

August 3, 2022

Dear Board of Directors of the Peninsula Corridor Joint Powers Board:

We are writing you this joint letter to update you on a key milestone for the implementation of the Blended System on the peninsula corridor. At its meeting on August 17 and 18, the California High-Speed Rail Authority (CHSRA) Board of Directors will consider certifying the final environmental impact report/statement for the San Francisco to San Jose segment of the system. This is a significant accomplishment, coming a decade after the foundational agreements that established a shared commitment to the Blended System on the peninsula corridor.

With recent direction from the California Legislature, CHSRA is advancing its work in the Central Valley toward the first high-speed rail operating segment in the State. At the same time, both agencies are working to develop a series of projects in and around the Caltrain corridor. Collaboration between our agencies will be essential to pursuing the funding that will be necessary to achieve the program of projects envisioned in the Authority's Business Plan and the Caltrain 2040 Service Vision. The completion of CHSRA's environmental documents for both the San Jose – Merced (completed) and San Francisco - San Jose (proposed) project segments would provide a timely opportunity to consider how our agencies' partnership should evolve in the coming years.

The Caltrain-owned rail corridor is a changing environment. Caltrain's regional rail service will be electrified in 2024 and the railroad continues to work toward the incremental implementation of the Caltrain board-adopted 2040 Service Vision. The corridor also hosts freight and inter-city rail services and is central to a constellation of local and regional station projects, grade separations efforts and surrounding land use plans. All of these services and projects are subject to continuous planning and implementation processes and inter-agency decision-making by multiple parties.

Since the initial agreements that formed the basis for the Blended System a decade ago, subsequent work to electrify the corridor, and the work to study the environmental effects of adding high-speed rail service to the corridor, additional plans and projects have been identified that will, over time, transform both the rail corridor itself and Caltrain's service in the corridor. Ensuring the successful implementation of the Blended System in this dynamic environment is of paramount importance to both agencies and will require the sustained efforts and commitment of CHSRA and Caltrain. To update our common understandings and plan for what's ahead, we plan to collaboratively undertake the following steps:

Blended System and Corridor Planning

Caltrain and CHSRA agree that it is integral to both agencies to align implementation of the Blended System (and the addition of eventual high-speed rail service to the corridor) with the work to develop and advance the Caltrain board-adopted 2040 Service Vision. This approach is needed to efficiently and incrementally deliver expansions of passenger rail service on the corridor and to manage the timing of the various interdependent capital improvements needed to both support these services and to meet various shared local, regional and state needs.

To facilitate this effort, we will plan to develop a formal structure for joint capital improvement plans; agreements on key standards; identification of funding approaches, responsibilities, and opportunities; advancement of conceptual design and cost estimates; and completion of any needed environmental review.

This work will be undertaken in full cooperation with existing planning processes, projects and corridor partners and will need to bring particular focus to key areas of multi-jurisdictional complexity along the corridor including:

- The Downtown Extension and changes in configuration of the 4th & King Railyard
- The acquisition, modernization and electrification of San Jose to Gilroy rail corridor
- The advancement of the Diridon Integrated Station project
- The advancement of grade separation and other rail crossing improvement projects
- The selection and design of passing track locations
- The modification and expansion of the Millbrae station
- The rail corridor tie-in to the proposed Brisbane HSR Light Maintenance Facility

Caltrain and CHSRA jointly commit to engaging the other seven signatories to the 2012 Memorandum of Understanding, the foundational agreement that defined the original Blended System concept (see attachment A) with a goal of establishing and executing a new, formalized structure for ongoing implementation of the Blended System and additional planned improvements in the corridor within the next 12 months.

Caltrain – CHSRA Shared Use Agreements

The 2018 Project Management and Funding Agreement (as well as precursor MOUs and agreements) between CHSRA and Caltrain envisioned the development of one or more shared use agreements that would govern the implementation of infrastructure improvements and high-speed rail service on the Peninsula corridor proposed by CHSRA, and grant CHSRA specified use of the corridor. Informed by our joint commitment to continued collaboration with other corridor partners in setting out the vision and path forward for the rail corridor (as described above), Caltrain and CHSRA commit to advancing a program of shared use agreements to cover the JPB-owned corridor as well a reciprocal agreement covering planned Caltrain use of any future CHSRA-controlled corridor or facilities south of San Jose to Gilroy.

These agreements will be consistent with the Project Management and Funding Agreement and are contemplated to include detail related to property ownership and acquisition; design review and approval; construction authorization and management; funding responsibility and risk allocation; and asset ownership. Caltrain and CHSRA will additionally need to reach operations and maintenance agreements related to systems integration and operations; maintenance responsibilities and cost allocation; schedule planning and integration; customer interface; and station operations.

Development of these shared use agreements will proceed in conjunction with the work to implement the Blended System and the other capital investment priorities described above to ensure that timely and appropriate understandings are reached to support the suite of projects the Peninsula corridor is anticipating in the coming years.

Next Steps

Caltrain and the CHSRA will convene parties from the 2012 Nine Party MOU to discuss form and structure for further advancing Blended System implementation and corridor planning with a goal of establishing a new or revised formal structure within the next 12 months. In parallel, we plan to have Caltrain and CHSRA staff begin work to develop a shared roadmap for a program of shared use agreements that can be tied to specific milestones. An update will be provided to the Caltrain and CHSRA Boards in Q1 of 2023 regarding progress on both efforts along with a joint work program describing how subsequent work will proceed.

We thank you in advance for your time and commitment to the peninsula corridor's future. Nurturing our mutually beneficial relationship in modernizing the Peninsula Rail Corridor for commuter and high-speed rail services will help to meet the future needs of our customers and growing economies.

Sincerely,



Michelle Bouchard, Acting Executive Director
Caltrain



Brian Kelly, Executive Director
CHSRA

cc: CHSRA Board of Directors