




March 18, 2024

To: Members of the Board of Directors

From: Jason Jewell, Managing Director 

Subject: Fiscal Year 2023-24 First Quarter Los Angeles – San Diego – San Luis Obispo Rail Corridor Trends

Overview

A report on ridership, revenue, and on-time performance for passenger rail services on the Los Angeles – San Diego – San Luis Obispo Rail Corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the first quarter of state fiscal year 2023-24.

Recommendation

Receive and file as an information item.

Background

The 351-mile Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor (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 normally operates 20 daily one-way trains (or ten round trips). In fiscal year (FY) 2019 (the last full fiscal year prior to the COVID-19 pandemic), there were nearly 2.8 million passenger trips on Pacific Surfliner trips 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 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 first quarter of FY 2023-24, covering the months of July, August, and September 2023.

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 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 on 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 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 24, 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.

Impacts of Temporary Track Closures in San Clemente Due to Falling Debris from an Adjacent Slope

On April 27, 2023, Pacific Surfliner service was suspended between San Juan Capistrano and Oceanside due to active debris movement on the slope adjacent to the Casa Romantica Cultural Centers and Gardens in San Clemente, located just north of the San Clemente Pier. The location of the falling debris was two miles north of the location where the Orange County Transportation Authority (OCTA) was completing track stabilization work near the Cyprus Shore Homeowners Association, with the instance of falling debris being unrelated to that track stabilization effort. The following service was operated during the track closure, similar to the service approach used during OCTA's track stabilization work:

- Limited train service between San Diego and Oceanside,
- Bus connections between Oceanside and Irvine,
- Modified train service between San Juan Capistrano and Irvine, and
- Regular train service from Los Angeles to San Luis Obispo.

On Saturday, May 27, 2023, regular Pacific Surfliner service resumed after emergency work stabilized the affected hillside which had scattered debris into the rail right-of-way. The rail line reopened in time for the start of the Memorial Day Weekend, which typically is a period of high travel demand for the Pacific Surfliner service. However, due to continued falling debris from the same slope adjacent to the Casa Romantica Cultural Center and Gardens, Pacific Surfliner service was again suspended between San Juan Capistrano and Oceanside on Monday, June 5, 2023. On Friday, June 23, 2023, the Metrolink Board of Directors approved a contract with geotechnical firm Condon-Johnson & Associates, Inc., to begin the design and installation of a temporary barrier wall to protect the right-of-way from falling debris. This second closure remained in effect through the end of the fourth quarter of FY 2023 and continued into the first quarter of FY 2024. On Monday, July 17, 2023, regular Pacific Surfliner service once again resumed after construction of the temporary barrier wall was completed.

Special Considerations for Ridership Data for the Pacific Surfliner Service During Temporary Track Closures in San Clemente

Under normal operating conditions, Pacific Surfliner trains are identified using three-digit numbers, with the 500's series used to identify trains operating only on the southern segment between San Diego and Los Angeles, while the 700's series is used to identify trains which include service north of Los Angeles. During times when a temporary track closure was in effect in San Clemente, trains operating between San Diego and Oceanside were identified using four-digit train numbers in the 1000's series, while trains operating along the portion of the route north of Irvine or San Juan Capistrano followed the existing three-digit numbering format.

Due to technical limitations of Amtrak's fare collection system, each passenger completing a one-way trip that involved a train operating between San Diego and Oceanside, the bus bridge between Oceanside and Irvine, and a train operating north of Irvine or San Juan Capistrano, was counted as two passengers for ridership purposes. Passengers were counted for both the 1000's series train taken south of Oceanside and the 500's series or 700's series train taken north of Irvine or San Juan Capistrano. Under normal circumstances, passengers requiring the use of more than one Amtrak route to complete a one-way trip are counted for each route traveled on, and this procedure was applied for passengers connecting between Pacific Surfliner trains at Irvine and Oceanside

via the bus connections. Because Amtrak's fare collection system is designed to track ridership based on this operating procedure involving individual train numbers, manual review of all ticket transactions is required to provide adjusted ridership statistics. Due to the resource commitment required from Amtrak to perform such an extensive manual review, there is currently no timeframe on when such adjusted figures may become available for all months when a temporary track closure was in effect.

For its own reporting purposes, Amtrak has adhered to normal procedures for reporting ridership by individual train number as it relates to performance of the Pacific Surfliner route and its national system. This includes retaining counts for each train service a passenger used to complete a one-way trip along the Pacific Surfliner route involving a bus connection while a temporary track closure in San Clemente was in effect. To ensure consistency, all performance data presented by the LOSSAN Agency for the Pacific Surfliner for the first quarter reflects Amtrak's reporting procedures as described above.

Special Considerations for On-Time Performance Data for the Pacific Surfliner Service During Temporary Track Closures in San Clemente

The LOSSAN Agency sources OTP data for the Pacific Surfliner through Amtrak's On-Time Performance Monitoring and Reporting System (OTP MRS), which includes detailed reports for individual delays experienced by Pacific Surfliner trains as well as delays incurred per 10,000 train miles for each of the four host railroads. LOSSAN Agency staff discovered that starting during FY 2023 Q4, and continuing into FY 2024 Q1, the OTP MRS began excluding data from trains operating along the segment between San Diego and Oceanside during periods when a temporary track closure was in effect in San Clemente. Following this discovery, the LOSSAN Agency staff engaged in discussions with Amtrak to address and rectify the absence of detailed OTP data for the affected trains, identifying a programming issue as the root cause. However, due to the constraints of the reporting timelines by Amtrak, incorporating the previously omitted trains' data within the OTP MRS proved to be unachievable. As a result, the on-time performance data provided in this report is based on the information currently available within the OTP MRS, which does not include data for some trains operating between San Diego and Oceanside during temporary track closures. Moving forward, the approach to reporting will continue to utilize the best available data, acknowledging that this methodology is adopted out of necessity rather than as a reflection of standard reporting practices for the Pacific Surfliner.

Usage

For the first quarter of FY 2023-24, total LOSSAN corridor **ridership for the three services combined was 1,163,554**, representing a 4.5 percent increase when compared to the same period of the previous year. A 24-month chart for the LOSSAN corridor, with the specific performance of each service, is shown in Figure 1.

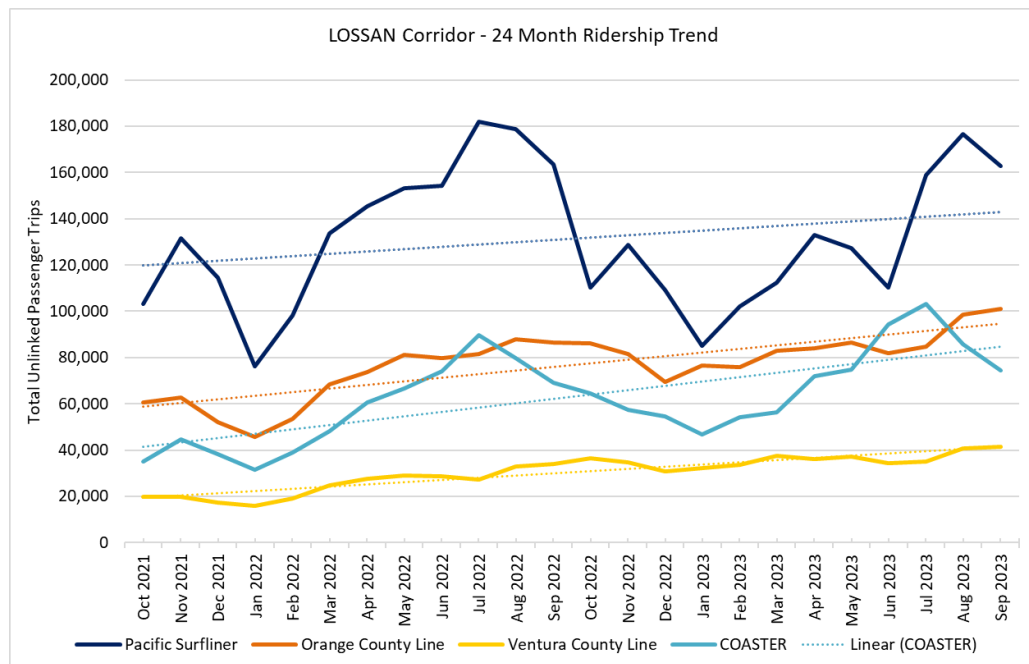
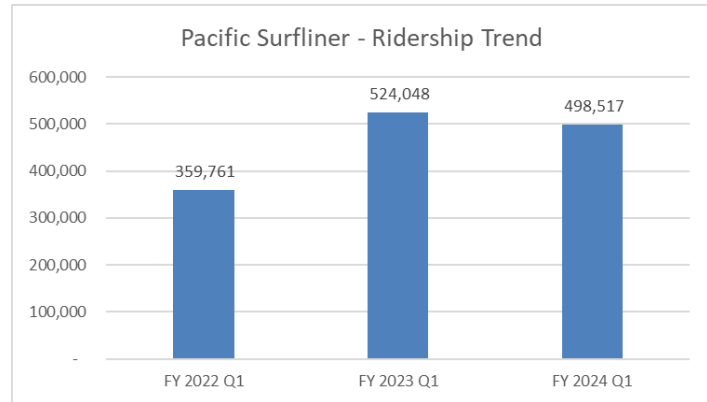


Figure 1

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 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

Overall LOSSAN 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 first quarter of FY 2023-24 was 498,517, representing a decrease of



4.9 percent when compared to the

same period last year, as is illustrated in Figure 2. The decrease in ridership is largely attributable to the modified train schedules which were operated from the beginning of the quarter through Sunday, July 16, 2023, while construction of the temporary barrier wall near the Casa Romantica Gardens and Cultural Center in San Clemente was completed. 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

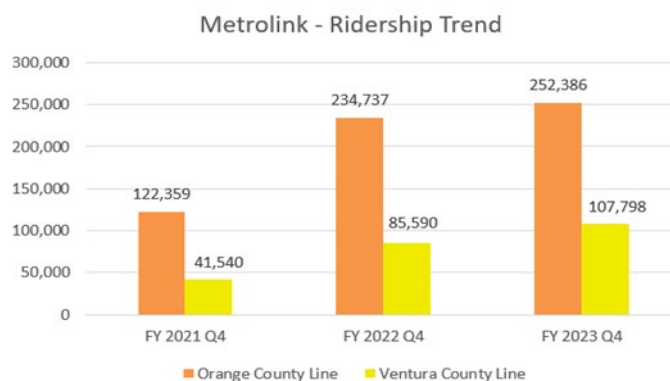


Figure 3

The VCL, which operates between East Ventura and Los Angeles, saw a ridership increase of 24.2 percent when compared to the first quarter of last year. The OCL, which operates between Los Angeles and Oceanside, saw an 11.1 percent increase in ridership over the same report period in the prior year. During the first quarter

of FY 2023-24, there were an average of 6,747 Metrolink pass holders per month who utilized the R2R Program to ride Pacific Surfliner trains¹.

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

COASTER

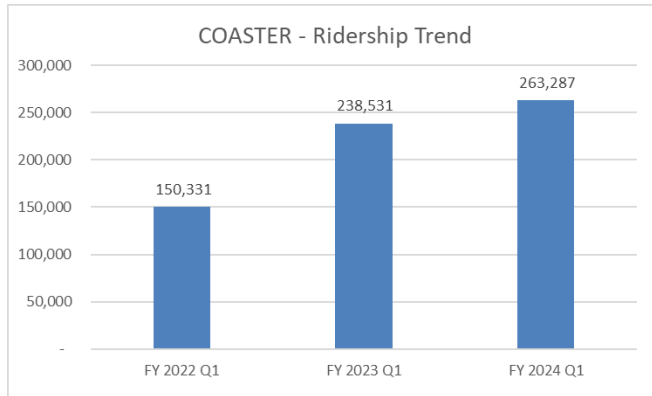


Figure 4

NCTD's COASTER commuter rail service operating between Oceanside and San Diego saw a ridership increase of 10.4 percent during the first quarter of FY 2023-24 when compared to the same period in the prior year, as shown in Figure 4. During the first quarter of FY 2023-24, there were an average of 668 COASTER pass holders per month utilizing

the R2R Program to ride Pacific Surfliner trains².

Amtrak System

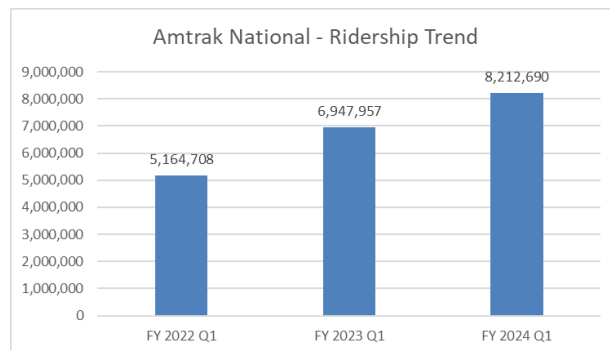


Figure 5

Amtrak service nationwide experienced a cumulative ridership increase of 18.2 percent for the first quarter of FY 2023-24 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 decrease by 17.1 percent in the first 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 19.6 percent on the Capitol Corridor and by 9.6 percent on the San Joaquins Corridor during the first quarter when compared to the same period last year.

² COASTER R2R values are based on preliminary, unaudited data provided by Amtrak.

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 over 46 million passenger miles during the first quarter of FY 2023-24, which is a 10.1 percent decrease compared to the same period in the prior year. The decrease in passenger miles aligns with the decrease 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 about 16,371 tons of greenhouse gases was achieved, which is equivalent to avoiding burning approximately 1,707,900 gallons of gasoline.

Efficiency

Passenger Trips Per Train Mile

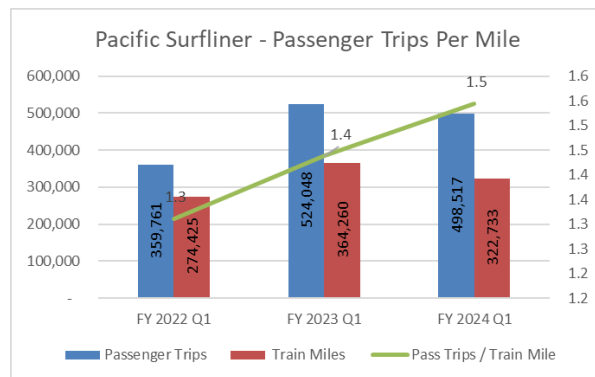


Figure 6

Passenger trips per train mile is calculated by dividing total passenger trips (ridership) by the total miles traveled by all Pacific Surfliner trains operated in revenue service³. This metric focuses on service efficiency, as it is the ratio of usage (passenger trips) over service provided (train miles). The higher the ratio value, the more efficient the service, and vice versa. For the first quarter of FY 2023-24, the ratio of passenger trips per train mile increased by 7.4 percent when compared with the same period in the prior year, as illustrated in Figure 6.

³ Total train miles include deadhead mileage to and from rail yard facilities.

Revenue

In correlation with the Pacific Surfliner ridership decrease resulting from slope stabilization work near the Casa Romantica Cultural Center and Gardens, total revenue⁴ for the Pacific Surfliner also decreased. For the first quarter of FY 2023-24, total revenue decreased by 0.8 percent when compared with the same period in the prior year, as shown in Figure 7.

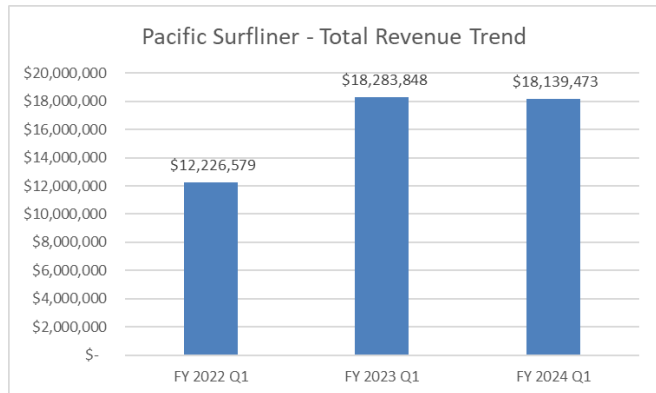


Figure 7

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 50 percent. The Pacific Surfliner farebox recovery ratio for the 12-month period ending September 30, 2023, was 45.5 percent. For comparison, including only the three months of the first quarter of FY 2023-24 results in a farebox recovery ratio of 64.3 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 were approved by the Secretary of Transportation in 2014, set an endpoint OTP goal of 90 percent for the Pacific Surfliner service.

⁴ Total Operating Revenue includes the following revenue categories: Ticket Revenue, R2R Revenue, Food and Beverage Revenue, and Other Revenue.

For the three months in the first quarter of FY 2023-24, endpoint OTP for the Pacific Surfliner averaged 73.0 percent, which was a 2.1 percent decrease over the same period in the prior year. Figure 8 illustrates a monthly OTP trend for the Pacific Surfliner.

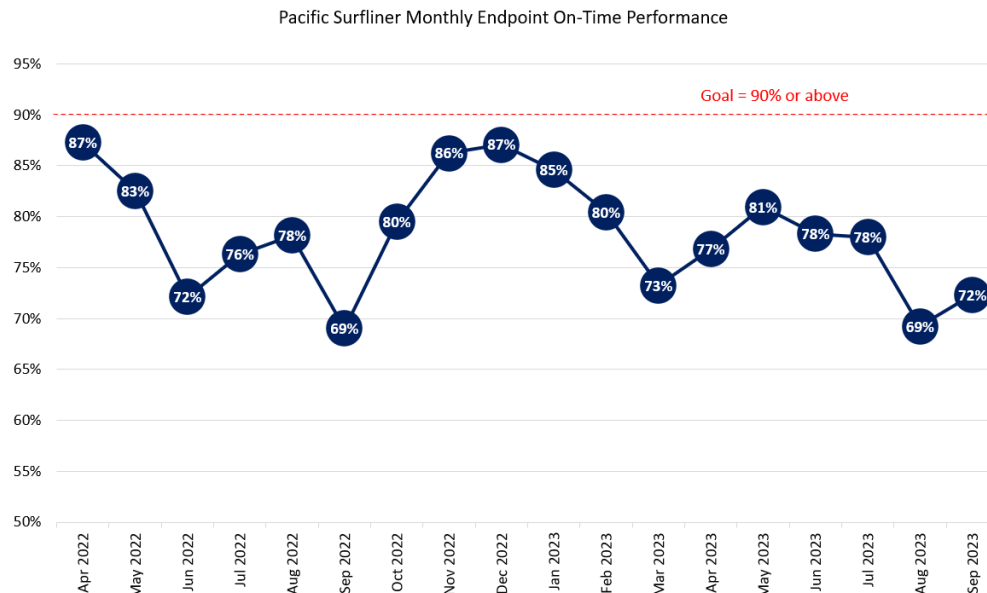


Figure 8

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. For the first quarter of FY 2023-24, the Pacific Surfliner scored an average eCSI of 80.8 percent, representing a 3.1 percent decrease from the average eCSI of 83.4 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>FY23 Q1 (Jul-Sept 2022)</i>	<i>FY24 Q1 (Jul-Sept 2023)</i>	<i>% Change</i>
Baked Goods	\$ 62,376	\$ 44,928	-28.0%
Beer	\$ 263,734	\$ 166,627	-36.8%
Beverages	\$ 303,587	\$ 204,896	-32.5%
Dairy Products	\$ 1,442	\$ 1,159	-19.6%
Fresh Prepared Foods	\$ 160,451	\$ 135,726	-15.4%
Liquor	\$ 150,665	\$ 106,757	-29.1%
Miscellaneous Merchandise	\$ 2,415	\$ 2,450	1.4%
Packaged Snack Foods	\$ 579,151	\$ 429,399	-25.9%
Salads	\$ 10,640	\$ 348	-96.7%
Wine	\$ 280,839	\$ 186,071	-33.7%
Total Revenue	\$ 1,815,297	\$ 1,278,360	-29.6%

Figure 9

For the first quarter of FY 2023-24, food and beverage sales decreased by 29.6 percent compared to the same quarter in the prior year, which aligns with the decrease in Pacific Surfliner ridership. Details on the performance of each specific category are included in Figure 9.

Amtrak Thruway Bus Service

Pacific Surfliner rail service is supplemented by Amtrak's network of Thruway buses that connect passengers throughout the LOSSAN corridor. The bus routes function as part of the Pacific Surfliner service and as of September 30, 2023, included:

- Route 4⁵: One daily round trip between Los Angeles and Santa Barbara.
- 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.

⁵ Although service on Thruway Bus Route 4 operated throughout FY 2024 Q1, the service was later discontinued during FY 2024 Q2.

For the first quarter of FY 2023-24, combined ridership on these three routes totaled 21,599, representing an increase of 11.5 percent when compared to the ridership of 19,366 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 first quarter of FY 2023-24. During the first quarter, total combined passenger rail ridership along the corridor increased by 4.5 percent when compared to the same period last year. However, ridership on the Pacific Surfliner decreased by 4.9 percent, along with a 0.8 percent decrease in total revenue when compared to the same period last year.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, First Quarter Fiscal Year 2023-24

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