



**December 6, 2017**

**To:** Members of the Board of Directors  
**From:** Jennifer L. Bergener, Managing Director  
**Subject:** Fare Restructuring – Final Policy Approval and Implementation Plan

### **Overview**

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency has undertaken an effort to restructure the Pacific Surfliner fares to address the inconsistencies that exist in the current pricing and discount methodologies. Revised fare tables were previously approved by the Board of Directors. Staff has concluded the 60-day public outreach campaign utilizing the revised fare tables. A finalized fare policy and implementation plan are presented for Board of Directors review and approval.

### **Recommendations**

- A. Review and approve the final fare policy developed as part of the 2017 Pacific Surfliner fare restructuring effort.
- B. Approve the proposed implementation plan and schedule for the revised Pacific Surfliner fare structure.

### **Background**

The current fare structure for the Pacific Surfliner has remained largely unchanged since 2013. Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) staff completed an analysis of the current fare structure and identified areas of inconsistent pricing and discount methodologies that merited adjustment. The fare restructuring process was completed and the final fare tables were approved by the LOSSAN Board of Directors (Board) on August 21, 2017. In addition to approving the final fare tables, the Board directed staff to engage in a 60-day public outreach campaign and to return with the results as well as a final implementation schedule for the new Pacific Surfliner fare structure.

### ***Discussion***

The fare restructuring efforts thus far have focused primarily on the methodology for calculating fares and generating new fare tables based on these methodologies. The fare structure now utilizes a consistent distance-based formula, with the cost per mile of travel decreasing as the distance increases. Discounts for 10-trip tickets are consistent across all station pairs at a static 40 percent. Monthly pass fares are calculated based on the current zone-based fare structure with minor modifications. Passes on the north end of the LOSSAN rail corridor (station pairs between San Luis Obispo and Camarillo) are calculated based on the single ride base fare multiplied by a factor of 11. Monthly passes for station pairs on the south end of the LOSSAN rail corridor (station pairs between Moorpark and San Diego) are calculated based on a factor of 18, which is in-line with Amtrak national practice.

Although the Pacific Surfliner is not subject to the requirements of Title VI in regard to the implementation of fare adjustments, as directed by the Board, LOSSAN Agency staff engaged in a comprehensive public outreach campaign to educate and inform passengers and the public about the proposed fare adjustments. The goal of this effort was to foster an understanding of the overall goals of the restructuring efforts, and to clearly show any possible impacts this will have on Pacific Surfliner passengers.

Efforts were made to engage community members and allow them an opportunity to express their opinions and concerns through a variety of methods. A dedicated webpage was created at [PacificSurfliner.com](http://PacificSurfliner.com) highlighting the proposed adjustments to the fare structure and included the Board approved fare tables. This page also included an online survey that allowed passengers to express their concerns while gathering information about the passengers, riding and purchasing habits. A banner message was included on the AmtrakConnect onboard Wi-Fi portal directing passengers to the fare restructuring website. Rack cards were placed on trains and at stations offering an overview of the efforts and likewise pointing passengers to the website.

### **Public Outreach Results**

A detailed summary of the outreach effort as well as the respondents and responses received is included in Attachment A. Staff has collated the results of the online survey submissions and of the total of 110 responses received, 60 were comments pertaining to the proposed fare structure. Of the comments pertaining to the proposed fare adjustments, the majority of respondents felt that the proposals are fair and the price adjustments minor.

In addition, 50 comments were directly related to the proposed adjustments to the 10-trip tickets. Proposed adjustments to the 10-trip tickets included an extension of the validity period from 45 days up to 60 days from the first use. This was a positive adjustment for many respondents as it provided greater flexibility and made the 10-trip tickets a more viable option for occasional riders. Also proposed was modifying the 10-trip ticket to make it valid for a single named passenger. The vast majority of respondents were opposed to this adjustment. The responses indicated that this removed flexibility for passengers, particularly for families, in the absence of discounts for groups of less than 15 passengers.

#### **Impact of Public Outreach Effort**

As a result of the comments received, staff is recommending that the proposed modifications to the 10-trip be adjusted. As previously recommended, the period of use will be extended from 45 day to 60 days. This makes the 10-trips a more viable option for the occasional rider and may be what encourages them to make the Pacific Surfliner their method of travel over other modes. However, the proposed adjustment to make the 10-trip valid for only a single named passenger is recommended to be deferred. This makes the 10-trip ticket a continued option for families and small groups until a new small group discount program is introduced.

Staff continues to pursue a methodology for the implementation of a small group discount with Amtrak. Additionally, in response to comments received, staff is looking into ways to enhance the current Amtrak Rewards loyalty program, especially as it pertains to monthly passes.

#### **Need for Additional Fare Policy Modifications**

On November 8, 2017, the LOSSAN Agency was notified by Amtrak of upcoming changes to Amtrak's national tariff policy. A number of modifications are being instituted with the implementation currently scheduled for January 9, 2018. The most significant of these are reductions to various passenger discount programs and the complete elimination of others. The proposed changes reduce the discount for seniors and the disabled from 15 percent down to 10 percent, with age of eligibility for the senior discount being increased from 62 to 65 years. The national student discount is being discontinued. Current policy allows for two children to receive a 50 percent discount per each full fare paying adult. The proposed adjustment would make that ratio one child per adult. Another adjustment being implemented in the first quarter of 2018 is the elimination of the 10 percent discount offered to American Automobile Association members.

The LOSSAN Agency has expressed serious reservations about many of these adjustments to Amtrak and has rejected a number of these changes. The

proposed changes to the Amtrak tariff policy would adversely impact students, seniors and the disabled, segments of our ridership who may be on fixed incomes and have limited choices concerning methods of transportation. Staff recommends the LOSSAN Agency adopt a revised fare and tariff policy that maintains the current discounts. The details of the proposed fare and tariff policy are shown in Attachment B. Included in the fare and tariff policy are only those discounts that would vary from the currently proposed Amtrak national tariff policy. Items such as the discount for active military are not impacted by the proposed changes, and thus are not included in the LOSSAN Agency fare and tariff policy.

#### **Implementation Schedule**

With Board approval, staff will develop a public messaging campaign to inform passengers of the upcoming adjustments to fares. Included in this campaign will be a recognition of the input that our passengers had on the proposed fare restructuring and the direct impact it had on the changes to 10-trip tickets. This campaign will begin on January 15, 2018, after the busy holiday season concludes. The messaging campaign will last for approximately 45 days. During this time period, staff will work with Amtrak to ensure the proposed fare policies and revised fare tables are in place and ready when they go into effect on March 1, 2018.

Once the new fare structure is in place, staff will continue to monitor closely the detailed monthly reports to determine what impacts, if any, are being realized in ridership and revenue patterns. This will be reported on in the quarterly corridor trends report.

#### **Next Steps**

With Board approval of the fare policy and implementation schedule, staff will develop a public messaging campaign to inform Pacific Surfliner riders of the upcoming adjustments, to begin on January 15, 2018. The updated fare structure will go into effect on March 1, 2018.

***Summary***

Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff has concluded a 60-day public outreach effort related to the revised fare tables developed as part of the fare restructuring effort. Input from this effort has been incorporated into the proposed fare structure. Staff has developed additional policy modifications and an implementation schedule for the revised Pacific Surfliner fare structure. The fare policy as well as the implementation schedule are presented for Board of Directors review and approval.

***Attachments***

- A. Proposed Fare Restructuring: Public Outreach Results
- B. Pacific Surfliner Fare and Tariff Policy

**Prepared by:**



Roger M. Lopez  
Principal Transportation Analyst  
(714) 560-5438