



October 21, 2019

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 Third Quarter of Federal Fiscal Year 2018-19

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 third quarter of federal fiscal year 2018-19, is presented for consideration by the Board of Directors.

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 passenger rail trains and 4.5 million on Metrolink and COASTER commuter trains.

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 (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 COASTER system. Amtrak national data is included for comparative purposes. The reporting

period is the third quarter of federal fiscal year (FFY) 2018-19, covering the months of April, May, and June 2019.

Usage

For the third quarter of FFY 2018-19, total LOSSAN rail corridor ridership on the three services was 2,076,014, a 1.1 percent decrease 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, can be found in Figure 1.1.

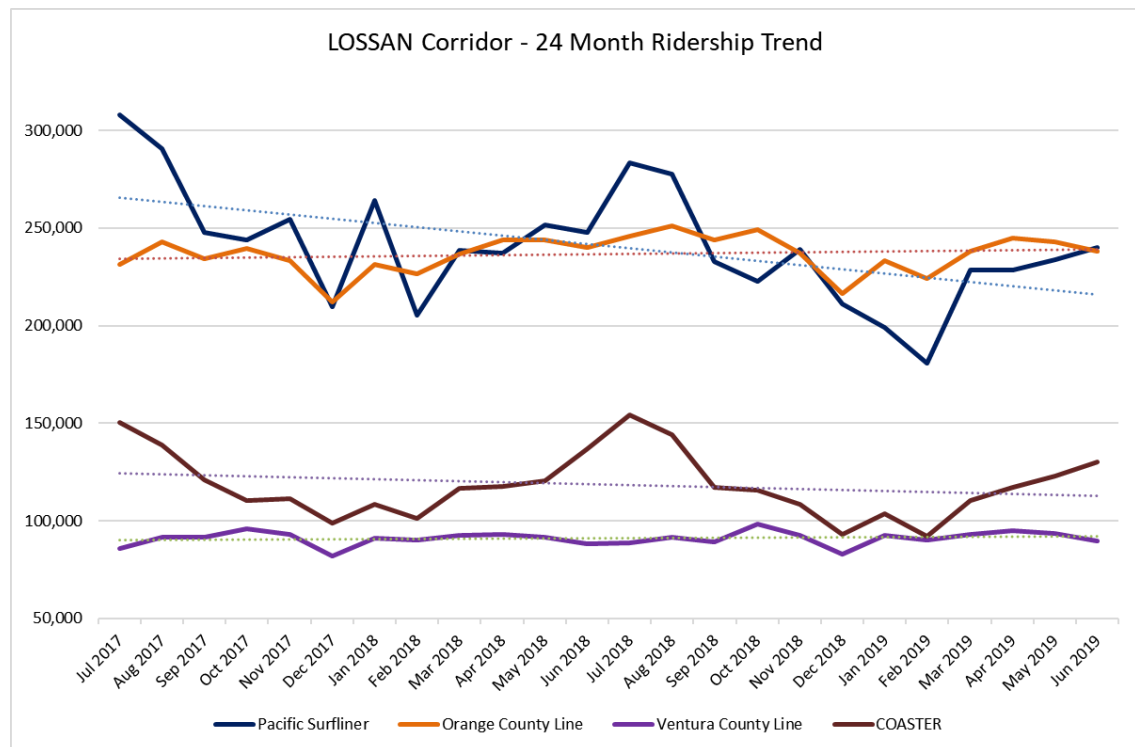


Figure 1.1

The 24 months of ridership data included in Figure 1.1 provides 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 the seasonal variation and provides sufficient information to allow for the development of 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

Part of the overall decline in LOSSAN rail corridor ridership can be attributed to the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service ridership, which decreased during the third quarter of FFY 2018-19 by 4.6 percent when compared to the same period last year as is demonstrated in Figure 1.2. 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. As prior analysis has demonstrated, the impact of lower R2R ridership as well as the ridership decreases associated with implementation of the peak-period service between Ventura and Santa Barbara counties, have continued through this reporting period.

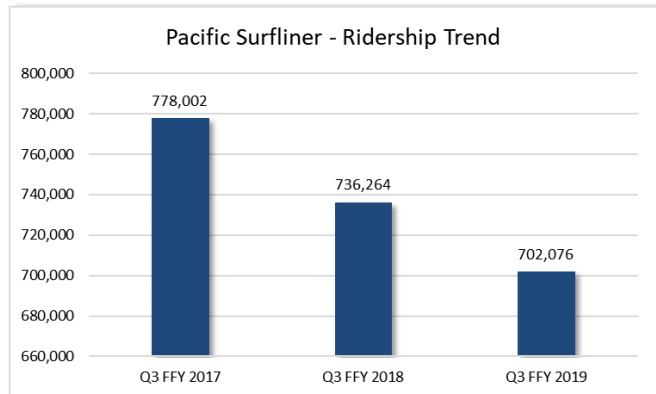


Figure 1.2

Metrolink

Overall LOSSAN rail corridor ridership was positively impacted by the minor ridership increase experienced by Metrolink's VCL as demonstrated in Figure 1.3. The VCL, which serves East Ventura to Los Angeles, saw a ridership increase of 2.0 percent when compared to the third quarter last year. The OCL, which serves Los Angeles to Oceanside, saw a 0.3 percent decrease in ridership over the same report period in the prior year.

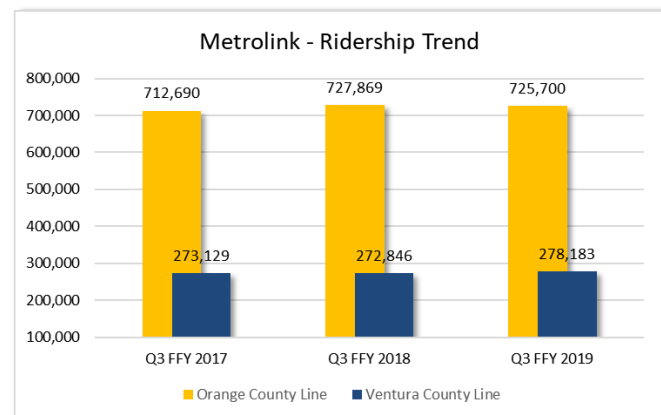


Figure 1.3

Metrolink pass holders riding Pacific Surfliner trains, utilizing the R2R Program, averaged 1,114 per weekday for the third quarter of FFY 2018-19, which is a decrease of 5.7 percent compared to the same period last year. As noted previously, the elimination of train 761 as part of the peak-period retiming effort

between Ventura and Santa Barbara counties has negatively impacted overall R2R ridership, eliminating a heavily utilized morning commuter connection.

COASTER

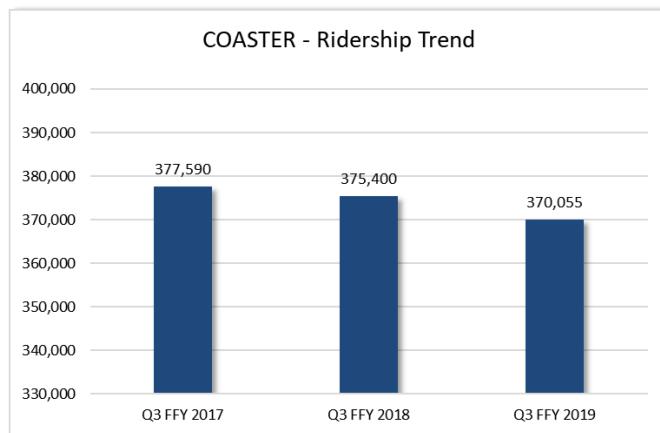


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership decreased by 1.4 percent during the third quarter of FFY 2018-19, when compared to the same period the prior year as shown in Figure 1.4.

During the third quarter of FFY 2018-19, there were an average of 39 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was a

decrease of 77 percent when compared to last year. This decrease is consistent with the forecasted loss associated with the elimination of an additional two COASTER stations from the R2R Program in October 2018.

Amtrak System

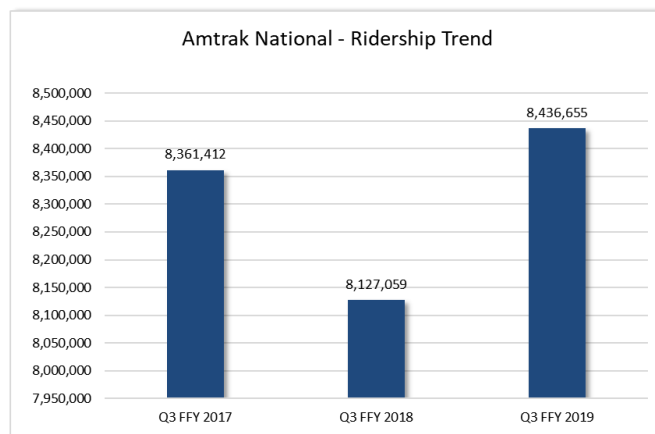


Figure 1.5

Amtrak service nationwide had a cumulative ridership increase of 3.8 percent for the third quarter of FFY 2018-19 compared with the same period the prior year, as demonstrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) likewise saw ridership increase by 10.7 percent in the third 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 State-supported 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 4.1 percent

and San Joaquins ridership increased by 4.4 percent in the third 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 63 million passenger miles during the third quarter of FFY 2018-19, which is a 1.3 percent decrease compared to the same period in the prior year. The decrease in passenger miles is less than anticipated based on what was experienced in overall ridership. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 63 million passenger miles resulted in a reduction of over 22,600 metric tons of greenhouse gases. A visualization of the impact this has on the environment is always helpful. The pollution eliminated is the equivalent of burning over 2.5 million gallons of gasoline.

Efficiency

Revenue

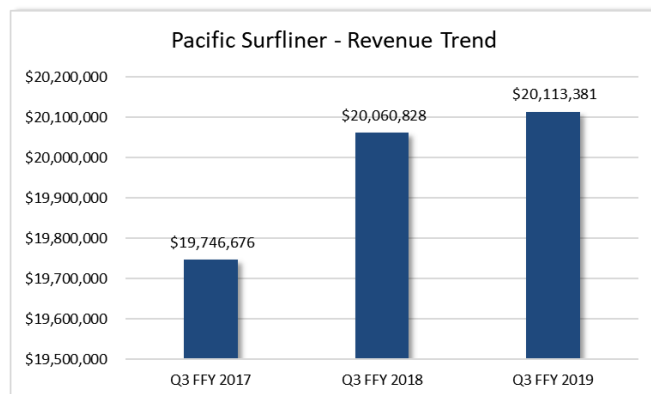


Figure 1.6

Despite the significant loss in ridership, the Pacific Surfliner's ticket revenue continues to outpace ridership losses. For the third quarter of FFY 2018-19 overall revenue increased by 0.3 percent when compared with the same period in the prior year as shown in Figure 1.6.

For the Capitol Corridor, total revenue increased by 8.5 percent for the third quarter, the San Joaquin rail corridor saw an increase of 5.2 percent, and the Coast Starlight increased by 27.1 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*. This report focuses on a rolling 12-month report period instead of the quarter. On June 26, 2019, Caltrans DRMT reported to the CTC on the 12 months ending March 2019 (the most recent available data) and indicated that the Pacific Surfliner realized a 73.2 percent farebox recovery ratio for that time period.

Quality

OTP

The methodologies for calculating 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 are considered late if trains arrive 15 or more minutes after scheduled arrival times.

In the third quarter of FFY 2018-19, average endpoint Pacific Surfliner OTP was 75.5 percent, which was a 9.9 percent decrease over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 78.5 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 88.3 percent, and the San Joaquins averaged 65.3 percent during the report period. Amtrak system-wide endpoint OTP averaged 76.0 percent for the third quarter. A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7.

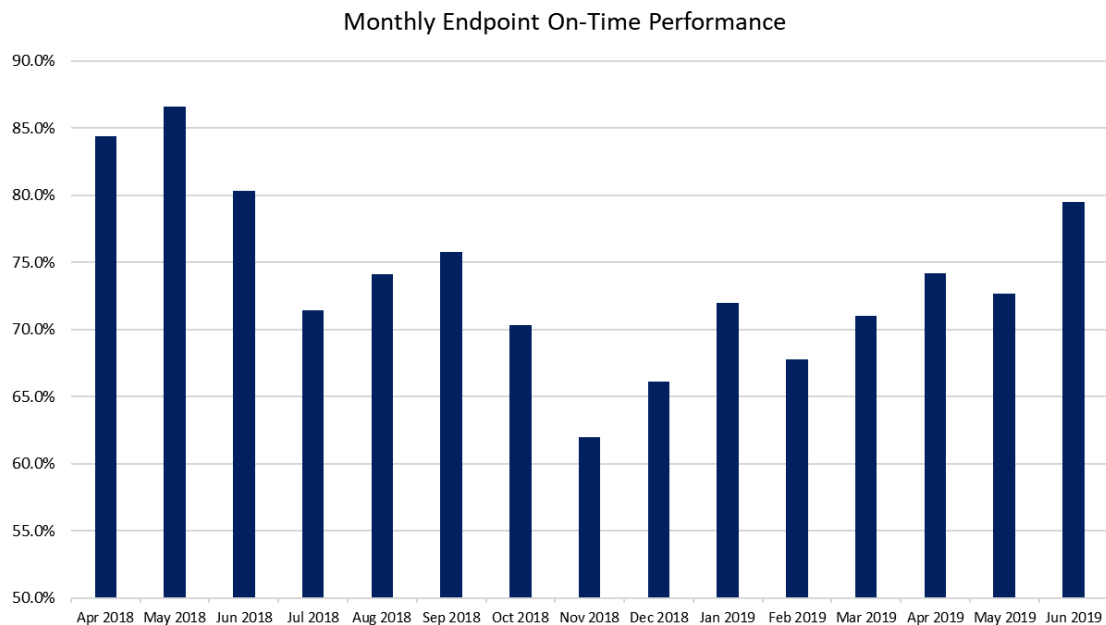


Figure 1.7

The LOSSAN Rail Corridor Agency (Agency) continues to work collaboratively with the host railroads to identify operational improvements that can favorably impact OTP. Primarily this is accomplished via the quarterly Corridor Improvement Team (CIT) meetings. The improvement of OTP in recent months is a direct result of the efforts of the CIT. The issues impacting OTP, continue to primarily be mechanical challenges associated with the implementation of positive train control and the introduction of new Charger locomotives, commuter and passenger train interference on the south end of the rail corridor, as well as signal issues on the north end. The LOSSAN Agency continues to work with the host railroads and Amtrak to address these issues.

Customer Satisfaction

Amtrak reports an Electronic Customer Satisfaction Index (eCSI) score monthly for all routes, in which a 'very satisfied' percentage is calculated out of 100 passengers via surveying. For the third quarter of FFY 2018-19, the Pacific Surfliner scored an average eCSI of 85.3 percent, which represents a decrease of 3.1 percent over the same period the prior year.

Detailed analysis of the eCSI data show somewhat of a shift in the drivers related to the overall score. The top five biggest drivers for customer dissatisfaction are *all* issues related to the reliability of onboard Wi-Fi service, with the ability to stay connected being number one.

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 3 FFY 2017-18</i>	<i>Quarter 3 FFY 2018-19</i>	<i>Increase</i>
Baked Goods	\$118,238	\$117,491	-0.6%
Beer	\$286,827	\$297,332	3.7%
Beverages	\$341,591	\$363,278	6.3%
Dairy Products	\$7,914	\$10,643	34.5%
Packaged Snack Foods	\$905,850	\$968,782	6.9%
Fresh Prepared Foods	\$167,535	\$188,254	12.4%
Liquor	\$128,078	\$147,774	15.4%
Miscellaneous Merchandise	\$6,197	\$6,113	-1.4%
Salads	\$15,395	\$24,955	62.1%
Wine	\$428,371	\$504,064	17.7%
	\$2,405,995	\$2,628,685	9.3%

Figure 1.8

For the third quarter of FFY 2018-19, food and beverage sales increased by an amazing 9.3 percent over the same quarter in the prior year. This growth is especially significant considering the overall loss in ridership experienced during the report period. Details on the performance of each specific sales category are included in Figure 1.8.

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 include:

- Route 4: Los Angeles to Santa Barbara/Goleta. Two daily one-way trips.
- Route 17: Santa Barbara to San Luis Obispo to Oakland (where it connects with Capitol Corridor). Eleven daily one-way trips.
- Route 39: Fullerton to Palm Springs and Coachella Valley. Four daily one-way trips.

For the third quarter of FFY 2018-19, ridership on these three routes totaled 24,273 riders, which was a decrease of 8.2 percent when compared to 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 third quarter of federal fiscal year 2018-19. During the third quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 1.1 percent compared to the same period last year. Ridership on the Pacific Surfliner decreased by 4.6 percent, while revenue realized a 0.3 percent increase when compared to the same period last year.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, Third Quarter Federal Fiscal Year 2018-19

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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