

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

Date: June 25, 2015

Reference No.: 3.8
Information Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Bruce Roberts, Chief
Division of Rail and Mass
Transportation

Subject: **FY 2014-15 THIRD QUARTER INTERCITY PASSENGER RAIL OPERATIONS REPORT**

SUMMARY:

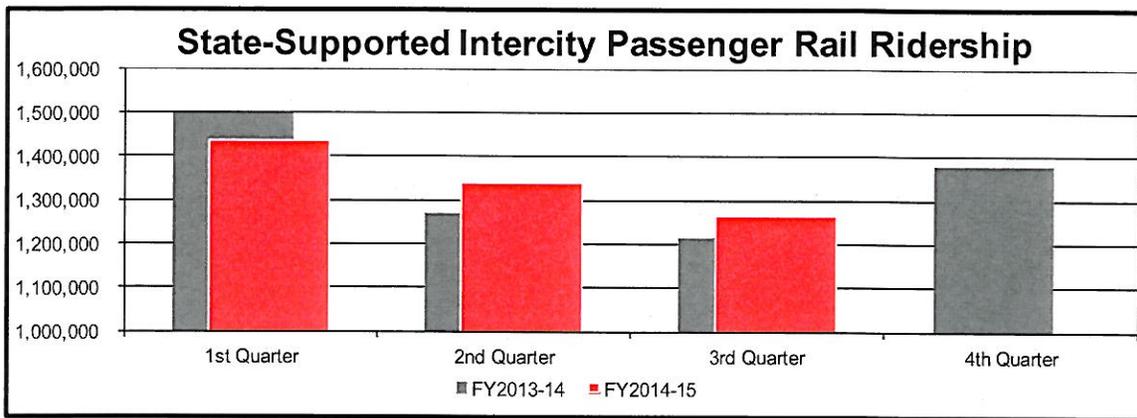
This is the Intercity Passenger Rail Operations Report for the second and third quarters of State Fiscal Year (FY) 2014-15, as requested by the California Transportation Commission (Commission). The report contains information for each of the three state supported intercity passenger rail routes on ridership, on-time performance and financial results. The report includes current quarter results and a comparison of the current quarter to the same period of the prior year.

California provides financial and administrative support for intercity rail passenger service on three corridors within the State: the *Pacific Surfliner Route* between San Diego, Los Angeles, Santa Barbara and San Luis Obispo; the *Capitol Corridor* between San Jose, Oakland, and Sacramento-Auburn; and the *San Joaquin Route* between Bakersfield and both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the national intercity passenger rail system. The *Pacific Surfliner* and *San Joaquin* routes are administered by the California Department of Transportation (Department), while the *Capitol Corridor* is administered by the Capitol Corridor Joint Powers Authority (CCJPA), using funding provided by the State of California. The CCJPA and the Department contract with Amtrak to operate the three routes.

COMBINED STATEWIDE RESULTS

RIDERSHIP

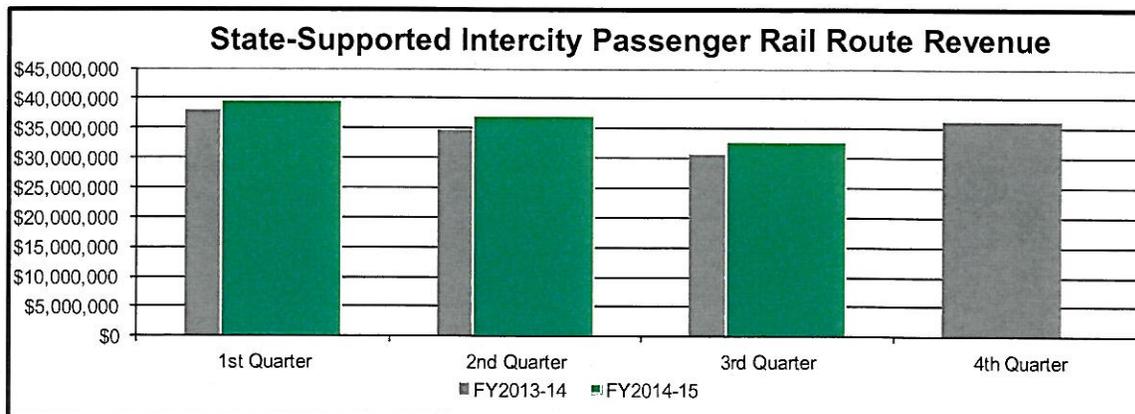
Total combined ridership during the second quarter (October-December 2014) on the three routes was 80.2 percent, up 5.3 percent from the comparable quarter in FY 2013-14. The third quarter (January-March 2015) also reported a combined ridership of 83.7 percent, an increase of 3.9 percent over the prior year quarter.



REVENUE

In the second quarter, revenue improved from the prior year by 7.3 percent and expenses were 12.3 percent above last year’s second quarter. As a result, the farebox ratio of 58.0 percent was down slightly from the prior year.

The third quarter revenue improved from the prior year by 7.3 percent and expenses were 0.3 percent below last year’s third quarter. The farebox ratio of 58.1 percent was a 4.0 percentage point improvement.



The following tables provide further detail on the combined ridership, revenue, expense, farebox ratio and on-time performance for the three State-supported routes for the second and third quarters of FY 2014-15.

State-Supported Intercity Passenger Rail - 2nd Quarter 2014-15				
All Routes				
	ACTUAL RESULTS			
	2nd Qtr 14-15	2nd Qtr 13-14	Difference	Percent Change
Ridership	1,338,374	1,271,127	67,247	5.3%
Revenue	\$ 37,091,908	\$ 34,580,187	\$ 2,511,721	7.3%
Expense	\$ 63,974,609	\$ 56,965,867	\$ 7,008,742	12.3%
Farebox Ratio	58.0%	60.7%	-2.7 PP	
On-Time Performance	80.2%	84.7%	-4.5 PP	

PP - Percentage Points

State-Supported Intercity Passenger Rail - 3rd Quarter 2014-15				
All Routes				
	ACTUAL RESULTS			
	3rd Qtr 14-15	3rd Qtr 13-14	Difference	Percent Change
Ridership	1,263,031	1,215,912	47,119	3.9%
Revenue	\$ 32,917,957	\$ 30,689,570	\$ 2,228,387	7.3%
Expense	\$ 56,618,541	\$ 56,770,928	\$ (152,387)	-0.3%
Farebox Ratio	58.1%	54.1%	4.0 PP	
On-Time Performance	84.9%	86.0%	-1.1 PP	

PP - Percentage Points

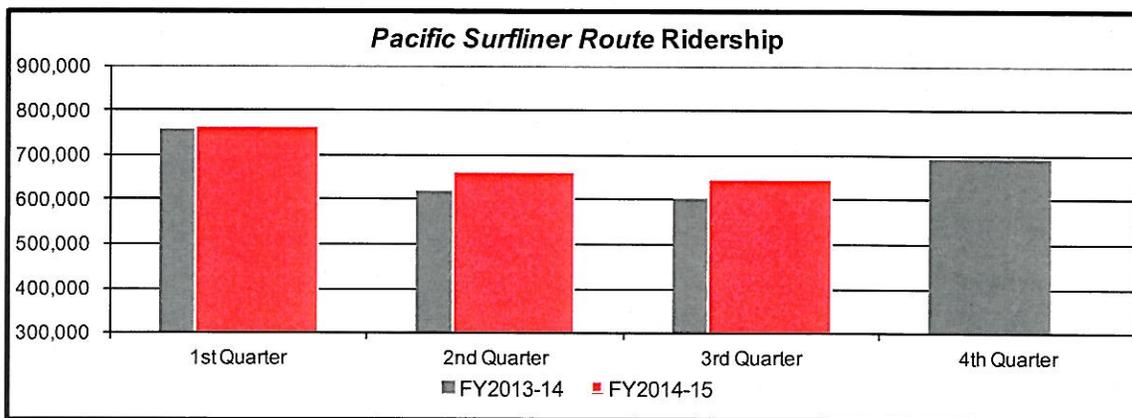
INDIVIDUAL ROUTES

Pacific Surfliner Route

There are currently 11 daily round-trips between Los Angeles and San Diego, four of which are through-trains between San Diego and Goleta (Santa Barbara); one of which continues north to and from San Luis Obispo. A second San Luis Obispo round-trip originates in Los Angeles, turns around in San Luis Obispo and continues south to San Diego, bringing the total level of service north of Los Angeles to five daily round-trips. Prior to the implementation of Passenger Rail Investment and Improvement Act (PRIIA) Section 209, the *Pacific Surfliner Route* was partially funded by Amtrak. Since October 2013, the *Pacific Surfliner Route* is entirely State funded.

RIDERSHIP

Pacific Surfliner Route ridership increased 6.8 percent in the second quarter and 7.4 percent in the third quarter compared to the same quarter results of the prior year.

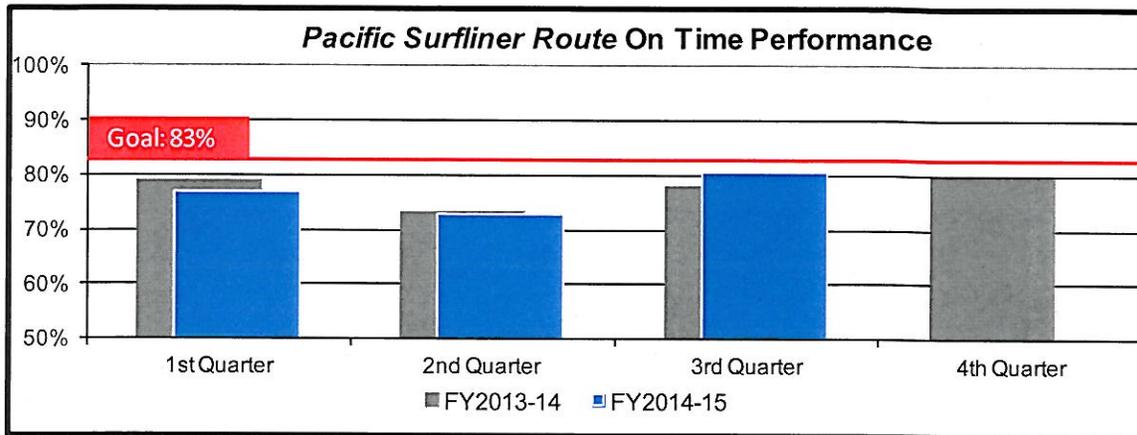


ON-TIME PERFORMANCE (OTP)

The annual on-time performance goal for the Pacific Surfliner is 83%.

The second quarter OTP was 72.9 percent, 0.4 percentage points below the previous year's second quarter and 10.1 percentage points below the performance goal.

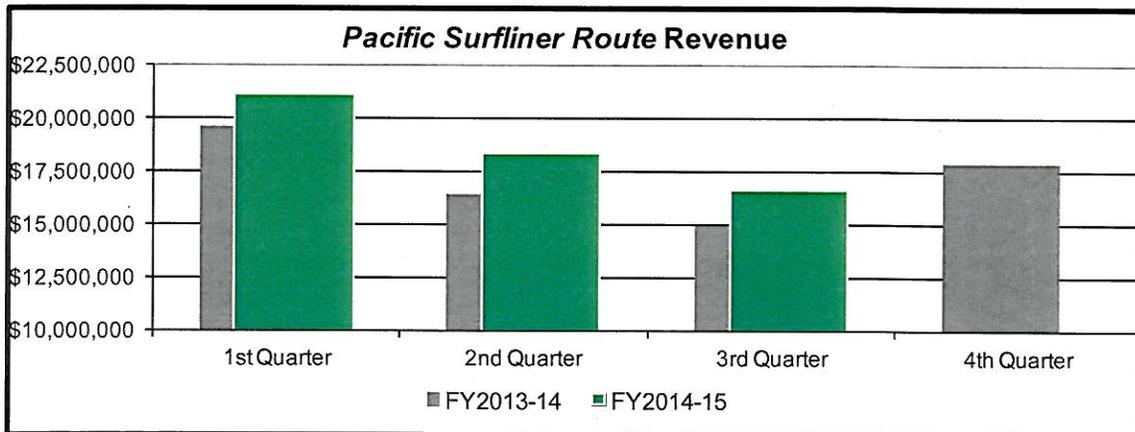
In the third quarter, the overall OTP for the route was 80.5 percent, 2.3 percentage points over the same quarter in FY 2012-13, but 2.5 percentage points below the goal.



REVENUE and FAREBOX RATIO

The second quarter farebox ratio was 66.5 percent, 4.0 percentage points below the same period last year. Revenue in the second quarter increased 12.0 percent compared to the same quarter in the previous year, and expenses increased 18.9 percent.

In the third quarter, the farebox ratio was 71.8 percent, a 10.2 percentage point improvement over the same period last year. Revenue in the third quarter was 11.4 percent above last year, and expenses decreased 4.3 percent.



State-Supported Intercity Passenger Rail - 2nd Quarter 2014-15				
Pacific Surfliner Route				
	ACTUAL RESULTS			
	2nd Qtr 14-15	2nd Qtr 13-14	Difference	Percent Change
Ridership	660,980	618,650	42,330	6.8%
Revenue	\$ 18,381,465	\$ 16,406,673	\$ 1,974,792	12.0%
Expense	\$ 27,659,972	\$ 23,272,872	\$ 4,387,100	18.9%
Farebox Ratio	66.5%	70.5%	-4.0 PP	
OTP-Route	72.9%	73.3%	-0.4 PP	
OTP-North	73.3%	81.4%	-8.1 PP	
OTP-South	72.2%	70.1%	2.1 PP	

PP - Percentage Points

State-Supported Intercity Passenger Rail - 3rd Quarter 2014-15				
Pacific Surfliner Route				
	ACTUAL RESULTS			
	3rd Qtr 14-15	3rd Qtr 13-14	Difference	Percent Change
Ridership	648,809	604,339	44,470	7.4%
Revenue	\$ 16,673,596	\$ 14,962,591	\$ 1,711,005	11.4%
Expense	\$ 23,234,867	\$ 24,277,577	\$ (1,042,710)	-4.3%
Farebox Ratio	71.8%	61.6%	10.2 PP	
OTP-Route	80.5%	78.2%	2.3 PP	
OTP-North	70.1%	72.2%	-2.1 PP	
OTP-South	79.7%	75.3%	4.4 PP	

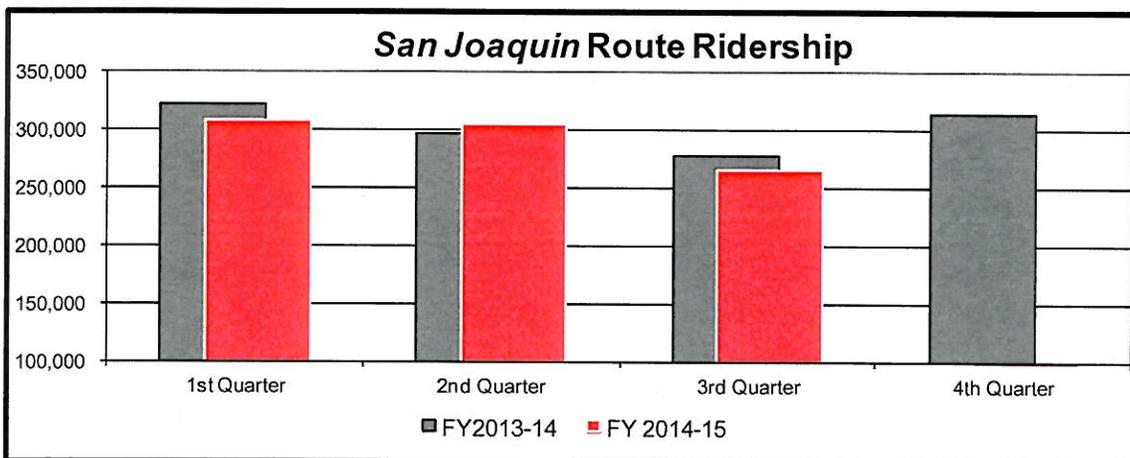
PP - Percentage Points

San Joaquin Route

Six daily round-trips serve the *San Joaquin Route*, four operating between Oakland and Bakersfield and two between Sacramento and Bakersfield. All six round-trips have dedicated bus connections between Bakersfield, Los Angeles and other points throughout Southern California. On the north end, buses at Stockton connect Sacramento with Oakland trains and connect Oakland with Sacramento trains, thus providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to communities throughout the north end of the State.

RIDERSHIP

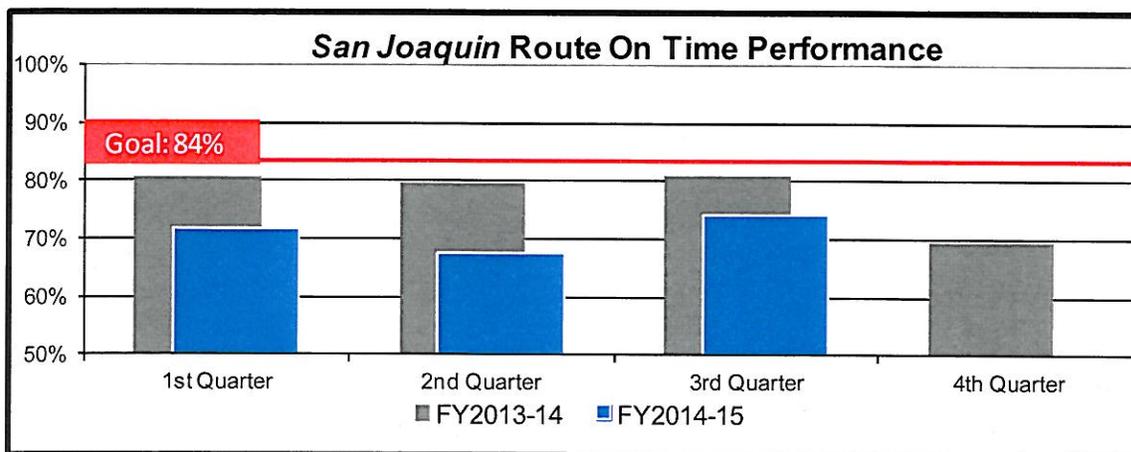
San Joaquin Route ridership increased by 2.6 percent for the second quarter and declined 4.4 percent for the third quarter compared to the same periods in the prior fiscal year.



ON-TIME PERFORMANCE (OTP)

The annual on-time performance goal for the San Joaquin is 84 percent.

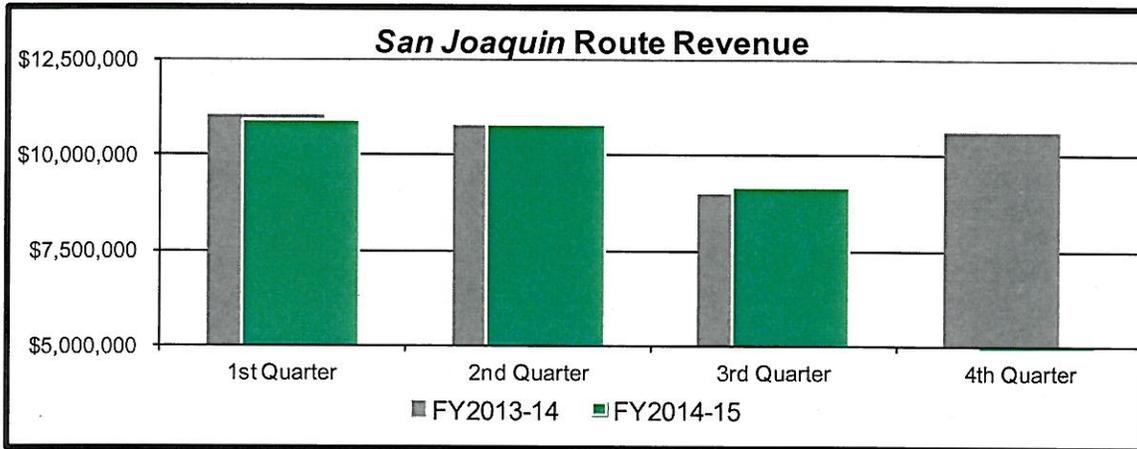
The second quarter OTP was 67.7 percent, a decrease of 12.0 percentage points from the prior fiscal year. In the third quarter, OTP was 74.2 percent, a decrease of 6.7 percentage points the prior year.



REVENUE and FAREBOX RATIO

The second quarter farebox ratio for FY 2014-15 was 49.4 percent, down 7.7 percentage points from the same quarter last year. In the third quarter, the farebox ratio was 50.1 percent, an improvement of 4.8 percentage points over last year.

Revenues for the second quarter increased 0.3 percent, and increased 2.0 percent in the third quarter from the prior year. Expenses in the second quarter were 15.9 percent above the prior year second quarter and 7.7 percent less than the prior year and third quarter.



State-Supported Intercity Passenger Rail - 2nd Quarter 2014-15				
San Joaquin Route				
	ACTUAL RESULTS			
	2nd Qtr 14-15	2nd Qtr 13-14	Difference	Percent Change
Ridership	304,834	297,007	7,827	2.6%
Revenue	\$ 10,822,587	\$ 10,785,693	\$ 36,894	0.3%
Expense	\$ 21,902,411	\$ 18,892,810	\$ 3,009,601	15.9%
Farebox Ratio	49.4%	57.1%	-7.7 PP	
On-Time Performance	67.7%	79.7%	-12.0 PP	

PP - Percentage Points

State-Supported Intercity Passenger Rail - 3rd Quarter 2014-15				
San Joaquin Route				
	ACTUAL RESULTS			
	3rd Qtr 14-15	3rd Qtr 13-14	Difference	Percent Change
Ridership	266,373	278,599	(12,226)	-4.4%
Revenue	\$ 9,165,335	\$ 8,982,641	\$ 182,694	2.0%
Expense	\$ 18,300,727	\$ 19,827,400	\$ (1,526,673)	-7.7%
Farebox Ratio	50.1%	45.3%	4.8 PP	
On-Time Performance	74.2%	80.9%	-6.7 PP	

PP - Percentage Points

Capitol Corridor

There are currently 15 weekday round-trips between Oakland and Sacramento. One of the trains extends beyond Sacramento to Auburn, and seven of the trains extend beyond Oakland to San Jose. On weekends, there are 11 round-trips between Oakland and Sacramento, with one extension to Auburn and seven round trips to San Jose.

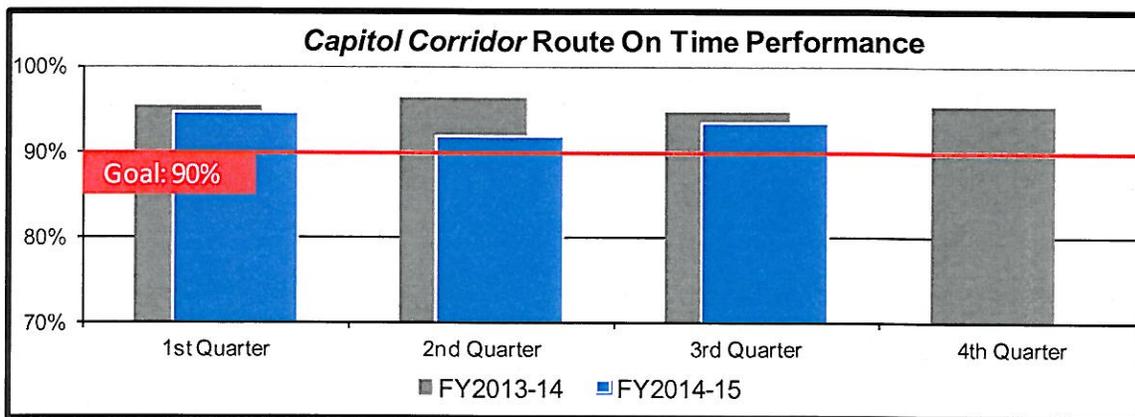
RIDERSHIP

Capitol Corridor ridership increased 4.8 percent for the second quarter and 4.5 percent for the third quarter over the prior year.

ON-TIME PERFORMANCE (OTP)

The annual on-time performance goal for the Capitol Corridor is 90 percent

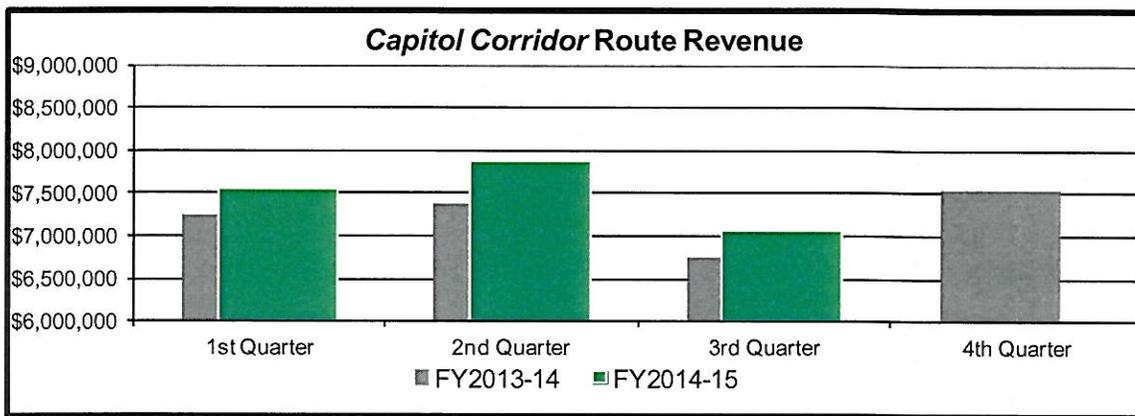
OTP for the second quarter was 91.7 percent, and was 4.6 percentage points below the comparable quarter the previous year. In the third quarter, OTP was 93.5 percent, down 1.3 percentage points. OTP has exceeded the *Capitol Corridor* performance goal of 90 percent in 26 of the last 28 quarters.



REVENUE and FARE BOX RATIO

The second quarter fare box ratio was 54.7 percent, 4.8 percentage points above the same quarter the previous year. Following in the third quarter, the fare box ratio was 49.6 percent, 6.3 percentage points below the same quarter in the prior year.

Revenue for the second quarter increased 6.8 percent compared to the same quarter in the previous year and expenses decreased 2.6 percent. Third quarter revenue increased 5.0 percent and expenses increased 19.6 percent over the prior year third quarter.



State-Supported Intercity Passenger Rail - 2nd Quarter 2014-15				
Capitol Corridor				
	ACTUAL RESULTS			
	2nd Qtr 14-15	2nd Qtr 13-14	Difference	Percent Change
Ridership	372,560	355,470	17,090	4.8%
Revenue	\$ 7,887,856	\$ 7,387,821	\$ 500,035	6.8%
Expense	\$ 14,412,226	\$ 14,800,185	\$ (387,959)	-2.6%
Farebox Ratio	54.7%	49.9%	4.8 PP	
On-Time Performance	91.7%	96.3%	-4.6 PP	

PP - Percentage Points

State-Supported Intercity Passenger Rail - 3rd Quarter 2014-15				
Capitol Corridor				
	ACTUAL RESULTS			
	3rd Qtr 14-15	3rd Qtr 13-14	Difference	Percent Change
Ridership	347,849	332,974	14,875	4.5%
Revenue	\$ 7,079,026	\$ 6,744,338	\$ 334,688	5.0%
Expense	\$ 15,082,947	\$ 12,665,951	\$ 2,416,996	19.1%
Farebox Ratio	46.9%	53.2%	-6.3 PP	
On-Time Performance	93.5%	94.8%	-1.3 PP	

PP - Percentage Points