

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 2-3, 2005

Reference No.: 3.9  
Information Item

From: CINDY McKIM  
Chief Financial Officer

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Ref: **FY 2004-05 2<sup>nd</sup> QUARTER RAIL OPERATION REPORT**

## **SUMMARY**

This is the Intercity Rail Operations Report requested by the California Transportation Commission (Commission) for the 2nd Quarter of Fiscal Year (FY) 2004-05. The report provides information for each route on ridership, farebox ratio, passenger miles per train mile, and on-time performance measures.

California provides financial and administrative support for expanded Amtrak intercity rail passenger service on three corridors within the state: the *Pacific Surfliner Route* between San Diego, Los Angeles and San Luis Obispo, the *Capitol Corridor* between the Sacramento region, Oakland and San Jose, and the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the entire national Amtrak system. State support for the *Pacific Surfliner* and *San Joaquin* routes is administered by the Department of Transportation (Department), while support for the third corridor is administered by a separate agency, the Capitol Corridor Joint Powers Authority, using funding provided through the Department.

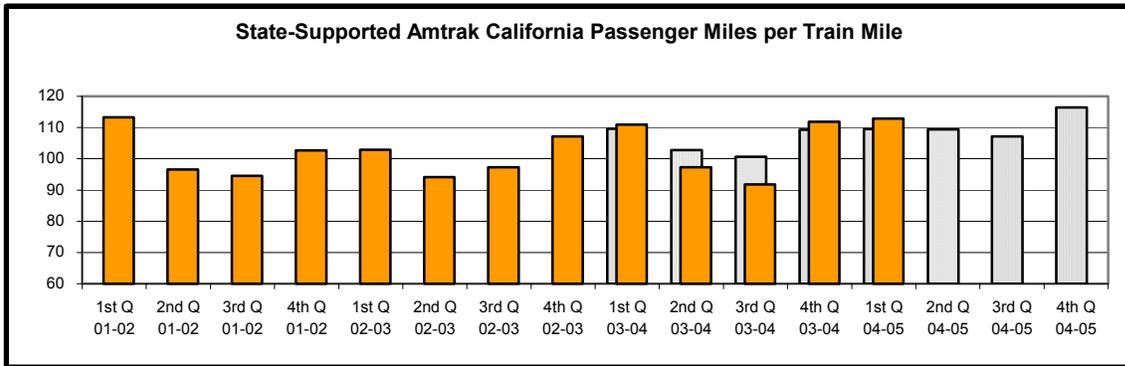
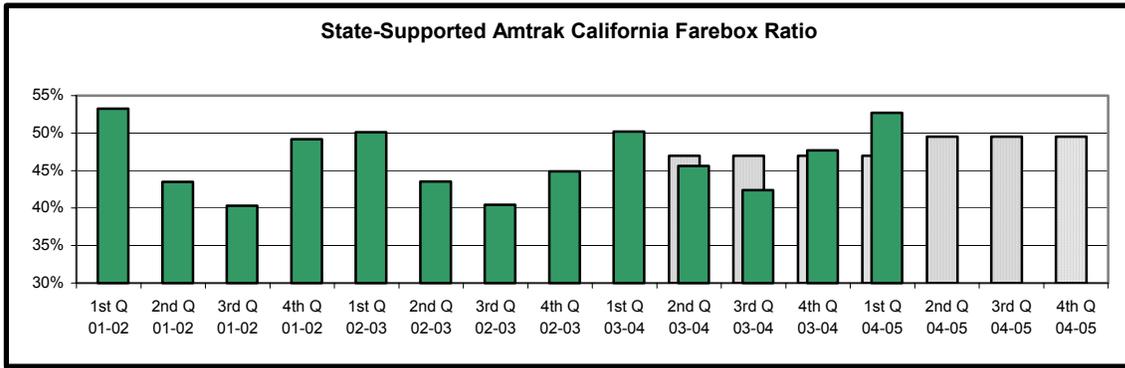
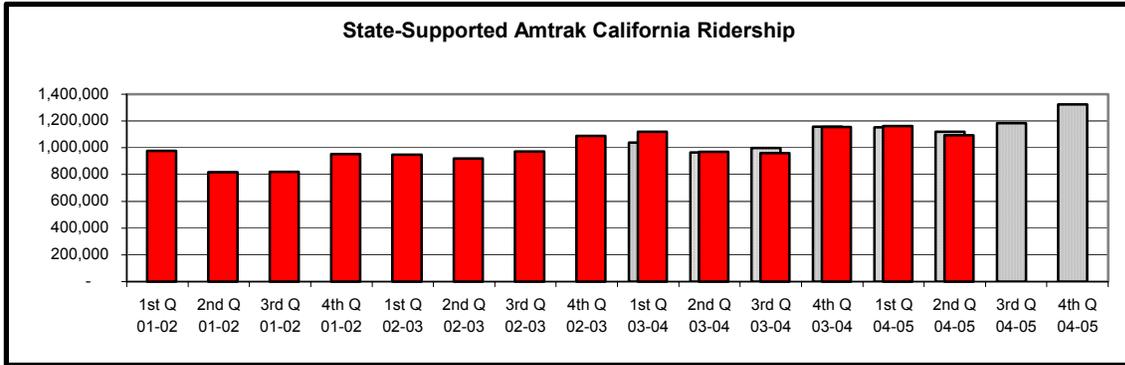
All three of California's State-supported Amtrak intercity rail passenger services continue to set ridership and revenue records. The second quarter of the 2004-05 State fiscal year proved no exception. Total ridership during the second quarter on the three routes increased 12.6 percent over the comparable quarter in FY 2003-04. Complete financial information for the second quarter is not yet available from Amtrak. However, for the first quarter of the fiscal year (July-September 2004) combined revenues increased by 4.3 percent over the same period the year before, and the overall combined farebox ratio went up 2.2 percentage points. Preliminary sales figures indicate ticket revenue continued to show increases on all three corridors in the second quarter.

Passenger Miles per Train Mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, was 112.4 for the first quarter of FY 2004-05, 1.4 percent above the same period the prior year.

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The following graphs depict the combined results of the three State-supported rail corridors in California. Route-specific charts are in the sections for each route that follow:

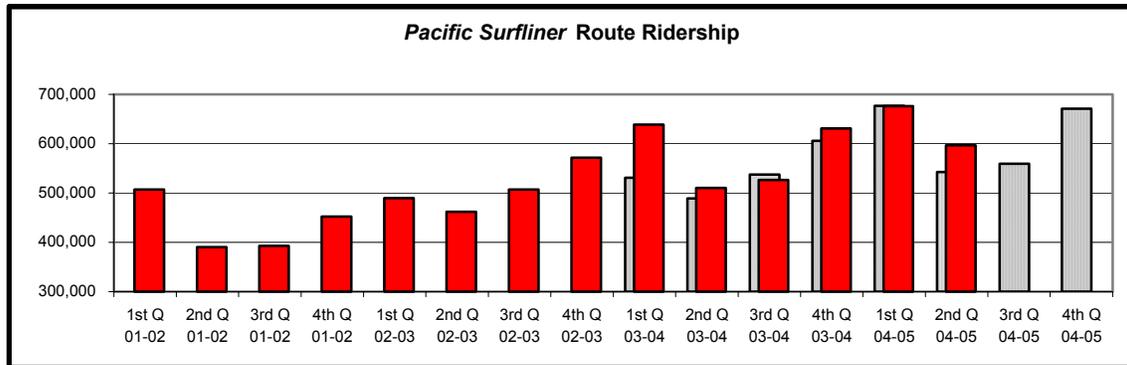


*Note: Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection*

## Intercity Rail 2nd Quarter Operations Report for FY 2004-05

### *Pacific Surfliner Route*

There are currently eleven weekday round trips between Los Angeles and San Diego, four of which are through trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. A second San Luis Obispo train, which operates only between Los Angeles and San Luis Obispo, was instituted November 17, 2004, bringing the total level of service north of Los Angeles to five round trips daily. This second San Luis Obispo train replaced a weekend only Los Angeles-Santa Barbara train.



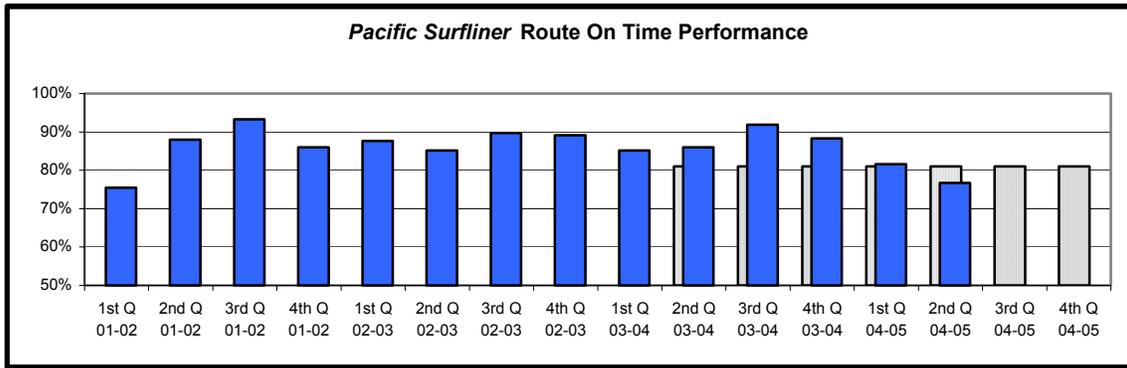
Continuing on the heels of a record 2003-04 fiscal year, when more than 2 million passengers rode the service, *Pacific Surfliner* ridership continued to soar in the second quarter of FY 2004-05 (October through December 2004). Ridership set new monthly records in all three months of the quarter. With nearly 600,000 passengers, total ridership for the second quarter was 16.9 percent higher than in the previous year and exceeded the Business Plan projection for the quarter by 10.1 percent.

The Amtrak and Metrolink “Rail 2 Rail” Program, which provides the mutual honoring of tickets for travel on trains of either system, continues to help spur ridership increases on both Amtrak and Metrolink services. More than 20,000 passengers per month are taking advantage of this Program, demonstrating that the increased convenience of being able to use either of the two systems has made rail travel much more attractive throughout the Los Angeles basin. With the Program’s success, the Department in conjunction with the North County Transit District expanded the program to the *Coaster* service operating between Oceanside and San Diego in San Diego County. In addition to the “Rail 2 Rail” Program, targeted marketing to the senior and Hispanic markets is also contributing to the higher ridership and revenue on the corridor. Finally, the newly-expanded service to San Luis Obispo has made the trains more attractive on the north end of the route.

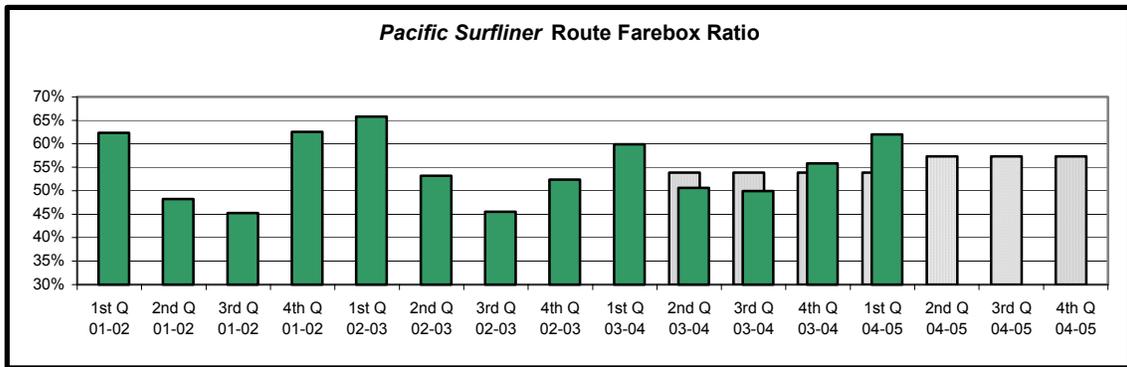
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## 2nd Quarter Operations Report for FY 2004-05

### *Pacific Surfliner Route (continued)*



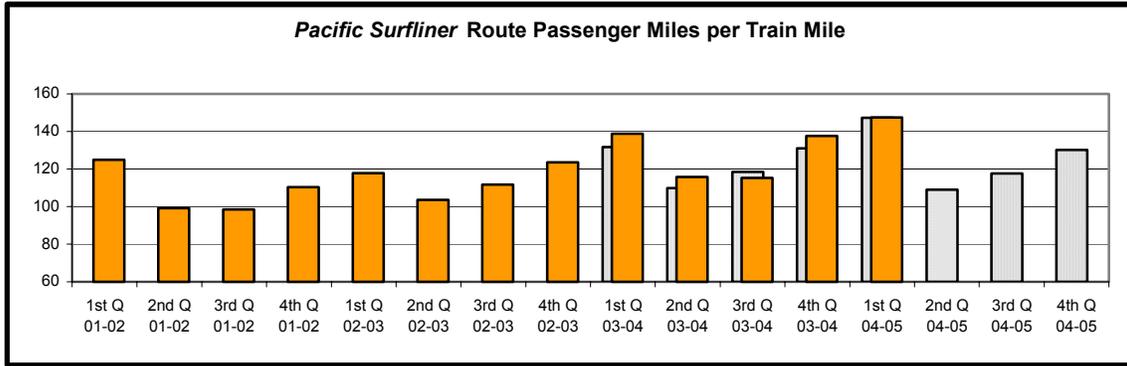
On-time performance for the second quarter slipped to 77 percent. This is below the Business Plan projection of 81 percent, largely due to a BNSF Railway freight derailment in December near San Diego that seriously impacted Pacific Surfliner service.



As noted in the summary, complete financial information for the second quarter is not yet available from Amtrak, so performance results for the first quarter of the fiscal year (July-September 2004) are discussed here. *Pacific Surfliner* revenues for this period increased 8.5 percent over the same period the previous year. Expenses grew 4.7 percent during the same period, yielding a 2.1 point increase in the farebox ratio, to 62 percent.

## Intercity Rail 2nd Quarter Operations Report for FY 2004-05

### *Pacific Surfliner Route (continued)*



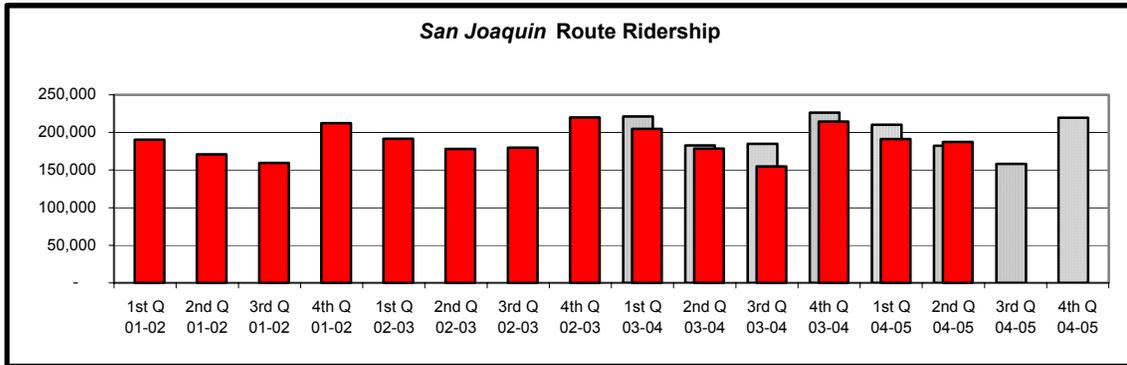
Passenger Miles per Train Mile (PM/TM) for the first quarter (July-September 2004) increased from 138 last year to 145 this year, an improvement of five percent. The growth in this indicator is slightly less than the 5.9 percent growth in ridership for the same period, indicating that additional passengers, on average, are taking shorter distance trips. This is, at least in part, an effect of the “Rail-2-Rail” Program that brings short-distance Metrolink riders onto the Amtrak trains.

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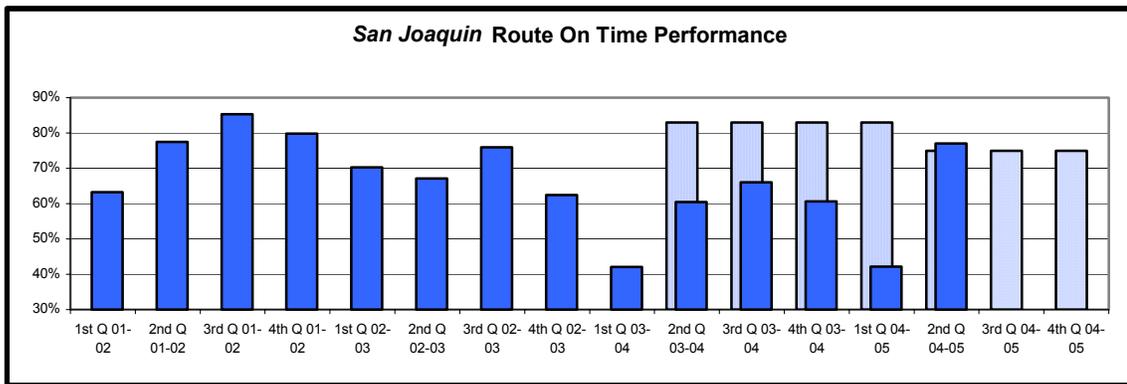
## 2nd Quarter Operations Report for FY 2004-05

### *San Joaquin Route*

There are currently six daily train round trips serving the *San Joaquin Route*, four operating between Bakersfield and Oakland/San Francisco and two between Bakersfield and Sacramento. All six round trips have dedicated bus connections between Bakersfield and Los Angeles and other points throughout Southern California. On the north end, similar buses to and from Stockton connect Sacramento with Oakland trains and San Francisco/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.



The *San Joaquins* posted ridership records in two of the three months of the second quarter, and December 2004 missed the record by just 174 riders. Total ridership for the second quarter (October-December 2004) of FY 2004-05 increased 5.1 percent compared to the same quarter the year before and exceeded the projection in the Business Plan by 2.7 percent. In addition to the state sponsored connecting buses, the Department is working with local transit agencies along the *San Joaquin* route to provide for “no cost” transfers for San Joaquin riders and local transit services.

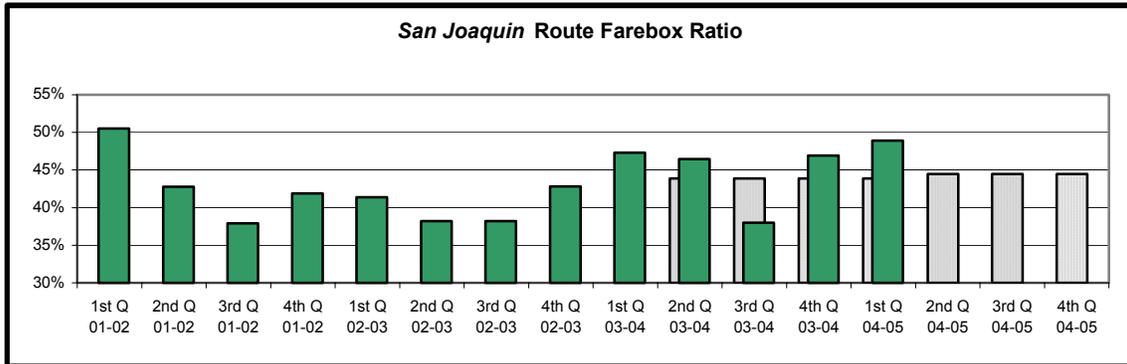


On time performance (OTP) in the corridor improved significantly in the second quarter, reaching 77 percent. This is the best quarterly on time percentage in two and a half years and exceeds the Department’s OTP goal of 75 percent. The dramatic improvement from the first quarter closely followed the discussions Amtrak and the Department held with senior management of the BNSF Railway, on the need to improve OTP.

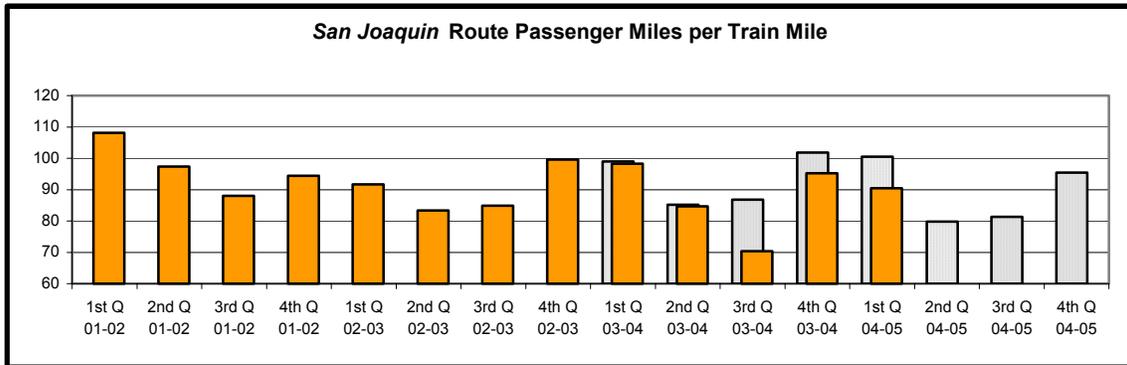
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## 2nd Quarter Operations Report for FY 2004-05

### *San Joaquin Route (continued)*



As noted in the summary, complete financial information for the second quarter is not yet available from Amtrak, so performance results for the first quarter of fiscal year 2004-05 (July-September 2004) are discussed here. The *San Joaquins* posted a farebox ratio of 48.9 percent in this period, up 1.6 points from the same period in FY 2003-04, and above the 44 percent farebox recovery ratio projected for the year in the Business Plan. Although revenues in the first quarter were 1.3 percent lower than the comparable period the previous year, expenses declined by 3.7 percent, resulting in the improved farebox recovery.



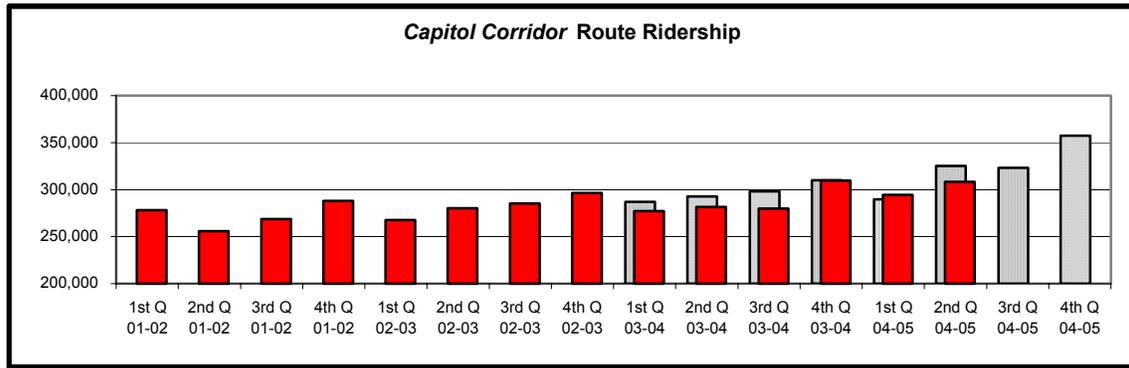
Passenger Miles per Train Mile (PM/TM) for the first quarter of the fiscal year were 90.5, down 7.8 percent from the 98.3 PM/TM generated during the same period of the previous fiscal year, reflecting the 7 percent ridership decrease in this quarter.

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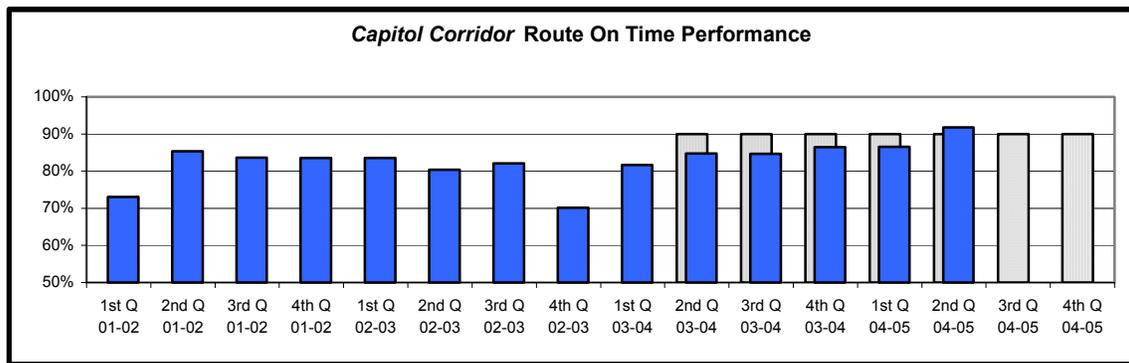
## 2nd Quarter Operations Report for FY 2004-05

### *Capitol Corridor*

There are currently twelve weekday round trips between Oakland and Sacramento. One round trip each day continues to and from Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Sacramento-Oakland round trips, with six round trips extending to San Jose and one to Auburn.



The *Capitol Corridor* set ridership records in all three months of the fiscal year's second quarter. The service has now marked 16 consecutive months of ridership records. Total ridership for the second quarter (October through December 2004) of FY 2004-05 increased 9.5 percent compared to the same quarter the year before, but was 5.2 percent below the quarter's projection in the Business Plan.

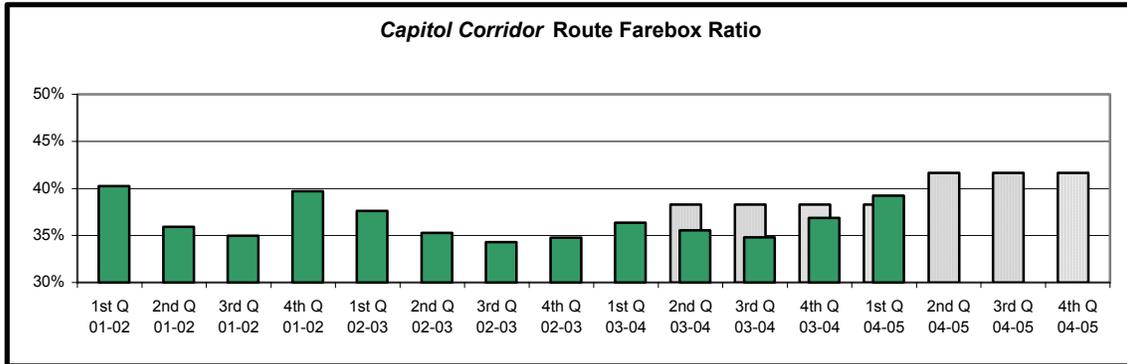


On time performance was 91.8 percent in the second quarter. This was slightly higher than the same quarter the previous year above the *Capitol Corridor's* goal of 90 percent. Working together, the Capitol Corridor Joint Powers Authority and Union Pacific Railroad have adopted a number of measures to address the on-time performance issues. These efforts, coupled with the completion of current and scheduled track improvements, should reduce interference problems and bring on time performance up to the goal of 90 percent.

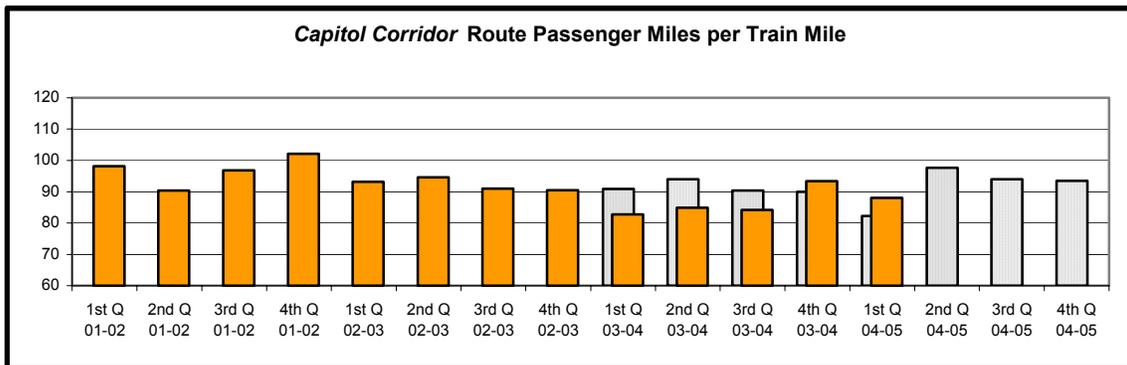
# Intercity Rail

## 2nd Quarter Operations Report for FY 2004-05

### Capitol Corridor (continued)



As noted in the summary, complete financial information for the 2nd quarter is not yet available from Amtrak, so performance results for the first quarter of the fiscal year (July-September 2004) are discussed here. Revenues for the first quarter were 4.4 percent above the same period in the prior fiscal year. During the same time, expenses for the quarter declined 3.2 percent, and the farebox ratio improved 2.8 points to 39.2 percent.



Passenger Miles per Train Mile (PM/TM) improved from 82.8 to 88.0 during the first three months, an increase of 6.3 percent, while average trip length remained almost the same at 67.7 miles.