




April 21, 2017

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Los Angeles – San Diego – San Luis Obispo Rail Corridor Trends for the Second Quarter of Federal Fiscal Year 2016-17

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 federal fiscal year 2016-17, is presented for consideration.

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 more than 150 daily passenger trains, with an annual ridership of more than 2.9 million on Pacific Surfliner intercity trains and 4.5 million on Metrolink and COASTER commuter trains (Attachment A).

Discussion

This report provides an update on the performance of the passenger rail services on the LOSSAN rail corridor by presenting the current trends of the service in three specific areas: usage (ridership and passenger miles), efficiency (revenue and farebox recovery), and quality (on-time performance 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 COASTER system. Amtrak national data is included for comparative purposes. The reporting

period is the second quarter of federal fiscal year (FFY) 2016-17, covering the months of January, February, and March 2017.

Usage

For the second quarter of FFY 2016-17, total LOSSAN rail corridor ridership on the three services was 1,745,328, a 1.3 percent decrease compared to the same period the previous year. A 24 month ridership chart for the corridor can be found in Figure 1.1.

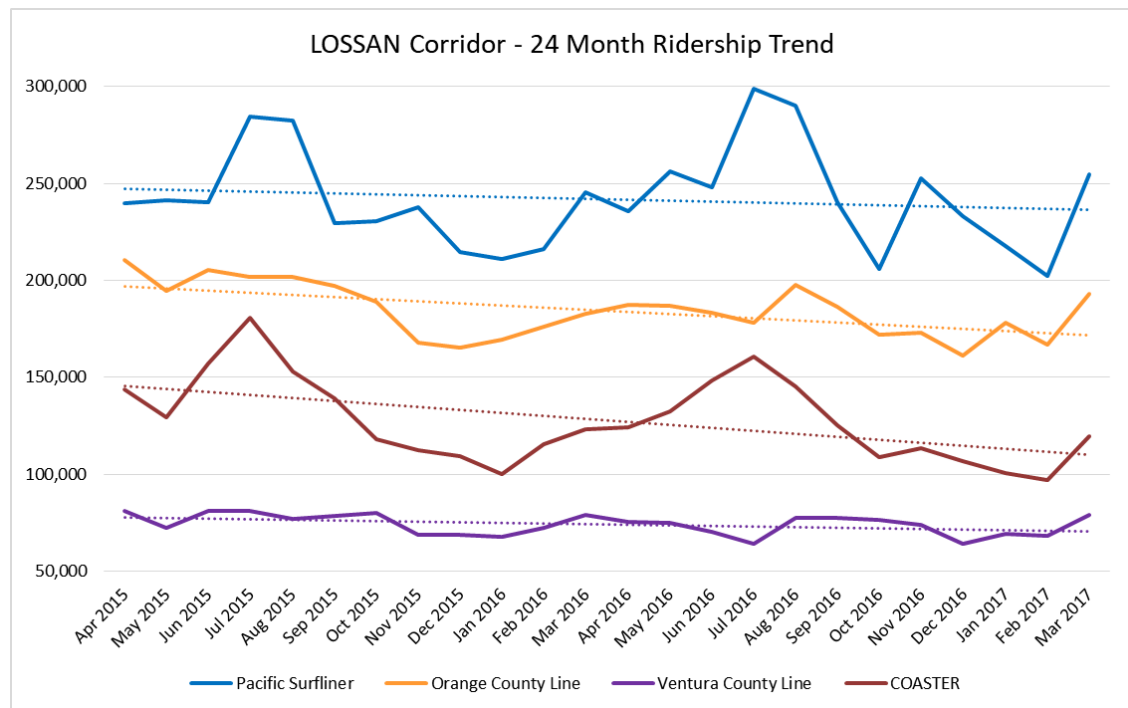


Figure 1.1

In Figure 1.1, 24 months of ridership data is included to provide a more accurate indicator of the overall growth along the corridor. Due to the seasonal variances, a complete ridership trend is difficult to discern from a single 12 month period. Including 24 months of data accounts for the seasonal variation and provides sufficient information to allow for the development of a linear trendline for each service. In addition to this overall corridor data, details on the performance of each service are provided below.

Pacific Surfliner

Despite the overall LOSSAN rail corridor ridership decrease, Pacific Surfliner (San Luis Obispo to San Diego) intercity rail ridership *increased* during the second quarter of FFY 2016-17 by 0.4 percent when compared to the same period last year. This continues the year-over-year trend of ridership increase as demonstrated in Figure 1.2. The minimal increase during the second quarter was a

result of the unprecedented service disruptions that took place in the month of February due to significant weather related closures. Unseasonably severe rain events led to a number of track closures and train annulments over several days of an already short month.

Pacific Surfliner ridership in this report 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.

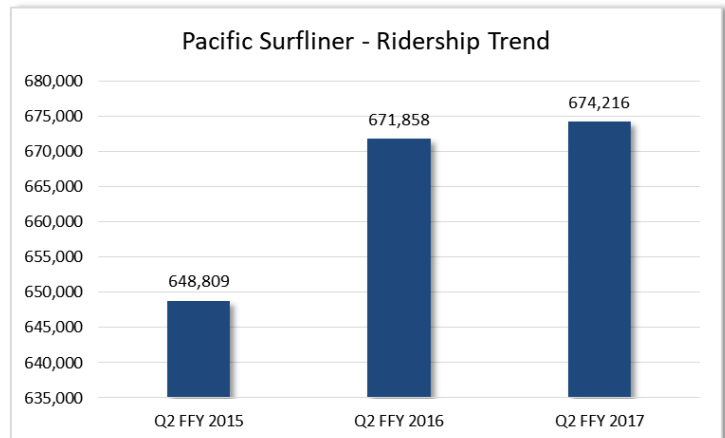


Figure 1.2

Metrolink

Overall corridor ridership continues to be impacted by the current Metrolink ridership trend on the VCL as demonstrated in Figure 1.3. The VCL, which serves East Ventura to Los Angeles, had a 1.2 percent ridership decrease in the second quarter compared to the same period last year. The OCL, which serves Los Angeles to Oceanside, saw a 1.8 percent increase in ridership over the same report period in the prior year.

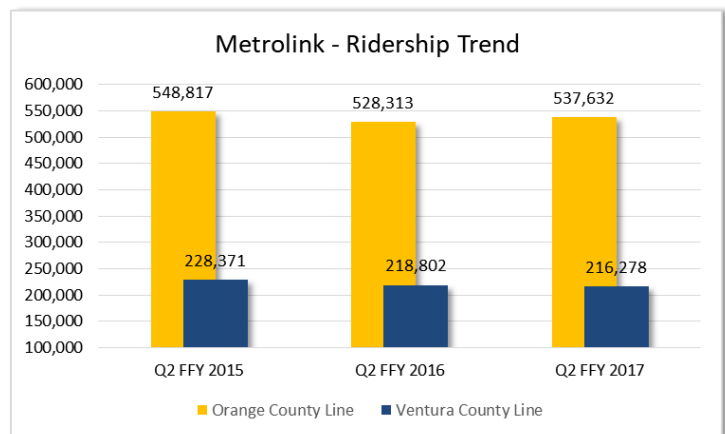


Figure 1.3

Overall system ridership for Metrolink was down by 4 percent in the second quarter of FFY 2016-17 when compared to the same period in FFY 2015-16. This also continues the year over year trend of ridership decreases.

Metrolink pass holders riding Pacific Surfliner trains, utilizing R2R, averaged a total of 1,393 per weekday for the second quarter of FFY 2016-17, which is an increase of 11.5 percent compared to the same period last year.

COASTER

COASTER (serving Oceanside to San Diego) ridership saw a decrease of 6.3 percent during the second quarter of FFY 2016-17, when compared to the same period the prior year as shown in Figure 1.4.

The second quarter of FFY 2016-17, saw an average of 279 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was an *increase* of 4.3 percent when compared to last year.

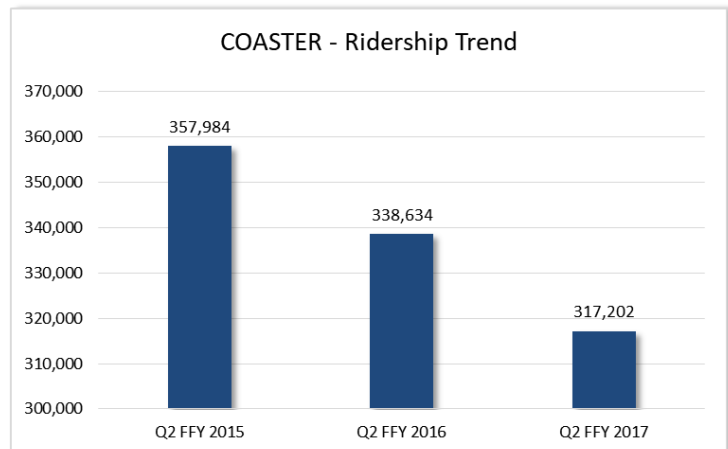


Figure 1.4

Amtrak System

Amtrak service nationwide had a cumulative ridership increase of 0.2 percent for the second quarter of FFY 2016-17 compared with the prior year, as demonstrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) saw ridership decrease by 6.0 percent over the second quarter of FFY 2016-17 compared with the same period last year.

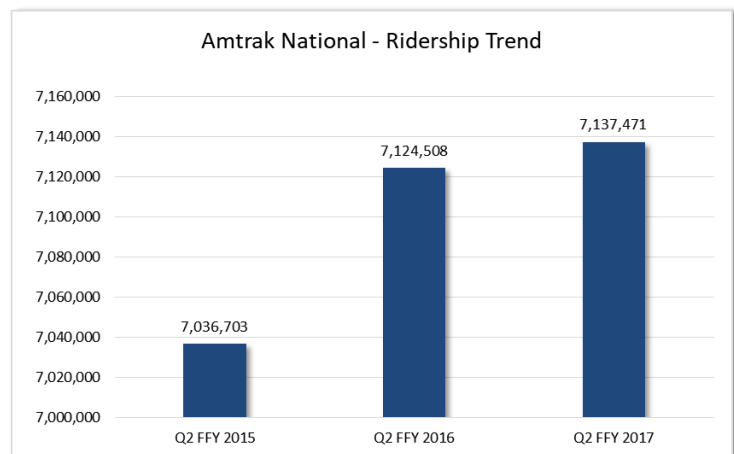


Figure 1.5

The Capitol Corridor (Auburn/Sacramento to Oakland and San Jose) and the San Joaquin Corridor (Sacramento/Oakland to Bakersfield) are the other two California intercity passenger rail services operated by Amtrak, and although serving significantly different markets, do provide a comparison to the Pacific Surfliner service. Ridership on the Capitol Corridor increased by 1.3 percent and San Joaquin ridership decreased by 3.6 percent in the second quarter compared to the same period last year.

Passenger Miles

A passenger mile is defined as one passenger traveling one mile. As an example, 10 passengers, each traveling 100 miles, would then generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated over 55.2 million passenger miles during the second quarter of FFY 2016-17, which is a 1.6 percent decrease compared to the same period in the prior year. Overall passenger miles were impacted by the weather related train annulments that occurred during the month of February. Factoring in the average pounds of CO² emissions per passenger mile in a private automobile versus riding on passenger rail, those 61.6 million passenger miles resulted in a reduction of nearly 20,000 tons of greenhouse gases. That is the CO² emission equivalent to 41,700 barrels of oil.

Efficiency

Revenue

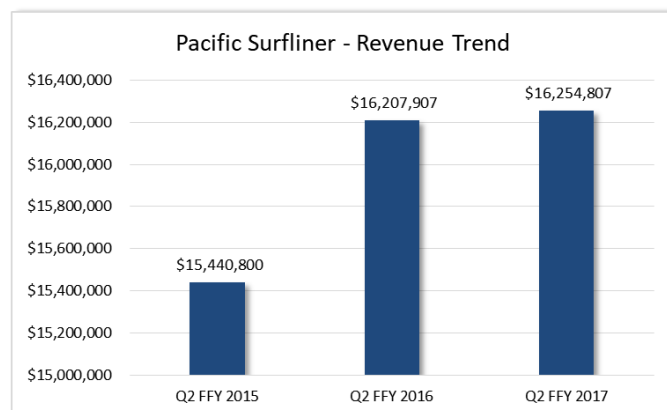


Figure 1.6

Pacific Surfliner ticket revenue increased by 0.3 percent for the second quarter of FFY 2016-17 when compared with the same period in the prior year. This continues the trend of year over year increase as shown in Figure 1.6.

For the Capitol Corridor, total revenue increased by 2.6 percent for the second quarter, whereas the San Joaquin corridor saw a decrease of 5.4 percent, and the Coast Starlight decreased by 4.4 percent. As indicated in previous reports, relatively lower automobile fuel prices continue to impact certain markets across the nation, which may be responsible for the lower revenue on some corridors.

Farebox Recovery

The Pacific Surfliner is legislatively required to achieve a minimum of 55 percent farebox recovery. As a performance measure, farebox recovery is normally calculated on an annual basis. Expenses throughout the year are not linear, and can cause significant fluctuations in the farebox recovery ratio from quarter to quarter.

The California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) reports quarterly to the California Transportation Commission (CTC) on all state-supported corridors via the *California Department of Transportation's Intercity Passenger Rail Operations Report*. On June 28, 2017, Caltrans DRMT reported to the CTC on the second quarter of FFY 2016-17 (third quarter of state fiscal year 2016-17) and indicated the Pacific Surfliner realized a 68.2 percent farebox ratio. This represents a 2.2 percent increase over the same period the prior year.

Quality

On-Time Performance

The methodologies for calculating on-time performance (OTP) vary significantly between intercity and commuter rail services. Commuter trains are considered late if trains arrive six or more minutes late to the terminal location. Pacific Surfliner trains operating between the cities of Goleta and San Diego are considered late if trains arrive 10 or more minutes after scheduled arrival times, and 20 minutes or more for trains operating between the cities of San Luis Obispo and San Diego. There also are different practices as to whether annulled trains are included in OTP calculations.

In the second quarter of FFY 2016-17, average endpoint Pacific Surfliner OTP was 70.3 percent, whereas all-station OTP, which is calculated by combining and averaging OTP at each station, averaged 82.5 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 88.9 percent, and the San Joaquin Corridor averaged 66.2 percent during the report period. Amtrak system wide averaged 77.1 percent for the fourth quarter.

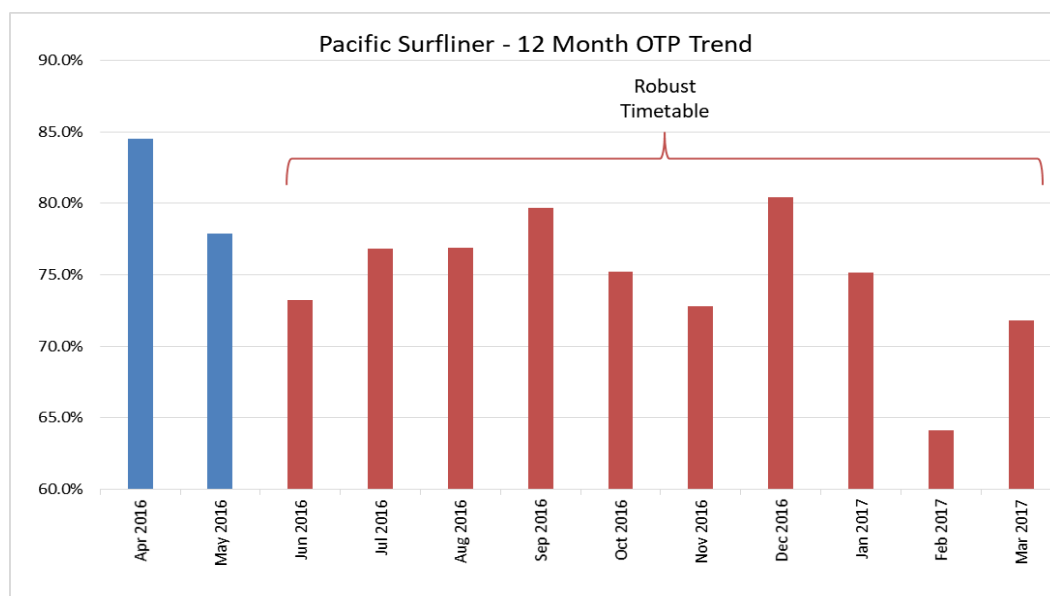


Figure 1.7

The 12-month on-time performance trend for the Pacific Surfliner can be seen in Figure 1.7. Special attention is drawn to the implementation of the robust timetable in June 2016.

As demonstrated in Figure 1.7, OTP continues to be an area of concern. February 2017 saw a significant decrease in overall OTP as a result of the number of weather related incidents that occurred. Analysis is ongoing to determine how the implementation of the robust timetable has impacted the OTP of the service as well as the overall performance of the corridor. The LOSSAN Rail Corridor Agency (Agency) continues to work collaboratively with Amtrak and the host railroads to address the ongoing OTP issues.

Customer Satisfaction

Amtrak reports an Electronic Customer Service Index (eCSI) score monthly for all routes, in which a 'very satisfied' percentage is calculated out of 100 passengers via surveying. For the second quarter of FFY 2016-17, the Pacific Surfliner scored an average eCSI of 85.3 percent, which was a slight decrease when compared with the eCSI score reported for the same period in the prior year. By comparison, the Amtrak nationwide average eCSI score was 85.6 for the same reporting period.

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 cars. LOSSAN Agency staff continues to closely monitor food and beverage sales in an effort to gauge the success of menu refreshes and new items provided as part of this focus.

Sales Category	Quarter 2	Quarter 2	Increase
	FFY 2015-16	FFY 2016-17	
Baked Goods	\$71,047	\$77,155	8.6%
Beer	\$225,130	\$231,414	2.8%
Beverages	\$239,727	\$240,580	0.4%
Dairy Products	\$4,834	\$3,118	-35.5%
Packaged Snack Foods	\$488,071	\$532,684	9.1%
Fresh Prepared Foods	\$171,061	\$161,418	-5.6%
Liquor	\$68,107	\$87,737	28.8%
Miscellaneous Merchandise	\$3,689	\$6,016	63.1%
Salads	\$17,042	\$18,772	10.2%
Wine	\$272,347	\$309,883	13.8%
	\$1,561,054	\$1,668,776	6.9%

Figure 1.8

For the second quarter of FFY 2016-17, food and beverage sales increased 6.9 percent when compared to the same quarter in the prior year. Details on the performance of each specific sales category are included in Figure 1.8.

Amtrak Thruway Bus Service

A request was made by the LOSSAN Technical Advisory Committee to provide additional analysis and trends on Amtrak's Thruway Bus ridership. The detailed ridership data associated with this service is being supplied by Amtrak as of January 2017 and has been incorporated into the standard monthly ridership reports. Efforts are still underway to access historical data to allow for a trends analysis.

Additional Metrics

A summary table of the ridership, revenue, and OTP for the LOSSAN rail corridor can be found in Attachment B. There are additional performance indicators that, while not necessarily beneficial in trend analysis, are helpful in calculating the value and efficiency of the service and its associated facilities. These indicators, such as boardings/alightings by station and ridership/revenue by station pair, are included in Attachment C.

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 federal fiscal year 2016-17. During the second quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 1.3 percent compared to the same period last year; however, ridership and revenue for the Pacific Surfliner continued a growth trend, increasing ridership by 0.4 percent, and revenue by 0.3 percent, when compared to the same period last year.

Attachments

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Map
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, Second Quarter Federal Fiscal Year 2016-17
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Additional Performance Indicators

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