

Virginia Passenger Rail Authority

Virginia State Sponsored Services



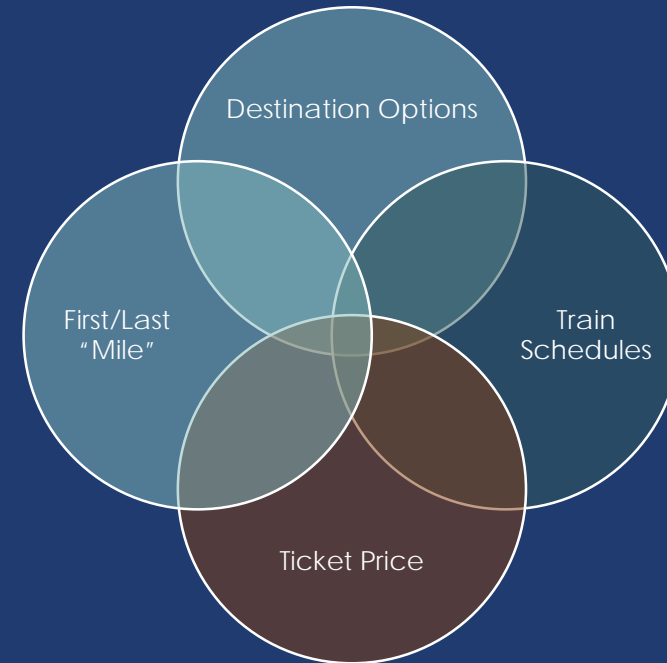
Balancing Ridership & Revenues

- Ridership Demand

- Demographics
- Destinations Served
- Trip Length
- Reasons for Travel (work / personal)
- Level of Service
- When a ticket is purchased
- Other transportation options
- Schedule

- Revenues Drivers

- Different price points target optimal pricing based on various factors
- Typically more "choice" when purchasing in advance
- Marketing strategies include discounts, flash sales, and advertising to the right market
- Coordination with Amtrak national strategy



Balancing Ridership & Revenue

- 2017 Fare Analysis

- Amtrak had eliminated/reduced some discounts
 - Amtrak Goal: Maximize Revenue
 - States: Balance Ridership
- Understand Virginia ridership trends and demographics
- Recommend fare and marketing strategies

4
Groups

12
Days

38
Virginians

5,219
Data Points



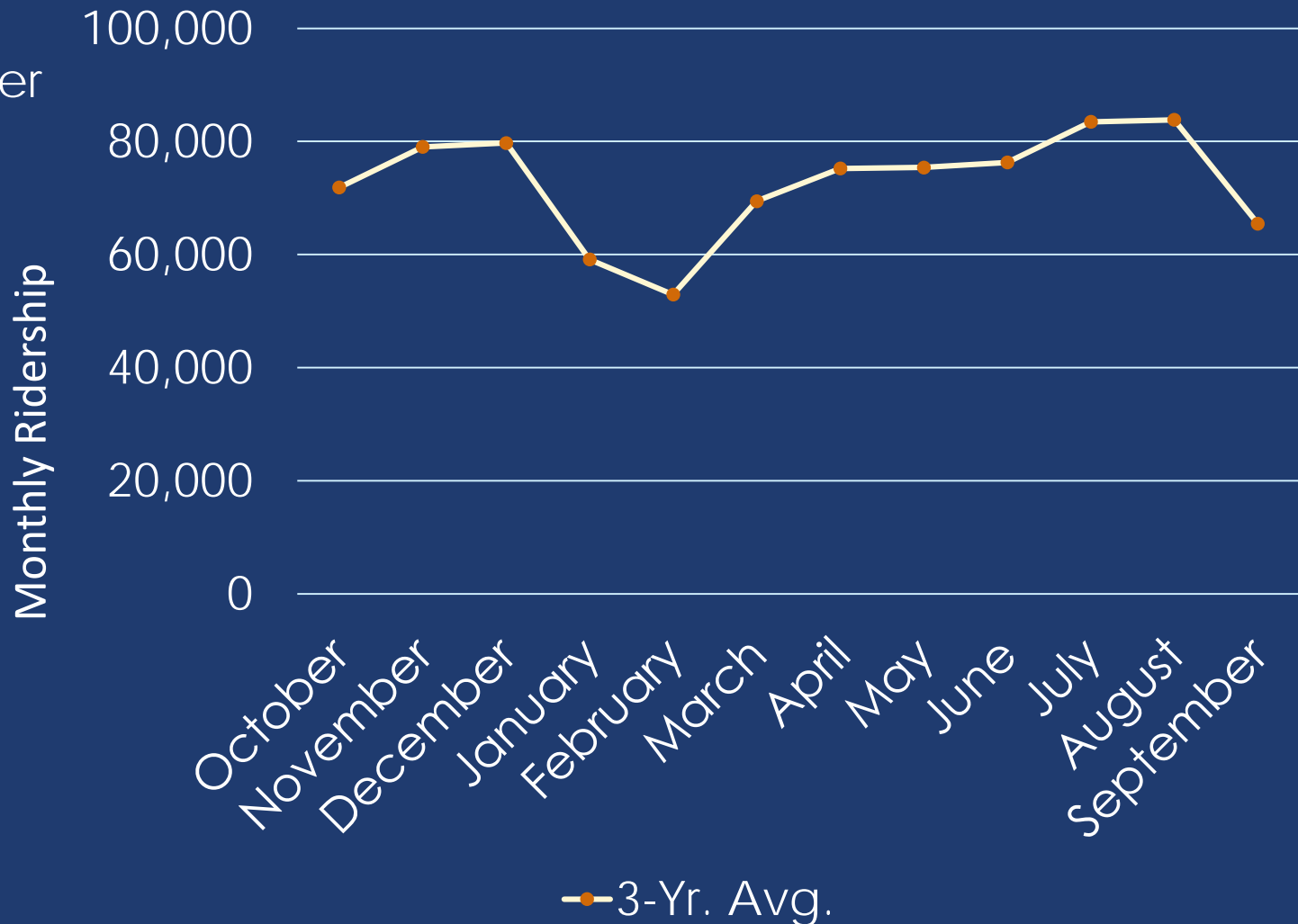
• Closest Train Station to Respondents

Fare Scenarios and Assumptions

- Existing Promotions
 - **Flash Sale Discount:** 30 percent off flash sale (customers either purchase quickly or lose). Assumed 25 percent of ridership would take advantage of this discount.
 - **Advance Purchase Discount:** 25 percent off ticket price discount (with a 14 days advance purchase). Assumed 25 percent of all ridership would take advantage of this discount.
- Potential Promotions
 - **Intra-Virginia Discount:** Permanently discounted tickets as a result of Intra-Virginia travel (including Washington D.C.). This discount is applied to all riders.
 - **Student Discount:** Pre-paid student ticket pack (e.g. six-pack of tickets at one upfront price). Assumed 20 percent of student ridership would take advantage of this discount.
- Past Promotions
 - **Demographic Discount:** Permanently discounted tickets based on demographics (e.g. student, senior, military). 10 percent off ticket price. Assumed 10 percent of all riders would take advantage of this discount.

Balancing Ridership & Revenues

- Ridership fluctuates seasonally
 - High season: Holidays and Summer Travel Season
 - Weather events
- Ridership fluctuates annually
 - Reliability trends
 - Customer experience
- Major Events
 - Pandemics
 - Inauguration



Pandemic Impacts on Service



Pre-pandemic

March 4, 2019 2nd Norfolk Service Begins

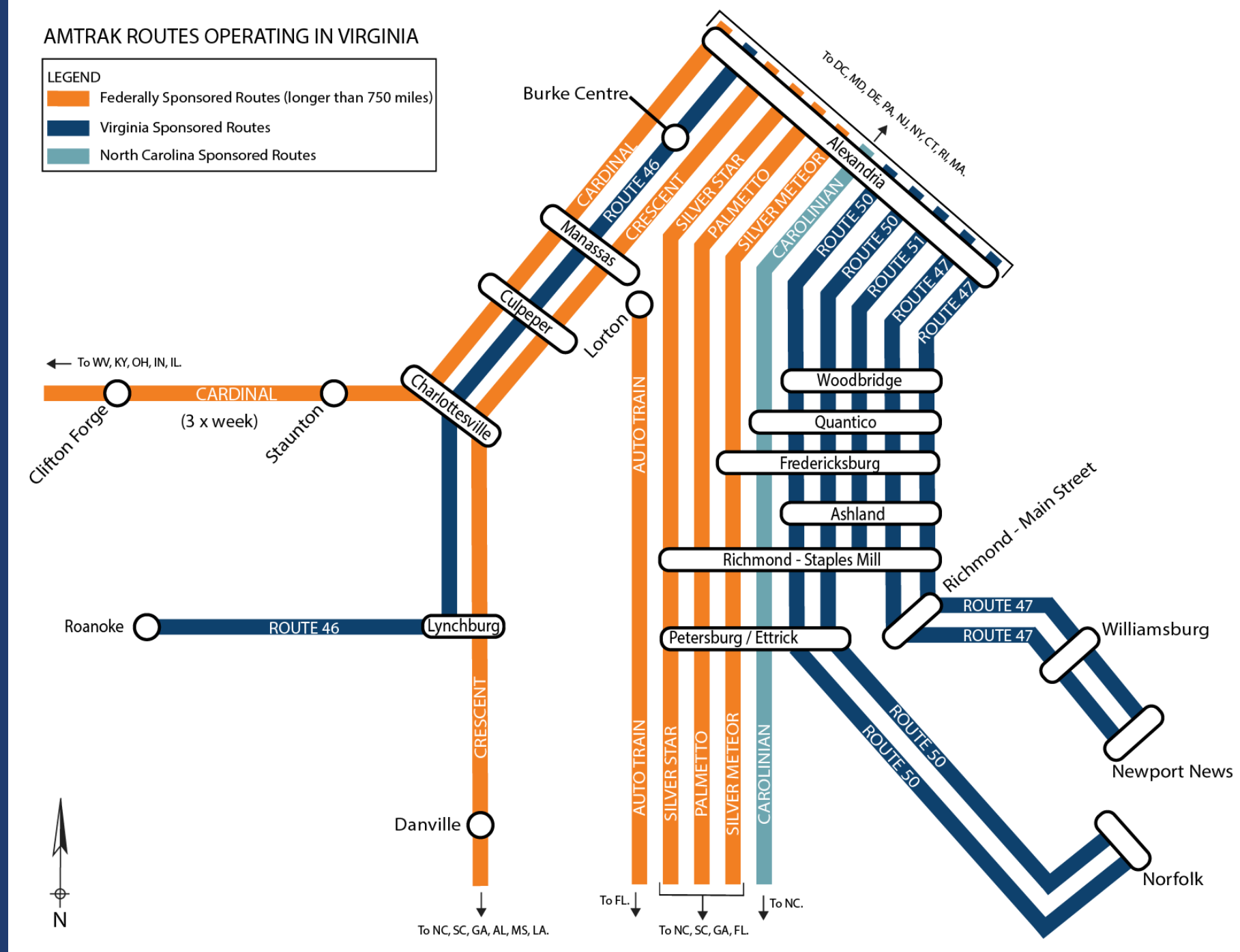
Ridership in FY19: 924,636

Revenue in FY19: \$41.5M

Oct, Nov, Dec 2019 were three highest individual months ever

Marketing Strategies were in place:

- Flash Sales
- Student Discount
- Intra-Virginia Discount
- Group Tickets
- Multi-ride fares



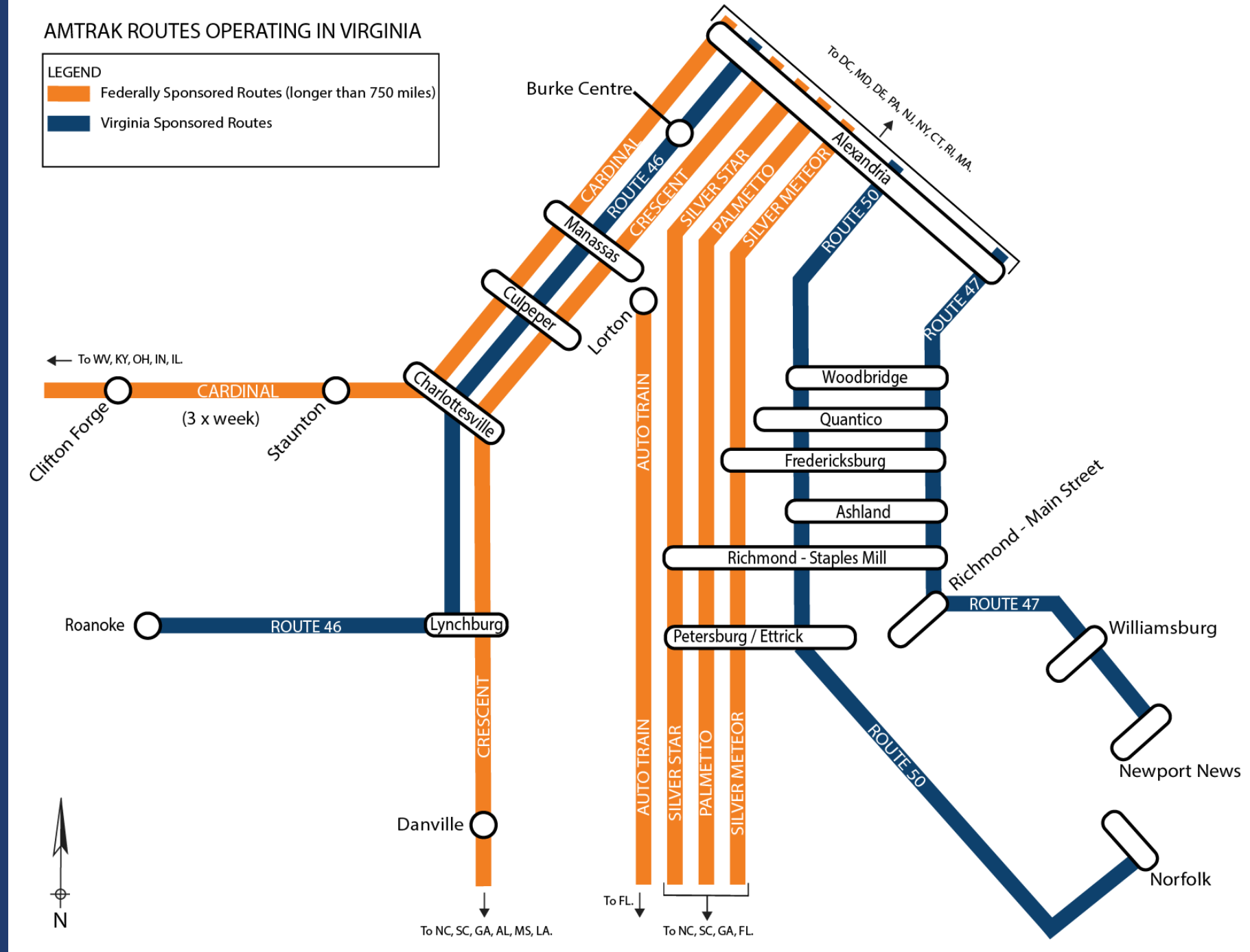
April 2020

Ridership dropped by 95.7% compared to April 2019

Restrictions were implemented without clear federal guidance

Services cancelled across the country

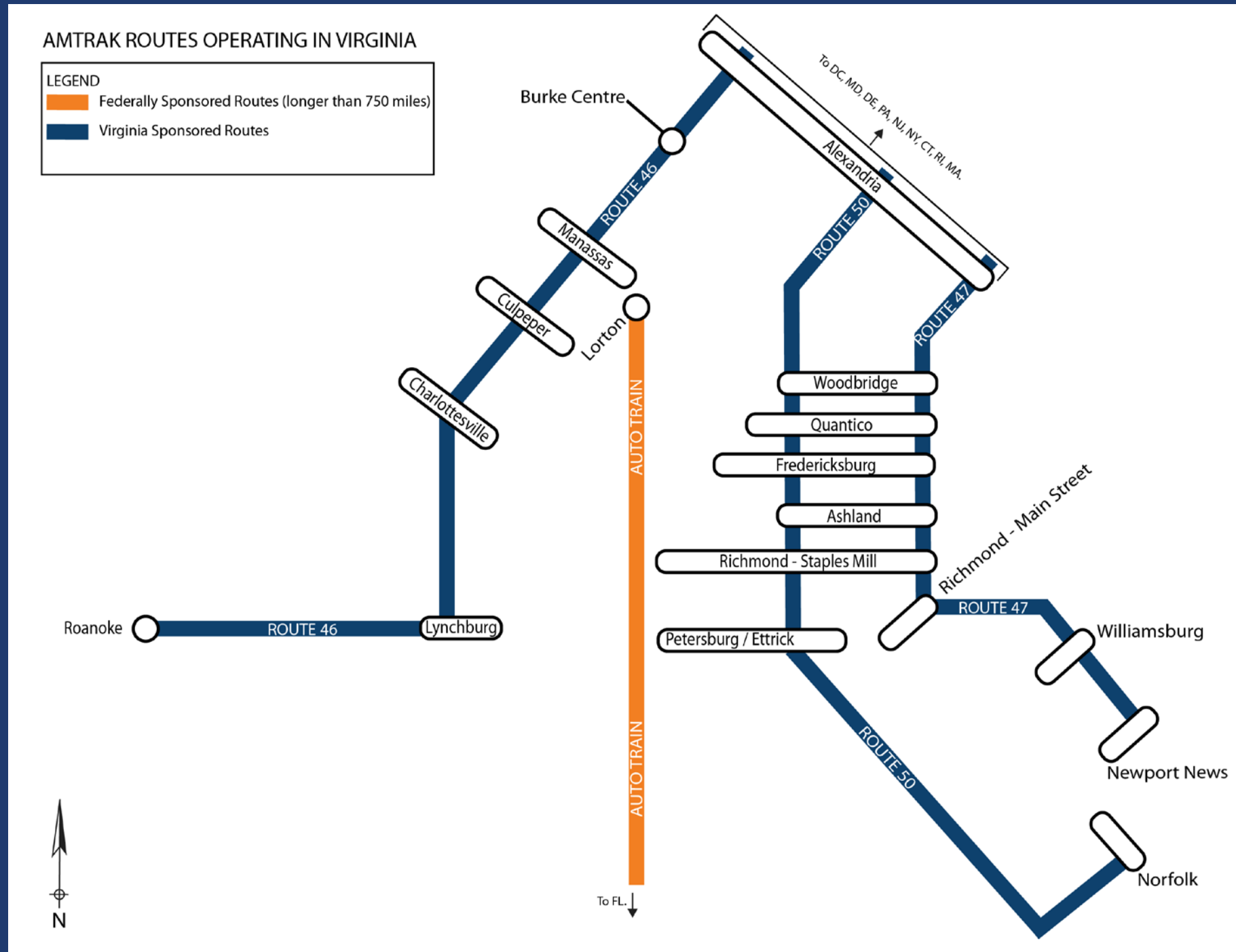
Amtrak begins weekly update calls for states and stakeholders



May 2020

Amtrak ceased all Long Distance service except the Auto Train, combined with track work coinciding south of DC

Virginia acts on Amtrak's recommendations to reduce service (coordinated with NEC reductions) as ridership continued to plummet



June 2020

Long Distance restored with restrictions and safety protocols

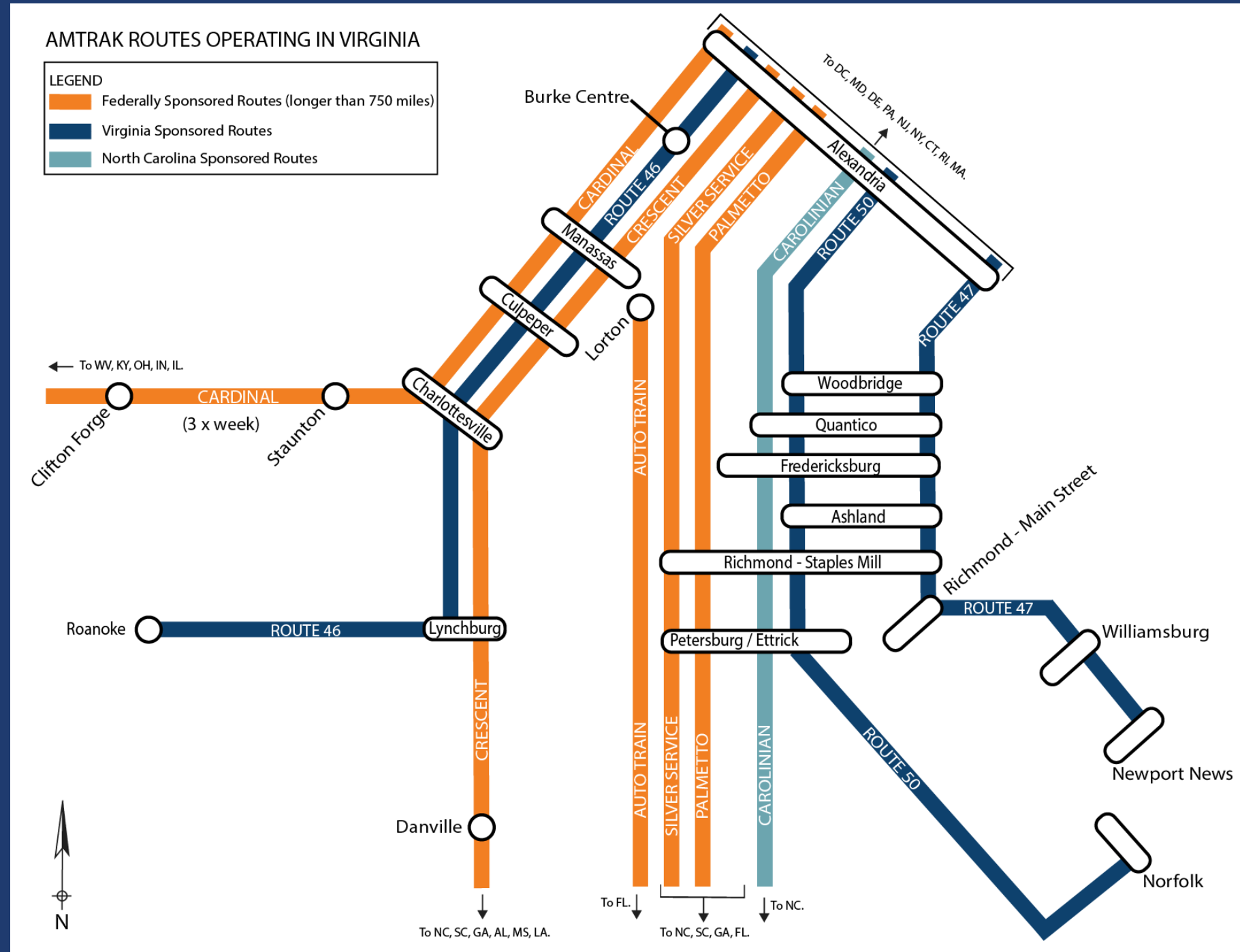
Carolinian service restored

Virginia remained at "50%" service levels

- June 2020 ridership 12,555
- Down 84% compared to June 2019

Prices lowered:

- 25% on SAVER fares
- 20% on VALUE fares



Sept. 2020

Amtrak's recommends restoration of Virginia service to 80% levels with capacity restrictions and safety protocols already in place

- Sept 2020 ridership 22,199
- Down 71% compared to Sept. 2019

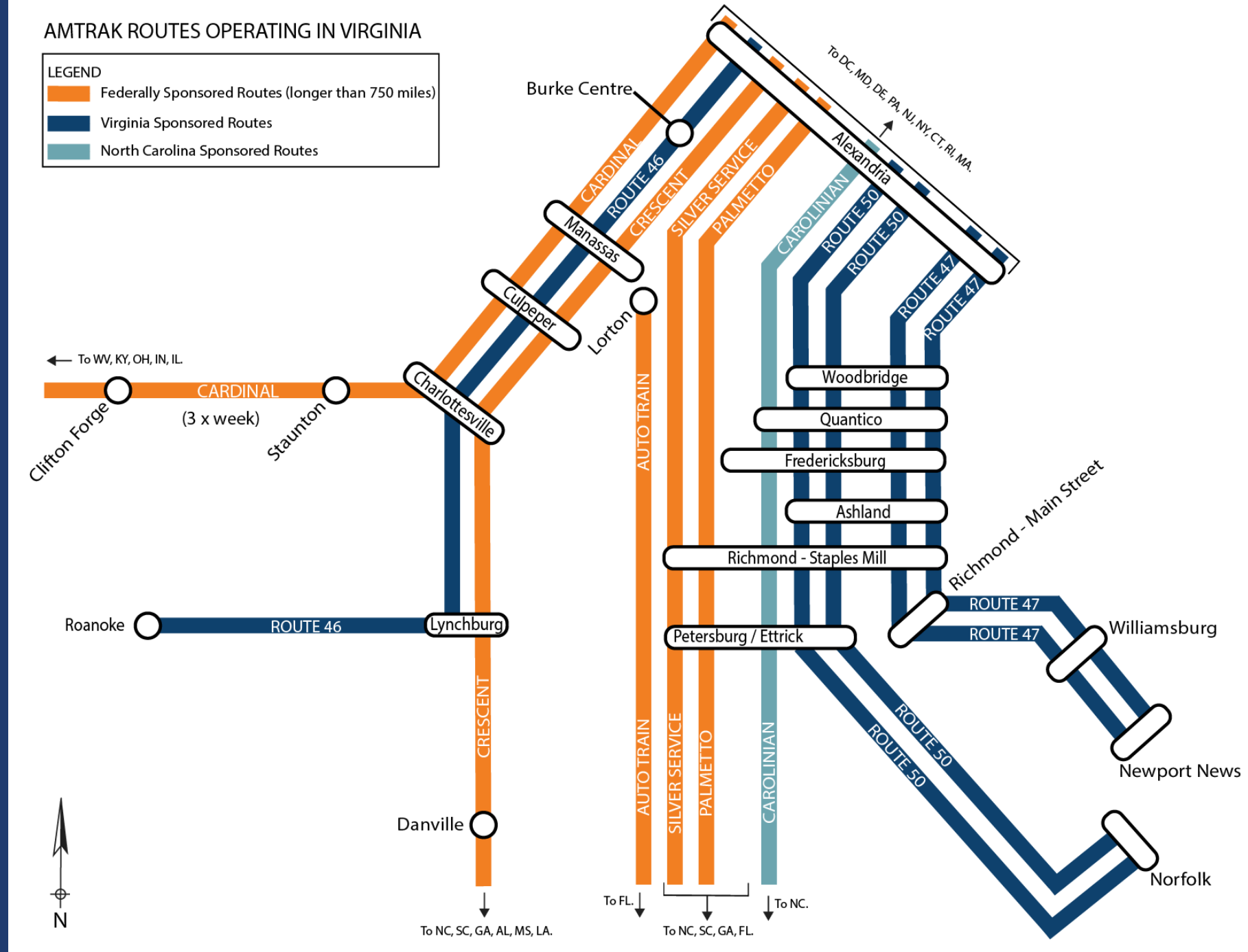
Amtrak faced with furloughs and employee lay-offs/buy-outs

CARES Act funds anticipated to run out by end of year

- States requested \$350M of federal support

Fare adjustments:

- Multi-ride ticket prices lowered 50%
- Cancellation fees reinstated
- Change fees still waived



Oct. 2020

FY21 Begins with "stable" service and plateaued ridership at 25% of FY19 levels

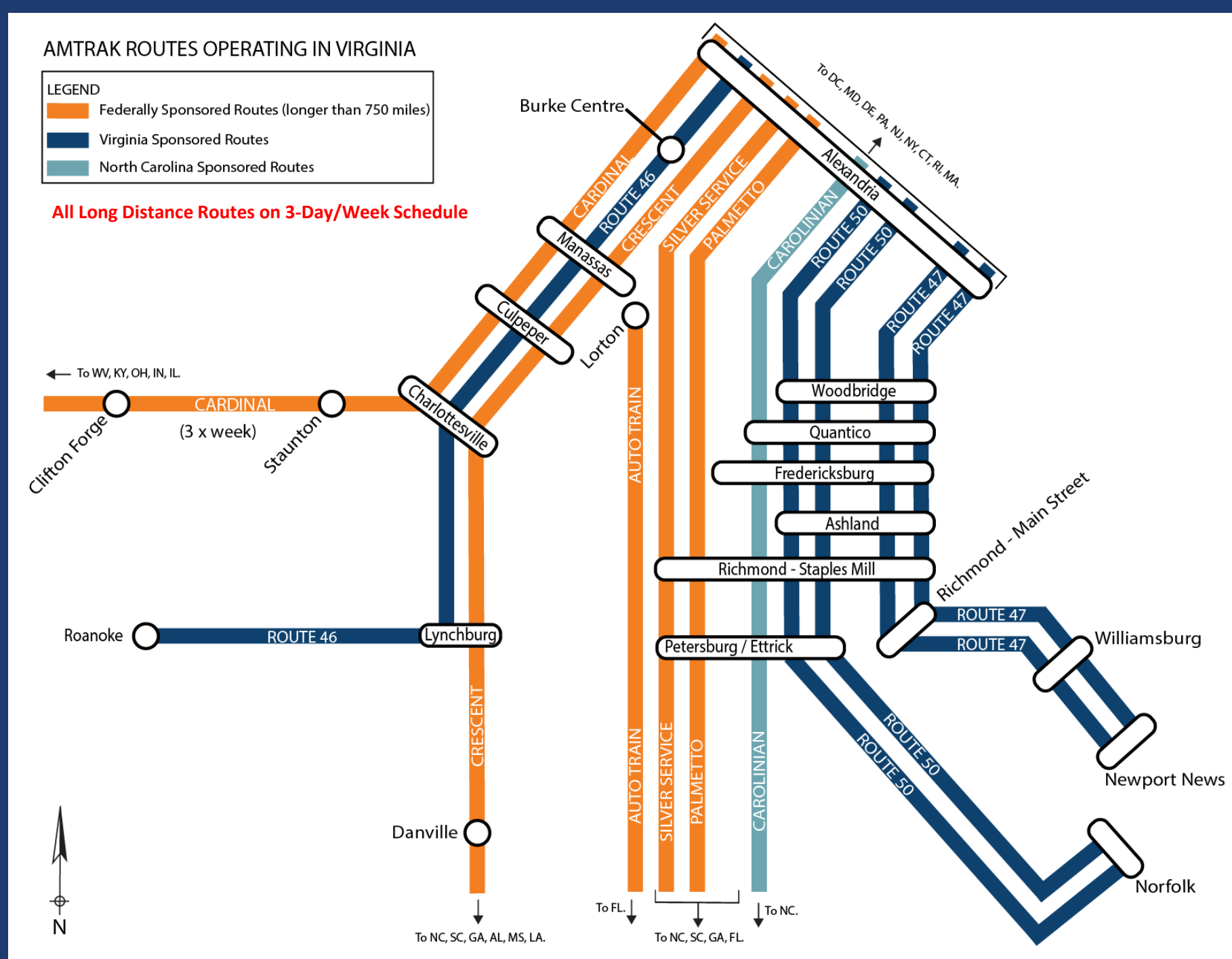
Ridership in FY20: 510,000

Revenue in FY20: \$22.2M

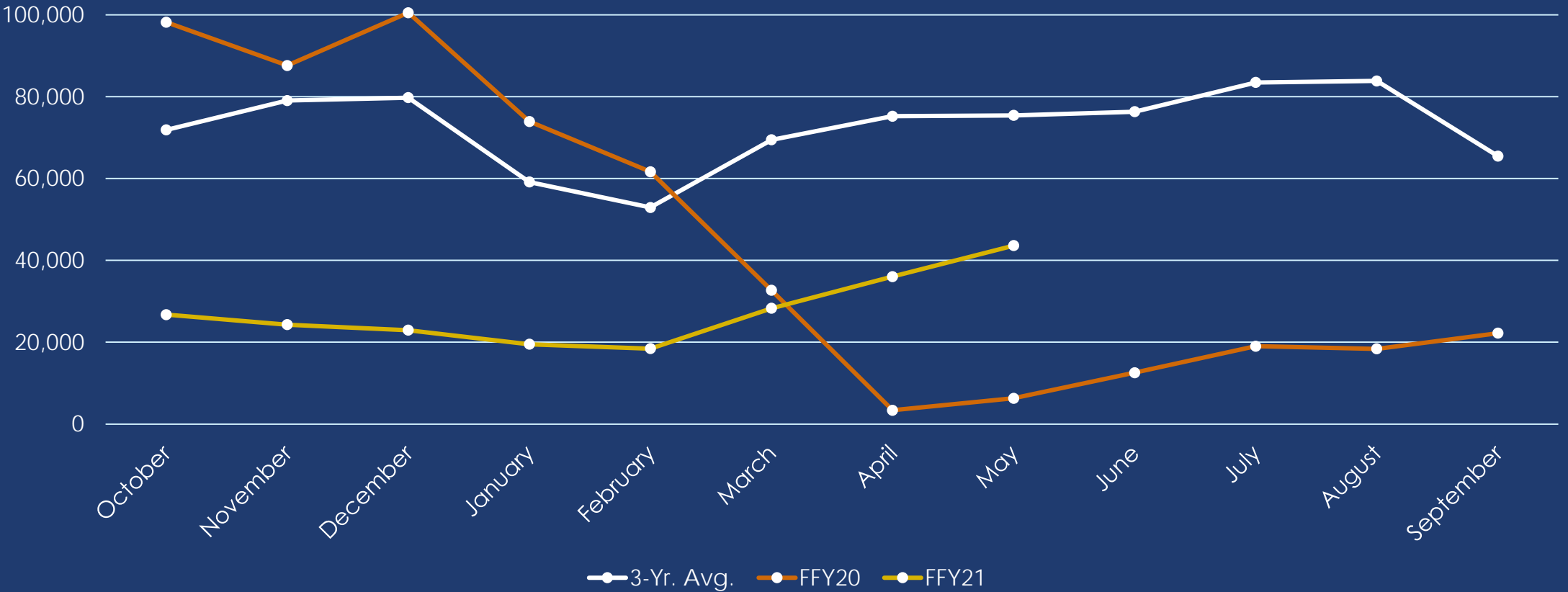
FY20 Operating Agreement extension clause in effect for FY21

Marketing under "Travel Restricted" Phase

- Prices remain low with changes fees waived.
- CARES Act funds remained to help with operations ahead of more federal relief.



Ridership 3-Yr Average vs. FY20



Revenue and Federal Aid

| Federal Relief Program | Funding Support for States | Virginia's Share |
|------------------------|----------------------------|------------------|
| CARES Act – March 2020 | \$239M | \$22.5M |
| CRSSA – December 2020 | \$175M | \$12.6M |
| ARPA – March 2021 | \$175M | \$12.6M |

- Federal aid amounts coordinated with Amtrak and States
- Original federal support intended to keep reduced services running
- Later funding restores services and rehires Amtrak employees

Timeline for Recovery

TRAVEL RESTRICTED

- Traveler safety / reassurance # 1 priority
- Demonstrate support for community / help manage the situation
- Help people dream about better days - and shore up future demand
- Empathy and emotion are key

Support community. Remain engaged with travelers - most of whom cannot travel now

TRAVEL ALLOWED

- Prioritize traveler safety while inspiring 'now' travel (business or leisure)
- Empathy and emotion are key
- Visibly convey space and ability to 'social distance'
- Show how Amtrak is helping community
- Promote flexible travel
- Need to be prepared to activate / turn off by DMA/SL

Build preference for train travel among the still cautious, yet stir-crazy travelers (business and leisure)

TRAVEL ENCOURAGED

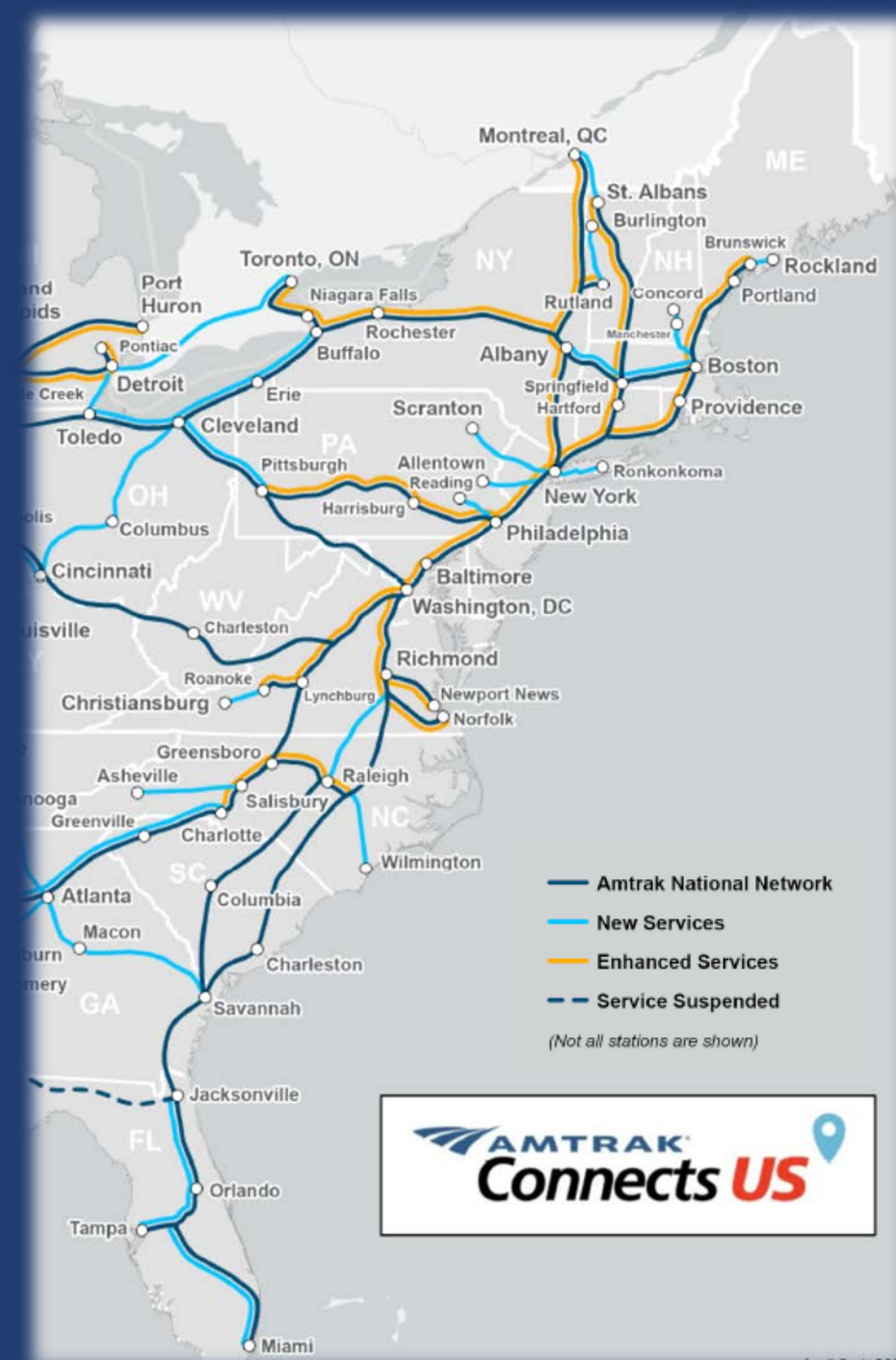
- Full-scale plan across all SL/ DMAs (business and leisure)
- Continue to re-engage and re-inspire, while ramping up conversion efforts
- Show how Amtrak connects communities
- Empathy and emotion are still critical

Grow preference for train travel to capture bigger share of growing travel demand (biz and leisure)

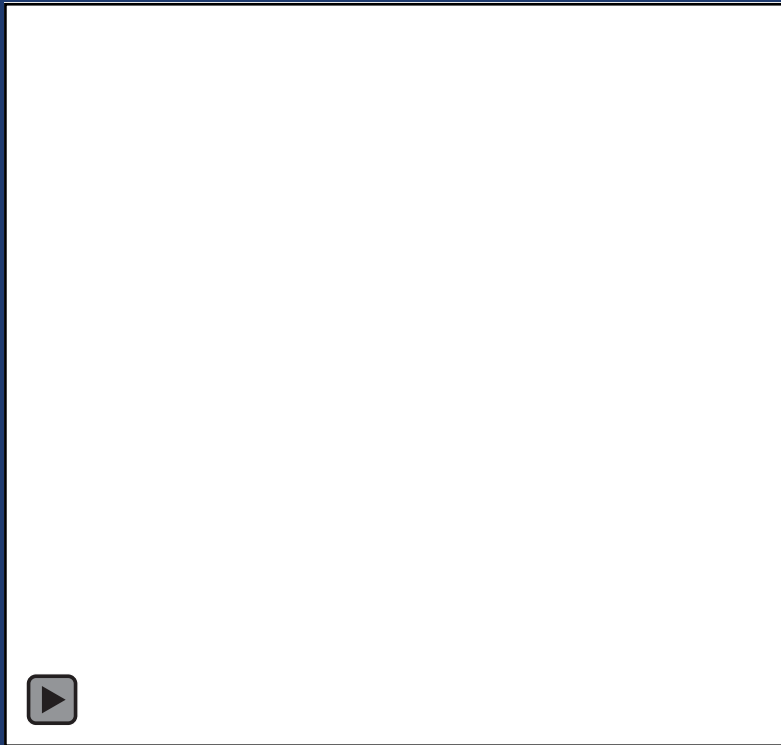



Marketing & Ticket Fares

- Generally Amtrak controls pricing
- DRPT may initiate marketing proposals affecting ticket fares
 - Excludes Amtrak's general tariff policies
 - Must be consistent with pricing on NEC
 - Proposals are at Dept. expense
- NEC, Long Distance Service, and Carolinian affect Virginia's services
 - Competing - most customers don't know which is a Virginia train
 - Complementary – LD and Carolinian offer more frequencies/convenience to Virginians
 - Complementary – NEC is urban/transit friendly

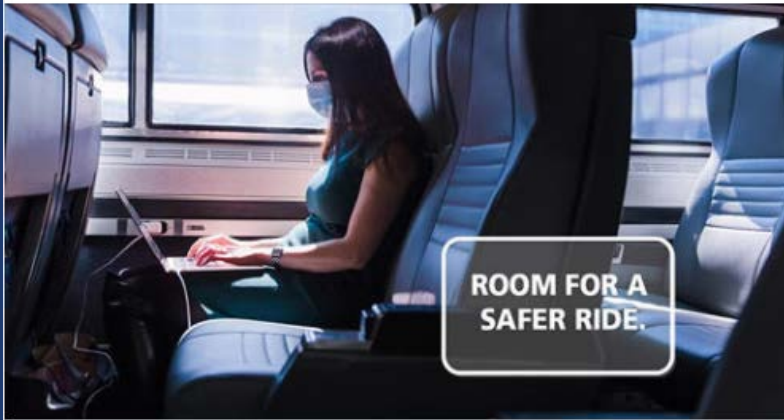


Travel Restricted Messaging



 **Amtrak Virginia**
Published by Amy Moore Dunkley · July 28 ·


Skip the packed airplanes and congested highways. These days, you'll feel more comfortable on Amtrak Virginia - because we're limiting capacities on all our trains to practice safe physical distancing.




ROOM FOR A SAFER RIDE.

AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA?
We're ready when you are.

[Book Now](#)

 **Amtrak Virginia**
Published by Amy Moore Dunkley · 10m ·

At Amtrak, we're committed to keeping you safe, with enhanced cleaning measures, physical distancing on board and in stations, and contact-free travel. So you can feel even more comfortable taking the train.




WE'LL DO THE DRIVING. AND THE CLEANING.

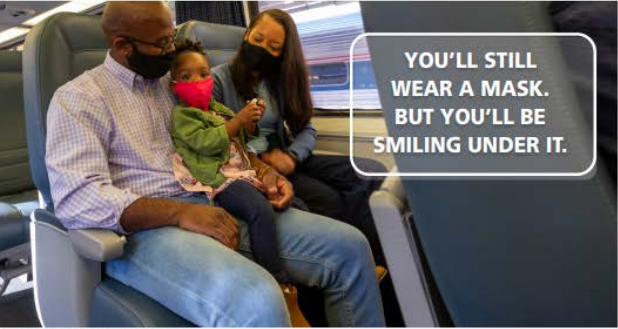
AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA?
We're ready when you are.

[Book Now](#)

Travel Allowed Messaging

 **Amtrak Virginia**
Sponsored · 🌐

With big, cozy seating, free WiFi and enhanced cleaning, Amtrak Virginia is all about making you comfortable.




YOU'LL STILL WEAR A MASK. BUT YOU'LL BE SMILING UNDER IT.


AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA?
We're ready when you are.

[Book Now](#)

👍 Like 💬 Comment ➦ Share

 **Amtrak Virginia**
Sponsored · 🌐

When you're ready, take the first simple step onto a train. It's your low-stress entry back into the world of exploration.




EASE BACK INTO TRAVEL.


AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA?
Your state awaits.

[Book Now](#)


👍 Like 💬 Comment ➦ Share

 **Amtrak Virginia**
Sponsored · ⚙️

You can't drive and hold a phone in Virginia. But you can talk, text and scroll away on Amtrak.



TRAVEL WITH NO PHONES BARRED.

**STAY CONNECTED. STAY SAFE.**
Talk, text and let us do the driving.

AMTRAK.COM/VIRGINIA
We'll Drive. You Text.
Stay connected on the train.

[Learn More](#)

👍 225 75 Comments 24 Shares

👍 Like 💬 Comment ➦ Share



YOU'RE READY TO SEE THE WORLD.





LET'S START WITH VIRGINIA.




**AMTRAK**
WHERE TO, VIRGINIA?
[LEARN MORE](#)

Travel Encouraged Messaging- A look ahead




 Amtrak Virginia
Sponsored · 



Make plans now to trade seclusion for adventure. Amtrak Virginia is here to help, with safety measures that will get you there comfortably.




IT'S A NEW DAY.
ALL ABOARD.

AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA? [Book Now](#)
Let's binge-watch the real world.

 Like  Comment  Share




 Amtrak Virginia
Sponsored · 

With free WiFi, you can stay connected the whole time you travel on Amtrak Virginia.



YES,
YOU CAN SURF
TO WASHINGTON.

AMTRAK.COM/VIRGINIA
WHERE TO, VIRGINIA? [Book Now](#)
Stay connected. Let us drive.

 Like  Comment  Share



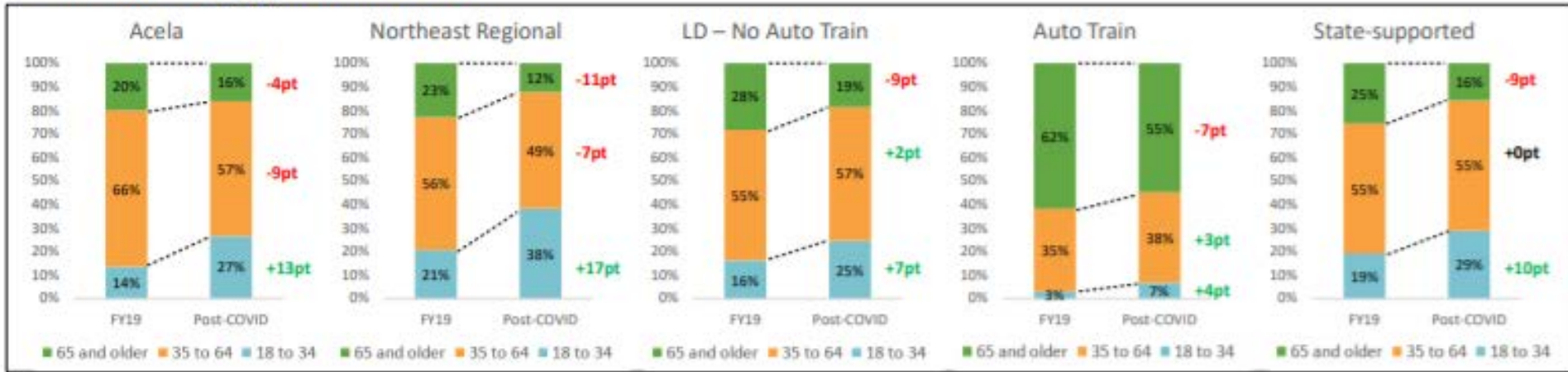
FACT: YOU CAN'T UNWIND ON I-95.

 **AMTRAK** WHERE TO, VIRGINIA?

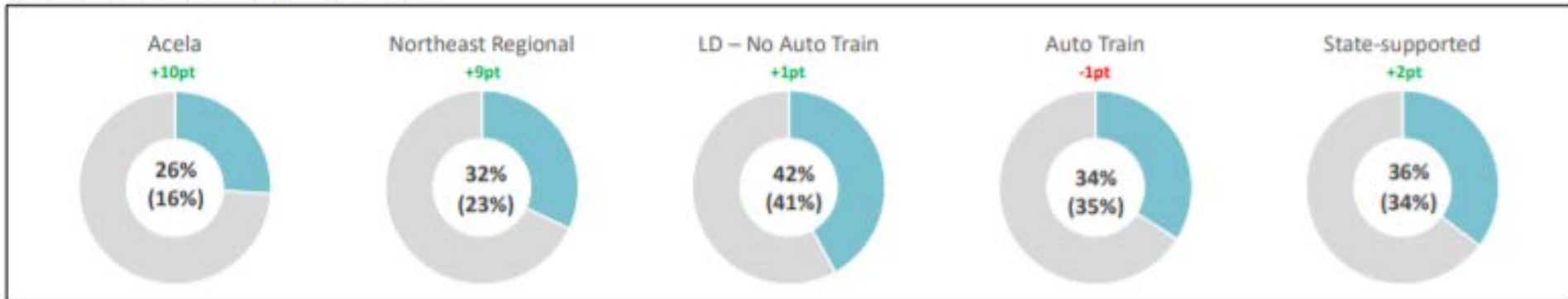
Ridership Demographic Shift since COVID

Significant changes in customer base: Younger/Leisure (all products) and new (NEC particularly)

% of Customers by Age, FY19 vs Post-COVID



% of New Customers, post-COVID (vs FY19)



Post-COVID numbers are from the [real-time CSI dashboard](#) (SSO enabled). The new CSI survey was implemented in late April 2020.



Current Travel Data and Trends

- The rapid pace of improvement in traveler sentiment seen earlier this year has slowed
- Safety and financial considerations are still affecting travel's recovery
- **Nearly 81% of those surveyed are ready or already traveling**
- **47.8% firmly confident being able to travel safely in current environment**
- 36% of those not currently traveling say they'll be ready to travel sometime later this year
- 50% still say they're avoiding conferences/conventions until COVID is resolved
- Americans are having more unsatisfactory travel experiences
 - People behaving badly/unsafe behavior
 - Crowds
 - Restaurants not fully open
 - Travel prices too high
 - **43.4% agree that on their most recent trip, it seemed like businesses in the travel industry were having trouble providing adequate service**

Marketing Summary

- Background
 - Pre-pandemic, boasted record numbers in ridership and revenue
 - During pandemic, travel came to a halt, as did our campaigns
 - Northeastern route was strongest performing and most consistent out of Amtrak National routes during pandemic
 - Consistently offered Va Anytime Fare (15% off) and Student discount (25% off)
- Resources for Marketing Strategy
 - Amtrak National and CDC
 - Our Riders – campaign activity, organic search activity, data trends
 - Pointing to pent up demand to travel & veering away from safety messaging
 - Mindset & Audience shifts
 - More leisure travelers than business
 - New, younger audience – Amtrak National calling the “Explorer” group
 - Uptick in first time train travelers

Marketing Objectives

Acquire New Riders

Collectively, we have identified younger, “explorer” audiences as a key source of growth for Amtrak



Maintain Ridership

While we look to new sources of growth, we will ensure that we maximize our fair share of existing riders

(this group skews older)



In order to reach **new riders**, we will need to **explore new, innovative media** approaches to grasp their attention and promote Amtrak into their consideration set

Post-Pandemic: Transforming Rail in Virginia



Transforming Rail in Virginia Phases

Acquisition

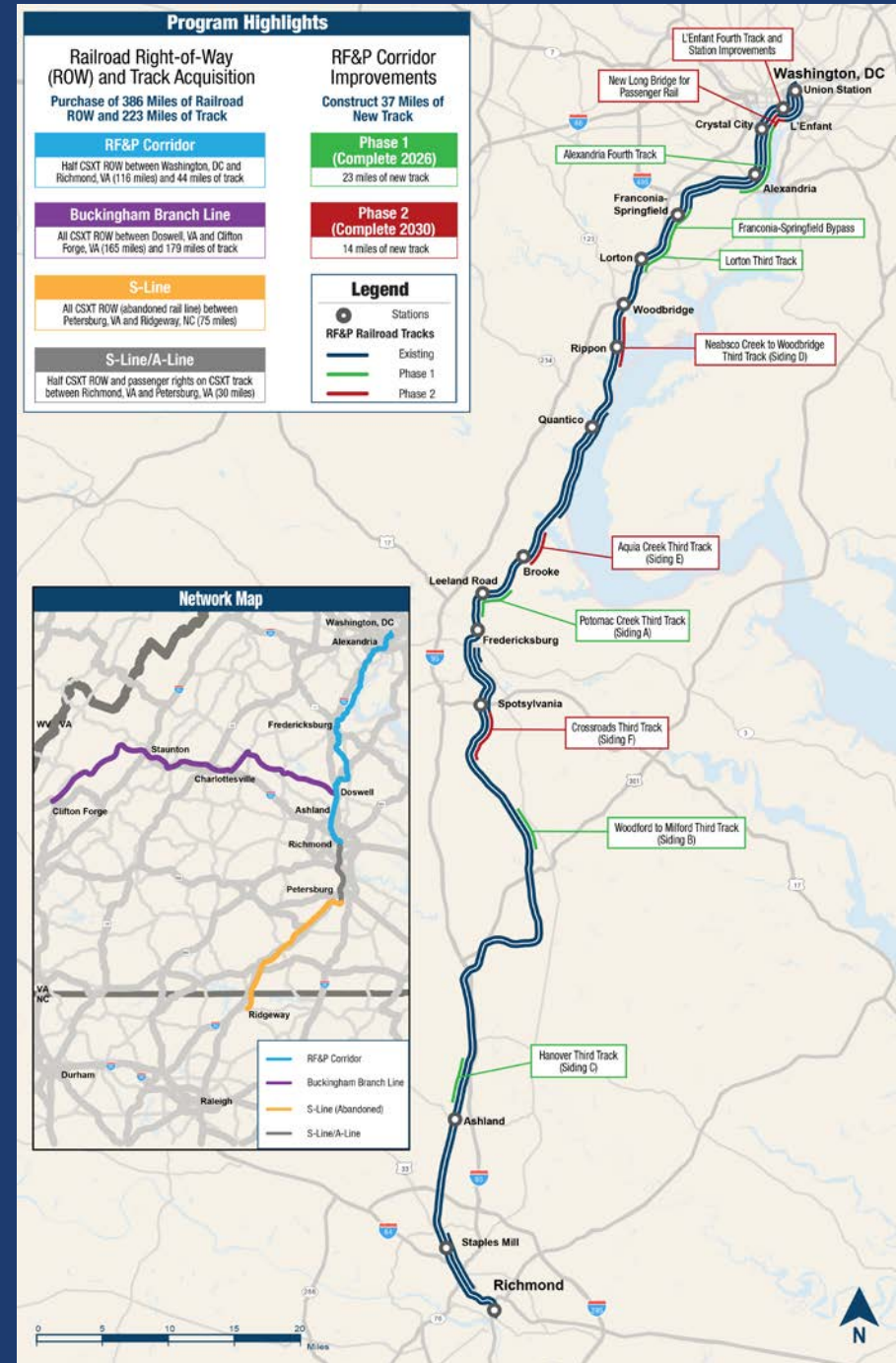
- Upon business close of Transforming Rail in Virginia Agreements with Amtrak, VRE, and CSX

Phase I

- Planned for 2026
- Requires 23 miles of new track

Phase II

- Planned for 2030
- Requires 14 miles of new track and Long Bridge completion



Service Planning Parameters

Routes must connect to NEC

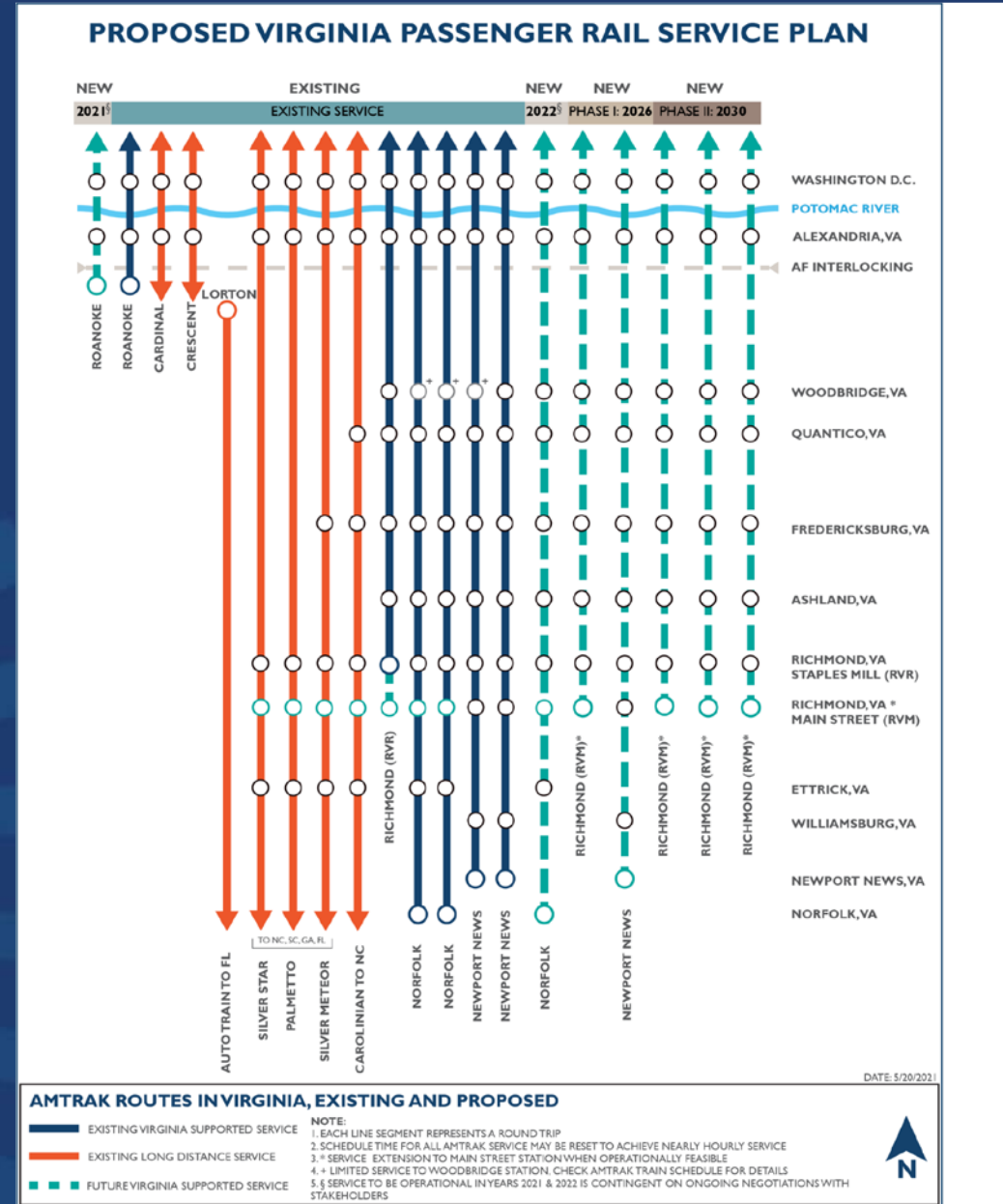
The Virginia-Amtrak Partnership Funding Agreement requires that Virginia services connect to the Northeast Corridor.

Phases I & II Schedule Adjustments

Amtrak has not published post-COVID recovery schedules out to 2026 or 2030.

Other Factors

- Equipment turns or overnights
- Equipment Availability
- Existing Amtrak, VRE, and NEC Schedules



Acquisition Service Implementation

Three Steps

VRE Service

- Revised schedules to improve OTP
- Requires State-supported Amtrak schedule adjustments
- VRE targeting post-Labor Day

Route 51 ext. to RVM

- Re-activate Route 51 service (COVID recovery)
- Extend to RVM
- Builds of pre-pandemic Route 51 schedule
- Targeting Sep – Nov 2021

Activate RNK 2 & NFK 3

- Train storage in RNK is limited
- NEC connections may require shifting NPN trains
- Options have trade-offs for Executive Team to consider

Acquisition Service - VRE

- Implementation of new FBG and MSS line round trips on hold during recovery
- Schedule adjustments will set up network for addition of Richmond, Norfolk, and Roanoke services
 - NPN Train 125
 - Reduce DC dwell time from 45 mins to 25 mins for earlier DC departure and arrival in NPN
 - RVR Train 85
 - Holds in DC 10 mins longer
 - All other adjustments are minor

Acquisition Service Amtrak Schedules

NORTH EAST CORRIDOR (BALTIMORE, PHILLY, NY, BOSTON)

UNION STATION, WASHINGTON, D.C.

| | Dep | New Dep | Arr | New Arr |
|--------|---------|----------|----------|---------|
| NFK 3 | - | EARLY AM | - | PM |
| RNK 2 | - | EARLY AM | - | LATE PM |
| NPN 1 | 7:20 AM | AM | 9:41 AM | AM |
| NFK 1 | 2:30 PM | MID-DAY | 10:45 AM | AM |
| NPN 2 | 3:55 PM | MID-DAY | 8:55 PM | LATE PM |
| RNK 1 | 4:50 PM | PM | 11:20 AM | MID-DAY |
| NFK 2 | 5:50 PM | PM | 1:27 PM | MID-DAY |
| *RVM 1 | 7:05 AM | LATE PM | 8:15 AM | AM |

STAPLES MILL
STATION (RVR),
RICHMOND, VA

*RVM 1
RVR 1

| | Dep | New Dep | Arr | New Arr |
|--------|---------|----------|---------|---------|
| *RVM 1 | - | EARLY AM | - | LATE PM |
| RVR 1 | 6:00 AM | EARLY AM | 9:21 AM | AM |

MAIN STREET STATION (RVM), RICHMOND, VA

| | Dep | New Dep | Arr | New Arr |
|-------|---------|----------|----------|---------|
| NPN 1 | 5:20 AM | EARLY AM | 11:33 AM | MID-DAY |
| NPN 2 | 4:50 PM | PM | 8:20 PM | LATE PM |

NEWPORT NEWS (NPN), VA

NORFOLK (NFK), VA

| | Dep | New Dep | Arr | New Arr |
|-------|---------|----------|----------|---------|
| NFK 1 | 6:15 AM | EARLY AM | 7:04 PM | LATE PM |
| NFK 2 | 9:00 AM | AM | 10:31 PM | LATE PM |
| NFK 3 | - | MID-DAY | - | MID-DAY |

NEW RIVER VALLEY
(FUTURE)

ROANOKE (RNK), VA

| | Dep | New Dep | Arr | New Arr |
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| RNK 1 | 6:20 AM | EARLY AM | 9:55 PM | LATE PM |
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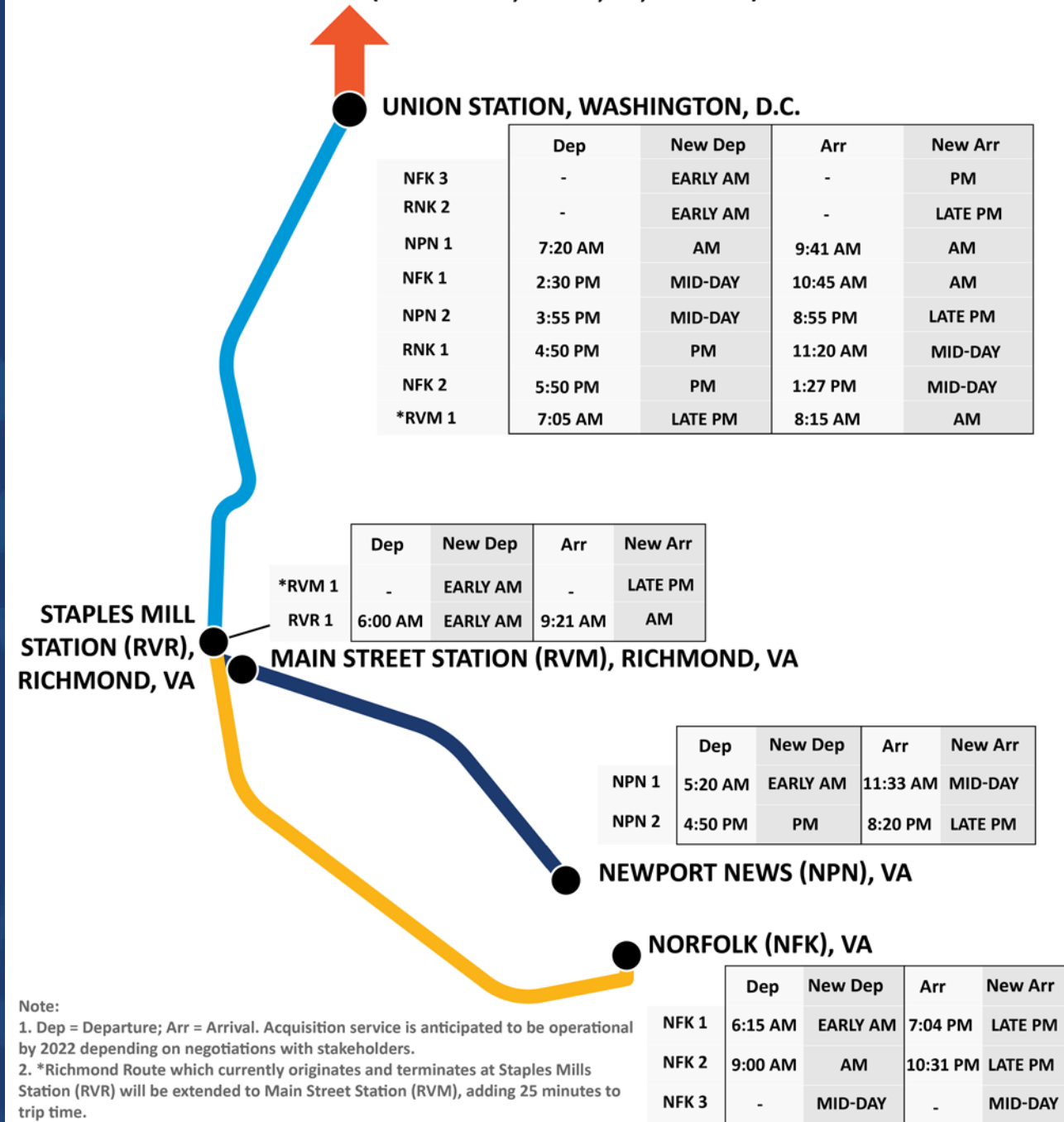
Note:

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2. *Richmond Route which currently originates and terminates at Staples Mills Station (RVR) will be extended to Main Street Station (RVM), adding 25 minutes to trip time.

Acquisition Service – Ext. to RVM & NFK 3

- Restores pre-pandemic service
- Extension of RVR service to RVM
- Shift NPN late morning SB arrival to early afternoon (still Mid-Day)
- Both NPN and NFK will have counter-flow trains
- V6.1 Service Plan
 - Balances Equipment
 - Connects to the NEC
 - Slots with VRE and Western Service
 - Complimentary Service Times

NORTH EAST CORRIDOR (BALTIMORE, PHILLY, NY, BOSTON)



**STAPLES MILL
STATION (RVR),
RICHMOND, VA**

*RVM 1
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Western Rail Initiative

NORTH EAST CORRIDOR (BALTIMORE, PHILLY, NY, BOSTON)



UNION STATION, WASHINGTON, D.C.

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Acquisition Service – Full Implementation

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UNION STATION, WASHINGTON, D.C.

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NEW RIVER VALLEY (FUTURE)

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