



# FY2020

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## FARE PLAN & ANALYSIS

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## Executive Summary

### Purpose

The purpose of this fare plan is to establish the pricing for Downeaster passenger rail transportation services. This document supports the fiduciary responsibility that the Board of Directors has to maximize the public investment and minimize public subsidy in passenger rail service. This plan is developed by staff and forwarded to the Board of Directors for approval.

### Plan Objectives

NNEPRA's fare policy provides both fixed measurements and general guidance. There are numerous and divergent variables that influence fare policy; they can be summarized as:

- a) Fiscal: Collect the maximum revenue that the market will bear***
- b) Mobility: Carry the greatest number of people as possible***
- c) Social: Provide an equitable and socially responsible public transportation service***

This fare plan seeks to balance these three objectives with a pricing program that reflects regulatory constraints, market expectations and fairness to customers, while also supporting the operations of the Downeaster service.

The increasing costs associated with Amtrak operations are outpacing revenue growth in spite of record ridership. One area of opportunity to aid cost recovery are commuter fares, where Downeaster prices are competitive with rider alternatives. These market conditions are the major catalyst for proposed increases in fares. Adjusting fares allows NNEPRA to stay within budget and reduce the impact on taxpayer contributions.

### Summary

NNEPRA has considered various ways to increase revenue by increasing fare options for passengers, within the parameters of the Amtrak system. This fare plan presents the proposed modifications to the fare structure for one-way fares, monthly commuter passes and 10-Ride passes. The expected result of these fare changes will net approximately \$55,000 in incremental revenue compared to the existing fare structure.

## About Downeaster Fares and Fare Structures

The Amtrak Downeaster is part of the Amtrak national network and uses reservations and ticketing services provided by Amtrak. NNEPRA receives revenue receipts for the operation of the Downeaster service and decides business strategy for pricing and ticketing. This includes the responsibility to set the fares, discounts and ticketing classifications.

There are three major fare categories for the Downeaster:

- One Way Fares,
- Multi-Ride Fares, and
- Group Fares.

### One Way Fares

Approximate 77% of Downeaster riders travel using one-way fares, representing about 83% of total revenue.

One-Way fares on the Downeaster are classified into different fare categories: **Saver**, **Value**, **Flexible** and **Premium** Service. Common refund rules, restrictions and terms apply to fares within each category. When a customer reviews the Fare Finder on Amtrak.com, they will be provided with all the available fare options for each train and are then able to select the fare which best suits their travel needs.

#### Value Fares

Value Fares are considered the Downeaster's base fares, and are available on all Downeaster trains.

- Value Fare tickets are fully refundable if a reservation is canceled more than 8 days prior to the scheduled departure of the train.
- If a Value Fare ticket reservation is cancelled within 7 days of a scheduled departure, the customer may request a refund for the value of the ticket less a 25% cancellation fee. A customer may request the value of the ticket be provided in the form of an eVoucher. An eVoucher can be used for future travel on any Amtrak train.
- If a Value Fare reservation is not canceled before the scheduled departure from the origin ("no show"), the entire amount is forfeited by the passenger and cannot be applied toward future travel.

#### Flexible Fares

Flexible Fares are priced higher than Value Fares, offer more flexible cancellation options, and are available on all Downeaster trains.

- Flexible Fares are 100% refundable without any cancellation fee.
- Flexible Fare tickets can be canceled at any time prior to departure for a full refund of the ticket value or with the ticket value stored as a credit in an eVoucher that can be used for future Amtrak travel.
- If a Flexible Fare reservation is not canceled before the scheduled departure from the origin ("no show"), the entire amount is forfeited by the passenger and cannot be applied toward future travel.

### **Saver Fares**

Saver Fares are the lowest available fares. They are not available on peak Downeaster trains and are not available for travel between all city pairs.

- Downeaster saver fares are only available for purchase online and must currently be purchased at least 24 hours in advance of travel.
- Discounts/promotions do not apply to Saver Fares.
- Saver Fares are non-refundable, meaning there is no cash refund.
- If a Saver Fare ticket reservation is cancelled prior to travel, the ticket value less a 25% cancellation fee is stored as credit in an eVoucher to be used for future Amtrak travel.
- If a Saver Fare reservation is not canceled before the scheduled departure from the origin ("no show"), the entire amount is forfeited by the passenger and cannot be applied toward future travel.

### **Premium Service/Business Class**

Premium Service Fares on the Downeaster apply to the Business Class, and have the highest price point. There are a limited number of Business Class seats on Downeaster trains and they are located adjacent to the Downeaster Café.

- Downeaster Business Class seats are larger, leather and fully reclining.
- Business Class passengers enjoy at-seat service of a complimentary non-alcoholic beverage, and a complimentary newspaper.
- Business class tickets are fully refundable if cancelled prior to scheduled departure.
- If a business class ticket reservation is not cancelled before the scheduled departure time ("no show"), the entire amount is forfeited by the passenger and cannot be applied toward future travel.

### **Multi-Ride Passes**

Approximately 23% of Downeaster riders travel using a multi-ride pass, representing about 17% of total ticket revenue. Multi-Ride Passes provide a discount for frequent passengers, and also provide maximum flexibility by allowing the rider to travel without advance reservations. Three types of multi-ride passes are available on the Downeaster:

#### **Monthly Ride Passes**

Monthly Ride Passes provide unlimited rides between designated stations for a calendar month for one fixed price.

#### **Ten-Ride Passes**

Ten-Ride Passes are valid for 10 one-way trips between a given city pair within 45 days of purchase.

#### **6 Tix Passes**

6 Tix Passes are valid for 6 one-way trips between any city pair within a calendar year. Riders must present a valid college student ID. This is a Downeaster-specific pass.

### **Group Fares**

Approximately 3% of Downeaster riders travel with a group, representing about 2% of total ticket revenue. Group fares are generally available for groups of 20 or more. Discounts vary depending on the time and date of travel and are handled on an individual basis based on availability. The Downeaster Discovery Program is targeted specifically at youth and school groups, and is extremely popular.

## Other Fares and Discounts

The Downeaster participates in a number of Amtrak and/or federally required fare promotions, and also offers a variety of sales and promotions throughout the year based on Value Fares. Standard discounts include:

### Senior & Disabled Discount:

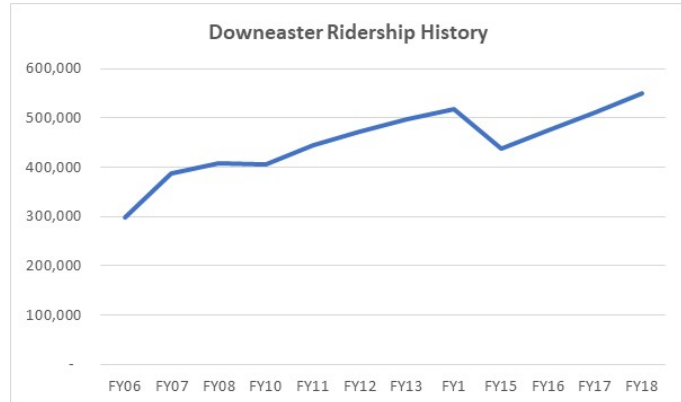
Amtrak provides a 10% discount for seniors age 65 and older. The Downeaster has expanded this discount to 50% off one-way fares on most trains, and extends it to disabled passengers as well.

### Child Discount:

Children under 2 ride free. Children ages 2-12 receive a 50% discount off applicable full fare when accompanied by an adult. The Downeaster offers an off peak promotion which allows Children ages 2-12 to ride for free on Sundays from September to June.

## Trends in Ridership and Revenue

Downeaster ridership and revenue increased 85% since FY2006, with over 551,000 riders and more than \$10.2M in revenue reported in FY2018. Improvements to customer experience, additional station destinations and an optimized schedule has helped to grow ridership, as well as growing congestion and a shift from personal automobile travel to public transportation.



## FY2020 Fare Plan Recommendations:

The 2020 Fare Plan recommends the following changes to the various fare types offered on the Downeaster.

### One Way Value Fares:

The fare plan proposes no increases in one-way fares for all trains.

### Multi-Ride Fares

#### Monthly Pass Fare Structure

The Plan recommends a \$20.00 increase in the Monthly Pass Fares to/from Boston and increases in the ten-ride pass in select city pairs. This increase is based on growing demand for peak commuter-hour arrivals and departures into Boston and limited seat capacity on peak commuter trains 680 and 685.

CURRENT MONTHLY PASS FARE												PROPOSED MONTHLY PASS FARE											
	BRK	FRE	POR	ORB	SAO	WEM	DOV	DHM	EXR	HHL		BRK	FRE	POR	ORB	SAO	WEM	DOV	DHM	EXR	HHL		
FRE	\$ 90											FRE	\$ 90										
POR	\$ 90	\$ 90										POR	\$ 90	\$ 90									
ORB	\$ 99	\$ 99	\$ 79									ORB	\$ 99	\$ 99	\$ 79								
SAO	\$ 139	\$ 139	\$ 119	\$ 79								SAO	\$ 139	\$ 139	\$ 119	\$ 79							
WEM	\$ 179	\$ 179	\$ 159	\$ 119	\$ 79							WEM	\$ 179	\$ 179	\$ 159	\$ 119	\$ 79						
DOV	\$ 239	\$ 239	\$ 205	\$ 166	\$ 119	\$ 79						DOV	\$ 239	\$ 239	\$ 205	\$ 166	\$ 119	\$ 79					
DHM	\$ 269	\$ 269	\$ 237	\$ 197	\$ 152	\$ 116	\$ 100					DHM	\$ 269	\$ 269	\$ 237	\$ 197	\$ 152	\$ 116	\$ 100				
EXR	\$ 299	\$ 299	\$ 277	\$ 242	\$ 197	\$ 159	\$ 150	\$ 105				EXR	\$ 299	\$ 299	\$ 277	\$ 242	\$ 197	\$ 159	\$ 150	\$ 105			
HAV	\$ 299	\$ 299	\$ 299	\$ 277	\$ 237	\$ 234	\$ 220	\$ 160	\$ 135			HAV	\$ 299	\$ 299	\$ 299	\$ 277	\$ 237	\$ 234	\$ 220	\$ 160	\$ 135		
WOB	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 299	\$ 299	\$ 299	\$ 249	\$ 135		WOB	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 319	\$ 319	\$ 319	\$ 269	\$ 155	
BON	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319	\$ 319		BON	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	\$ 339	

#### 10-Ride Fare Structure

The Plan recommends increases of \$8.00 to \$16.00 in Ten-Ride pass fares for travel between some city pairs.

CURRENT 10-RIDE PASS FARE												PROPOSED 10-RIDE PASS FARE Increase all NH& MA stations INCREASE											
	BRK	FRE	POR	ORB	SAO	WEM	DOV	DHM	EXR	HHL		BRK	FRE	POR	ORB	SAO	WEM	DOV	DHM	EXR	HHL		
FRE	\$ 27											FRE	\$ 27	\$ -									
POR	\$ 27	\$ 27										POR	\$ 27	\$ 27									
ORB	\$ 89	\$ 59	\$ 42									ORB	\$ 89	\$ 59	\$ 42								
SAO	\$ 113	\$ 90	\$ 64	\$ 42								SAO	\$ 113	\$ 90	\$ 64	\$ 42							
WEM	\$ 135	\$ 113	\$ 74	\$ 64	\$ 42							WEM	\$ 135	\$ 113	\$ 74	\$ 64	\$ 42						
DOV	\$ 173	\$ 150	\$ 113	\$ 92	\$ 81	\$ 50						DOV	\$ 173	\$ 150	\$ 113	\$ 92	\$ 81	\$ 50					
DHM	\$ 180	\$ 158	\$ 134	\$ 108	\$ 92	\$ 72	\$ 55					DHM	\$ 180	\$ 158	\$ 134	\$ 108	\$ 92	\$ 72	\$ 60				
EXR	\$ 203	\$ 180	\$ 155	\$ 134	\$ 113	\$ 86	\$ 88	\$ 57				EXR	\$ 203	\$ 180	\$ 155	\$ 134	\$ 113	\$ 86	\$ 86	\$ 65			
HAV	\$ 225	\$ 195	\$ 177	\$ 155	\$ 134	\$ 113	\$ 97	\$ 88	\$ 60			HAV	\$ 225	\$ 195	\$ 177	\$ 155	\$ 134	\$ 113	\$ 102	\$ 96	\$ 70		
WOB	\$ 225	\$ 210	\$ 187	\$ 187	\$ 177	\$ 155	\$ 156	\$ 137	\$ 91	\$ 60		WOB	\$ 225	\$ 210	\$ 187	\$ 187	\$ 177	\$ 155	\$ 156	\$ 145	\$ 101	\$ 72	
BON	\$ 225	\$ 210	\$ 187	\$ 187	\$ 187	\$ 179	\$ 179	\$ 174	\$ 137	\$ 119		BON	\$ 225	\$ 210	\$ 187	\$ 187	\$ 187	\$ 179	\$ 179	\$ 179	\$ 147	\$ 135	

#### 6-TIX Fare Structure:

Plan Recommendations. No changes proposed. All 6-TIX Passes remain \$86.

## Minority and Low Income Rider Impact Analysis

The following are statistics from a **February 2018** Downeaster on-board survey for riders using a multi-ride pass.

<b>Ethnicity:</b>	
White/Caucasian	89%
Asian/Asian-American	4%
Latino/Hispanic	2%
Black/African-American	1%
Other	4%
<b>% of Riders that are impacted by the proposed fare increase are minorities is:</b>	<b>11%</b>

<b>Language Primarily Spoken in Household:</b>	
English	99%
Spanish	1%
French	0%
Other	1%
<b>% of Riders that are impacted by the proposed fare increase whose household language is one other than English:</b>	<b>1%</b>

<b>Total Household Income:</b>	
over \$50,000	84%
\$25,000-\$49,999	8%
under \$25,000	8%
<b>% of Riders that are impacted by the proposed fare increase that have less than \$25,000 household income:</b>	<b>8%</b>

<b>Employment Status:</b>	
Employed Full Time	77%
Student	19%
Retired	1%
Other	1%

**No changes have been made to the Student "6TIX" Pass.**

In summary, Downeaster passengers that will be impacted by the proposed fare increase are 89% white Caucasian and 92% have mid to high income levels.

Therefore, the impact of this proposed fare increase is not discriminatory on any particular minority or low-income population group.

## Alternatives Analysis

### Alternative Modes and Transit Options

Markets served by the Downeaster are also served by other competing modes and transit providers. Proposed Downeaster one-way and pass fares appear to be comparable yet not competitive to other transit modes. However, further pricing increases could prove to be disadvantageous to Downeaster ridership growth in other segments of the service.

<b>Market Analysis for July 1, 2019</b>				
<b>PORTLAND - BOSTON</b>				
	One Way	Same Day RT	10-Ride	Monthly
Downeaster Value Fare	\$ 29.00	\$ 58.00	\$ 187.00	\$ 339.00
Concord Coach POR-S. Stn	\$ 24.00	\$ 40.00	\$ 135.00	n/a
Greyhound- Flexible Fare POR-S. Stn	\$ 35.00	\$ 70.00	n/a	n/a
<b>EXETER - BOSTON</b>				
	One Way	Same Day RT	10-Ride	Monthly
Downeaster Value Fare	\$ 17.00	\$ 34.00	\$ 147.00	\$ 339.00
C&J Portsmouth-South Stn.	\$ 14.00	\$ 28.00	\$ 119.00	\$ 351.00
<b>HAVERHILL - BOSTON</b>				
	One Way	Same Day RT	10-Ride	Monthly
Downeaster Value Fare	\$ 14.00	\$ 28.00	\$ 135.00	\$ 339.00
MBTA	\$ 11.00	\$ 22.00	n/a	\$ 360.00

### Pass/Fare Descriptions

#### Downeaster

10 Ride Pass: Valid for ten one-way trips within a 45 day period

Commuter Pass: Valid for unlimited one-way trips within a calendar month.

#### Concord Coachlines

10 Ride Pass: Valid for ten one-way trips within a 30 day period Portland to Boston South Station

#### C&J Trailways

10 Ride Pass: Valid for ten one-way trips within a 6 month period from Portsmouth, NH to Boston South Station

Commuter Pass: Valid for unlimited one-way trips within a calendar month.

#### MBTA

Commuter Pass: Valid for unlimited one-way trips within a calendar month. Also includes unlimited travel on Local Bus, Subway, Express Bus, and Inner Harbor Ferries.



DOWNEASTER VALUE FARE SUMMARY - FY2020										
	City Pairs	Miles	Value		10 Ride Pass			Monthly Pass		
			Fare	\$/mile	Pass	Cost/10 rides	% full Fare	Pass	Cost/Ride 36	% full Fare
Downeaster	BRK-BON	146	\$ 30	\$ 0.21	\$ 225	\$ 22.50	75%	\$ 339	\$ 9.42	31%
	FRE-BON	136	\$ 30	\$ 0.22	\$ 210	\$ 21.00	70%	\$ 339	\$ 9.42	31%
	POR-BON	116	\$ 29	\$ 0.25	\$ 187	\$ 18.71	65%	\$ 339	\$ 9.42	32%
	ORB-BON	104	\$ 25	\$ 0.24	\$ 187	\$ 18.71	75%	\$ 339	\$ 9.42	38%
	SAO-BON	100	\$ 24	\$ 0.24	\$ 187	\$ 18.71	78%	\$ 339	\$ 9.42	39%
	WEM-BON	84	\$ 21	\$ 0.25	\$ 179	\$ 17.85	85%	\$ 339	\$ 9.42	45%
	DOV-BON	68	\$ 21	\$ 0.31	\$ 179	\$ 17.90	85%	\$ 339	\$ 9.42	45%
	DHM-BON	62	\$ 20	\$ 0.32	\$ 179	\$ 17.90	90%	\$ 339	\$ 9.42	47%
	EXR-BON	51	\$ 17	\$ 0.33	\$ 147	\$ 14.70	86%	\$ 339	\$ 9.42	55%
	HAV-BON	34	\$ 14	\$ 0.41	\$ 135	\$ 13.50	96%	\$ 339	\$ 9.42	67%

OTHER AMTRAK ROUTES FARE SUMMARIES FY2020										
	City Pairs	Miles	Fare	\$/mile	10 Ride Pass		Monthly Pass			
					Pass	% full Fare	Pass	Cost/Ride 36	% full Fare	
Carolinian	NYP-WIL	116	\$ 69	\$ 0.59	\$ 855	124%	\$ 1,823	\$ 50.64	73%	
NEC	NHV-NYP	75	\$ 44	\$ 0.59	\$ 542	123%	\$ 1,154	\$ 32.06	73%	
Downeaster	HAV-BON	34	\$ 14	\$ 0.41	\$ 135	96%	\$ 339	\$ 9.42	67%	
NEC	BOS-NYP	231	\$ 83	\$ 0.36	\$ 1,026	124%	\$ 2,187	\$ 60.75	73%	
Empire	HUD-NYP	113	\$ 39	\$ 0.35	\$ 440	113%	\$ 990	\$ 27.50	71%	
Downeaster	EXR-BON	51	\$ 17	\$ 0.33	\$ 147	86%	\$ 339	\$ 9.42	55%	
Hiawatha	MKE-CHI	86	\$ 28	\$ 0.33	\$ 192	69%	\$ 416	\$ 11.56	41%	
Downeaster	DHM-BON	62	\$ 20	\$ 0.32	\$ 179	90%	\$ 339	\$ 9.42	47%	
Capital Corridor	OAC-SAC	90	\$ 29	\$ 0.32	\$ 187	64%	\$ 487	\$ 13.53	47%	
Empire	ALB-NYP	141	\$ 45	\$ 0.32	\$ 504	112%	\$ 1,134	\$ 31.50	70%	
Downeaster	DOV-BON	68	\$ 21	\$ 0.31	\$ 179	85%	\$ 339	\$ 9.42	45%	
Downeaster	WEM-BON	84	\$ 21	\$ 0.25	\$ 179	85%	\$ 339	\$ 9.42	45%	
Downeaster	POR-BON	116	\$ 29	\$ 0.25	\$ 187	64%	\$ 339	\$ 9.42	32%	
Downeaster	ORB-BON	104	\$ 25	\$ 0.24	\$ 187	75%	\$ 339	\$ 9.42	38%	
Downeaster	SAO-BON	100	\$ 24	\$ 0.24	\$ 187	78%	\$ 339	\$ 9.42	39%	
Cascades	PDX-SEA	146	\$ 35	\$ 0.24						
Wolverine	CHI-DOA	102	\$ 24	\$ 0.24	\$ 219	91%				
Downeaster	FRE-BON	136	\$ 30	\$ 0.22	\$ 210	70%	\$ 339	\$ 9.42	31%	
Vermont	SAB-WRJ	118	\$ 25	\$ 0.21						
Downeaster	BRK-BON	146	\$ 30	\$ 0.21	\$ 225	75%	\$ 339	\$ 9.42	31%	
NEC	RGH-CLT	173	\$ 33	\$ 0.19	\$ 268	82%				
Piedmont	CLT-RGH	173	\$ 33	\$ 0.19	\$ 268	82%				
Cascades	EUG-PDX	124	\$ 22	\$ 0.18	\$ 154	70%	\$ 406	\$ 11.28	51%	
Heartland Flyer	FTW-OKC	206	\$ 31	\$ 0.15	\$ 255	82%				
Illini	CHI-RTL	115	\$ 17	\$ 0.15	\$ 143	84%				
Lincoln	ALN-LCN	127	\$ 16	\$ 0.13	\$ 133	83%				