




June 21, 2022

To: Members of the Board of Directors

From: Jason Jewell, Interim Managing Director 

Subject: Fiscal Year 2021-22 Second Quarter Los Angeles – San Diego – San Luis Obispo Rail Corridor Trends

Overview

A report on ridership, revenue, and on-time performance trends for passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the second quarter of state fiscal year 2021-22.

This report and future quarterly reports will be based on the state fiscal year (July through June) instead of the Amtrak federal fiscal year (October through September).

Recommendation

Receive and file as an information item.

Background

The 351-mile Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor travels through a six-county coastal region in Southern California and is the busiest state-supported intercity passenger rail corridor in the United States. The LOSSAN rail corridor includes 41 stations and typically hosts more than 150 daily passenger trains. Prior to the Coronavirus pandemic, 27 daily trains and 27 stations comprised the Pacific Surfliner service. The Pacific Surfliner currently serves 29 stations and operates 21 daily one-way trains (or ten round trips). In fiscal year 2019 (the last full fiscal year prior to the COVID-19 pandemic), there were nearly 2.8 million passenger trips on Pacific Surfliner trains alone, and an additional 5.4 million passenger trips were taken on the two commuter rail services combined (Metrolink and COASTER).

Discussion

This report provides an update on the performance trends of the passenger rail services operating on the LOSSAN rail corridor, focusing on three specific performance areas: usage (ridership and passenger miles), efficiency (revenue and farebox recovery), and quality (on-time performance (OTP) and customer satisfaction). The report includes the Pacific Surfliner intercity passenger rail service, as well as commuter rail service on Metrolink's Ventura County Line (VCL) and Orange County Line (OCL), and the North County Transit District's (NCTD) COASTER system. Amtrak national data is included for comparative purposes. The reporting period is the second quarter of fiscal year (FY) 2021-22, covering the months of October, November, and December 2021.

Coronavirus Pandemic

The coronavirus (COVID-19) pandemic has had significant global impacts on transit ridership and operations, including the three rail services operating on the LOSSAN rail corridor. Attributable ridership and revenue declines were observed at the end of February 2020, and drastic declines followed Governor Newsom's safer-at-home order that was effective March 15, 2020. Shortly thereafter, the Pacific Surfliner, COASTER, and Metrolink implemented temporary service reductions on its respective intercity and commuter passenger rail services. The Pacific Surfliner and COASTER began service reductions on March 23, 2020, and Metrolink reduced its service on March 26, 2020.

After over a year of operating on reduced service schedules, and as health and social conditions steadily transition into recovery from the COVID-19 pandemic, rail operators along the LOSSAN rail corridor began to restore service starting on Memorial Day weekend in 2021. COASTER returned to full service on May 29, 2021, while on the same day Metrolink launched new Saturday service on its Ventura County Line. On June 28, 2021, the Pacific Surfliner increased its service from 12 daily one-way trips (six round trips) to 18 daily one-way trips (nine round trips). On October 25, 2021, the Pacific Surfliner increased its service further, to 21 daily one-way trips (10 round trips). On April 4, 2022, Metrolink made the most significant service restoration since the beginning of the pandemic, adding a total of 26 trains to its commuter rail system.

Usage

For the second quarter of FY 2021-22, total LOSSAN rail corridor ridership for the three rail services combined was 699,953, representing a 173.5 percent increase when compared to the same period of the previous year. A 24-month ridership chart for the LOSSAN rail corridor, with the specific performance of each service, is shown in Figure 1.

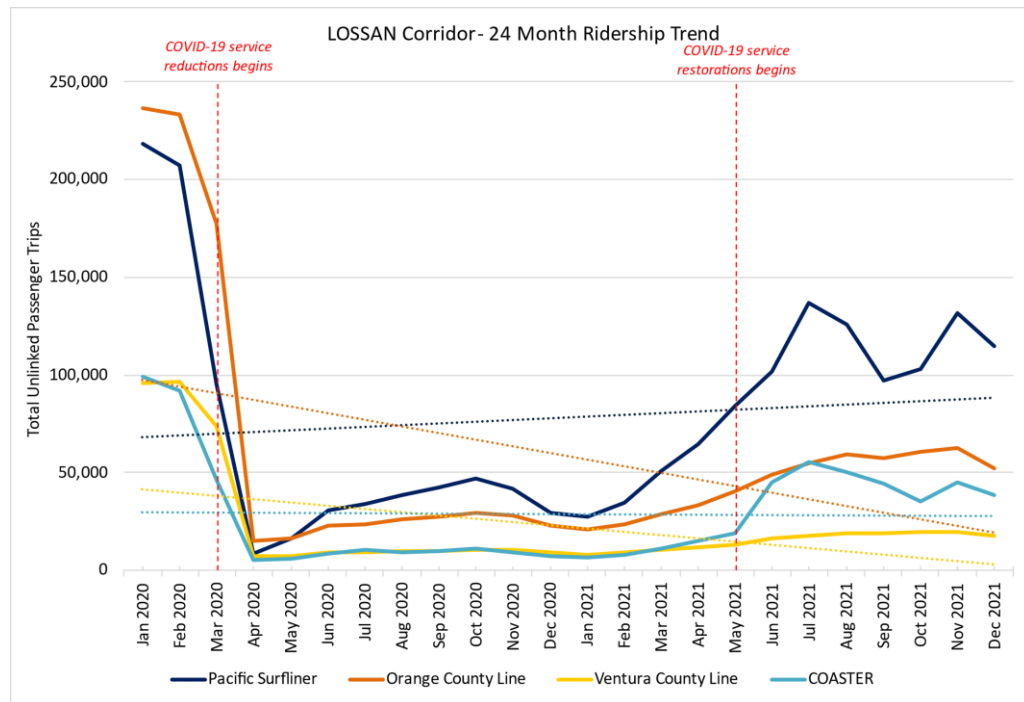


Figure 1

The 24 months of ridership data included in Figure 1 provide a more accurate indicator of the overall change in ridership along the corridor. Due to seasonal variances, a complete ridership trend is difficult to discern from a single 12-month period. Including 24 months of data accounts for seasonal variations in ridership patterns and provides sufficient information to develop a linear trendline for each service. A summary table of the ridership, revenue, and OTP for the LOSSAN rail corridor can be found in Attachment A. In addition to this overall corridor data, details on the performance of each service are provided below.

Pacific Surfliner

The overall increase in LOSSAN rail corridor ridership includes ridership on the Pacific Surfliner intercity passenger rail service, which operates between San Diego and San Luis Obispo. Pacific Surfliner ridership during the second quarter of FY 2021-22 was 349,304, representing an increase of 195.9 percent when compared to the same period

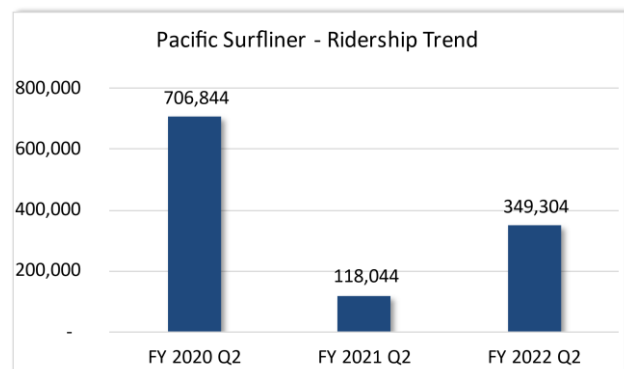


Figure 2

last year, as is illustrated in Figure 2. The increased ridership is attributable to reduced travel restrictions resulting from a statewide reduction in COVID-19 cases. The reported Pacific Surfliner ridership includes Metrolink and COASTER pass holders utilizing the Rail 2 Rail (R2R) Program, which allows Metrolink monthly pass holders and COASTER passengers to ride Pacific Surfliner trains within the stations identified on their valid fare media, subject to certain restrictions.

Metrolink

Overall LOSSAN rail corridor ridership was also positively impacted by the ridership increase on Metrolink's VCL, as demonstrated in Figure 3. The VCL, which operates between East Ventura and Los Angeles, saw a ridership increase of 90.3 percent when compared to the second quarter of last year. The OCL, which operates between Los Angeles and Oceanside, saw a 119.1 percent increase in ridership over the same report period in the prior year. During the second quarter of FY 2021-22, there were an average of 148 Metrolink pass holders per weekday who utilized the R2R Program to ride Pacific Surfliner trains, representing an increase of 321.9 percent compared to the same period last year.¹

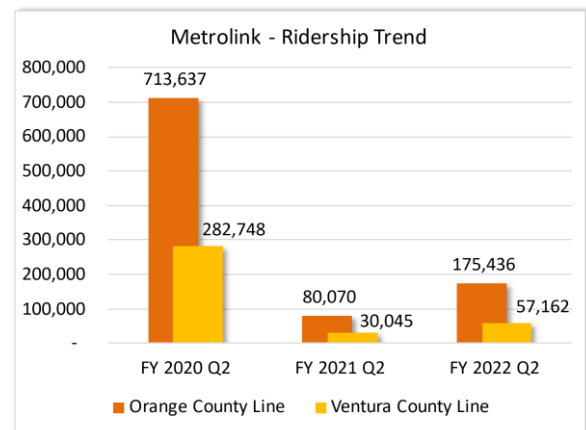
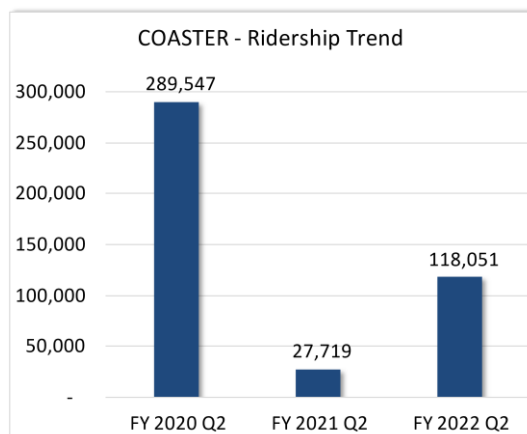


Figure 3

COASTER



NCTD's COASTER commuter rail service operating between Oceanside and San Diego saw a ridership increase of 325.9 percent during the second quarter of FY 2021-22 when compared to the same period in the prior year, as shown in Figure 4. During the second quarter of FY 2021-22, there were an average of 13 COASTER pass holders per day utilizing the R2R Program to ride Pacific Surfliner trains. This was an increase of 935.9 percent when

compared to the same period last year.

¹ Metrolink R2R values are based on preliminary, unaudited data provided by Amtrak.

Amtrak System

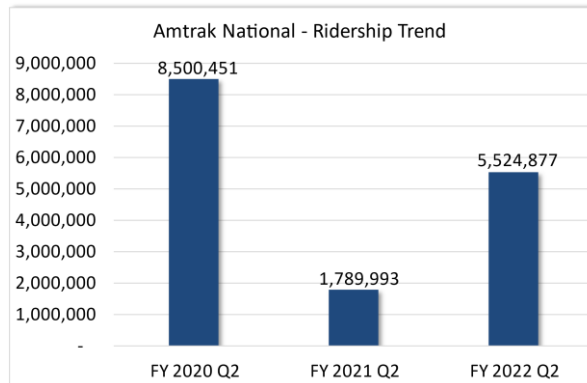


Figure 5

Amtrak service nationwide also experienced a cumulative ridership increase of 208.7 percent for the second quarter of FY 2021-22 when compared to the same period in the prior year, as illustrated in Figure 5.

Amtrak's Coast Starlight, which operates between Seattle and Los Angeles, saw ridership increase by 165.7 percent in the second quarter compared with the same period last year. The Capitol Corridor (operating

between Auburn, Sacramento, Oakland, and San Jose) and the San Joaquins Corridor (operating from both Oakland and Sacramento, to Stockton and Bakersfield) are the two other California State-supported intercity passenger rail services operated by Amtrak, and provide a comparison to the Pacific Surfliner service despite serving significantly different markets. Ridership increased by 174.5 percent on the Capitol Corridor and by 103.1 percent on the San Joaquins Corridor during the second quarter when compared to the same period last year.

Passenger Miles

A passenger mile is defined as one passenger traveling one mile. For example, ten passengers who each travel 100 miles would generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated nearly 35 million passenger miles during the second quarter of FY 2021-22, which is a 205.4 percent increase compared to the same period in the prior year. The increase in passenger miles aligns with the overall increase in ridership. Factoring in the average pounds of carbon dioxide emissions generated per passenger mile traveling in a private automobile versus on passenger rail, a reduction of over 12,504 tons of greenhouse gases was achieved, which is equivalent to avoiding burning approximately 1,276,408 gallons of gasoline.

Efficiency

Revenue

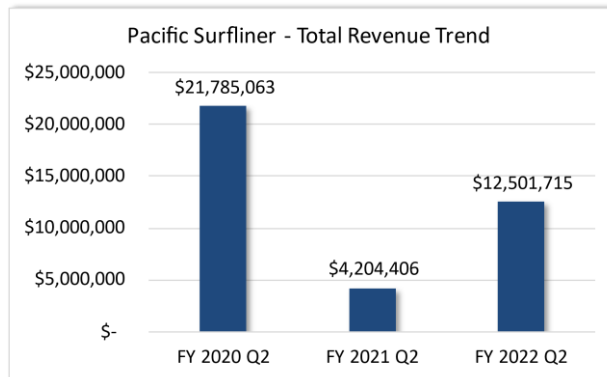


Figure 6

In correlation with the ridership increase resulting from the initial recovery from the COVID-19 pandemic, total revenue² for the Pacific Surfliner also increased. For the second quarter of FY 2021-22, total revenue increased by 197.3 percent when compared with the same period in the prior year, as shown in Figure 6.

Farebox Recovery

The Pacific Surfliner farebox recovery ratio is calculated as total revenue divided by total operating expenses. As a performance measure, farebox recovery is normally reported on an annual basis, versus a shorter period. This is because expenses are not linear throughout the year, which can result in significant fluctuations in the farebox recovery ratio from month to month and even quarter to quarter. The Pacific Surfliner is legislatively required to achieve a minimum annual farebox recovery of 55 percent. The Pacific Surfliner farebox recovery ratio for the 12-month period ending December 31, 2021, was 44 percent. For comparison, including only the three months of the second quarter of FY 2021-22 results in a farebox recovery ratio of 56.9 percent.

Quality

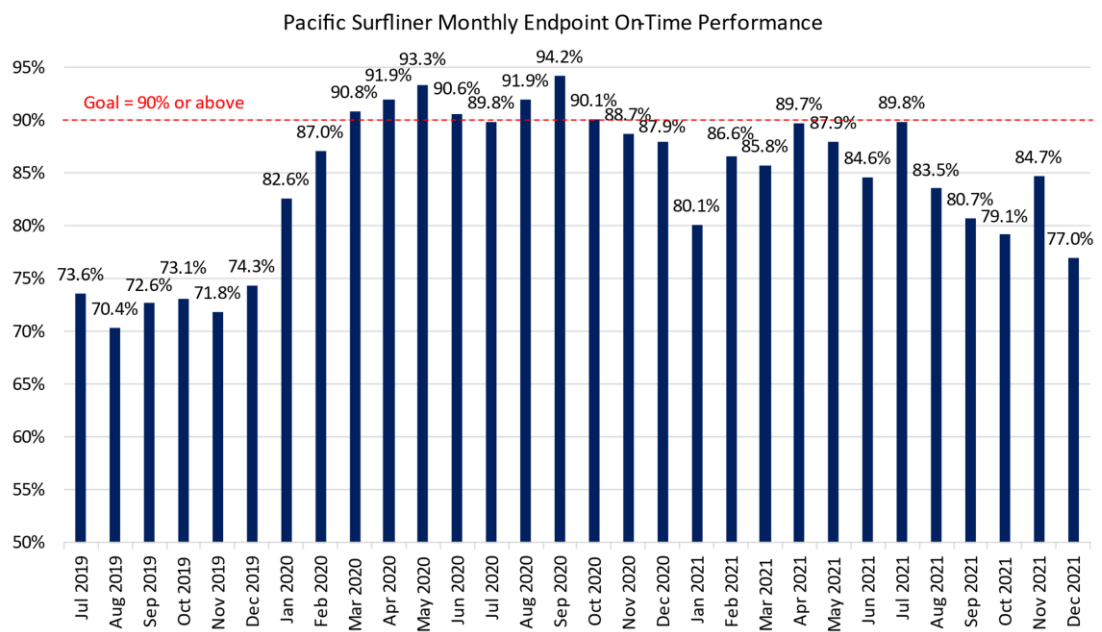
OTP

The methodologies for calculating OTP vary significantly between intercity and commuter rail services. A commuter train is considered late if it arrives six or more minutes late to its terminal location, while a Pacific Surfliner train is considered late if it arrives more than 15 minutes after its scheduled arrival time. For the Pacific Surfliner service, endpoint OTP is calculated by dividing the total number of trains arriving on time at the end point by the total number of trains operated. The State of California intercity passenger rail Uniform Performance Standards (UPS), which

² Total Operating Revenue includes the following revenue categories: Ticket Revenue, R2R Revenue, Food and Beverage Revenue, and Other Revenue.

were approved by the Secretary of Transportation in 2014, set an endpoint OTP goal of 90 percent for the Pacific Surfliner service.

In the second quarter of FY 2021-22, average endpoint OTP for the Pacific Surfliner was 80.3 percent, which was a 9.7 percent decline over the prior year, but an improvement when compared to performance in quarters prior to January 2020. Top challenges that impacted OTP in the second quarter of FY 2021-22 were signal delays, passenger train interferences, commuter train interferences, and mechanical failures. Figure 7 illustrates a monthly OTP trend for the Pacific Surfliner.



The LOSSAN Rail Corridor Agency (LOSSAN Agency) will continue to work collaboratively with the Corridor Improvement Team via quarterly meetings to identify and address issues negatively impacting OTP.

Customer Satisfaction

Amtrak reports a monthly Electronic Customer Satisfaction Index (eCSI) score for all routes, in which a "very satisfied" percentage is calculated per 100 passengers via electronic surveys. Amtrak launched a revamped eCSI survey in April 2020. For the second quarter of FY 2021-22, the Pacific Surfliner scored an average eCSI of 84.4 percent, representing a 4.5 percentage decrease from the eCSI of 88.4 percent achieved during the same period last year.

Additional Performance Indicators

Food and Beverage Sales

The LOSSAN Agency's focus on improving service quality and the customer experience has prompted additional attention to the food and beverage selections offered in the Pacific Surfliner Café car. Continual effort is made to ensure that menu items are meeting passenger expectations. As part of that effort, LOSSAN Agency staff closely monitor food and beverage sales to gauge the success of what is being offered and identify items that need to be adjusted.

<i>Sales Category</i>	<i>FY21 Q2</i>	<i>FY22 Q2</i>	<i>% Change</i>
Baked Goods	\$ 18,942	\$ 34,691	83.1%
Beer	\$ 50,934	\$ 127,390	150.1%
Beverages	\$ 70,710	\$ 159,209	125.2%
Dairy Products	\$ 2,052	\$ 1,007	-50.9%
Fresh Prepared Foods	\$ 32,448	\$ 103,402	218.7%
Liquor	\$ 31,395	\$ 72,535	131.0%
Miscellaneous Merchandise	\$ 2,179	\$ 780	-64.2%
Packaged Snack Foods	\$ 101,111	\$ 305,645	202.3%
Salads	\$ 840	\$ 5,593	565.8%
Wine	\$ 65,469	\$ 164,697	151.6%
Total Revenue	\$ 376,079	\$ 974,949	159.2%

Figure 8

For the second quarter of FY 2021-22, food and beverage sales increased by 159.2 percent over the same quarter in the prior year. In the same quarter of the prior year, Café car sales were significantly impacted by the decrease in ridership and the restrictions associated with indoor dining. In 2020, the sales of some fresh prepared foods and hot items were temporarily suspended to limit interactions between passengers and Café car attendants and to prevent losses associated with spoilage of unsold product due to reduced demand.

Various safety measures, including the installation of plexiglass barriers, have allowed for the return of microwavable food items and fresh prepared foods. As ridership is increasing and additional food offerings are placed on the menu, there has been a corresponding trend with increasing revenue from Café car sales. Details on the performance of each specific sales category are included in Figure 8.

Amtrak Thruway Bus Service

Pacific Surfliner rail service is supplemented by Amtrak's network of Thruway buses that connect passengers throughout the LOSSAN rail corridor. The bus routes function as part of the Pacific Surfliner service and as of October 1, 2021, include:

- Route 4: One daily round trip between Los Angeles to Santa Barbara/Goleta.
- Route 17: Two daily round trips between Santa Barbara, San Luis Obispo, and Oakland (where it connects with Capitol Corridor); and one daily round trip between San Luis Obispo and Oakland.

Route 39: One daily round trip between Fullerton and Indio/Coachella Valley, and one daily round trip between Fullerton and Palm Springs.

For the second quarter of FY 2021-22, combined ridership on these three routes totaled 18,103, representing an increase of 98.4 percent when compared to the ridership of 9,124 for the same period in the prior year.

Summary

This report provides an update of trends for the usage, efficiency, and quality of the passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink and COASTER, for the second quarter of FY 2021-22. During the second quarter, total ridership along the corridor increased by 173.5 percent when compared to the same period last year. Ridership on the Pacific Surfliner alone increased by 195.9 percent, along with a 197.3 percent increase in total revenue when compared to the same period last year.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, Second Quarter Fiscal Year 2021-22

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