

**Metropolitan Transportation Commission
Programming and Allocations Committee**

May 10, 2023

Agenda Item 3b - 23-0594

Draft 2023 California State Rail Plan – MTC Comments

Subject:

Discussion on draft comments to be submitted on Caltrans' draft 2023 California State Rail Plan.

Background:

The draft 2023 State Rail Plan (available at <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>) is an update to the 2018 State Rail Plan that “reaffirms the State’s Vision for an integrated, statewide rail and transit network that delivers on California’s ambitious, yet vital, economic, environmental, and equity goals.” The plan serves as the strategic document for rail in California and represents a financially unconstrained, long-term (through 2050) vision for passenger and freight rail service throughout the state. The State Rail Plan acknowledges that, while it represents a vision articulated by the state, it will ultimately be implemented by planning, operating, and funding agencies. To that end, the state will work collaboratively with stakeholders to align implementation planning to the plan’s vision and reflect progress through regional and local plans, capital grant applications, and awards.

Relationship to Plan Bay Area 2050 and Regional Priorities:

The State Rail Plan includes specific Capital Program goals consisting of defined project lists for the near-term (within the next five years), mid-term (within the next ten years), and long-term (by 2050). While the Rail Plan’s Capital Program goals for the Northern California Megaregion are mostly consistent with Plan Bay Area 2050, there are some notable discrepancies between project descriptions and investment priorities in the State Rail Plan and Plan Bay Area 2050. Unlike the State Rail Plan, Plan Bay Area 2050 is statutorily required to be financially constrained, and it must balance reasonably anticipated funding over the plan’s 30-year horizon across the region’s entire multimodal transportation network. Given the increasingly challenging circumstances posed by the transit fiscal cliff, the Bay Area is likely to face difficult decisions through the upcoming Plan Bay Area 2050+/Transit 2050+ process. Efforts to maintain fiscal constraint will require thoughtful consideration of tradeoffs between operations and capital

investments, which may further increase the divergence with the draft 2023 State Rail Plan's unconstrained vision.

MTC Comments on the Draft 2023 State Rail Plan:

To address the discrepancy between the Bay Area's financially constrained regional plan and the financially unconstrained vision described in the State Rail Plan, MTC is requesting that the State Rail Plan much more explicitly acknowledge that implementation of the near-, mid-, and long-term goals for its Capital Program will be subject to regional priorities and available funding, and that regional plans, such as Plan Bay Area 2050+, and funding policies, such as MTC's Major Project Advancement Policy (Resolution No. 4537), will ultimately determine the timing and implementation of the Rail Plan's Capital Program within certain regions.

Issues:

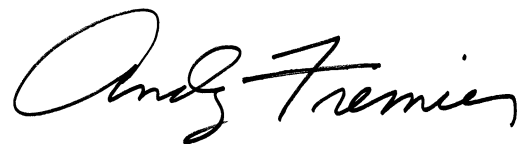
None identified.

Recommendation:

Information

Attachments:

- Attachment A: Draft Comment Letter from MTC on the 2023 California State Rail Plan



Andrew B. Fremier



METROPOLITAN
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Mr. Tony Tavares, Director
California Department of Transportation
1120 North Street
P.O. Box 942874
Sacramento, CA 95814

RE: Draft 2023 State Rail Plan

Dear Mr. Tavares:

MTC greatly values its ongoing partnership with Caltrans to deliver passenger and freight rail improvements to the San Francisco Bay Area region in accordance with both regional and statewide economic, environmental, and equity goals. The draft 2023 State Rail Plan advances these goals by providing an inspiring vision for a fully integrated, zero-emission, modern, passenger and freight rail network and an accompanying implementation strategy. The Plan acknowledges the key role that local communities and other stakeholders will have in achieving the Rail Plan's vision, and MTC looks forward to continued partnership with the State, local communities, transit operators, and other stakeholders as we move forward with implementing both regional and statewide plans.

Unlike the State Rail Plan, our regional plan, Plan Bay Area 2050, must provide a financially constrained vision for our region's future. Per statutory federal requirements, the estimated cost of projects and other investments in Plan Bay Area 2050 may not exceed the reasonably anticipated revenues over the plan's 30-year horizon. Consequently, some of the Rail Plan's near-term, mid-term, and long-term Capital Program goals for the Northern California Megaregion do not fully align with the investments in Plan Bay Area 2050, which must balance the needs of the region's entire multimodal transportation network against anticipated revenues.

Furthermore, we anticipate that this misalignment may become more significant because of the COVID-19 pandemic's long-term impact on transit ridership and operating revenues. Many of the region's transit operators are facing a "fiscal cliff" in 2025 that could severely impact the region's ability to maintain existing rail service. The region will ultimately need to weigh key policy tradeoffs in the context of reduced revenues, appropriately balancing operating needs and capital expansion investments as part of the upcoming update to Plan Bay Area.

To address the discrepancy between our financially constrained regional plan and the financially unconstrained vision described in the State Rail Plan, we request that the State Rail Plan much more explicitly acknowledge that implementation of the near-, mid-, and long-term goals for its Capital Program will be subject to regional priorities and available funding. Furthermore, we request that it more clearly underscore that fiscally-constrained

Draft 2023 State Rail Plan

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regional plans, such as Plan Bay Area, and funding policies, such as MTC's Major Project Advancement Policy (Resolution No. 4537), will ultimately determine the timing and implementation of the Rail Plan's Capital Program within certain regions.

Thank you for considering our concerns and suggested modifications to the draft 2023 State Rail Plan. We look forward to continuing to work with our state partners on delivering passenger and freight rail improvements in the San Francisco Bay Area. Please feel free to contact Matt Maloney, Director of Regional Planning, at mmaloney@bayareametro.gov with any questions or to discuss further.

Sincerely,

Andrew B. Fremier
Executive Director