

Date of Hearing: June 29, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

SB 1324 (Blakespear) – As Amended March 23, 2026

SENATE VOTE: 36-0

SUBJECT: Passenger and freight rail: LOSSAN Rail Corridor: working group report

SUMMARY: Extends the deadline for the report from the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor working group on consensus recommendations relating to service in the corridor from February 1, 2026, to February 1, 2027.

EXISTING LAW:

- 1) Authorizes the California Department of Transportation (Caltrans) to contract with the National Railroad Passenger Corporation (Amtrak) for intercity rail passenger services. (Government Code section (GOV) 14070.6)
- 2) Provides funding for intercity passenger rail service from a portion of the sales tax on diesel fuel through the Public Transportation Account. (Public Utility Code section (PUC) 99312.3)
- 3) Authorizes Caltrans, subject to approval of the Secretary of Transportation (the Secretary), to enter into an interagency transfer agreement under which a Joint Powers Authority (JPA) assumes responsibility for administering the state-supported intercity passenger rail service, and associated feeder bus service, in a particular corridor. (GOV 14070.2)
- 4) Authorizes the Capitol Corridor JPA, San Joaquin JPA, and the LOSSAN Rail Corridor Agency to oversee state-supported intercity passenger rail service and defines each corridor. (GOV 2.3.5.1 Articles 5.2, 5.4, 5.6)
- 5) Defines the LOSSAN Rail Corridor as the intercity passenger rail corridor between San Diego, Los Angeles, and San Luis Obispo. (GOV 14072)
- 6) Requires the preparation of an annual Business Plan, due to the Secretary by April 1 every year, for the corridor by each participating JPA board of directors. (GOV 14070.4)
- 7) Requires the Secretary to convene a working group that includes, but is not limited to (GOV 14072.6(b)):
 - a) LOSSAN Rail Corridor track owners;
 - b) LOSSAN Rail Corridor passenger and freight rail operators, including managing agencies, joint powers authorities, and transit districts responsible for rail services;
 - c) The county transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura;
 - d) The Metropolitan Planning Organizations for the Counties of Los Angeles, Orange, San Diego, San Luis Obispo, Santa Barbara, and Ventura;

- e) Business, community, transportation, environmental, labor, and civic organizations;
 - f) The California Coastal Commission; and,
 - g) The Caltrans Division of Rail and Mass Transportation.
- 8) Requires the working group to submit a report to the Legislature on or before February 1, 2026, addressing the long-term viability of comprehensive and coordinated passenger and freight rail services in and around the LOSSAN corridor. The report must include, among other items (GOV 14072.6(c)):
- a) Strategies to increase rail service coordination and reduce disruptions or delays;
 - b) Alternative management and operations models or structures that improve intercity and regional rail services; and,
 - c) Changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services with a focus on streamlining, clarifying, and improving existing processes or procedures.

FISCAL EFFECT: Unknown

COMMENTS: *Intercity rail in California.* California is home to three of the six busiest Amtrak intercity passenger rail routes in the nation. The Capitol Corridor service in Northern California covers 170 miles, with 18 stations, connecting Auburn to San Jose. The 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 while Caltrans remains responsible for providing state funding for each intercity rail line.

Historically, the intercity rail lines were partially funded by the federal government through Amtrak operations. However, with the passage of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), states were required to assume full funding of these lines. In California, the three intercity rail lines are funded from a portion of the sales tax on diesel fuel, which has recently increased to roughly \$200 million per year. With the passage of SB 1 (Beall, Chapter 5, Statutes of 2017), the three intercity rail providers also receive an additional roughly \$20 million per year for capital and operations support from the State Rail Assistance program. Additionally, there are other funding sources for capital improvements for intercity rail including the Transit Intercity Rail Capital Program and the Interregional Transportation Improvement Program.

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 Joaquins 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.

In Southern California, the LOSSAN Rail Corridor Agency runs the Pacific Surfliner service, a 351-mile coastal corridor that runs from San Diego to San Luis Obispo. Pre-COVID the service had 3 million annual riders with 26 daily trains, or 13 daily round trips. To accommodate the

drastic decline in ridership during the pandemic, service was reduced to 12 daily trains. Despite track closures and the lack of ridership return post-COVID, the Pacific Surfliner service has, as of January 2026, returned to its pre-COVID level of 26 daily trains. Ridership however remains lower, with just under 2 million annual riders as of mid-2025.

In addition to the Pacific Surfliner service, the LOSSAN corridor is used by four different passenger and freight rail services, including the North County Transit District (NCTD) Coaster commuter rail, Metrolink, the Burlington Northern Santa Fe Railroad (BNSF), and the Union Pacific railroad. Each member agency or host railroad is responsible for the implementation of its respective capital improvement projects, however the LOSSAN agency takes a lead role in funding and legislative pursuits, with a focus on leveraging existing funds to advance capital projects that have a corridor-wide benefit.

As noted above, LOSSAN is currently the second busiest intercity passenger rail corridor in the United States, and the busiest state-supported Amtrak route. Pre-COVID, between Coaster, Metrolink, and Surfliner services, the LOSSAN corridor carried 8 million passengers a year. Based on numbers from FY 2024, ridership across these services had only reached roughly 4.5 million. In addition to passengers, the LOSSAN corridor transports over \$1 billion in goods via freight rail operators and is part of the Defense Department's Strategic Rail Corridor Network, providing access to military bases throughout San Diego.

The LOSSAN Agency is governed by a Board of Directors composed of 11 voting members representing rail owners, operators, and planning agencies along the LOSSAN rail corridor, as well as four non-voting, ex-officio members. Specifically, the voting member agencies include San Diego Metropolitan Transit System, San Diego Association of Governments (SANDAG), NCTD, the Orange County Transportation Authority (OCTA), Riverside County Transportation Commission, Los Angeles County Metropolitan Transportation Authority, Ventura County Transportation Commission, Santa Barbara County Association of Governments, and San Luis Obispo Council of Governments.

Every year, the LOSSAN Agency is statutorily required to submit a business plan to the California State Transportation Agency (CalSTA) by April 1. The primary purpose of the business plan is to identify the major goals and objectives for the LOSSAN agency's management of the Pacific Surfliner, as well as the budget necessary to administer, market, and operate the service during the upcoming two-year period. The business plan also summarizes operations, service levels, budget, and capital improvements that have contributed to the success of the Pacific Surfliner service and identifies improvements to sustain and grow its success moving forward. As a result of SB 677 (Blakespear, Chapter 407, Statutes of 2023), future business plans are required to include a discussion of climate change issues for the corridor and highlight projects that are directly related to climate resiliency.

The LOSSAN corridor, 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. For example, storm surge in September 2022 triggered a landslide that necessitated immediate track closure and nearly \$14 million in repairs. Such events have continued to occur, especially on the busiest section of the

route between Orange and San Diego counties. In particular, track near the cities of San Clemente, Mariposa, and Del Mar has faced particular climate related challenges. Overall, such issues have cost tens of millions of dollars to address and have substantially interrupted service along the corridor.

As a result of these issues, several efforts are underway to find long-term solutions. For example, in San Diego County, SANDAG and NCTD have been leading efforts to stabilize portions of the coastal bluffs in the City of Del Mar to protect the railroad from erosion, landslides, and seismic events. Specifically, Phase 5 of the Del Mar stabilization project will install additional columns to support the railroad, reinforce the bluffs, and install retaining walls, drainage improvements, and other stabilization and erosion control measures on the upper bluffs, bluff face, and new sea walls to protect the bluff toe. The project began construction in 2024 and is estimated to be completed in 2027 at an estimated cost of \$88 million.

Beyond the Del Mar stabilization project, SANDAG is also leading the San Diego Regional Rail Alternative Alignment and Improvements study to analyze ways to reduce travel times, enhance safety, and increase capacity along the San Diego segment of the corridor. One aspect of the study is to evaluate potential double track alignments between San Dieguito and Sorrento Valley that would move the tracks completely off the eroding bluffs. As part of the FY 2023 state budget, SANDAG was allocated \$300 million to begin environmental analysis, study potential impacts, address stakeholder concerns, and identify future costs of the project. As of April 2026 a draft environmental impact report has been released and geotechnical testing in the area is ongoing.

Meanwhile, OCTA is leading the Orange County Coastal Rail Resiliency Study to assess existing and future environmental risks and issues with operations and maintenance along the LOSSAN Rail Corridor while evaluating strategies to address these challenges. The initial assessment is now published and focuses on providing an existing conditions assessment of the rail corridor by identifying areas that are susceptible to risk from bluff failures and coastal erosion in the next two years. This initial assessment also calls for a better defining of roles and responsibilities of key stakeholders along the corridor and the development of an implementation plan for resiliency along the entire corridor. A final report on the full scope of the study and its recommendations is expected in the summer of 2026.

In 2023, the Senate created the Senate Transportation Subcommittee on LOSSAN Rail Corridor Resiliency comprised of members of the committee who represent the corridor. Specifically, the subcommittee is chaired by the author, Senator Blakespear (D-Encinitas), and currently includes as members Senator Bob Archuleta (D-Pico Rivera) and Senator Tony Strickland (R-Huntington Beach). The subcommittee has conducted nine hearings since 2023, including most recently in February of 2026.

On January 9, 2024, the subcommittee submitted a letter to CalSTA requesting the agency prioritize working with the subcommittee to formalize a partnership to convene, coordinate, and arbitrate among stakeholders' priorities to result in ridership increases and prioritized capital investments; restoring cut service and beginning service expansions as soon as possible; identifying resources needed to achieve the goals outlined in the State Rail Plan specific to the LOSSAN rail line; and identifying a new non-rail funding source for emergency bus services during track closures.

CalSTA responded to this letter in mid-March 2024 describing their activities to help with current emergency projects and identifying the role they can play in long-term planning on the corridor. Specifically, the letter notes coordination CalSTA can provide with the Federal Railroad Administration and the opportunity for CalSTA to lead efforts on executing memoranda of understanding among partner agencies on the corridor.

In 2024 the Legislature passed, and the Governor signed into law, SB 1098 (Blakespear, Chapter 777, Statutes of 2024). The bill aimed to provide guidance, recommendations, and increase coordination between stakeholders to ensure the overall performance of the LOSSAN Rail Corridor. Specifically, the bill required the compilation of three different reports about various aspects of the corridor's performance.

The first of these reports is to be prepared by the Secretary, with technical and subject matter assistance from the Secretary for Environmental Protection and the Secretary of the Natural Resources Agency. This report is supposed to provide a baseline summary of the transportation and environmental conditions along the LOSSAN corridor as of January 1, 2025. As part of this, the report must include, among other things, a list of prioritized capital improvement projects; a description of actions taken by CalSTA to improve operations and performance; strategies for supporting and improving existing rail service; and strategies and recommendations to support coastal hazard resiliency planning in the corridor. The report is initially due "upon appropriation" and then every two years thereafter. As of April 2026 no funding has been appropriated and the first report has not been prepared.

The second of these reports is to be prepared by a working group, convened by the Secretary, that consists of LOSSAN Rail Corridor track owners; LOSSAN Rail Corridor passenger and freight rail operators; the county transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura; the Metropolitan Planning Organizations for the Counties of Los Angeles, Orange, San Diego, San Luis Obispo, Santa Barbara, and Ventura; business, community, transportation, environmental, labor, and civic organizations; the California Coastal Commission; and the Caltrans Division of Rail and Mass Transportation. Such a working group had previously been convened in 2024 before the passage of SB 1098.

This report is required to provide feedback on consensus recommendations regarding the long-term viability of comprehensive and coordinated passenger and freight services on the LOSSAN corridor. The report must include, among other things, strategies to increase rail service coordination and reduce disruptions or delays; alternative management and operations models or structures that improve intercity and regional rail services; and changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services. Furthermore, the working group must consider the known and expected impacts of recommendations on the coastal environment and local communities and engage in meaningful public engagement.

This report was due February 1, 2026, but as of June 2026 has not been released. The LOSSAN Working Group met four times between February 19th and May 11th, all past the due date of the report to the Legislature. On June 10, 2026, CalSTA released a draft SB 1098 report for public comment. Comments are due back on July 3rd, 2026.

According to the author, “The LOSSAN rail corridor is 351 miles and connects six Southern California counties. Historically, the LOSSAN rail corridor is the busiest state-supported intercity rail corridor in the country and has had years of sustained passenger rail ridership growth. The last decade, however, has shown that the current funding and management models are no longer viable. The line is struggling with lower ridership since 2020, mounting infrastructure needs and changing travel demands. SB 1098 created a work group chaired by CalSTA with the rail line’s stakeholders and directed it to develop a report for the Legislature on needed reforms. The report, due on Feb. 1, 2026, has not been completed. This legislation restates the urgency for action while the report is being finalized.”

Previous legislation. SB 1098 (Blakespear) Chapter 777, Statutes of 2024 mandated various reports and working groups to provide guidance, recommendations, and increase coordination between stakeholders to ensure overall performance of the LOSSAN Rail Corridor. SB 1098 required, upon appropriation and every two years thereafter, a report to the Legislature on the baseline conditions along the rail corridor; the convening of a working group to make consensus recommendations regarding the long-term viability of the corridor, with a report to the Legislature from the working group on these recommendations by February 1, 2026; and a report to the Legislature, upon appropriation and every three years thereafter, on the performance of the LOSSAN Rail Corridor.

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 742 (Allen) Chapter 652, Statutes of 2019 made various changes to provisions relating to the state's intercity thruway bus services.

SB 477 (Cannella) of 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.

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.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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