



June 15, 2020

To: Members of the Board of Directors
Donna DeMartino
From: Donna DeMartino, Managing Director
Subject: The Los Angeles – San Diego – San Luis Obispo Rail Corridor
Trends for the First Quarter of Federal Fiscal Year 2019-20

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 2019-20, 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 2.7 million on Pacific Surfliner intercity passenger rail trains and about 5.4 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 first quarter of federal fiscal year (FFY) 2019-20, covering the months of October, November, and December 2019.

Usage

For the first quarter of FFY 2019-20, total LOSSAN rail corridor ridership on the three services was 1,992,775, a 1.3 percent increase 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.

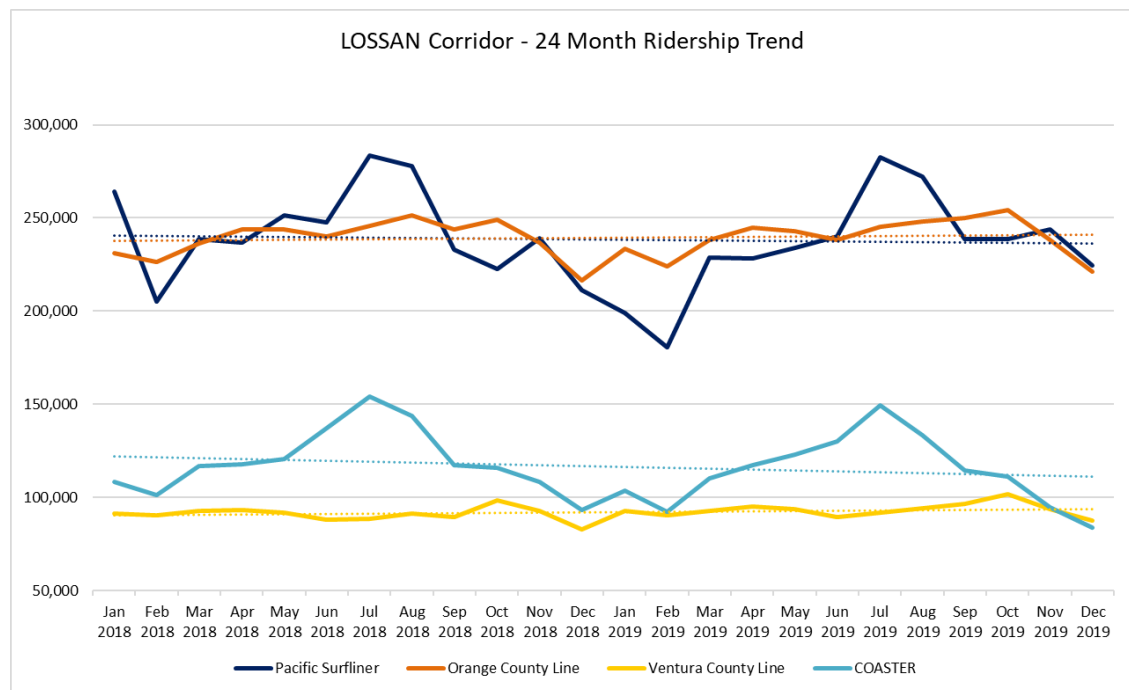


Figure 1.1

The 24 months of ridership data included in Figure 1.1 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 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 increase in LOSSAN rail corridor ridership can be attributed to the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service ridership, which increased during the first quarter of FFY 2019-20 by 5.0 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.

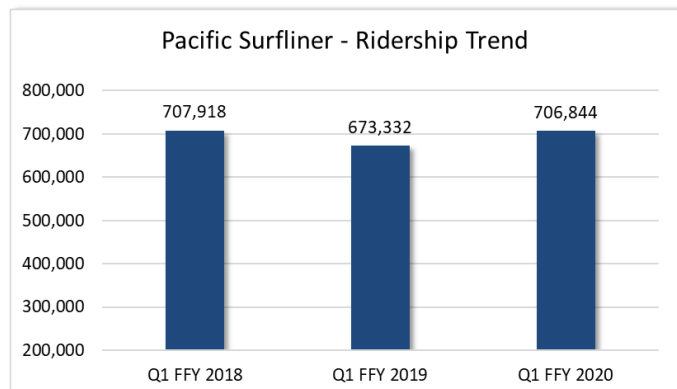


Figure 1.2

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 operates between East Ventura and Los Angeles, saw a ridership increase of 3.2 percent when compared to the first quarter of last year. The OCL, which operates between Los Angeles and Oceanside, saw a 1.6 percent increase in ridership over the same report period in the prior year.

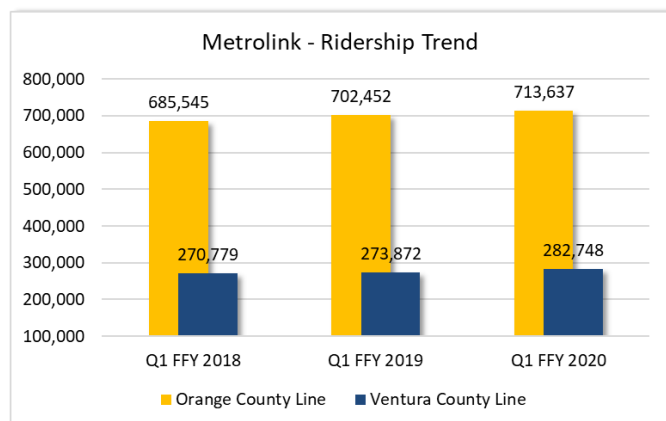


Figure 1.3

Metrolink pass holders riding Pacific Surfliner trains, utilizing the R2R Program, averaged 956 per weekday for the first quarter of FFY 2019-20, which is an increase of 8.2 percent compared to the same period last year.¹ This increase is significant following a decline trend in overall R2R ridership since April 2018, when train 761, a heavily utilized morning commuter connection, was eliminated

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

as part of the peak-period retiming effort between Ventura and Santa Barbara counties.

COASTER

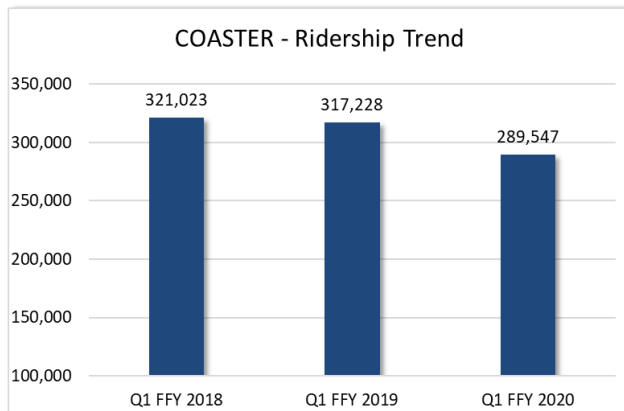


Figure 1.4

COASTER (serving between Oceanside and San Diego) ridership decreased by 8.7 percent during the first quarter of FFY 2019-20, when compared to the same period the prior year as shown in Figure 1.4.

During the first quarter of FFY 2019-20, there were an average of 16 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was a decrease of 0.5 percent

when compared to last year.

Amtrak System

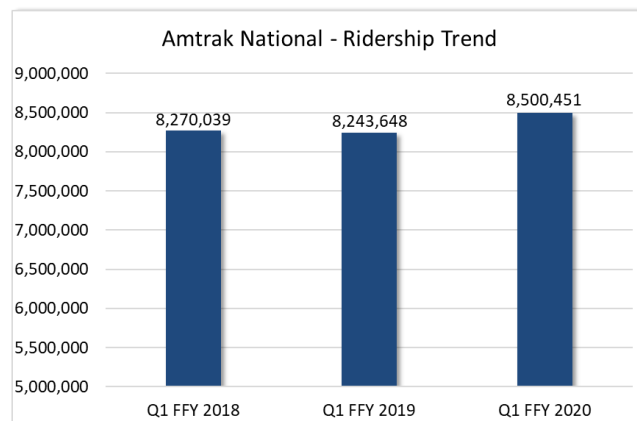


Figure 1.5

Amtrak service nationwide had a cumulative ridership increase of 3.1 percent for the first quarter of FFY 2019-20 compared with the same period the prior year, as illustrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) saw ridership decrease by 0.2 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 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 3.9 percent and San Joaquins ridership decreased by 2.4 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 generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated over 62 million passenger miles during the first quarter of FFY 2019-20, which is a 2.3 percent increase compared to the same period in the prior year. The increase in passenger miles aligns with the overall increase in ridership. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 62 million passenger miles resulted in a reduction of over 22,542 tons of greenhouse gases. The pollution avoided is equivalent to burning over 2.3 million gallons of gasoline.

Efficiency

Revenue

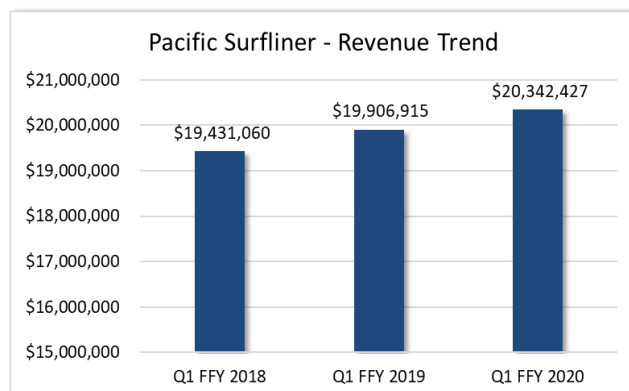


Figure 1.6

In correlation with the ridership increase, ticket revenue for the Pacific Surfliner rail service performed well. For the first quarter of FFY 2019-20, overall revenue increased by 2.2 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 3.3 percent, the San Joaquin rail corridor saw a decrease of 1.3 percent, and the Coast Starlight decreased by 1.7 percent in the first quarter compared to last year.

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) usually 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 December 4, 2019 (the most recent reporting date), Caltrans DRMT reported to the CTC on the 12 months ending June 2019 and indicated that the Pacific Surfliner realized a 72.5 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 first quarter of FFY 2019-20, average endpoint Pacific Surfliner OTP was 73.1 percent, which was a 10.7 percent increase over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 76.4 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 84.5 percent, and the San Joaquins averaged 72.9 percent during the report period. Amtrak system-wide endpoint OTP averaged 77.7 percent for the first quarter. A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7.

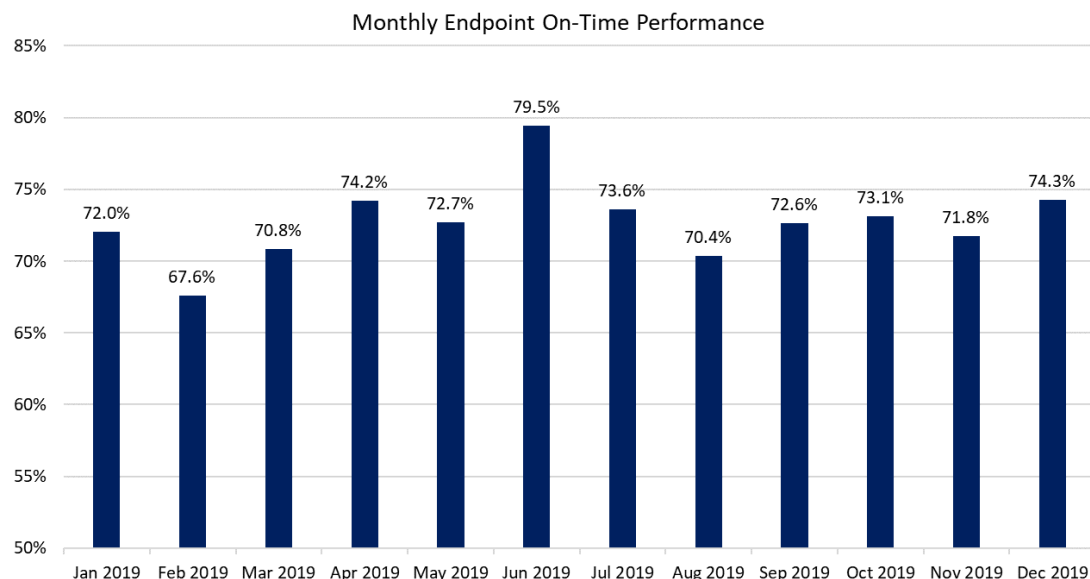


Figure 1.7

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. Top issues impacting OTP include commuter and passenger train interference on the south end of the rail corridor and 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 first quarter of FFY 2019-20, the Pacific Surfliner scored an average eCSI of 84.9 percent, which represents an increase of 2.2 percent over the same period last year (83.0 percent).

Detailed analysis of the eCSI data show the drivers related to the overall score. For the first quarter of FFY 2019-20, the top five biggest drivers for customer dissatisfaction include issues related to the reliability of onboard Wi-Fi service, the clarity and availability of station signage and announcements, and the variety of food items in the Pacific Surfliner Café car.

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 to gauge the success of what is being offered and to highlight items that need to be adjusted.

<i>Sales Category</i>	<i>FFY19 Q1</i>	<i>FFY20 Q1</i>	<i>% Change</i>
Baked Goods	\$ 126,061	\$ 122,515	-2.8%
Beer	\$ 267,417	\$ 271,627	1.6%
Beverages	\$ 356,944	\$ 365,515	2.4%
Dairy Products	\$ 7,943	\$ 10,806	36.0%
Fresh Prepared Foods	\$ 144,805	\$ 225,187	55.5%
Liquor	\$ 118,644	\$ 153,650	29.5%
Miscellaneous Merchandise	\$ 7,498	\$ 7,857	4.8%
Packaged Snack Foods	\$ 959,404	\$ 990,664	3.3%
Salads	\$ 21,086	\$ 16,072	-23.8%
Wine	\$ 447,343	\$ 478,269	6.9%
Total Revenue	\$ 2,457,145	\$ 2,642,163	7.5%

Figure 1.8

For the first quarter of FFY 2019-20, food and beverage sales increased by 7.5 percent over the same quarter in the prior year. This growth correlates with

the overall increase 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 first quarter of FFY 2019-20, ridership on these three routes totaled 25,364 riders, which was a decrease of 4.9 percent when compared to the same period in the prior year (26,659 riders).

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 2019-20. During the first quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership increased by 1.3 percent compared to the same period last year. Ridership on the Pacific Surfliner increased by 5.0 percent, while revenue realized a 2.2 percent increase when compared to the same period last year.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, First Quarter Federal Fiscal Year 2019-20

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