



A Division of METROLINX

To: Metrolinx Board of Directors
From: Kathy Haley
President, Union Pearson Express
Date: June 25, 2015
Re: UP Express Quarterly Board Report

RECOMMENDATION

That this report be received for information.

MAJOR HIGHLIGHTS

On June 6, 2015, Metrolinx successfully launched the first dedicated air-rail link in North America: the Union Pearson Express (UP Express). Delivered on time and on budget, UP Express is a significant accomplishment for Metrolinx. In its first week of service, an average of 3,250 guests rode the system daily, which is consistent with ridership projections. On launch day (Saturday June 6, 2015), UP Express carried twice that amount (over 6,000) as a result of promotional activities. In its first week of service, UP Express completed 1407 of 1422 scheduled trips and achieved an average on-time performance of 98.9%.

Over the last quarter, major advancement in construction occurred at all four stations in preparation for launch, including the fit-out of technology and testing of those systems.

Prior to launch, 17 out of 18 vehicles were delivered, tested, commissioned and fully accepted by Metrolinx. In May, staff carried out intensive testing on the track and across the system to ensure the vehicles were safe and ready for revenue service. This testing also included evaluating the end-to-end guest experience. No major safety concerns were identified and all outstanding issues are now being resolved.

Major elements of the technology program were completed for June 6, including ticketing, the UP Express website, on-board infotainment, station and on-board Wi-Fi, the display management system and the customer communication system.

A targeted marketing strategy was rolled out before June 6 to further increase awareness of the system, build excitement about launch and drive ticket sales. This strategy included a new advertising campaign, increased activity on social media, strategic media tours (both local and international) and a sales strategy. In addition, the inaugural edition of the on-board magazine was published in May.

PROJECT UPDATES

Capital Infrastructure

During the last quarter, various technology elements were installed and tested at Pearson Station, including display screens, Wi-Fi, CCTV, ticket vending machines (TVMs) and PRESTO add-value machines. Furniture and signage was also installed at the station. UP Operations assumed control of the Pearson Station on April 21, 2015.

Union Station construction activity progressed substantially during the last quarter: mill work was completed at Union Station, the glass ceiling was installed, interior and exterior signage was installed, the elevator was certified, and technology elements were installed and tested. The retail partners, Drake and Balzac's, moved into their space in May and were open for business during the pre-launch events at Union Station. UP Express Operations took occupancy of the platform level of Union Station on April 17.

Bloor and Weston Stations were operationally ready for launch.

Major trackwork was completed during this quarter, including destressing, surfacing and adjustments to the track, as well as signal commissioning. This trackwork was essential to allow for simulated revenue service before launch. All required trackwork is now complete and trains are operating at full track speed.

On-time performance is trending positively. During the first week of operations (June 6 to 14, 2015), a total of 1407 out of 1422 trips were completed, resulting in an average on-time performance of 98.9% for this period.

Technology

All major elements of the technology program were completed for June 6, including ticketing (ticket vending machines, service desk point of sale devices, PRESTO validators and add-value machines), the UP Express website (with integrated electronic/mobile ticketing), on-board infotainment, station and on-board Wi-Fi, the display management system, flight information and the customer communication system. Airline check-in kiosks were also deployed at Union Station offering guests the ability to get boarding passes and baggage tags for both Air Canada and WestJet. The success of the technology program required hundreds of hours of testing and commissioning, which was completed during pre-launch simulated revenue service.

Over the last quarter, the final content for the UP Express website was developed and reviewed with internal stakeholders and was successfully launched on May 30. Since its launch, more than 120,000 people have visited the site, representing an increase of 50% in website traffic from the project website. The website provides information about the service but is primarily a venue for guests to purchase tickets. In the first week of service, approximately 2,000 guests purchased tickets online.

Operations

Leading up to launch, an intensive testing and commissioning program was implemented to ensure that the trains, tracks and stations would be operationally ready for June 6. On May 11, track work and a change in GO Transit's train schedule permitted UP Express to begin full-day simulated revenue service (every 15 minutes for 19 ½ hours per day).

In addition to operational testing, tests were run to evaluate the end-to-end guest experience. Before launch, more than 26 tests were completed, which were then analyzed and corrected, where required. The largest test was a train evacuation test, which included the evacuation of 53 guests from a 3-car train on the spur line. UP Express and GO Rail Operations, the GO Transit Control Centre (GTCC), GO Bus Operations, the GTAA and Mississauga Fire and Emergency Services all participated in the exercise. No major safety concerns were identified in this test or any of the others and all outstanding issues are now being resolved.

Daily meetings with key operational staff (including UP Operations, GO Rail Operations, GTCC, Rail Traffic Control, Toronto Terminal Railway, Information & Information Technology, Capital Infrastructure, Fare Systems, Rail Corridors, Rail Equipment Engineering, Rail Fleet and Facilities Maintenance, and Bombardier Operators Maintenance and Guest Services Representatives) were held to identify issues during the simulated service period and provide quick resolution in real-time. These daily meetings are now continuing into the operational phase of the program to continually focus on safety and manage performance and reliability.

In the first three days of service, the Contact Centre received an average of 61 calls and a total of 43 e-comments about UP Express. The majority of calls were service inquiries (21%), about e-ticketing support (21%) or about fare information (21%). A first impressions survey was also conducted, where the majority of respondents (78%) said they were "very satisfied" with their experience on UP Express and 87% said they were "very likely" to recommend the service to others.

Business Development

In December, CIBC became the first founding partner to sign an agreement with UP Express. In the last quarter, three remaining founding partners also signed to deliver value-added marketing asset opportunities, including Cisco, Rogers and Deloitte. On March 27, Deloitte became the UP Express professional services founding partner. Deloitte will help support innovative and analytic services to optimize the UP Express experience. On April 9, Cisco signed on as the UP Express technology founding partner and will provide connectivity opportunities on-board and at UP Express stations. On April 16, Rogers signed on as the UP Express telecommunications founding partner and will assist in providing live news feeds and telecommunications support. The founding partners will leverage unique media asset opportunities at UP Express stations and on-board the trains, including the on-board magazine, digital and static multi-purpose screens, media walls, the on-board infotainment video loop and the website.

Drake General Store and Mill Street joined Balzac's as UP Express retail partners on March 4 and April 10, respectively. After completion of their retail spaces, Drake General

Store and Balzac's moved in during the month of May and are now up and running for guests at Union Station. Mill Street will operate a bar in the CIBC UPstairs lounge on the mezzanine level of Union Station, which is expected to be completed in July in time for the Pan Am Games.

UP Express is building ridership and securing sales by working with local and international businesses that have high volumes of employees who travel from downtown to the airport. -

Marketing

The pre-launch advertising campaign, first launched in January, continued into this quarter and included two paid advertorials in the Toronto Star and Globe and Mail on April 18 and 22, respectively. Several events and tours also took place in April and May to further build awareness and excitement before launch. The Premier's launch date announcement on April 22 was the first UP Express public event. Subsequent events included tours of the system for media (both local and international), partner events and appreciation days for employees and vendors. The launch advertising campaign, known as *UP and Running*, began in June to further increase awareness of the system and build ridership revenue.

The inaugural issue of *On the UP*, the on-board magazine, was produced in May and includes information about UP Express, stories about local neighbourhoods and restaurants and information about events in Toronto. The magazine includes advertising assets, which will provide non-fare revenue for UP Express. Approximately 30,000 copies will be available on-board and at select tourism centres.

The launch of UP Express generated 456 mentions and over 110 million impressions in media: more than triple than when the fares were announced in December, and double the monthly average for all of Metrolinx divisions. These media impressions were 96% positive or neutral. In social media, @UPEXpress trended in Canada briefly on Saturday morning and all day in Toronto. More than 2,400 people were talking about UP Express and 33 million people saw tweets about the service.

On May 21, UP Express was the recipient of three Global Air Rail Alliance awards: Travelport Project of the Year for overall project excellence, AccessRail Integrated Partnership of the Year for the strategic partnership program, and a leadership award.

Respectfully submitted,

Kathy Haley
President, UP Express