

AMENDED IN ASSEMBLY APRIL 19, 2012

AMENDED IN ASSEMBLY APRIL 17, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1779**

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**Introduced by Assembly Member Galgiani**  
**(Coauthors: Assembly Members Olsen and Perea)**  
(Coauthor: Senator Wolk)

February 21, 2012

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An act to amend Sections 14031.8, 14070.2, and 14070.6 of, and to repeal and add Article 5.4 (commencing with Section 14074) of Chapter 1 of Part 5 of Division 3 of Title 2 of, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1779, as amended, Galgiani. Intercity rail agreements.

Existing law authorizes the Department of Transportation to contract with Amtrak for intercity rail passenger services and provides funding for these services from the Public Transportation Account. Existing law, until December 31, 1996, authorized the department, subject to approval of the Secretary of Business, Transportation and Housing, to enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering the state-funded intercity rail service in a particular corridor. Existing law, with respect to a transferred corridor, requires the board to demonstrate the ability to meet performance standards established by the secretary.

This bill would authorize the department, with the approval of the secretary, to enter into an additional interagency transfer agreement with respect to the San Joaquin Corridor, as defined, if a joint powers authority and governing board are created and organized. In that regard, the bill would provide for the creation of the San Joaquin Corridor Joint Powers Authority, to be governed by a board of not more than 11 members. The bill would provide that the board shall be organized when at least 6 of the 11 agencies elect to appoint members. The bill would provide for the authority to be created when the member agencies enter into a joint powers agreement, as specified. ~~Only those agencies that appoint members by December 31, 2013, would be member agencies of the authority.~~ The bill would provide for future appointments of additional members if the service boundaries of the San Joaquin Corridor are expanded.

Existing law provides for the allocation of state funds by the secretary to a joint powers board under an interagency transfer agreement based on the annual business plan for the intercity rail corridor and subsequent appropriation of state funds.

This bill, with respect to the San Joaquin Corridor, would provide that local resources shall not be available to offset any redirection, elimination, reduction, or reclassification of state resources for operating intercity rail services.

This bill would authorize the secretary to adopt new performance standards by December 31, 2014, for intercity rail services. The bill would make other related changes.

Existing law authorizes the department and any entity that assumes administrative responsibility for passenger rail services through an interagency transfer agreement to contract with specified entities for the use of tracks and other facilities and for the provision of passenger rail services.

This bill would require a contractor under an agreement described above to agree that its labor relations shall be governed by a specified federal act relating to labor relations on railroads.

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. This act shall be known and may be cited as the
- 2 Intercity Passenger Rail Act of 2012 for the San Joaquin Corridor.

1 SEC. 2. (a) The Legislature finds and declares all of the  
2 following:

3 (1) An intercity rail passenger system, linking major urban  
4 centers and complemented by feeder bus services that provide  
5 access to outlying areas and destinations, is an important element  
6 of the state’s transportation system, and shall remain a state-funded  
7 program.

8 (2) The state has a continuing interest in the provision of  
9 cost-effective intercity rail passenger services and has a  
10 responsibility to coordinate intercity rail passenger services  
11 statewide.

12 (3) Since 1976, the state has invested over one billion eight  
13 hundred million dollars (\$1,800,000,000) in capital improvements  
14 and operating support for intercity rail passenger service and must  
15 ensure the protection of that investment.

16 (4) Intercity rail service and ridership increases will result in  
17 more jobs, improve air quality, and help promote sustainable  
18 development.

19 (b) The Legislature, through the enactment of this act, intends  
20 all of the following:

21 (1) The Secretary of Business, Transportation and Housing shall  
22 be responsible for the overall planning, coordination, and budgeting  
23 of the intercity passenger rail service.

24 (2) Any intercity rail corridor for which administrative  
25 responsibility has been transferred to a joint powers board through  
26 an interagency transfer agreement shall remain as a component of  
27 the statewide system of intercity rail corridors.

28 (3) The public interest requires expansion of the state intercity  
29 rail program in order to keep pace with the needs of an expanding  
30 population.

31 (4) For not less than a five-year period, the level of state funding  
32 for intercity rail service in each corridor should be maintained at  
33 a level equal to at least the current level of service in the corridor,  
34 thus providing fiscal stability that will allow appropriate planning  
35 and operation of these services.

36 (c) If the secretary determines that transferring responsibility  
37 for intercity rail service in a particular corridor or corridors to a  
38 statutorily created joint powers agency would result in  
39 administrative or operating cost reductions, the secretary ~~may~~  
40 *should* authorize the Department of Transportation to enter into

1 an interagency transfer agreement to effect a transfer of those  
2 administrative functions.

3 SEC. 3. Section 14031.8 of the Government Code is amended  
4 to read:

5 14031.8. (a) The Secretary of Business, Transportation and  
6 Housing shall establish, through an annual budget process, the  
7 level of state funding available for the operation of intercity  
8 passenger rail service in each corridor.

9 (b) Where applicable, operating funds shall be allocated by the  
10 secretary to the joint powers board in accordance with an  
11 interagency transfer agreement that includes mutually agreed-upon  
12 rail services. Funds for the administration and marketing of  
13 services, as appropriate, shall also be transferred by the secretary  
14 to the joint powers board, subject to the terms of the interagency  
15 transfer agreement.

16 (c) The joint powers board or local or regional entities may, but  
17 shall not be required to, augment state-provided resources to  
18 expand intercity passenger rail services, or to address funding  
19 shortfalls in achieving agreed-upon performance standards. The  
20 joint powers board or local or regional agencies with regard to the  
21 San Joaquin Corridor may identify and secure new supplemental  
22 sources of funding for the purpose of expanding or maintaining  
23 intercity rail passenger service levels, which may include state and  
24 federal intercity rail resources.

25 (d) The department may provide any support services as may  
26 be mutually agreed upon by the joint powers board and the  
27 department.

28 (e) Operating costs shall be controlled by dealing with, at a  
29 minimum, the current Amtrak cost allocation formula, which,  
30 beginning in federal fiscal year 2013–14, will be subject to Section  
31 209 of the federal Passenger Rail Investment and Improvement  
32 Act, and the ability to contract out to Amtrak or other rail operators  
33 as a part of federal legislation dealing with Amtrak reauthorization.

34 (f) Not later than December 31, 1997, the secretary shall  
35 establish a set of uniform performance standards for all corridors  
36 and operators to control cost and improve efficiency. To the extent  
37 necessary, as determined by the secretary, performance standards  
38 may be modified not later than December 31, 2014, relative to  
39 including the San Joaquin Corridor among the corridors subject  
40 to an interagency transfer agreement.

1 (g) Notwithstanding any other provision of this section, with  
2 regard to the San Joaquin Corridor, local resources described in  
3 subdivision (c) shall not be available for expenditure to offset any  
4 redirection, elimination, reduction, or reclassification of state  
5 resources for operating intercity rail services.

6 SEC. 4. Section 14070.2 of the Government Code is amended  
7 to read:

8 14070.2. (a) If authorized by the secretary, the department  
9 may, through an interagency transfer agreement, transfer to a joint  
10 powers board, and the board may assume, all responsibility for  
11 administering intercity passenger rail service in the corridor. Upon  
12 the date specified in the agreement, the board shall succeed to the  
13 department's powers and duties relative to that service, except that  
14 the department shall retain responsibility for developing budget  
15 requests for the service through the state budget process, which  
16 shall be developed in consultation with the board, and for  
17 coordinating service in the corridor with other intercity passenger  
18 rail services in the state.

19 (b) (1) Except as otherwise provided in paragraph (2), the  
20 interagency transfer agreement shall be executed on or before  
21 December 31, 1996.

22 (2) With respect to the San Joaquin Corridor, the interagency  
23 transfer agreement shall be executed on or before December 31,  
24 2013.

25 (c) The secretary shall require the board to demonstrate the  
26 ability to meet the performance standards established by the  
27 secretary pursuant to subdivision (f) of Section 14031.8.

28 SEC. 5. Section 14070.6 of the Government Code is amended  
29 to read:

30 14070.6. The department and any entity that assumes  
31 administrative responsibility for intercity passenger rail services  
32 through an interagency transfer agreement, may, through a  
33 competitive solicitation process, contract with the National Railroad  
34 Passenger Corporation (Amtrak) or with organizations not  
35 precluded by state or federal law to provide intercity passenger  
36 rail services, and may contract with rail corporations and other rail  
37 operators for the use of tracks and other facilities and for the  
38 provision of intercity passenger services on terms and conditions  
39 as the parties may agree. The department is deemed to be a  
40 third-party beneficiary of the contract, and the contract shall not

1 contain any provision or condition that would negatively impact  
 2 on or conflict with any other contracts the department has regarding  
 3 intercity passenger rail services. Any entity that succeeds the  
 4 department as sponsor of state-supported intercity passenger rail  
 5 services through an interagency transfer agreement is deemed an  
 6 agency of the state for all purposes related to intercity passenger  
 7 rail services, including Section 5311 of Title 49 of the United  
 8 States Code. If the intercity passenger rail service is operated by  
 9 a contractor, the contractor shall, as a condition of entering into  
 10 an operating agreement with the entity, agree that its labor relations  
 11 shall be governed by the federal Railway Labor Act (45 U.S.C.  
 12 Sec. 151 et seq.).

13 SEC. 6. Article 5.4 (commencing with Section 14074) of  
 14 Chapter 1 of Part 5 of Division 3 of Title 2 of the Government  
 15 Code is repealed.

16 SEC. 7. Article 5.4 (commencing with Section 14074) is added  
 17 to Chapter 1 of Part 5 of Division 3 of Title 2 of the Government  
 18 Code, to read:

19  
 20  
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Article 5.4. San Joaquin Corridor

22 14074. As used in this article, the following terms have the  
 23 following meanings:

24 (a) “Authority” or “San Joaquin Joint Powers Authority” means  
 25 a joint exercise of powers agency formed under Chapter 5  
 26 (commencing with Section 6500) of Division 7 of Title 1 for  
 27 purposes of assuming administrative responsibility for the San  
 28 Joaquin Corridor under an interagency transfer agreement pursuant  
 29 to Article 5 (commencing with Section 14070).

30 (b) “Board” means the governing board of the San Joaquin Joint  
 31 Powers Authority established under Section 14074.2.

32 (c) “San Joaquin Corridor” or “corridor” means the Los  
 33 Angeles-Bakersfield-Fresno-Stockton-Sacramento-San Francisco  
 34 Bay Area intercity passenger rail corridor.

35 14074.2. (a) There ~~is hereby~~ *shall be* created the San Joaquin  
 36 Joint Powers *Authority* Board, subject to being organized pursuant  
 37 to ~~subdivision (b) the provisions of this article~~. Except as otherwise  
 38 provided in ~~subdivision~~ *subdivisions* (b) and (c), the board shall  
 39 be composed of not more than 11 members, as follows:

- 1 (1) One member of the board of directors of the Sacramento  
2 Regional Transit District, appointed by that board.
- 3 (2) One member of the board of directors of the San Joaquin  
4 Regional Rail Commission, appointed by that board, who shall be  
5 a resident of San Joaquin County.
- 6 (3) One member of the board of directors of the Stanislaus  
7 Council of Governments, appointed by that board.
- 8 (4) One member of the board of directors of the Merced County  
9 Association of Governments, appointed by that board.
- 10 (5) One member of the board of directors of the Madera County  
11 Transportation Commission, appointed by that board.
- 12 (6) One member of the board of directors of the Fresno Council  
13 of Governments, appointed by that board.
- 14 (7) One member of the board of directors of the Kings County  
15 Association of Governments, appointed by that board.
- 16 (8) One member of the board of directors of the Tulare County  
17 Association of Governments, appointed by that board.
- 18 (9) One member of the board of directors of the Kern Council  
19 of Governments, appointed by that board.
- 20 (10) One member of the board of directors of a regional  
21 transportation agency or rail transit operator that serves Contra  
22 Costa County, appointed by \_\_\_\_\_, who shall be a resident of the  
23 county.
- 24 (11) One member of a regional transportation agency or rail  
25 transit operator that serves Alameda County, appointed by \_\_\_\_\_,  
26 who shall be a resident of the county.
- 27 (b) The board shall be organized when at least six of the agencies  
28 described in paragraphs (1) to (11), inclusive, of subdivision (a)  
29 elect to appoint a member to serve on the board *prior to December*  
30 *31, 2013.* ~~Only those agencies that appoint members to serve on~~  
31 ~~the board prior to December 31, 2013, shall be member agencies~~  
32 ~~of the authority~~ *Once organized, those agencies described in*  
33 *paragraphs (1) to (11), inclusive, of subdivision (a) that have not*  
34 *yet appointed members to serve on the board may elect to appoint*  
35 *a member to serve* and be represented on the board *at any time*  
36 *thereafter.* ~~However, if~~
- 37 (c) *If the rail service boundaries of the San Joaquin Corridor*  
38 *are extended, an additional member from each additional county*  
39 *receiving rail service may be added to the board through a decision*  
40 *of the board pursuant to Section 14074.6.*

1 14074.4. ~~This~~*The* authority shall be created only if the agencies  
2 that would be represented on the board enter into a joint exercise  
3 of powers agreement to form the ~~agency~~ *authority*.  
4 14074.6. The board shall make its decisions in accordance with  
5 the votes of its members, with a majority vote required for all  
6 matters with the exception of the approval of the business ~~plan~~  
7 *plan*, revisions to that plan, and the addition of new members  
8 pursuant to subdivision ~~(b)~~ *(c)* of Section 14074.2, which shall  
9 require a two-thirds vote of the members.  
10 14074.8. The Steering Committee of the Caltrans Rail Task  
11 Force shall remain in existence. If a joint powers authority is  
12 formed pursuant to this article and an interagency transfer  
13 agreement is executed pursuant to subdivision (b) of Section  
14 14070.2, the Steering Committee of the Caltrans Rail Task Force  
15 shall become the Steering Committee of the San Joaquin Joint  
16 Powers Authority for the purpose of advising the joint powers  
17 board.