




July 16, 2018

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 First Quarter of Federal Fiscal Year 2017-18

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 first quarter of federal fiscal year 2017-18 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 first quarter of federal fiscal year (FFY) 2017-18, covering the months of October, November, and December 2017.

Usage

For the first quarter of FFY 2017-18, total LOSSAN rail corridor ridership on the three services was 1,748,138, a 0.7 percent decrease compared to the same period the previous year. A 24 month ridership chart for the corridor, with the specifics of each service, can be found in Figure 1.1.

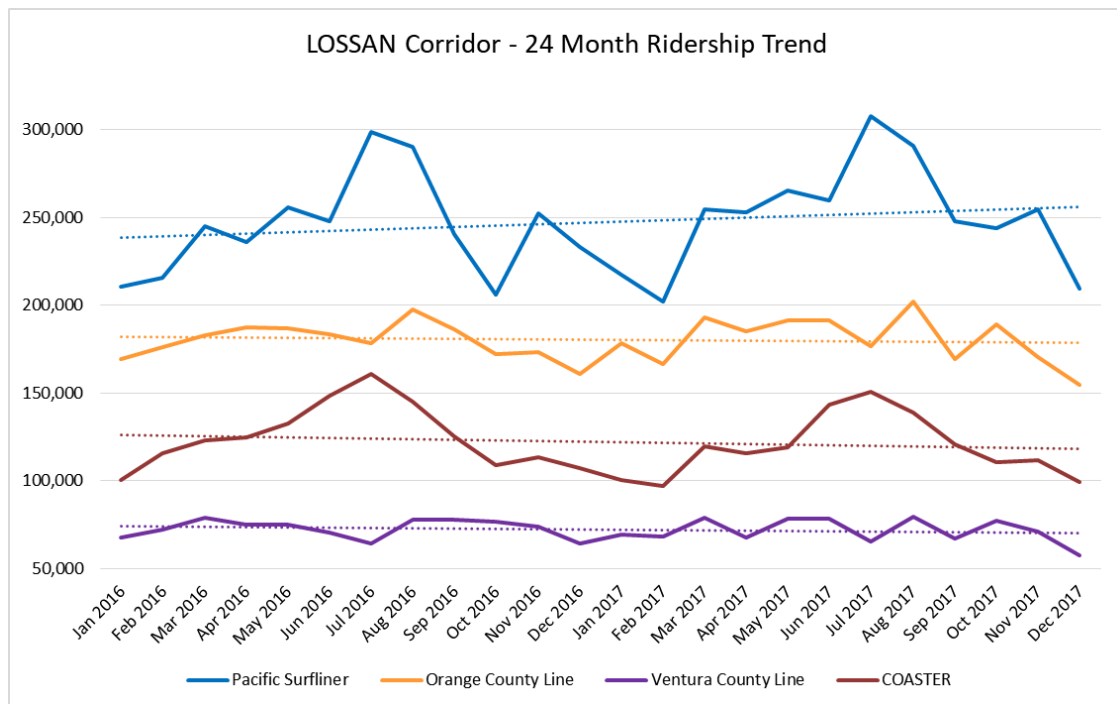


Figure 1.1

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 minimal overall growth of LOSSAN rail corridor ridership, the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service ridership increased during the first quarter of FFY 2017-18 by 2.4 percent when compared to the same period last year. This growth equates to nearly 185 additional riders per day and continues the year-over-year trend of ridership increase as demonstrated in Figure 1.2. 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.

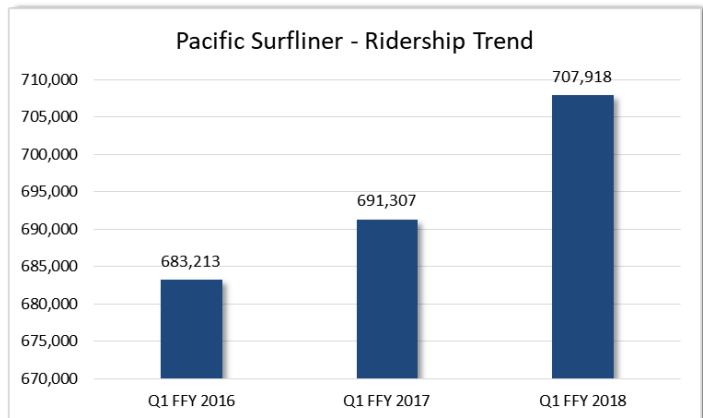


Figure 1.2

Metrolink

Overall LOSSAN rail corridor ridership was impacted by the ridership decreases experienced by Metrolink on the VCL, with an increase on the OCL as demonstrated in Figure 1.3. The VCL, which serves East Ventura to Los Angeles, had a 4.5 percent ridership decrease in the first quarter compared to the same period last year. The OCL, which serves Los Angeles to Oceanside, saw a 1.6 percent increase in ridership over the same report period in the prior year.

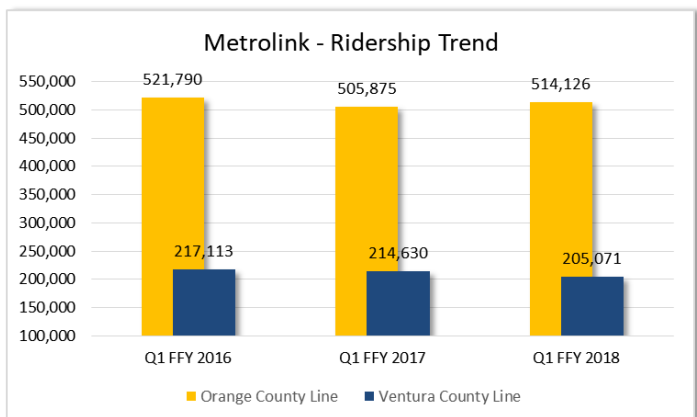


Figure 1.3

Overall system ridership for Metrolink was down by 0.5 percent in the first quarter of FFY 2017-18 when compared to the same period in FFY 2016-17. This also continues the year-over-year trend of ridership decreases.

Metrolink pass holders riding Pacific Surfliner trains, utilizing the R2R Program, averaged 1,231 per weekday for the first quarter of FFY 2017-18, which is an increase of 1.7 percent compared to the same period last year.

COASTER

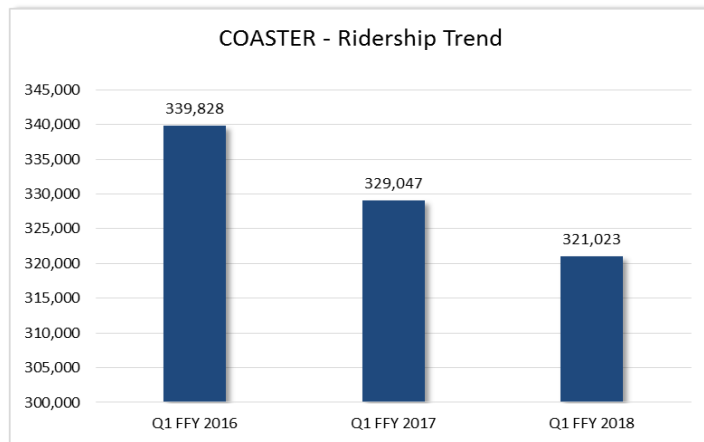


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership saw a ridership decrease of 2.4 percent during the first quarter of FFY 2017-18, when compared to the same period the prior year as shown in Figure 1.4.

The first quarter of FFY 2017-18, saw an average of 140 total COASTER pass holders

per day on Pacific Surfliner trains, utilizing the R2R program. This was a decrease of 50.1 percent when compared to last year. This drop was anticipated. In October 2017 two COASTER stops were eliminated and resulted in a marked drop in COASTER R2R riders. Though the percentage of decrease seems significant, the number of riders involved is small, amounting to approximately 120 riders per day, out of an average daily system ridership of nearly 3,600.

Amtrak System

Amtrak service nationwide had a cumulative ridership increase of 3.3 percent for the first quarter of FFY 2017-18 compared with the same period the prior year, as demonstrated in Figure 1.5.

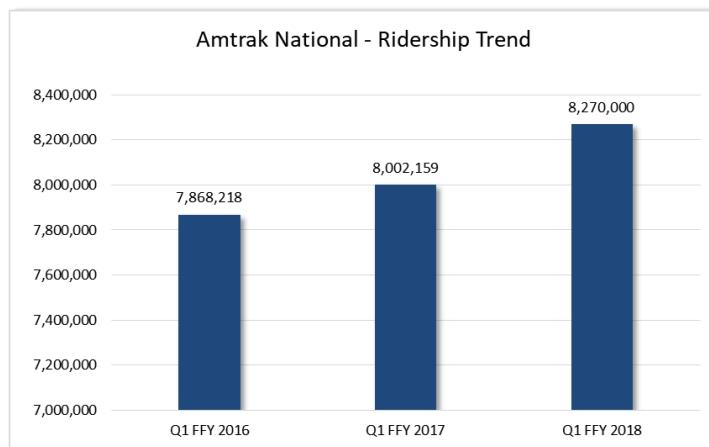


Figure 1.5

Amtrak's Coast Starlight (Seattle to Los Angeles) saw ridership decrease by 6.0 percent in the first quarter compared with the same period last year. The Capitol Corridor (Auburn/Sacramento to Oakland and San Jose) and the San Joaquins 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 6.9 percent and San Joaquins ridership decreased by 0.6 percent in the first 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 61.5 million passenger miles during the first quarter of FFY 2017-18, which is a 0.1 percent decrease compared to the same period in the prior year. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 61.5 million passenger miles resulted in a reduction of over 20,104 metric tons of greenhouse gases. The impact that this has on the environment cannot be understated. The pollution saved is the equivalent of burning 110 railcars full of coal.

Efficiency

Revenue

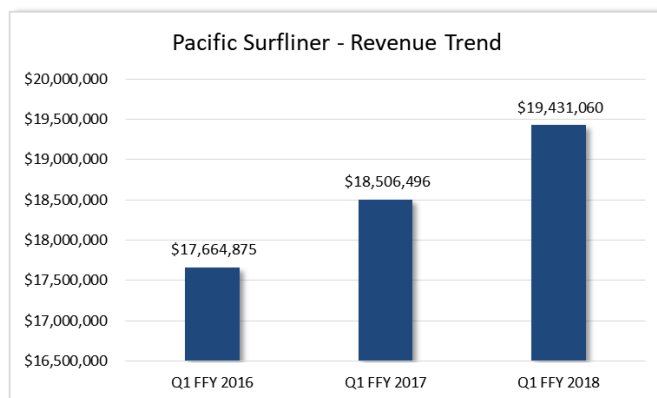


Figure 1.6

Pacific Surfliner ticket revenue continued its strong growth trend with a 5.0 percent increase for the first quarter of FFY 2017-18 when compared with the same period in the prior year as shown in Figure 1.6.

For the Capitol Corridor, total revenue increased by 7.6 percent for the first quarter, whereas the San Joaquins corridor saw a decrease of 0.9 percent, and the Coast Starlight increased by 3.6 percent.

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 March 21, 2018, Caltrans DRMT reported to the CTC on the first quarter of FFY 2017-18 (second quarter of state fiscal year 2017-18) and indicated the Pacific Surfliner realized a 78.1 percent farebox ratio.

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 first quarter of FFY 2017-18, average endpoint Pacific Surfliner OTP was 76.0 percent, which was a 18.5 percent increase over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 81.7 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 90.3 percent, and the San Joaquins averaged 79.5 percent during the report period. Amtrak system wide endpoint OTP averaged 76.0 percent for the first quarter.

A monthly on-time performance trend for the Pacific Surfliner can be seen in Figure 1.7. The LOSSAN Agency continues to work collaboratively with our partners to identify operational improvements that can favorably impact OTP. A primary goal of the October 2017 schedule change was to improve reliability and OTP, and as is indicated by Figure 1.7, favorable results are being seen from these efforts.

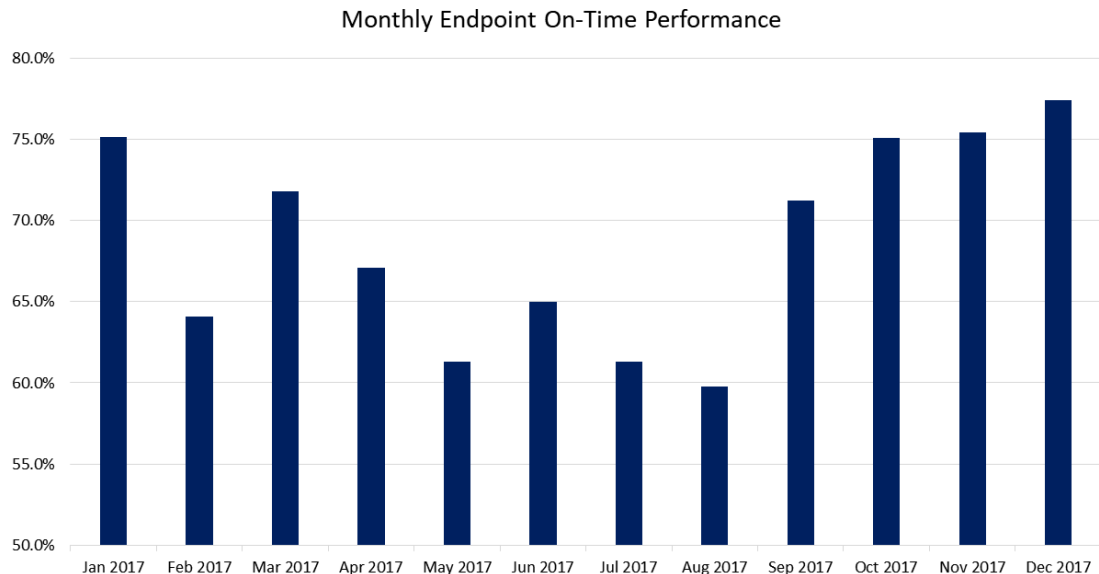


Figure 1.7

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 first quarter of FFY 2017-18, the Pacific Surfliner scored an average eCSI of 84.7 percent. As can be seen in figure 1.8, overall eCSI scores were on a downward trend over the last several quarters. Analysis has shown that the biggest drivers for this continue to be issues with reliability or on-time performance, and a lack of information given about problems or delays on the train. As we see OTP improve in the first quarter of FFY 2017-18, we also see a corresponding rise eCSI.

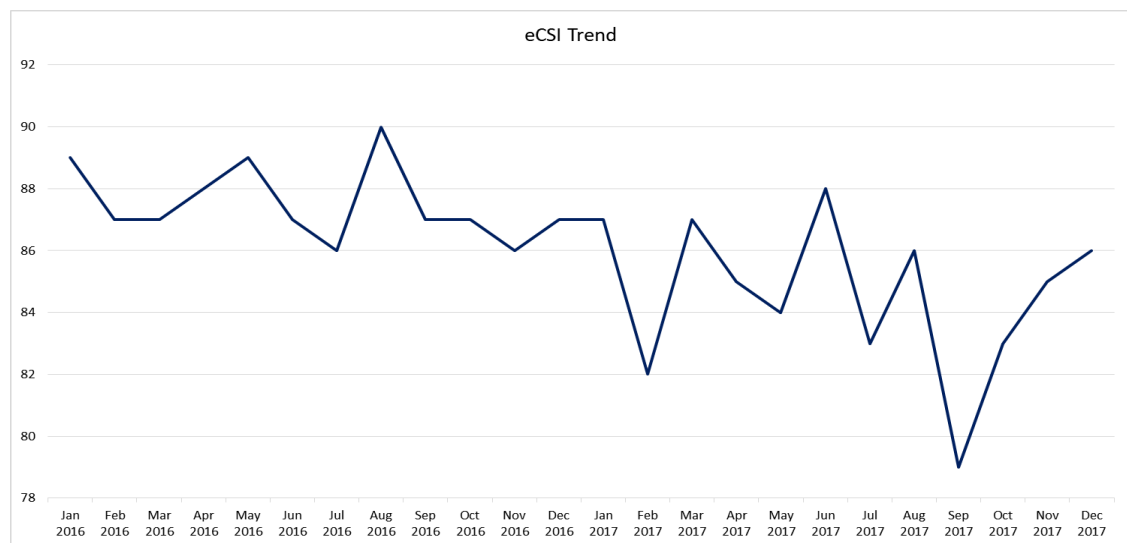


Figure 1.8

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 being made to ensure that menu items are meeting the expectations of our passengers. As part of that effort, LOSSAN Agency staff closely monitors food and beverage sales in an effort to gauge the success of what is being offered and to highlight items that need to be adjusted.

<i>Sales Category</i>	<i>Quarter 1 FFY 2016-17</i>	<i>Quarter 1 FFY 2017-18</i>	<i>Increase</i>
Baked Goods	\$84,394	\$111,775	32.4%
Beer	\$278,076	\$267,830	-3.7%
Beverages	\$264,921	\$301,176	13.7%
Dairy Products	\$3,180	\$2,813	-11.6%
Packaged Snack Foods	\$590,365	\$786,978	33.3%
Fresh Prepared Foods	\$181,820	\$190,913	5.0%
Liquor	\$92,745	\$114,342	23.3%
Miscellaneous Merchandise	\$6,426	\$5,310	-17.4%
Salads	\$25,067	\$10,389	-58.6%
Wine	\$344,569	\$386,280	12.1%
	\$1,871,562	\$2,177,803	16.4%

Figure 1.9

For the first quarter of FFY 2017-18, food and beverage sales increased by an incredible 16.4 percent over the same quarter in the prior year. The significant decrease in the sale of salads is due to a change in the way that Amtrak categorizes some food items as of this quarter. A number of salads are now categorized under the “fresh prepared foods” category and help contribute to the increase there. Details on the performance of each specific sales category are included in Figure 1.9.

Amtrak Thruway Bus Service

Detailed ridership data associated with this service is being supplied by Amtrak as of January 2017 and is now a part of the standard monthly ridership reports. Performance of the Amtrak Thruway Bus service will be included in the quarterly trends report when a minimum of 12 months of historical data exists to allow for 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 were previously included as attachments to this report, items such as boardings/alightings by station and ridership/revenue by station pair. Due to issues with the data received from Amtrak, these items are not included with this report. They will be included with future reports, once the data issues with Amtrak have been resolved.

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 federal fiscal year 2017-18. During the first quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 0.7 percent compared to the same period last year. Ridership and revenue for the Pacific Surfliner continued a strong growth trend, with ridership increasing by 2.4 percent, and revenue increasing by 5.0 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, First Quarter Federal Fiscal Year 2017-18

Prepared by:

A handwritten signature in black ink, appearing to read 'Roger M. Lopez', with a long horizontal line extending to the right.

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