

ATTACHMENT A
FY16Q1 STATUS UPDATE ON RIDERSHIP AND CUSTOMER SERVICE
INITIATIVES

MARKET RESEARCH

Analysis of Service to Regional Employment Centers

Employment is the primary external factor influencing ridership, particularly on our rail and BRT system. Downtown LA can be considered the region's primary Central Business District (CBD), and as such, is already well served by transit. However, Operations has identified an additional 24 employment centers throughout the region with high densities of employment, regional destinations, and activities. Once identified, ridership in these areas was compared to journey to work data to evaluate current and potential ridership. This information will assist Operations in adjusting services to better meet these employment travel demands.

Social Media Research

The Communications team is embarking on several efforts to better understand existing and potential new riders through social and electronic media. To better understand existing riders, Communications is partnering with the TAP team to collect rider email addresses to be matched against social media accounts to gain a deeper understanding of rider demographics. Improvements to our Customer Relationship Manager (CRM) system should also provide an opportunity to connect rider information between their TAP usage, social media information, and customer service calls.

Communications is also procuring services of a social media advertising buyer tasked with identifying existing and potential riders for targeted advertisement. Using our existing email lists, social media follower information, look-a-like modeling, and third party marketing sources that create customized client lists based on a vast array of consumer information, we will be able to gain insight into the demographic and psychographic characteristics of various rider and non-rider market segments.

A more comprehensive understanding of our rider and non-rider demographics, their opinions, travel patterns, interests, likes and dislikes will help us to refine services to better meet their needs, develop targeted marketing campaigns for specific market segments, and invest in system enhancements that important to our riders.

Owl Network Analysis

In addition to geographic coverage, span of service (time of day and day of week that service operates) is an essential factor in ensuring transit services are accessible to those who want to use it. While the majority of travel demand, and service, occurs during the day, we provide lifeline service on 28 bus lines operating 24 hours per day. This "Owl Network" provides opportunities for shift workers who start or end their shifts

during the Owl period, as well as serving late night entertainment venues and other essential travel needs.

Given the relatively low productivity and high cost of operating the Owl Network, it is important that we maximize the use and benefit of this lifeline service. Operations has completed an initial analysis of each bus line within the Owl Network to identify the productive and unproductive segments of service. They have also identified the locations of 24 hour services and their proximity to the Owl Network. The next steps will be to conduct an on-board survey of Owl riders as well as 24 hour businesses to better understand existing and potential demand. Based on this market research, Operations will recommend adjustments to the Owl services to maintain lifeline services while attracting the most riders.

SERVICE DESIGN

Strategic Bus Network Plan/Frequent Bus Network

OMB has been working with Operations and Countywide Planning to develop a Strategic Bus Network Plan (SBNP) that provides a foundation for service adjustments, coordination with jurisdiction and community plans such as the City of LA's Mobility Plan 2035, and future service and system enhancements. The SBNP identifies corridors that have underlying population and employment densities, as well as existing ridership demand, that warrant frequent service (15 minutes or better) all day and every day. The plan includes 3 tiers of service levels, with frequency recommendations corresponding to demand. The greatest frequency lines also include recommendations for infrastructure improvements, such as transit priorities, customer amenities, and off street transfer facilities. The SBNP is expected to be presented to the Board for approval in October or November 2015.

Based on the analysis of the SBNP, Operations is developing service adjustment packages that recommend reductions in duplicative and unproductive services and reallocation of resources towards a frequent bus network. The initial priority would be to improve the existing peak hour network to 15 min frequencies or better. In addition, they are working with Countywide Planning to evaluate the Metro Rapid network through refining the performance criteria and service warrants, identifying traffic bottlenecks and recommended treatments, and exploring potential new Rapid lines. All major service adjustments will be presented through the public hearing process and Title IV/Environment Justice analysis prior to approval, starting June 2016.

Expo Phase II and Gold Line Foothill Extension (Phase 2A) Bus Service Integration Plan

Most of the bus lines serving the Expo Phase II and Gold Line Foothill Extension (Phase 2A) alignments are operated by municipal operators. Expo II operates predominantly through Santa Monica Big Blue Bus (BBB) and Culver CityBus (CC) service areas, and

the Gold Line Foothill Extension (Phase 2A) Foothill Transit (FT) as well as transit services in the Cities of Arcadia, Monrovia, Duarte, Irwindale, and Azusa.

Metro has been working closely with all the transit providers to ensure successful bus/rail interface. Expo II bus/rail interface has involved being planning partners with both BBB and CC. Over the last two years, Metro has met with Santa Monica transit and city planning staffs to ensure the greatest number of bus lines intersect at the rail stations. This in turn led to extensive talks with City of LA planning staff, which in the end provided more layover and bus stop spacing at the stations. Metro also provided BBB with additional layover spaces (effective August 23) in Century City (Line 5) and at the Metro Wilshire/Western Purple Line Station (Rapid 7) as they anticipate a surge in ridership. Culver CityBus has now started with their bus/rail interface planning and has hired a consultant to assist in the work. Metro staff will be meeting with them regularly as the process proceeds. For the services CC has north of Venice Bl (Sepulveda/Westwood) today, buses already pass by a station heading to either Westwood or Century City.

The Gold Line Foothill Extension is almost entirely served by Foothill Transit. As part of the design phase of the extension, Metro staff worked with Foothill Transit and a Gold Line Construction Authority consultant to bring bus/rail interface to the stations and ensured there was adequate bus parking to serve the rail patrons. Metro today already serves the Santa Anita, Arcadia, Duarte and Monrovia Stations (Lines 79, 264, 270 and 487).

The following changes to Metro bus services are proposed to serve and reduce duplication with the rail extensions. Public hearings and Title VI/Environmental Justice analysis are not needed as public hearing has already been conducted for Line 534.

Gold Line Foothill Extension (Phase 2A)

- Re-route 270 into nearest station (Cost neutral); and
- Minor route modifications to Lines 79 and 264 from current terminal to nearest station (Cost neutral). Line 264 is currently at City of Hope Station.

Expo Phase II

- Eliminate segment of Line 534 between Washington/Fairfax Transit Hub and downtown Santa Monica which duplicates the rail extension (Some anticipated savings);
- Minor re-routes in downtown Santa Monica (Lines 4, 704, 20, 720, 534, 33, 733) to best serve station terminus (cost neutral); and
- Possible reductions in service levels on Lines 20/720 and 33/733; this is dependent on passenger use trends to be evaluated after opening of EXPO II.

SERVICE MANAGEMENT

Improve Bus Bridge Operations

The rail network is designed to serve customer travel needs along key corridors with consistent, frequent, and simple to use service. Unfortunately, the rail system cannot operate perfectly all the time due to planned maintenance and enhancement work, and unplanned accidents or other incidents that disrupt service between stations. During these interruptions, it is critical to continue providing consistent, frequent, and simple to use service to our customers through well planned bus bridges and alternative services,

Bus bridges are a service mitigation tool employed to minimize the effects of rail service interruptions. Operations is currently revising its Bus Bridge procedures to ensure consistency and improve our support of riders during these confusing and inconvenient disruptions. Bus Vehicle Operations Supervisors are expected to plan and coordinate the bus bridges, including citing temporary boarding locations and path of travel from the train to these locations, posting informational signage, track boardings and control bus departures, and instructing operators on the bus bridge operations. In addition, they are expected to provide customer support and assistance, which often can become second priority to supporting the bus bridge operations. As a result, passengers can become disoriented, confused and frustrated, making them less likely to continue to use transit if they have other options.

To enhance customer support during bus bridges, Operations is coordinating with TAP to formally include “Blue Shirts” in the staffing plan. TAP Blue Shirts have been well received by customers as friendly and knowledgeable ambassadors of the TAP program, and can greatly improve customer support during bus bridges by “hand holding” passengers through the bus bridge operations. This addition would also allow Operations staff to focus solely on bus bridge operations which should ensure a smoother transition between rail and bus service.

TRANSIT PRIORITIES

Identification of Bus Service Bottlenecks

Most of Metro’s bus service operates in mixed flow conditions, sharing the road with other vehicles such as cars, trucks, and bikes. As a result, bus service becomes slow and unreliable when moving through congestion bottlenecks, degrading service quality and decreasing ridership.

The first step in mitigating this issue is identifying the location of congestion hotspots. Operations’ Service Planning and Scheduling Staff have identified a list of congestion hotspots as well as lines impacted. They have also requested that other municipal operators provide their congestion bottleneck locations. To date, we received input from the following operators: Antelope Valley Transit Authority (AVTA), Culver CityBus (CC), LADOT, Long Beach Transit (LBT), and Santa Monica Big Blue Bus (BBB).

To address this congestion issue, Countywide Planning completed the Los Angeles County Bus Speed and Street Design Improvement Plan in November 2010. This study established a bus speed improvement toolbox in addition to identifying several arterial corridors that would benefit the most from speed improvement strategies. These corridors were further refined through the Countywide BRT Study which identified 9 corridors for further analysis and environmental review. The analysis on the top two corridors (Vermont and No. Hollywood to Pasadena) will begin in the next month or so.

All Door Boarding and Off Board Fare Payment

OMB, TAP, and Operations recently completed a pilot test of All Door Boarding on the Wilshire BRT (Line 720). The objectives of this test were to evaluate the improvements in dwell time by allowing passengers to enter through all doors of the bus at the expense of increased fare evasion. Information was collected from Automatic Passenger Counters, mobile TAP validators, fareboxes, customer surveys, and debriefings with TAP Blue Shirts, Operators, and Vehicle Operations Supervisors.

While a comprehensive evaluation report is expected to be presented to the Board in October or November 2015, initial observations indicate that there are definite service quality benefits from All Door Boarding, including:

- Reduced and more reliable dwell times, resulting in faster and more on time service;
- A more even distribution of passengers throughout the bus;
- Customer and operator satisfaction.

However, some of the drawbacks observed from this pilot program are:

- Potential increase in fare evasion;
- Safety concerns with operators not being able to see passengers entering the rear of the bus when closing the doors.

The evaluation report will study the pros and cons of All Door Boarding and recommend a path forward. In addition, a study will be underway to evaluate the merits of Off Board Fare Payment along the Wilshire BRT and Silver Line.

SAFETY/SECURITY

Transit Watch LA improvements

Transit Watch LA has been enhanced with the addition of a two-way chat feature within the app that also allows the user to remain anonymous if they so choose. This feature allows for law enforcement to communicate with the user in real time to ask further questions or receive clarification on an incident. Additionally, a short Transit Watch Tips video will be integrated in the app for user reference.

CUSTOMER AMMENITIES

Improvements to Real-Time Arrival Countdown Clocks

In September, staff will be going to the Board to increase funding to reprogram Homeland Security Grant funding to purchase additional Transit Passenger Information System (TPIS) equipment for our existing light rail and heavy rail stations. TPIS provides both passengers and internal staff with up-to-date information, regarding anything from scheduled or real-time arrival and departure information to service alerts. The approval of this board item will allow replacement of inoperative and unreliable equipment at Red/Purple Line stations, and installing new monitors at Blue and Green Line stations.

There are also other on-going initiatives that staff has been working on to ensure that correct information/data is being displayed on these monitors. We are forming a taskforce with SCADA/NextBus (Headed by operations and IT) to ensure that the data is more accurate. Second, parallel efforts are also being initiated to ensure voice and visual displays are consistent. Third, we will make it a priority for field staff to monitor and report inoperative equipment and to make repairs as soon as possible.

FARE STRUCTURE

Residential TAP

In response to Board Motion No. 51.1: Affordable Housing (March 2015), a new pricing model for a “revenue neutral” pass program for affordable housing developments will be presented to the Board in September. This model aims to achieve revenue neutrality by maintaining systemwide fare per boarding for program participants based on actual pass usage. If the methodology is acceptable to the Board, a similar pricing structure could be used as a basis for future residential passes for consistency across all bulk sales pass programs. In developing this pricing plan, OMB conducted research on other bulk pass programs, including Denver RTD’s EcoPass that was referenced in the Board’s Motion No. 50 (Ridership and Customer Service Initiatives), and found that:

- To participate in the EcoPass program, all residents in a specified neighborhood must (a) participate in a survey to determine current transit usage and (b) purchase a transit pass.
- Pricing ranges from \$150 to \$750 per resident per year depending on size and service area, which represents a significant discount since the regular monthly pass price costs \$79 to \$176 depending on the service type.
- RTD states that the pricing has not been reconciled to actual usage of the passes since automatic usage counts, similar to Metro’s TAP data, was not available prior to 2015. However, as more data becomes available, RTD intends to do so to adjust EcoPass pricing and methodology to actual usage, similar to

our proposed pricing methodology suggested for the affordable housing transit pass program.

OMB has also initiated a further study of bulk sales pass programs through our fare policy consultant, who is including such programs in the fare model currently under development. The consultant will also provide results of a “peer agency review” within the next few months, which will include comparisons between bulk sales pass programs at other agencies and recommendations for our path forward.

Institutional Transit Access Pass (ITAP) Restructuring

The ITAP program began in 2003 to offer colleges, universities and trade schools the opportunity to purchase Metro passes at group rates for all full-time students. The objectives of the program are to increase ridership without impacting average fare per boarding. In addition, the program is designed to be “revenue neutral” to Metro, meaning the program should recover the same revenue with and without the program.

There are two pricing schemes offered to institutions, Retail and Group rate pricing. Retail pricing essentially prorates the college/vocational monthly pass as a quarter or semester pass for students who wish to purchase the pass, while Group pricing calculates a lump sum monthly amount to be paid by the college for all enrolled students to use Metro services. The Group rate is calculated based on the number of students using transit prior to the ITAP program multiplied by the college/vocational monthly pass price. There are currently four colleges (USC, UCLA, Pasadena, and Rio Hondo) enrolled in the ITAP program.

While the ultimate goal of the ITAP program is to increase transit use among students, it is equally important to ensure that appropriate amount of fare revenue is collected given the transit usage. Therefore, much like RTD’s EcoPass, the ITAP program is under evaluation to determine if the program is still revenue neutral to Metro. If not, pricing will be adjusted to ensure that increased transit ridership does not negatively impact Metro’s average fare per boarding.

Downtown Off-Peak Rail Pass

Downtown LA continues to be the primary Central Business District (CBD) for the County, drawing employees in from all parts of the region. With the revitalization of downtown LA, there has also been a significant growth in residential development as well as retail and entertainment activity. While the Red/Purple Line has long been used as a distributor and circulator within downtown LA for peak hour commuters, it continues to have excess capacity during the off peak hours. Given the decline in Red/Purple Line ridership, it is important to tap into other markets in addition to commuters.

OMB will be testing the ridership and revenue impacts of implementing a monthly Off Peak Downtown LA Rail Pass. This pass would allow customers to use the Red/Purple Line and possibly the Gold, Blue/Expo Lines within the downtown LA core outside of the

weekday peak hours (from 6:00a-9:00a and 3:00p-7:00p). The pass would be priced at a deep discount as the intention would be to “sell” excess capacity by gaining customers who would not normally purchase a full price monthly pass. Specific market segments to target with this pass are:

- Downtown LA employees who do not take transit to commute to work but would use transit during the day to run errands, attend meetings or lunch; and
- Downtown LA residents who do not commute by transit, but would use transit at night or on the weekends.

Marketing/Outreach/Promotions

Customer Loyalty Reward Programs

Metro currently supports the following rewards programs:

- Metro Rewards: Metro Rewards is an incentive program for commuters who share the ride and who work for employers in Los Angeles County. Participants receive a Metro Rewards coupon book with over \$1,000 in immediate savings if their Employee Transportation Coordinator verifies that they’ve shared the ride at least eight times a month for three consecutive months and meet other program requirements.
- Transit Rewards Program: As frequent transit riders, customers can earn toll credits on the Metro ExpressLanes corridors. Using their registered TAP card, transit riders can earn a \$5 toll credit by taking 32 one-way trips during peak hours along the I-110 Harbor Transitway or I-10 El Monte Busway. Metro ExpressLanes Rewards credits are non-transferable and expire after 90 days. The toll credits must be used on Metro ExpressLanes and are not valid on other toll roads. The Rewards Program is the first of its kind in the transit and toll industry.
- Carpool Loyalty Program: The Carpool Loyalty Program automatically enters the Metro ExpressLanes FasTrak account holder into a monthly drawing for a chance to win gift cards when they use the ExpressLanes as a carpooler.
- Destination Discounts Program: Customers receive discounts and other offers when they show their TAP card at various destinations including museums, concerts, and dining locations. Through this media partnership program, Metro partners with businesses and organizations by promoting them as key destinations along the system when they meet the requirements of the program; they must promote taking public transportation and provide discounts or other incentives to anyone who shows a TAP card, Metro employee ID, or LA County employee ID to each partner’s respective destination.

Metro has investigated other reward programs such as the Montreal *Merci*, Singapore *Travel Smart Rewards*, or Minneapolis-St. Paul *Ride to Rewards* programs. These programs reward customers who regularly use transit services through discounts and offers from other businesses and organizations, discounts on other complementary transit modes, and cash value on their travel cards or debit cards. While Metro's current rewards programs incorporate some of the incentives from these programs, such as destination discounts and cash value for toll payments, there are other features of these programs that are unique and would benefit Metro and its riders if incorporated. For example, the *Travel Smart Rewards* program incentivizes customers to travel off of the peak hour which helps to reduce demand during the most costly and congested peak periods. The *Ride to Rewards* program allows riders to earn cash value on their stored value pass by shopping with a debit card registered to the program. Communications will work with TAP and other programs to develop new (and/or upgrade existing) rewards programs that include innovations similar to these and more.

Partnerships

Collaboration with Transportation Network Companies

Planning has met with Procurement to discuss the potential terms for a Memorandum of Understanding (MOU) with partner transportation network companies (TNCs). The objective would be to flesh out some terms of agreement, along with potential locations and specific events, to have pilot efforts underway by mid to late Fall 2016. In addition, our Guaranteed Ride Home Program (GRH), managed through the Shared Mobility team has expanded to incorporate carsharing and TNCs into the modes eligible for reimbursement.

OCTA Ridership Peer Review

OMB staff participated in an APTA Peer Review of the declining ridership trends at Orange County Transportation Authority (OCTA) to share findings and ideas regarding the region's ridership trends. While the final report has not been released, we are committed to continuing our partnership with all Southern California transit agencies address the overall ridership declines. Lessons learned will be applied towards our strategies to increase ridership.