

Caltrain / UP Agreement FAQs

1. **QUESTION:** What is covered in the recent agreements between Union Pacific (UP) and Caltrain?

ANSWER: Fundamentally, the UP/Caltrain agreements resolve disputes that arose involving the JPB's corridor electrification project, the effect of which is to pave the way for Caltrain construction and future operation of an electrified rail system in the peninsula rail corridor without objection by UP. The agreements also make it possible for Caltrain to proceed with construction on the South San Francisco Station Reconfiguration Project, which required UP's consent to rearrangement of its freight yard at that location. This project will enhance safety and efficiency by enabling elimination of the hold-out rule at that station. Additionally, UP and Caltrain have agreed to explore the potential for a short line operator to assume responsibility for conducting freight operations along the peninsula rail corridor. If a short line arrangement is implemented, intercity passenger rights currently owned by UP will be transferred to Caltrain.

2. **QUESTION:** Where can I find a copy of the documents

ANSWER: Documents are available at www.caltrain.com/about/JPB_Agreements

3. **QUESTION:** Will freight service continue to operate on the Caltrain Corridor?

ANSWER: Yes. Freight service will remain on the corridor. The agreement provides that UP will explore the potential for a third party (short-line operator) to assume responsibility for freight operations in the corridor. If a short line operator is not selected, UP will continue to serve as the provider of freight service.

4. **QUESTION:** Who will initiate and lead the process of selecting a new short-line operator?

ANSWER: UP will initiate and carry out the solicitation process.

5. **QUESTION:** What is the process for selecting a new short-line operator?

ANSWER: A competitive solicitation process will be undertaken in which qualified short line operators will be invited to participate.

6. **QUESTION:** How long will it take UP to go through the process of selecting a new short-line operator?

ANSWER: The process is likely to take between 9 to 12 months from start to finish.

7. **QUESTION:** Will the solicitation process include modifications to the horn standards or acceptable grade for freight service?

ANSWER: Caltrain is mindful of comments that have been made since the announcement of the UP/Caltrain transaction suggesting that consideration be given to including provisions in the agreement with a short line freight operator dealing with train

horns and right of way grade modifications. Caltrain intends to make best efforts to address these issues, taking into account applicable rules and regulations and financial considerations pertinent to these topics.

8. **QUESTION:** What is Caltrain's role in the selection of a new short-line operator?

ANSWER: After solicitation process is complete and a short-line operator is selected by UP, the Caltrain Board of Directors will vote to approve or disapprove the selection.

9. **QUESTION:** Why wouldn't the JPB, as the owner of the Peninsula Corridor, lead the solicitation process?

ANSWER: The transaction entered into in 1991 between the JPB and UP's predecessor, Southern Pacific Transportation Company, reserved "the perpetual and exclusive right" to conduct freight service in the corridor to the freight railroad; the JPB, in turn, possesses exclusive commuter passenger service operations rights. That transaction was approved by the Interstate Commerce Commission, an agency since replaced by the federal Surface Transportation Board. Since the JPB possesses neither the legal right nor responsibility to manage freight operations in the Peninsula Corridor, it would not be appropriate for the JPB to conduct the procurement to solicit a qualified short line operator.

10. **QUESTION:** Are there other government agencies that are involved in to approve or disapprove of the transfer of rights between UP and the short-line operator?

ANSWER: Yes, filings with the Surface Transportation Board will be necessary following selection of a short-line operator by UP and approval of the new Trackage Rights Agreement with Caltrain and the new short-line operator.

11. **QUESTION:** To whom should communications be addressed regarding the selection of a new short-line operator?

ANSWER: In recognition of UP's rights and responsibilities regarding freight operations in the Caltrain Corridor, communications during the solicitation and procurement process should be addressed to UP as follows:

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