

**Board Report**

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**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 16, 2015**

SUBJECT: RIDERSHIP AND CUSTOMER SERVICE INITIATIVES

ACTION: RECEIVE AND FILE REPORT ON RESPONSE TO BOARD MOTION NO. 50: MTA RIDERSHIP

RECOMMENDATION

RECEIVE AND FILE status report on response to Board Motion No. 50: MTA Ridership (June 25, 2015) to implement the **Immediate Action Plan outlining initiatives for increasing ridership**. Attachment A provides a status report on these initiatives.

ISSUE

Bus, rail, and Orange Line ridership continues to decline by 4% since April 2014. In response, the Board passed Motion No. 8: MTA Ridership (March 2015) directing staff to develop an Action Plan to increase ridership. In June 2015, staff presented an Immediate Action Plan as well as other longer term strategies to reverse the downward trend in ridership (Attachment B and C). Subsequently, the Board passed Motion No. 50: MTA Ridership (June 2015) which directs staff to implement the Immediate Action Plan, and suggests other initiatives to evaluate (Attachment D). This report provides a status update in response to Board Motion No. 50.

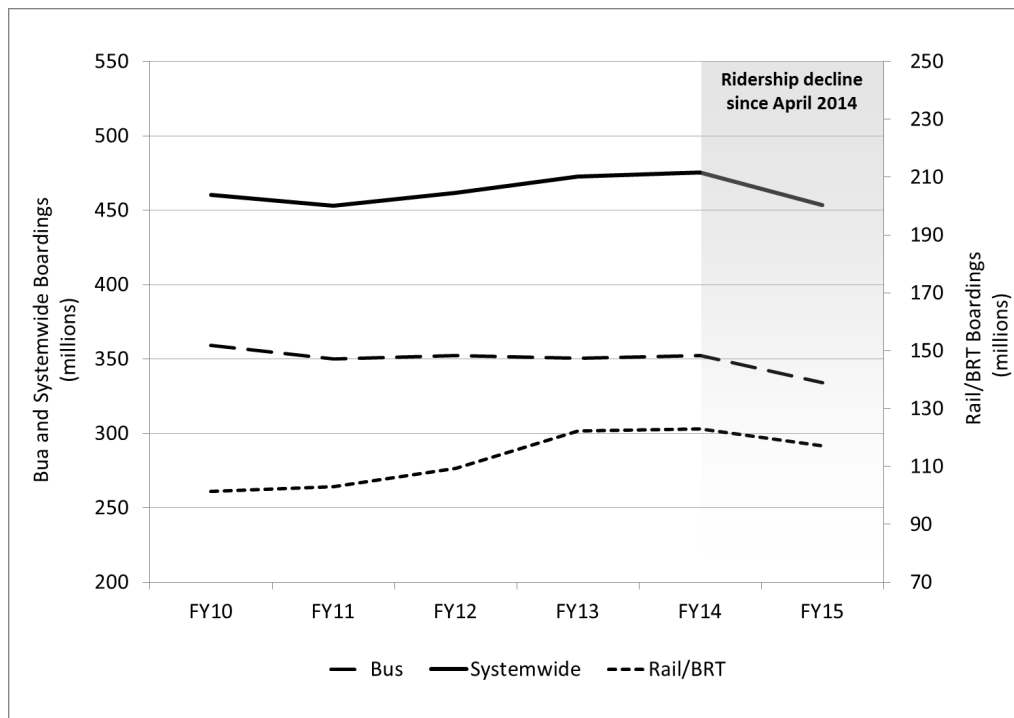
DISCUSSION

Ridership Trends and Analysis

As shown in Figure 1, Metro ridership continues to decline on a year-over-year basis since April, 2014 (FY14Q4). Through the fourth quarter of FY15, systemwide boardings have decreased on average by 4%. Bus has shown a consistent decrease of 5% every quarter, compared to the same quarter of the previous year. While rail ridership decreased about 3% from FY14 to FY15.

Figure 1

Annual Boardings
(FY11 - FY15)



Looking closer at the period of decline, there are several findings worth noting, as follows:

Ridership by day of week

- Bus and Orange Line ridership declined during all day types (weekday, Saturday, Sunday) during all quarters since FY14Q4.
- While overall rail ridership continues to decline, there appeared to be a slight increase in weekend boardings as 3 of the 5 rail lines (Red/Purple, Expo, and Gold Lines) saw increases on Saturday and/or Sunday during all quarters.
- The Gold Line showed an overall increase during this time period, however, further analysis indicates that weekday ridership actually declined in FY14Q4 and FY 15Q1, but has since recovered.
- Conversely, the Expo Line has experienced an overall increase in ridership since FY14Q4. However, the rate of increase has steadily declined since then, and FY15Q1 posted its first ridership decline during this period.

Ridership by time of day (weekdays)

- Overall, the AM Peak period showed the lowest ridership declines, while the Midday experienced the greatest.
- Local, Rapid, and Limited bus, as well as rail ridership have been consistently down from 6:00am - 7:00pm which were not related to changes in service levels (revenue hours) since FY14Q4.
- Shuttle and circulator bus ridership, however, show a direct relationship to changes in service levels. Ridership increases when service levels increase, and drops when service levels are reduced.
- Despite the general drop in ridership, Freeway Express and Silver Line bus services have seen an overall increase in ridership during all time periods.

Ridership Increase Strategy

To reverse the decline in ridership, it is important to understand the customer, their travel patterns, and what travel attributes are important to them (e.g. cost, speed, reliability, cleanliness, safety, etc.). This understanding should drive the development of products, services, and amenities that can attract and retain riders. Finally, efforts must be made to operate services as planned. If services are disrupted or systems are down, procedures and information must be in place to minimize confusion and frustration to riders. A comprehensive and targeted public information, marketing, and promotions program should be in place to support these efforts.

Based on research to date:

- Employment is considered the most significant external factor influencing ridership. This assumption is further supported by the fact that Freeway Express and Silver Line bus services have increased despite decreases in other services. To support this core ridership, Operations has completed a study of transit service and demand to 24 major employment centers in the region. This analysis will help to guide system restructure plans, which should include faster, more direct services to major employment and activity centers.
- The increasing use of rail services on the weekends is a promising finding, and should be pursued to expand ridership in other non-commute markets. Initiatives to attract non-commute ridership were included in the Immediate Action Plan, including social media market research and an analysis of Owl Network demand, evaluation of an off-peak downtown rail pass, and better understanding of tourist markets.
- A recent APTA Peer Review panel noted that frequent and more reliable service is critical to attracting ridership. Several efforts are underway based on the APTA recommendations, including developing a frequent peak hour bus network, identifying congestion bottlenecks and possible mitigation measures, and testing All Door Boarding as a strategy to improve speed and reliability of busy bus lines.
- Finally, if service cannot be delivered as planned, procedures and information must be in place

to minimize confusion and frustration to riders. With significant maintenance work being completed on various rail lines, most notably the Blue Line, ridership may have declined due to inconvenience. However, good customer service, timely and accurate information, and proper management of the service disruption will help to ensure that riders return to the system after the work is complete. Efforts are underway to improve the Bus Bridge procedures as well as the real time departure information and Transit Passenger Information System (TPIS).

Board Motion No. 50: MTA Ridership (June 2015)

In June 2015, staff presented the Immediate Action Plan as well as other longer term strategies to better understand travel needs in the region, design services to address those needs, improve bus and rail service quality and customer services, promote and outreach our products and services, and instill innovation and technology in the way business is done and the services that are provided. Since then, staff has presented the Action Plan for public comment at Ridership Forums hosted by each Service Council in September, and identified project leads who began initiating several efforts listed in the plan, including those identified in Motion No. 50, as follows:

- Strategic Bus Network Plan/Frequent Bus Network
 - Conan Cheung, EO, Finance
 - Gary Spivack, DEO, Operations
- Expo Phase II and Gold Line Foothill Extension (Phase 2A) Bus Service Integration Plan
 - Scott Page, Director, Service Performance and Analysis
- Identification of Bus Service Bottlenecks
 - Gary Spivack, DEO, Operations
 - Martha Butler, Director, Countywide Planning and Development
- Improvements to Real-Time Arrival Countdown Clocks
 - Bob Holland, Interim COO
 - Dave Edwards, Chief Information Officer
 - Duane Martin, DEO Project Management
- Revenue-Neutral Residential TAP Program
 - Marie Sullivan, Transportation Planner II
 - Sarah Zadok, Communications Manager
- Customer Loyalty Reward Program
 - Aurea Adao, Public Communications Officer

Detailed status of all efforts underway, including those identified in Motion No. 50, are provided in Attachment A. While individual initiatives requiring approval will be brought to the Board under separate cover by the designated project manager, OMB will continue to coordinate efforts of all departments, analyze ridership trends, and establish performance metrics to evaluate results from

implementing initiatives identified in the Immediate Action Plan. Further, the CEO has directed the initiation of a special security campaign that includes Metro Security Forces, Bus & Rail Operations, Communications, and Information Technology. Staff will present this multi-pronged initiative to the Board in the coming weeks.

FINANCIAL IMPACT

Initiatives identified in Attachment B, "Ridership Initiatives: Immediate Action Plan", can be implemented within budgeted resources for FY16. Additional efforts identified in Attachment C may require additional resources and will be presented to the Board under separate cover for approval prior to adoption.

ALTERNATIVES CONSIDERED

If no action is taken on ways to increase ridership, the recent downward trend in boardings could continue, negatively impacting fare revenues and the future growth of the transit system.

NEXT STEPS

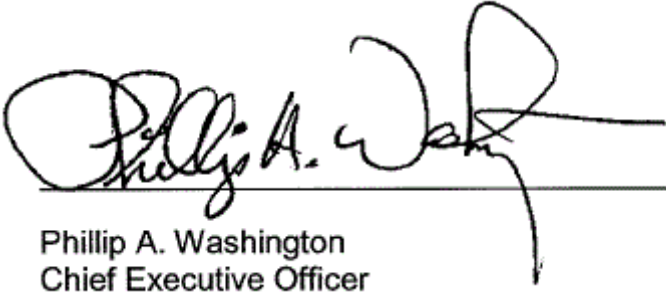
Staff will return to the Board on a quarterly basis with a status update on the Immediate Action Plan, including project millstones and schedules as identified by project leads, and other ridership and customer service initiatives.

ATTACHMENTS

- Attachment A - FY16Q1 Update on Ridership and Customer Service Initiatives
- Attachment B - Ridership Initiatives - Immediate Action Plan
- Attachment C - Ridership Initiatives - Other Ridership Increase Strategies
- Attachment D - Motion No. 50: MTA Ridership (June 25, 2015)

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