

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

January 27, 2005

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer
FROM: Scott Richardson, Director of Marketing
SUBJECT: Commuter Route 202 Performance Update

Summary:

On September 2, 2003, RTA launched CommuterLink bus service that included four routes offering direct, limited stop commuter bus service between Riverside, San Diego, and San Bernardino counties. Below are route numbers and destinations for the four routes.

Route 202 Murrieta - Temecula - Oceanside Transit Center
Route 204 Downtown Riverside - Montclair Transit Center
Route 206 Temecula - Murrieta - Lake Elsinore - Corona Metrolink
Route 208 Temecula - Menifee - Sun City - Perris - Moreno Valley -
Riverside Metrolink

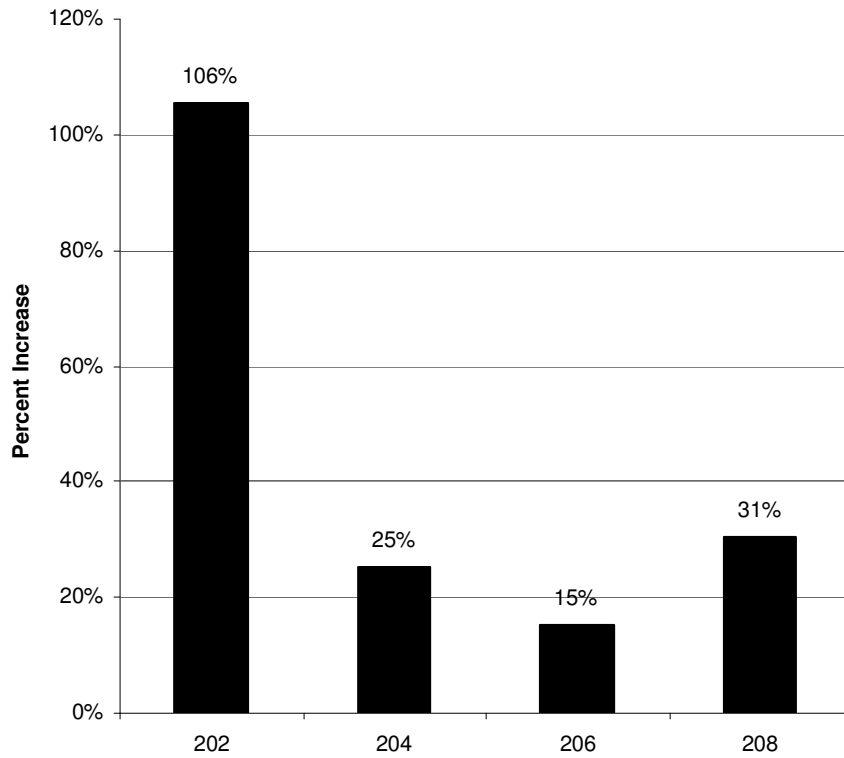
Initially, Route 202 ridership did not perform well compared to Routes 204, 206, and 208. From September 2003 through May 2004 no significant ridership increases occurred on the route except in March 2004 when ridership was up significantly on all RTA routes. Through informal surveys and customer comments, it appeared the fare structure might have deterred customers from riding the route. The fare to ride Route 202 was \$4 per boarding with no 31-day passes or youth, senior, or disabled discounts available. Routes 204, 206, and 208 use RTA's standard fare structure of \$1 per boarding with 31-day passes and youth, senior, and disabled discounts available. Although \$4 per boarding is fair and reasonable and is still less expensive than operating a car for the 37-mile one-way trip, existing and potential customers indicated that ridership would increase if the fare was reduced and a 31-day pass were offered.

At the May 2004 meeting, the Board approved a fare promotion and marketing campaign targeting residents in Temecula, Murrieta, Lake Elsinore, and surrounding communities to increase awareness of and ridership on Route 202. The marketing campaign was launched June 1st and continued through December. The campaign included newspaper advertising, direct mail, Coaster seat drops, RTA website

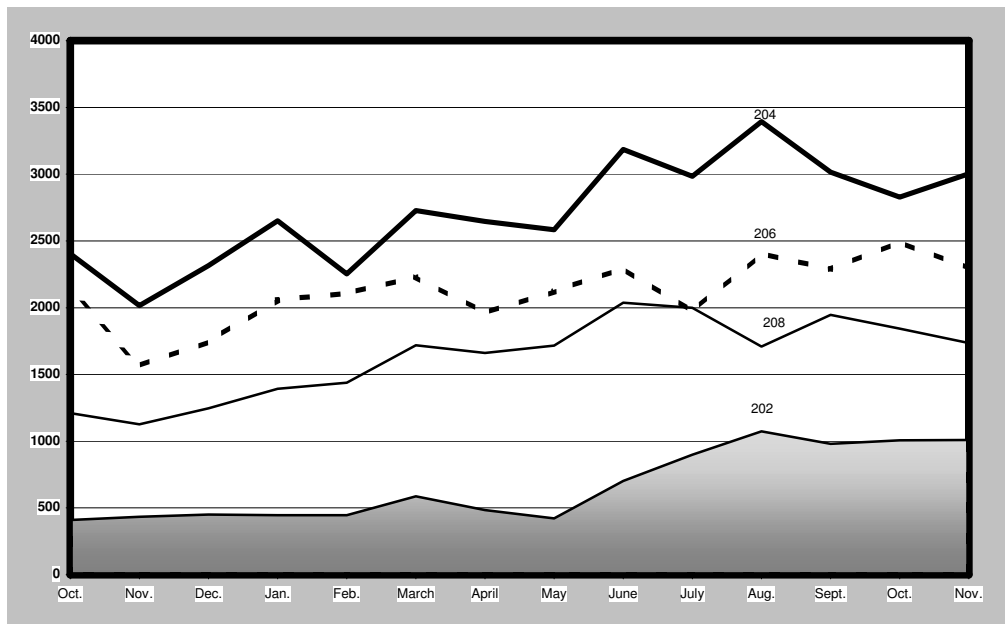
features, ads in the Ride Guide and System Map, and press releases sent to area media. Staff provided a report on the marketing program and increases in ridership at the September 23 Board Meeting. At the October 28th meeting, the Board approved an extension of the promotional fare until the comprehensive fare study is completed.

As reported at the September Board Meeting, the fare and marketing promotions have been successful in increasing ridership. In addition, the route has received favorable press coverage. Average monthly ridership before the promotion (Oct. '03-May '04) was 460 riders per month; during the promotion months (June '03-Nov. '04), ridership has averaged 945 per month, an increase of 106 percent. In comparison to the other commuter routes introduced at the same time (204, 206, 208), Route 202 has experienced a significantly higher growth rate, which occurred in conjunction with the promotion. Beginning in September, Route 202 appeared to stabilize at approximately 1000 passengers per month, which is a 117 percent increase over the average ridership during first eight full months of route operation and before the promotion. The following charts illustrate the percentage of growth for each route and the ridership trends.

% Change between Oct. '03-May '04 & Jun. '04-Nov. '05



Routes 202/204/206/208 Ridership Oct. '03-Nov. '04



The ridership composition has also changed since the promotion began with an increase in the proportion of youth, senior and disabled riders. Following is a breakdown of the ridership fare categories observed in May 2004 (the month before the promotion began) compared to December 2004 (six months into the promotion):

	May 2004	Nov. 2004
Adult	94%	79%
Youth	2%	4%
Senior	1%	6%
Disabled	1%	6%
Metrolink	5%	5%

Staff will be conducting a survey on Route 202 to determine current ridership demographics and gather other information such as the most effective advertising media and usage of amenities like the 12-volt adaptors.

Fiscal Impact:

The Agency spent approximately \$32,000 marketing the Route 202 fare promotion from June through December 2004 utilizing newspaper advertising, direct mail, Coaster seat drops, website promotion, Ride Guide, and system map advertising and press releases. Following is a comparison of the farebox recovery of the commuter routes:

	May 2004	Nov. 2004
Route 202	10.8%	6.2%
Route 204	3.9%	4.9%
Route 206	5.9%	8.1%
Route 208	3.7%	4.6%

While the Route 202 promotion increased ridership, it resulted in a decrease in the farebox recovery as a result of the fare reduction from \$4 to \$1. However, the farebox recovery for Route 202 is still higher than Routes 204 and 208. As a result, staff will prepare a marketing campaign to increase ridership and farebox recovery on the other commuter routes while continuing to market Route 202.

Recommendation:

This item was discussed at the Board Operations and Board Administrative Committee meetings of January 5, 2005, and January 12, 2005, respectively. The Committees' members unanimously approved recommending this item to the full Board of Directors for their consideration as follows:

- Receive and File.