on the performance of the corridor and to discuss potential ways to improve service in the upcoming year. As part of this requirement, the business plan must include both short and long term capital improvements that can be considered. The plan must also discuss the agency's funding requirements for the upcoming fiscal year, including a discussion of fares, operating strategies, and marketing strategies. Finally, the plan must describe an action plan that lays out specific performance goals and objectives and how the agency aims to meet those goals. Some agencies, such as the LOSSAN Rail Agency, have additional requirements, including discussions of the effects of climate change on the rail corridor and strategies for increasing climate resiliency.

Although the agencies are not currently required to discuss special events service, they often make note of such events in their business plan as part of discussions about overall service operations. For instance, LOSSAN highlights a number of events for which they aim to restore pre-pandemic special events service to, including the Del Mar Races, the Oxnard Strawberry Festival, San Diego Comic-Con, and various sporting events. Similarly, the Capitol Corridor discusses their work to engage in “strategic partnerships” to service what they call “event-driven travel to regional cultural, entertainment, and sports activities.” The San Joaquins have also enumerated several holidays and local events for which they aim to provide additional service, mostly focused around Allensworth State Park.

- 4) *Problems for passenger rail.* Despite these and other efforts to increase service, passenger rail in California currently faces major obstacles. Primary among these is increasing financial instability in the face of both reduced ridership and increasing costs. Ridership across the state drastically declined during the COVID-19 pandemic, and in many cases has not fully recovered. The three intercity rail operators reported total annual ridership of roughly 4 million passengers in the last fiscal year, compared to a total pre-pandemic number of nearly 6 million. The Pacific Surfliner alone is still reporting roughly a million fewer passengers annually. On the commuter rail side, Caltrain is still at roughly only 60% of its pre-pandemic ridership numbers. Similarly, Metrolink has only recently reached 58% of its pre-pandemic ridership.

Decreases in farebox recovery from this reduced ridership, combined with increasing maintenance and operation costs amidst post-pandemic inflation have placed rail operators in difficult financial positions. For instance, an inability to adequately address mechanical issues has caused Metrolink to recently announce temporary service reductions affecting nearly all of their lines. Similarly, Caltrain is facing major budget deficits, leading them to adopt contingency plans in the case additional funding is not secured. In this event, Caltrain will have to close up to a third of their stations, eliminate all weekend service, and greatly reduce train frequency.

Meanwhile, other operators are facing additional challenges as well. For instance, the Pacific Surfliner, which runs directly on the coast in many areas, is suffering the impacts of sea-level rise, erosion, and weather-related events that have jeopardized the long-term resiliency of the corridor and, in some instances, ceased operations for up to months at a time. Over the past decade, numerous incidents, including landslides, heavy rain, and storm surge have shifted tracks along the right-of-way, forcing extended track closures. Overall, such issues have cost tens of millions of dollars to address and have substantially

interrupted service along the corridor.

In response to these challenges, many passenger rail operators across the state have been seeking to make adjustments to their schedules and service in order to increase ridership and reduce costs. In general, these adjustments have been made to move away from commuter-oriented travel and towards other forms of travel. This has been in response to shifting work patterns following the COVID-19 pandemic. For example, within the past few years Coaster has undergone schedule changes aimed at providing more consistent commuter service throughout the day, and expanding service on weekends and holidays. Although this has not been a magic bullet for returning to pre-pandemic ridership levels, it has been a bright spot in ridership numbers for many operators. Caltrain, for example, while still seeing decreased ridership overall, has seen weekend ridership reach 130% of pre-pandemic levels.

- 5) *Special event service.* SB 1136 seeks to take advantage of this bright spot in passenger ridership by encouraging rail operators to focus service around non-commuter travel generally and special events in particular. Specifically, Seamless Bay Area, writing in support of the bill say “California has long been a popular destination for travellers with many popular special events. We see this bill as a positive step forward toward a system that is well-coordinated to serve a variety of rider needs and that helps achieve goals supporting economic prosperity, environmental sustainability and quality of life for people in California.”

Indeed, based on these changing ridership patterns, passenger rail operators have already been looking at service around special events as a means of increasing ridership. For example in 2023, Captiol Corridor offered adjusted schedules to specifically provide increased service for Taylor Swift’s Eras Tour concerts. Today, operators across the state are developing plans for increased and shifted service offerings around the upcoming FIFA World Cup in June 2026 and the Summer Olympics in 2028. However, the costs of providing these services is often substantial. For instance, Caltrain has indicated that costs associated with increased service around the FIFA World Cup will exceed \$5 million.

These increased costs have proven problematic for increased service around more regular sporting events as well. Many operators, including Caltrain, Coaster, and Metrolink operate additional trains or extend train schedules around baseball games. Coaster, for instance, operates special Padres Trains that depart after certain San Diego Padres games end. However, these types of services have produced financial challenges, as with Metrolink’s Angels

Express. This service, which had been provided pre-pandemic, provided dedicated pre- and post-game rail service for Los Angeles Angels home games. Metrolink restarted this service in 2024, accompanied by a robust marketing campaign and with much community support. However, despite selling over 7,000 tickets, the service still ended up costing over five times more to operate than it brought in in revenue, and was again discontinued.

Beyond costs, passenger rail operators must also account for shared corridor traffic when attempting to provide additional service. Both intercity and commuter rail operators often provide service in corridors shared with, or outright owned by, major freight railroads such as Union Pacific and Burlington Northern Santa Fe Railroad (BNSF). As a result, these operators are often contractually limited in terms of the number of trains they can run per day, as freight rail often has priority to utilize the track. Many agencies, such as Caltrain, already operate at their maximum capacity, and would have great difficulty increasing service rates throughout most of the corridor, as this would require new negotiated terms with freight rail operators.

- 6) *Fare integration and ticket interoperability.* Beyond special events service, SB 1136 also aims to increase passenger rail ridership by mandating better communication between various rail operators. This takes the form of both increased schedule alignment and schedule visibility to the public, as well as fare integration. On this point, the Rail Passenger Association of California and Nevada, writing in support argue “SB 1136 accelerates the transition to Regional Rail by incentivizing the managing agencies to coordinate and develop strategies to fulfill the legislation’s goal. Recommended strategies include through service offering a one-seat ride, a single integrated timetable listing all service, ticket cross-honoring, schedule coordination where transfers are required and in-place contingency plans when connections are missed due to service disruptions.”

Although not necessarily a wide spread practice, many types of ticket interoperability do currently exist across California passenger rail operators. The Pacific Surfliner, for instance, has what they call a “codeshare” agreement with both Metrolink and Coaster. This allows passengers to use Metrolink or Coaster tickets on particular Pacific Surfliner trains. Similarly, Metrolink and Coaster were working on an agreement between themselves immediately prior to the pandemic. However, despite signing a memorandum of understanding at the time, that effort has since stalled. Caltrain meanwhile has successfully implemented similar practices in its service area, primarily in conjunction with other ticketing reforms like tap-to-pay services.

Statewide, there are existing programs such as the California Integrated Travel Project (CalITP), run by CalSTA and Caltrans. While the program primarily focuses on practices such as consolidating schedules in one location for easier use by passengers and increasing contactless payment options, part of the program does include the Rail Payments Alliance. This is an ongoing effort between many of the state's passenger rail operators, including all three intercity railroads, Metrolink, ACE, and Coaster, to establish a higher degree of interoperability between all the different providers in the state's rail network.

SB 1136 seeks to further these efforts by mandating fare integration in particular circumstances, such as when intercity and commuter rail providers operate in the same corridor. However, many of the efforts described above are focused more on ticket interoperability than on fare integration. While similar, these are two distinct types of coordination among rail providers. Ticket interoperability refers more generally to the ability of a passenger to use a ticket or pass purchased from one operator on trains provided by a different operator. However, fare integration implies a more robust relationship where all services associated with ticket sales and fare collection are inherently linked. While this provides a similar experience to the user as ticket interoperability, it implies a much higher degree of coordination on the back end.

- 7) *Who is included?* SB 1136 creates a new definition of a “regional rail operator”, based on the SRA’s definition of a commuter rail operator. This bill then creates a requirement for which regional rail operators must establish fare system integration based on their relationship with intercity rail operators. As written, the bill would require any regional rail operator to establish fare integration with any intercity operator with whom they share a corridor. Furthermore, they would be required to establish interoperability with any other regional rail operator in that same corridor.

Based on these definitions, these requirements would currently apply to four of the state's five commuter rail operators. In the north, both Caltrain and ACE overlap with the Capitol Corridor, providing service to San Jose and to Santa Clara. In the south both Metrolink and Coaster overlap with the Pacific Surfliner, providing service to Oceanside. Thus, mutual fare integration would have to be established between Caltrain, ACE, and the Capitol Corridor in the north, and between Metrolink, Coaster, and the Pacific Surfliner in the south. It is unclear if this was the intent of the author.

- 8) *A plan or a mandate?* In addition to fare integration requirements for regional rail operators, SB 1136 also mandates additional items that must be included in the annual business plans of the intercity rail operators. However, many of these

elements are highly prescriptive, describing the exact types of services, schedules, and fare integration systems required of the rail operators. Thus, there is some ambiguity as to what these elements would look like in the context of a business plan, or if the business plan requirement would require the operators to fully implement these provisions.

- 9) *What will it cost?* As discussed above, most passenger rail operators in California are currently facing financial challenges. SB 1136 seeks to help alleviate these issues by pushing rail operators towards service and operations adjustments aimed at increasing ridership and thus increasing revenues. However, as aforementioned, these types of service increases generally come with substantial costs of their own. Furthermore, previous services, like the Metrolink Angels Express, have shown how such costs may even exceed the benefits of the additional service. Thus, it is worth considering whether or not mandating service and operations expansions may unintentionally backfire and put the rail operators under even more financial strain.

It should be noted that SB 1136 does specifically state that additional services should only be provided “using available funding and equipment.” However, given the significant financial challenges discussed above, this may not be sufficient to alleviate cost concerns associated with increased service.

RELATED/PREVIOUS LEGISLATION:

AB 1237 (McKinnor, 2026) – Would require a ticket seller for an event located at a venue with a capacity of more than 1,000 persons to provide the consumer, at the time of purchase, the option to buy an all-day transit pass from a provider that services the venue at the time of the event. *This bill is pending in the Senate Business, Professions, and Economic Development Committee.*

SB 677 (Blakespear, Chapter 407, Statutes of 2023) – Required the LOSSAN Rail Corridor Agency as a part of the annual business plan to describe the effects of climate change on the corridor, identify projects to increase climate resiliency, and discuss funding options for these projects.

SB 477 (Cannella, 2017) – Would have authorized a local JPA operating intercity rail service to expand service beyond its statutorily defined corridor if specific conditions are met. *This bill was held in the Assembly Appropriations Committee.*

SB 1 (Beall, Chapter 5, Statutes of 2017) – Provided approximately \$5.2 billion per year in new funding for highways, transit and active transportation programs, including creating the State Rail Assistance Program.

SB 1225 (Padilla, Chapter 802, Statutes of 2012) – Authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the LOSSAN Corridor if specific conditions are met.

AB 1779 (Galgiani, Chapter 801, Statutes of 2012) – Authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the San Joaquin Corridor if specific conditions are met.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 8, 2026.)

SUPPORT:

Rail Passenger Association of California
Sandiego350
Seamless Bay Area
Streets for All
Transbay Coalition

OPPOSITION:

None received

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