

TAB 33

Memorandum

To: CHAIR AND MEMBERS
CALIFORNIA TRANSPORTATION COMMISSION

Date: October 8, 2014

Reference No.: 3.8
Information Item

From: 
NORMA ORTEGA
Chief Financial Officer

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

Subject: **FY 2013-14 FOURTH QUARTER RAIL OPERATIONS REPORT**

SUMMARY:

This is the fourth quarter Rail Operations Report for Fiscal Year (FY) 2013-14, April through June 2014, 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, a comparison of the current quarter to the stated performance goals and a comparison of the current quarter to the same period of the prior year. In addition, as this is the fourth quarter of the FY, full-year FY 2013-14 results are compared to those from FY 2012-13.

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 the Sacramento region; 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 a separate agency, the Capitol Corridor Joint Powers Authority (CCJPA), using funding provided by the Department. The CCJPA and the Department contract with Amtrak to operate the three routes.

From Federal Fiscal Year (FFY) 2009-10 through FFY 2013-14 expenses have been calculated based on a predetermined fixed dollar amount with the exception of fuel and host railroad expenses. This type of fixed fee contract limits the State's financial risk. Expenses are calculated in the same manner in the contract between the CCJPA and Amtrak.

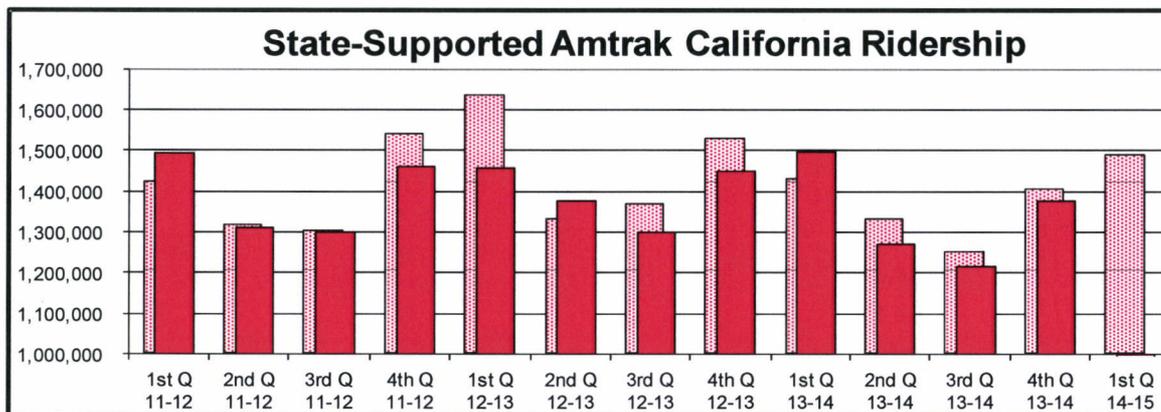
Since FFY 2011-12, the reported results include: actual revenue, fixed price expenses, actual fuel cost, actual railroad performance payments and actual host railroad access fees. The farebox ratio shown is a ratio of the actual revenue to billed expenses, which includes both the fixed price and the three categories of actual expenses.

Fourth Quarter Results

The fourth quarter of FY 2013-14, reflects the new operating contract with Amtrak and includes the implementation of Section 209 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). This act standardized the methodology for determining the cost of all state-supported operations and capital equipment charges, and required that all passenger service under 750 miles in length to be entirely financially supported by the states. California now assumes the full operating and capital equipment costs on all three routes.

Electronic-ticketing (e-ticketing) is now universally used on California intercity passenger rail trains. This enables Amtrak to accurately count passengers, and for the first time, track the actual use of multi-ride tickets. Prior to e-ticketing, Amtrak estimated how many times multi-ride tickets were used. After one year of e-ticketing, Amtrak discovered that the previous method over counted the actual utilization of multi-ride tickets. All three routes reported ridership declines this quarter; some of this decline is attributable to the over count in the prior years. The impact was relatively minor on the *Pacific Surfliner* and *San Joaquin* routes, but significant on the *Capitol Corridor* due to the large use of multi-ride passes.

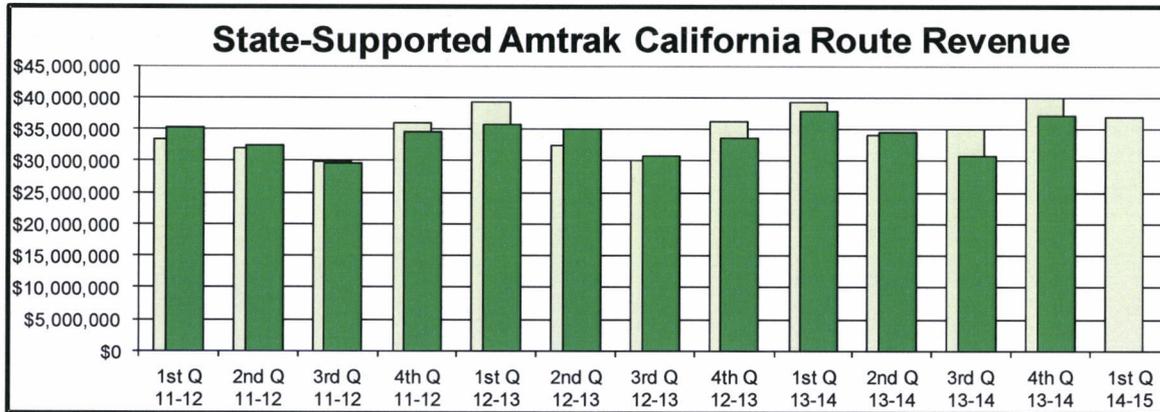
Total combined ridership during the fourth quarter (April-June 2014) on the three routes was below the performance goal by 2.0 percent. Actual ridership was down 5.1 percent from the comparable quarter results reported in FY 2012-13. For the entire fiscal year, ridership was down 4.0 percent and fell short of the performance goal by 1.1 percent



Note: Solid Bars reflect actual results; Shaded Bars reflect Performance Goals

Combined on-time performance (OTP) for the fourth quarter was 86.2 percent, a 0.8 percentage point improvement over the same quarter in FY 2012-13, and 2.2 percentage points above the combined performance goal. The *Capitol Corridor* exceeded the performance goal with over 95 percent on-time operation, the *San Joaquin Route* was almost 70 percent and the *Pacific Surfliner Route* recorded over 77 percent on-time.

Revenue was improved from the prior year fourth quarter by 10.7 percent but was 7.3 percent below the performance goal. Expenses were 5.4 percent lower than the goal and were 3.9 percent above last year’s fourth quarter. As a result, the farebox ratio of 57.2 percent achieved the financial performance goal. For the entire year, revenues were up 3.8 percent and expenses up 0.8 percent. The farebox ratio was 58.6 percent a 1.7 percent improvement.



The following tables provides further detail on the combined ridership, revenue, expense, farebox ratio and on-time performance for the three State-supported routes for the fourth quarter and the entire year, FY 2013-14.

Route-specific graphs and tables are contained in the following sections.

State-Supported Amtrak California Services - 4th Quarter 2013-14							
All Routes							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	4th Qtr 13-14	4th Qtr 12-13	Difference	Percent Change	4th Qtr 13-14	Actual to Goals	Percent Difference
Ridership	1,378,119	1,451,420	(73,301)	-5.1%	1,406,099	(27,980)	-2.0%
Revenue	\$ 37,082,391	\$ 33,506,133	\$ 3,576,258	10.7%	\$ 40,020,320	\$ (2,937,929)	-7.3%
Expense	\$ 64,825,957	\$ 62,378,082	\$ 2,447,875	3.9%	\$ 68,541,141	\$ (3,715,184)	-5.4%
Farebox Ratio	57.2%	53.7%	3.5 PP		0.0%	57.2 PP	
On-Time Performance	86.2%	85.4%	0.8 PP		84.0%	2.2 PP	

PP - Percentage Points

State-Supported Amtrak California Services - State Fiscal Year 2013-14							
All Routes							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	SFY 13-14	SFY 12-13	Difference	Percent Change	SFY 13-14	Actual to Goals	Percent Difference
Ridership	5,362,466	5,586,525	(224,059)	-4.0%	5,424,613	(62,147)	-1.1%
Revenue	\$ 140,313,325	\$ 135,151,849	\$ 5,161,476	3.8%	\$ 148,633,623	\$ (8,320,298)	-5.6%
Expense	\$ 239,539,570	\$ 237,696,529	\$ 1,843,041	0.8%	\$ 252,119,735	\$ (12,580,165)	-5.0%
Farebox Ratio	58.6%	56.9%	1.7 PP		59.0%	-0.4 PP	
On-Time Performance	85.6%	87.2%	-1.6 PP		86.3%	-0.7 PP	

PP - Percentage Points

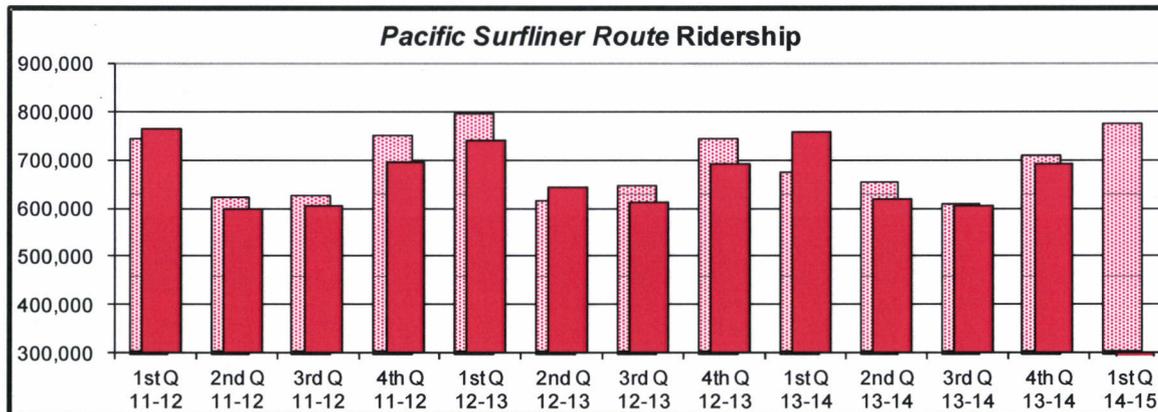
BACKGROUND:

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 PRIIA Section 209, the *Pacific Surfliner Route* was partially funded by Amtrak. Since October 2013, the *Pacific Surfliner Route* is entirely State funded.

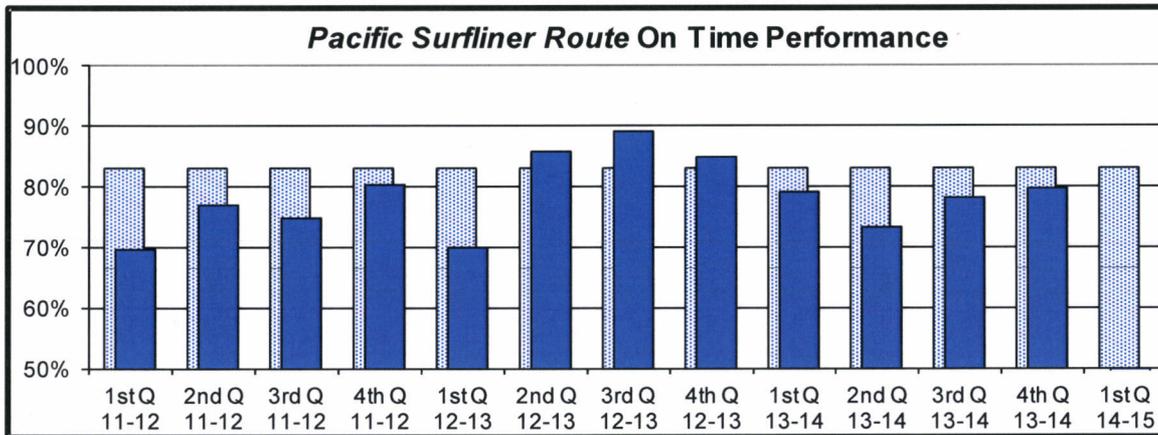
Tables at the end of this section provide data on ridership, revenue, expenses, farebox ratio, and on-time performance for the quarter.

Ridership on the *Pacific Surfliner Route* decreased 0.1 percent in the fourth quarter (1,009 passengers) compared to the results reported in same quarter in the prior year, partially due to the change in reporting methodology, and was below the performance goal by 2.2 percent. For the entire year, ridership was down 0.6 percent, but exceeded the performance goal by 1.2 percent.

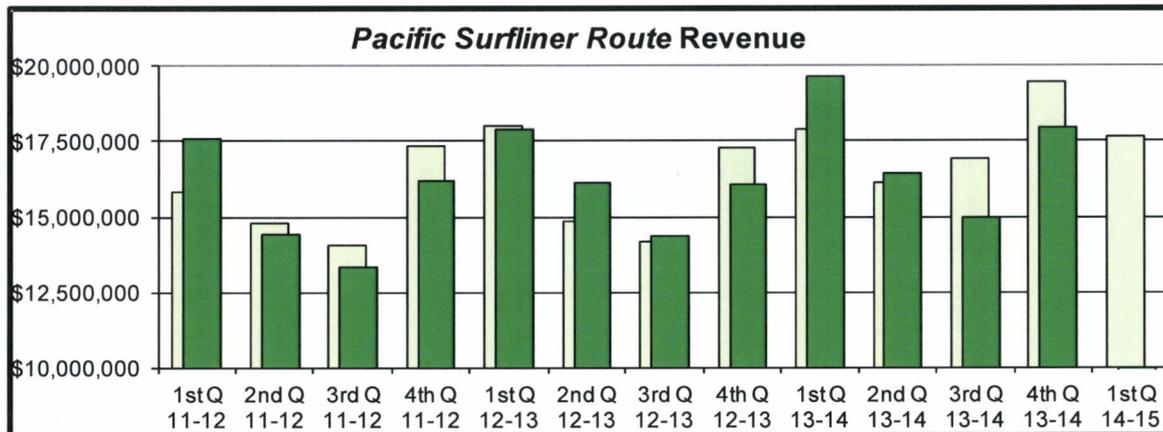


On-time performance (OTP) in the fourth quarter was 79.7 percent, 5.3 percentage points below the previous year’s fourth quarter and 3.3 percentage points below the 83 percent performance goal. For the quarter, between Los Angeles and San Diego, OTP was 79.1 percent, a decline of 5.3 percentage points from the fourth quarter of last year. Between Los Angeles and San Luis Obispo, OTP was 78.2 percent, down 5.4 percentage points from one year ago.

For the full fiscal year, OTP was 77.6 percent, down 4.8 percentage points from the prior year. OTP for the segments also declined, down 5.9 percentage points between Los Angeles and San Diego, and down 2.3 percentage points north of Los Angeles.



Farebox ratio for the quarter was 64.2 percent, 1.3 percentage points below the performance goal but 8.1 percentage points above the same period last year. Revenue in the fourth quarter was short of the performance goal by 7.7 percent, but increased 11.7 percent compared to the same quarter in the previous year, and set monthly ticket revenue records for all three months of the quarter. Expenses were 5.8 percent below the performance goal and decreased 2.4 percent over the prior year quarter. For the full year, the farebox ratio of 67.1 percent was a 5.4 percentage point improvement over FY 2012-13. Revenue was up 7.1 percent and expenses down 1.6 percent.



State-Supported Amtrak California Services - 4th Quarter 2013-14							
Pacific Surfliner Route							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	4th Qtr 13-14	4th Qtr 12-13	Difference	Percent Change	4th Qtr 13-14	Actual to Goals	Percent Difference
Ridership	692,451	693,460	(1,009)	-0.1%	707,670	(15,219)	-2.2%
Revenue	\$ 17,958,404	\$ 16,082,331	\$ 1,876,073	11.7%	\$ 19,450,000	\$ (1,491,596)	-7.7%
Expense	\$ 27,955,725	\$ 28,651,478	\$ (695,753)	-2.4%	\$ 29,674,000	\$ (1,718,275)	-5.8%
Farebox Ratio	64.2%	56.1%	8.1 PP		65.5%	-1.3 PP	
OTP-Route	79.7%	85.0%	-5.3 PP		83.0%	-3.3 PP	
OTP-North	78.2%	83.6%	-5.4 PP				
OTP-South	79.1%	84.4%	-5.3 PP				

PP - Percentage Points

State-Supported Amtrak California Services - State Fiscal Year 2013-14							
Pacific Surfliner Route							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	SFY 13-14	SFY 13-Dec	Difference	Percent Change	SFY 13-14	Actual to Goals	Percent Difference
Ridership	2,673,170	2,689,465	(16,295)	-0.6%	2,641,414	31,756	1.2%
Revenue	\$ 69,013,726	\$ 64,446,130	\$ 4,567,596	7.1%	\$ 70,350,167	\$(1,336,441)	-1.9%
Expense	\$102,843,812	\$ 104,521,098	\$(1,677,286)	-1.6%	\$ 107,663,037	\$(4,819,225)	-4.5%
Farebox Ratio	67.1%	61.7%	5.4 PP		65.3%	1.8 PP	
OTP-Route	77.6%	82.4%	-4.8 PP		83.0%	-5.4 PP	
OTP-North	82.1%	84.4%	-2.3 PP				
OTP-South	75.1%	81.0%	-5.9 PP				

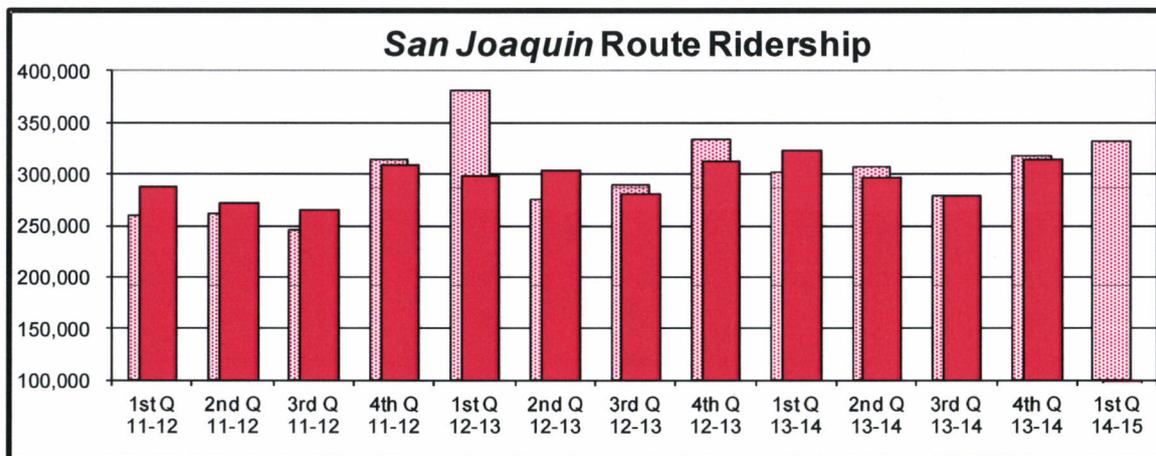
PP - Percentage Points

San Joaquin Route

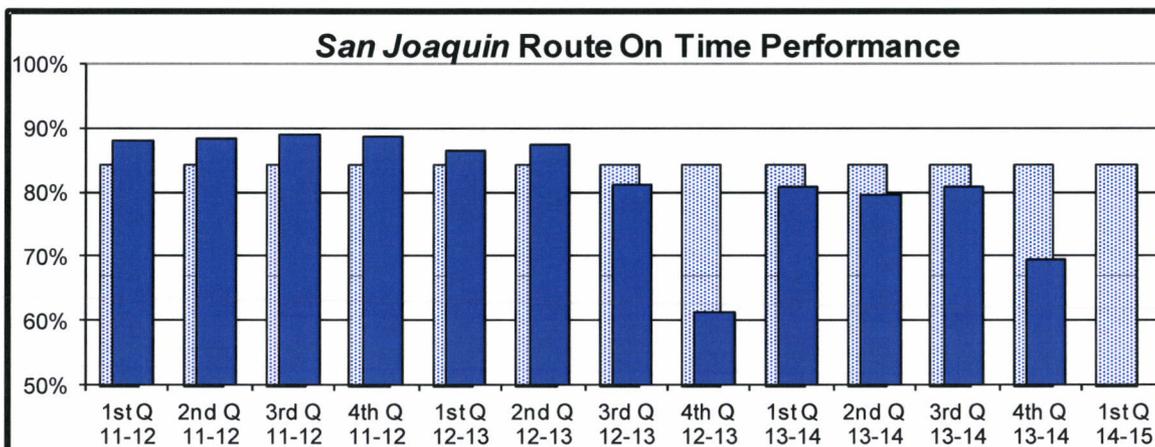
Six daily round-trips serve the *San Joaquin Route*, four operating between Oakland and Bakersfield and two between Sacramento and Bakersfield. All six round-trips have dedicated bus connections between Bakersfield, Los Angeles and other points throughout Southern California. On the north end, buses 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 on the *San Joaquin Route* increased by 0.6 percent for the quarter and was 1.5 percent below the performance goal. For the full fiscal year, ridership was up 1.4 percent, and exceeded the performance goal by 0.3 percent

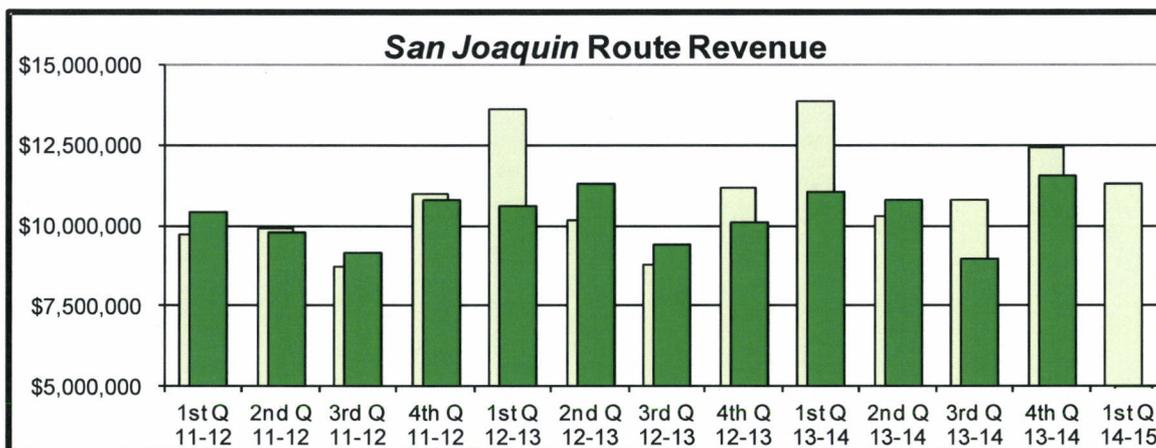
The *San Joaquin Route* consistently exceeds one million passengers on a 12-month basis. For the 12 months between July 2013 and June 2014, 1,212,624 passengers rode the route, an all time fiscal year record. This is a significant achievement, considering the economic environment in the region and the fact that the average trip length is the longest of all three State supported routes, as the *San Joaquin Route* has integrated itself into the San Joaquin Valley travel matrix.



On-time performance (OTP) in the fourth quarter was 69.4 percent, an increase of 8.1 percentage points from the same quarter in FY 2012-13, but is 14.6 percentage points below the performance goal of 84 percent. For the full year, OTP was 77.7 percent, a drop of 1.4 percentage points from the prior year.



The Farebox ratio was 51.2 percent in the fourth quarter FY 2013-14, unchanged from the same quarter last year and 0.2 percentage points below the performance goal. Revenues for the fourth quarter fell short of the goal by 7.0 percent, but were up 14.7 percent compared to the same quarter in the previous year. Expenses were 6.6 percent lower than the projected goal, but did increase 14.8 percent from the prior year. For the full year, revenue was up 2.3 over the prior year, but 10.6 percent below the performance goal. Expenses were up 7.6 percent, but 6.2 percent below the goal, resulting in a farebox ratio of 53.5 percent 2.7 percentage points below last fiscal year and 2.6 percentage points below the goal.



State-Supported Amtrak California Services - 4th Quarter 2012-13 2013-14							
San Joaquin Route							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	4th Qtr 13-14	4th Qtr 12-13	Difference	Percent Change	4th Qtr 13-14	Actual to Goals	Percent Difference
Ridership	313,990	312,066	1,924	0.6%	318,929	(4,939)	-1.5%
Revenue	\$ 11,573,066	\$ 10,088,300	\$ 1,484,766	14.7%	\$ 12,450,000	\$ (876,934)	-7.0%
Expense	\$ 22,607,368	\$ 19,690,441	\$ 2,916,927	14.8%	\$ 24,213,000	\$ (1,605,632)	-6.6%
Farebox Ratio	51.2%	51.2%	0.0 PP		51.4%	-0.2 PP	
On-Time Performance	69.4%	61.3%	8.1 PP		84.0%	-14.6 PP	

PP - Percentage Points

State-Supported Amtrak California Services - State Fiscal Year 2013-14							
San Joaquin Route							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	SFY 13-14	SFY 12-13	Difference	Percent Change	SFY 13-14	Actual to Goals	Percent Difference
Ridership	1,212,624	1,195,898	16,726	1.4%	1,209,390	3,234	0.3%
Revenue	\$ 42,385,175	\$ 41,415,960	\$ 969,215	2.3%	\$ 47,429,278	\$ (5,044,103)	-10.6%
Expense	\$ 79,263,699	\$ 73,685,365	\$ 5,578,334	7.6%	\$ 84,521,640	\$ (5,257,941)	-6.2%
Farebox Ratio	53.5%	56.2%	-2.7 PP		56.1%	-2.6 PP	
On-Time Performance	77.7%	79.1%	-1.4 PP		84.0%	-6.3 PP	

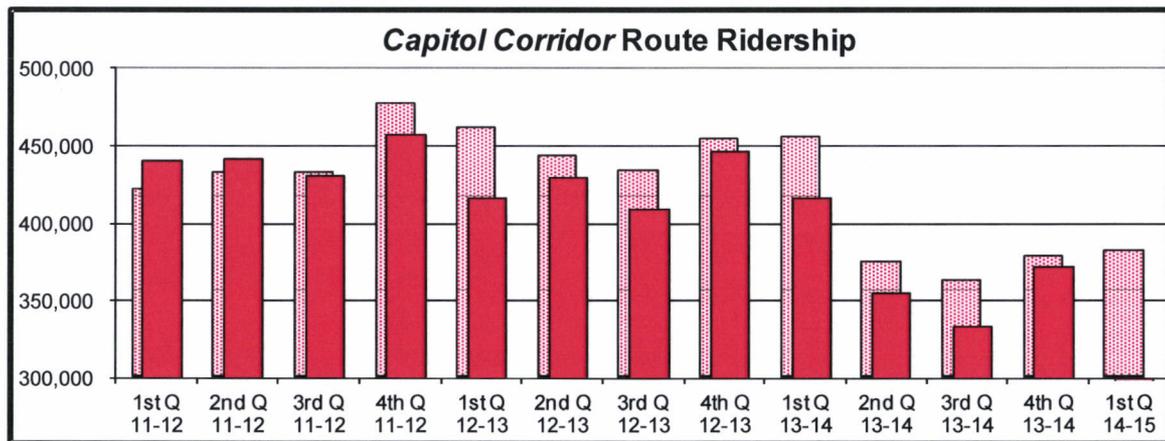
PP - Percentage Points

Capitol Corridor

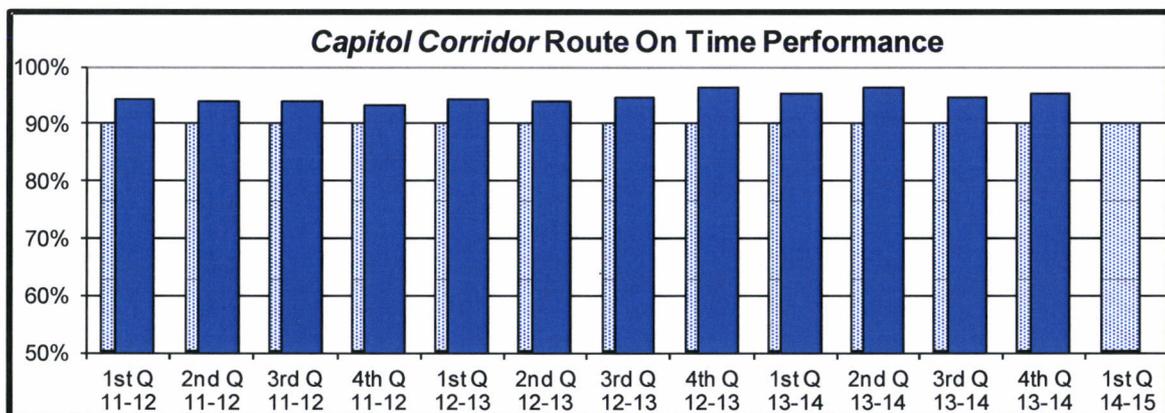
There are currently 15 weekday round-trips between Oakland and Sacramento. One of the trains extends beyond Sacramento to Auburn, and seven of the trains extend beyond Oakland to San Jose. On weekends, there are 11 round-trips between Oakland and Sacramento, with one extension to Auburn and seven round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

Ridership

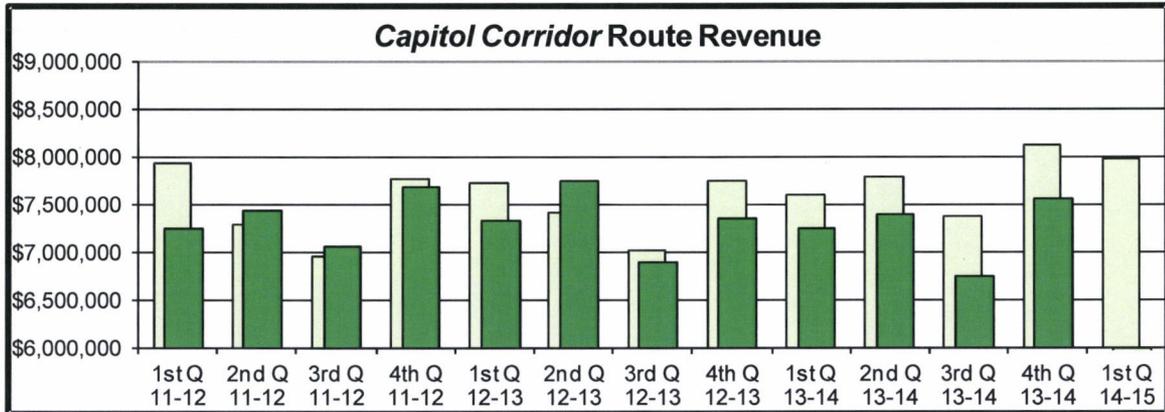
The *Capitol Corridor* was most affected by the implementation of e-ticketing and the change in the way passengers are counted due to the large number of multi-ride tickets. Ridership in the fourth quarter in FY 2013-14 resulted in a 16.6 percent decrease over the ridership reported for this quarter in FY 2012-13 and fell short of the goal by 2.1 percent. For the full fiscal year, ridership was down 13.2 percent and short of the goal by 6.2 percent.



On-time performance (OTP) for the fourth quarter was 95.5 percent, and was 0.8 percentage points below the comparable quarter the previous year. OTP has exceeded the *Capitol Corridor* performance goal of 90 percent in 22 of the last 24 quarters, including the last 17. June 2014 marks 51 consecutive months of OTP exceeding the goal. For the full fiscal year, OTP was 95.5 percent, 0.8 percentage points above the prior year.



Farebox Ratio for the fourth quarter was 52.9 percent, 1.3 percentage points above the same quarter the previous year but was 2.5 percentage points below the performance goal. Revenue for the fourth quarter increased 2.9 percent compared to the same quarter in the previous year and fell short of the performance goal by 7.0 percent. Expenses increased 1.6 percent, but were 2.7 percent below the performance goal. For the full fiscal year, the farebox ratio was 50.3 percent, a 1.1 percentage point improvement over the prior year.



State-Supported Amtrak California Services - 4th Quarter 2013-14							
Capitol Corridor							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	4th Qtr 13-14	4th Qtr 12-13	Difference	Percent Change	4th Qtr 13-14	Actual to Goals	Percent Difference
Ridership	371,678	445,894	(74,216)	-16.6%	379,500	(7,822)	-2.1%
Revenue	\$ 7,550,921	\$ 7,335,502	\$ 215,419	2.9%	\$ 8,120,320	\$ (569,399)	-7.0%
Expense	\$ 14,262,864	\$ 14,036,163	\$ 226,701	1.6%	\$ 14,654,141	\$ (391,277)	-2.7%
Farebox Ratio	52.9%	52.3%	0.6 PP		55.4%	-2.5 PP	
On-Time Performance	95.5%	96.3%	-0.8 PP		90.0%	5.5 PP	

PP - Percentage Points

State-Supported Amtrak California Services - State Fiscal Year 2013-14							
Capitol Corridor							
	ACTUAL RESULTS				PERFORMANCE GOALS		
	SFY 13-14	SFY 12-13	Difference	Percent Change	SFY 13-14	Actual to Goals	Percent Difference
Ridership	1,476,672	1,701,162	(224,490)	-13.2%	1,573,809	(97,137)	-6.2%
Revenue	\$ 28,914,424	\$ 29,289,759	\$ (375,335)	-1.3%	\$ 30,854,178	\$ (1,939,754)	-6.3%
Expense	\$ 57,432,059	\$ 59,490,066	\$ (2,058,007)	-3.5%	\$ 59,935,058	\$ (2,502,999)	-4.2%
Farebox Ratio	50.3%	49.2%	1.1 PP		51.5%	-1.1 PP	
On-Time Performance	95.5%	94.7%	0.8 PP		90.0%	5.5 PP	

PP - Percentage Points

California Transportation Commission
Speaker Slip

Tab/Item Number: 33
Reference Number: 3.8
Date: 10 08 14

Name: Dr Tom Williams
Representing: Sierra Club Transp. Comte
Address: LA 90032-1742

Do you desire to be heard at this meeting?

Yes

No

If yes: Do you have a prepared statement?

Yes

No

Do you have 18 copies for the Commission?

Yes

No

Remarks: Must include Freight Rail
and Most RR Expenses