

November 15, 2021

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 Third Quarter of Federal Fiscal Year 2020-21

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 2020-21.

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 typically hosts more than 150 daily passenger trains and 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 operating 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) 2020-21, covering the months of April, May, and June 2021.

Coronavirus Pandemic

The coronavirus (COVID-19) pandemic has had significant global impacts on transit ridership and operations, including the three rail services operating on the LOSSAN rail corridor. Attributable ridership and revenue declines were observed at the end of February 2020, and drastic declines followed Governor Newsom's safer-at-home order, effective March 15, 2020. Shortly thereafter, the Pacific Surfliner, COASTER, and Metrolink implemented temporary service reductions on their respective intercity and commuter passenger rail services. The Pacific Surfliner and COASTER began service reductions on March 23, 2020, and Metrolink reduced its service on March 26, 2020.

After over a year of operating on reduced service schedules, and as health and social conditions steadily transition into recovery from the COVID-19 pandemic, rail operators along the LOSSAN rail corridor began to restore service starting on Memorial Day weekend 2021. COASTER returned to full service on Saturday, May 29, 2021. On the same day, Metrolink launched a new Saturday service on its VCL. On June 28, 2021, the Pacific Surfliner increased its service from 12 daily one-way trips (six round trips) to 18 daily one-way trips (nine round trips).

Usage

For the third quarter of FFY 2020-21, total LOSSAN rail corridor ridership on the three services was 493,669, an outstanding 223.7 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, is shown in Figure 1.1.

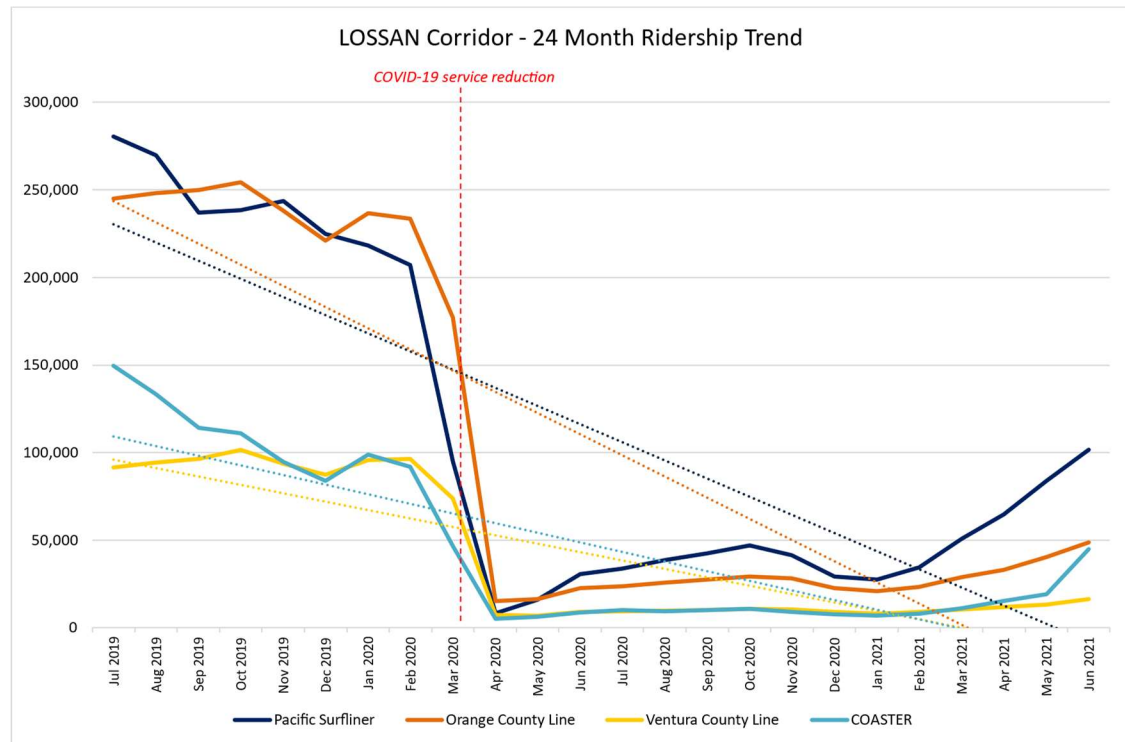


Figure 1.1

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

The overall increase in LOSSAN rail corridor ridership includes ridership on the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service, which increased during the third quarter of FFY 2020-21 by a huge 354.7 percent when compared to the same period last year, as is demonstrated in Figure 1.2. The improved ridership is attributable to reduced travel restrictions resulting from a statewide reduction in COVID-19 cases.

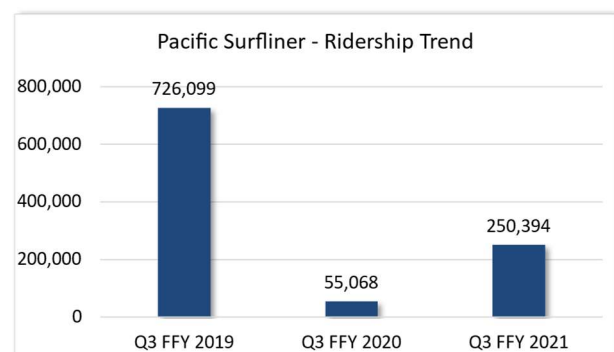


Figure 1.2

The reported Pacific Surfliner ridership 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.

Metrolink

Overall LOSSAN rail corridor ridership was also positively impacted by the ridership increase on Metrolink's VCL, as demonstrated in Figure 1.3. The VCL, which operates between East Ventura and Los Angeles, saw a ridership increase of 78.1 percent when compared to the third quarter of last year. The Orange County Line, which operates between Los Angeles

and Oceanside, saw a 126.9 percent increase in ridership over the same report period in the prior year. The number of Metrolink pass holders riding Pacific Surfliner trains, using the R2R Program, averaged 57 per weekday for the third quarter of FFY 2020-21, which is an increase of 90.8 percent compared to the same period last year.¹

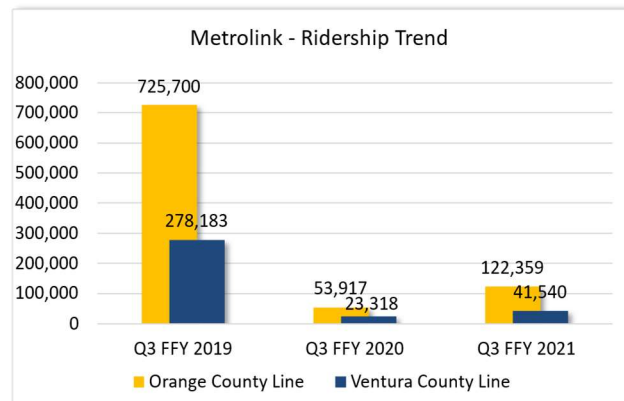


Figure 1.3

COASTER

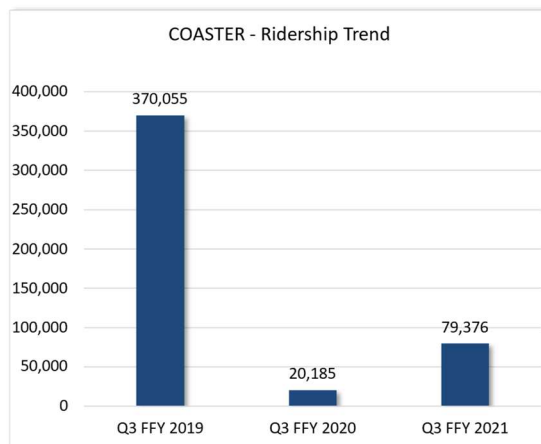


Figure 1.4

COASTER (providing commuter rail service between Oceanside and San Diego) ridership increased by 293.2 percent during the third quarter of FFY 2020-21 when compared to the same period in the prior year, as shown in Figure 1.4. During the third quarter of FFY 2020-21, there was an average of one COASTER pass holder per day on Pacific Surfliner trains, using the R2R program. Mathematically, there was an increase of 30 percent when compared to last year.

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

Amtrak System

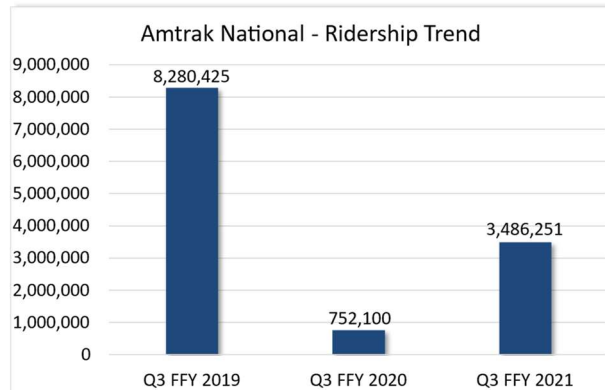


Figure 1.5

Amtrak service nationwide also experienced a cumulative ridership increase of 363.5 percent for the third quarter of FFY 2020-21 compared with the same period in the prior year, as illustrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) saw ridership increase by 130.2 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 194.6 percent and San Joaquins ridership increased by 120.2 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 generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated over 24 million passenger miles during the third quarter of FFY 2020-21, which is a great 379.5 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 24 million passenger miles resulted in a reduction of over 8,662 tons of greenhouse gases. The pollution avoided is equivalent to burning nearly 884,217 gallons of gasoline.

Efficiency

Revenue

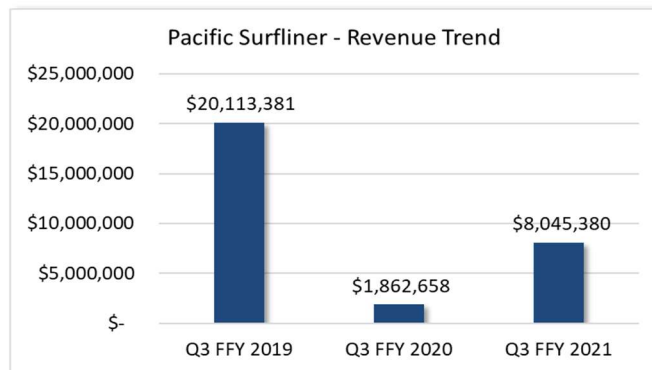


Figure 1.6

In correlation with the ridership increase related to an initial recovery from the COVID-19 pandemic, ticket revenue for the Pacific Surfliner also improved. For the third quarter of FFY 2020-21, overall revenue increased by 331.9 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 151.5 percent, the San Joaquin rail corridor saw an increase of 97.9 percent, and the Coast Starlight increased by 200.5 percent in the third 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 Division of Rail and Mass Transportation (DMRT) 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 2, 2020, Caltrans DMRT reported to the CTC on the 12 months ending June 30, 2020 (the most recent available data) and indicated that the Pacific Surfliner realized a 54.6 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 2020-21, average endpoint Pacific Surfliner OTP was 87.4 percent, which was a 4.9 percent decline over the prior year, but a great improvement when compared to performance in quarters prior to January 2020. The significant service reduction that occurred in March 2020 lead to reduced train volumes throughout the LOSSAN corridor, and while some service along the corridor has been restored, monthly endpoint OTP for the Pacific Surfliner has remained at or above 80 percent. A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7.

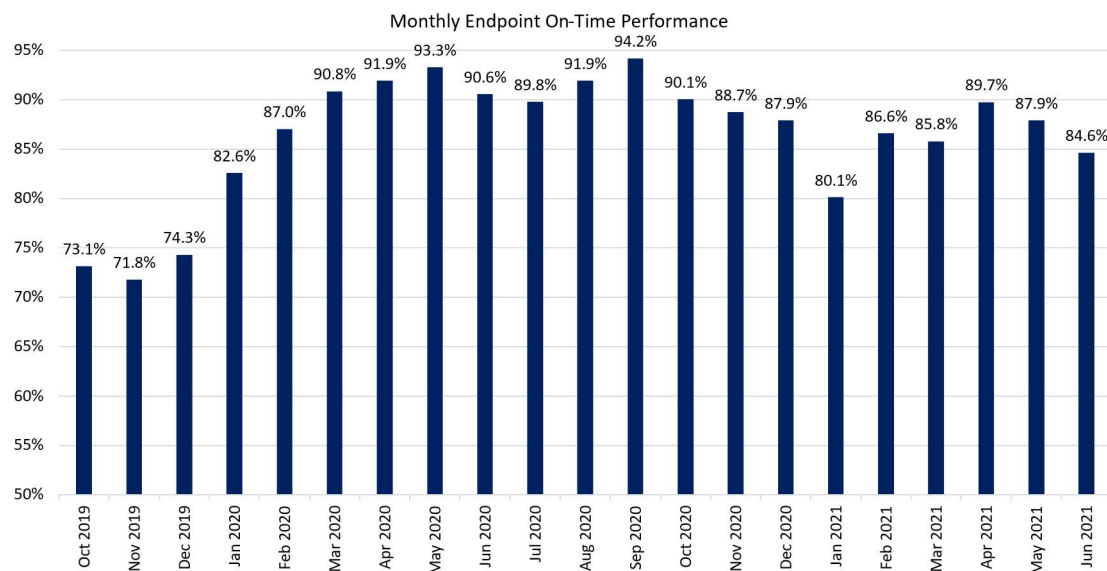


Figure 1.7

The LOSSAN Rail Corridor Agency (Agency) will continue to work collaboratively with the Corridor Improvement Team via quarterly meetings to ensure that OTP performance remains high as service continues to be restored.

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 electronic survey. Amtrak launched a revamped eCSI survey in April 2020. For the third quarter of FFY 2020-21, the Pacific Surfliner scored an average eCSI of 85.0 percent, which represents a decrease of 4.0 percent over the same period last year (88.5 percent).

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 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>FFY20 Q3</i>	<i>FFY21 Q3</i>	<i>% Change</i>
Baked Goods	\$ 12,502	\$ 35,451	183.6%
Beer	\$ 28,133	\$ 112,644	300.4%
Beverages	\$ 37,316	\$ 124,345	233.2%
Dairy Products	\$ 650	\$ 1,736	167.2%
Fresh Prepared Foods	\$ 2,113	\$ 80,993	3732.6%
Liquor	\$ 20,468	\$ 71,680	250.2%
Miscellaneous Merchandise	\$ 2,450	\$ 3,118	27.3%
Packaged Snack Foods	\$ 269,945	\$ 215,516	-20.2%
Salads	\$ -	\$ 3,353	NA
Wine	\$ 31,339	\$ 147,315	370.1%
Total Revenue	\$ 404,916	\$ 796,151	96.6%

Figure 1.8

For the third quarter of FFY 2020-21, food and beverage sales increased by 96.6 percent over the same quarter in the prior year. In the quarter of the prior year, Café car sales were heavily impacted by the decrease in ridership and the restrictions associated with indoor dining. In 2020, the sales of some of the fresh prepared foods and hot items were temporarily suspended to limit the interactions necessary between the passengers and Café car attendants and to prevent losses associated with spoilage resulting from reduced demand.

Various safety measures, including the installation of plexiglass barriers, have allowed for the return of microwavable food items and some fresh prepared foods. As these items are returning and ridership is increasing, Café car revenue has been following the same trend. 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 2020-21, ridership on these three routes totaled 14,196 riders, which was an increase of 185.7 percent when compared to the same period in the prior year (4,968 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 third quarter of federal fiscal year 2020-21. During the third quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership increased by 223.7 percent, compared to the same period last year. Ridership on the Pacific Surfliner alone increased by 354.7 percent, and revenue realized a 331.9 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 2020-21

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