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Union Pearson Express: A TRAIN WRECK IN SLOW MOTION[[1]](#endnote-1)

Eric Dolansky wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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On February 11, 2016, the Union Pearson Express (UPX) was in the news again. The UPX, which had been in operation for eight months, provided a rail link between Union Station in downtown Toronto and Toronto Pearson International Airport in Mississauga. Though initial response had been positive, the train was running at less than 10 per cent of its capacity and at 50 per cent of its target of 5,000 passengers a day. The consensus among key stakeholders, government officials, and the public was that pricing was the cause of the UPX’s woes. These stakeholders had made clear their preference for lower prices, but to date, UPX management, including UPX president Kathy Haley, had resisted and kept the price steady, having tried to boost ridership in other ways.

At current ridership levels, only 35 per cent of the CA$70 million[[2]](#endnote-2) annual operating cost of the project was being covered.[[3]](#endnote-3) This did not even include any of the $456 million capital cost of building the rail line.[[4]](#endnote-4) Since its inception, the UPX had been positioned as a high-price, high-value service separate from other public transit options. A one-way fare had been priced at $27.50 at launch, and there was a great deal of concern that moving the price lower would undermine the desired positioning. At the same time, ridership was low, and there was reason to believe that lower fares would bring more riders. Current and potential UPX customers bristled at what they saw as overly high prices.[[5]](#endnote-5)

Haley had been placed in charge of marketing for the UPX, and much of the responsibility for its perceived failure was on her shoulders. “Ridership numbers are not where we want them to be,” said Steven Del Duca, Ontario’s transportation minister. Haley said she had not realized “how deeply entrenched air travellers’ behaviours were” but conceded that price also affected demand.[[6]](#endnote-6) There was media speculation that she would be removed from her position regardless of what pricing decision she made. Even so, as long as she remained president of the UPX, it was her responsibility to make marketing and pricing decisions to maximize revenue.

Transit in Toronto

The Greater Toronto Area (GTA) was home to almost 6 million people living in both the City of Toronto and its satellite cities and towns.[[7]](#endnote-7) As of 2015, the population of the City of Toronto (2.8 million people) was extremely diverse in terms of ethnicity, income, culture, and lifestyle. Toronto was the largest city in Canada and the fourth largest in North America (behind Mexico City, New York City, and Los Angeles), and the GTA was the ninth largest urban area in North America.

The city’s public transit needs were served by two organizations. The Toronto Transit Commission (TTC) operated subways, streetcars, and buses throughout the city. Metrolinx operated trains and buses that linked Toronto to other areas of the GTA, as well as to other nearby cities, such as Kitchener and Hamilton.

Approximately 65 per cent of TTC funding came from rider fares (a regular adult fare was $3.25), and about 35 per cent was subsidized by the municipal government. Despite multiple sources of funding, the system was consistently financially strained and struggled to maintain services at current levels, to say nothing of expansion.[[8]](#endnote-8) Toronto’s subway system, while far reaching in all directions (within the city, not the GTA), was relatively spare compared to other cities of its size. Recent expansion projects for the TTC had been the construction of dedicated light rail (streetcar) lines on key streets throughout the city to expand rapid service without the use of subways. Annual ridership on the TTC in 2015 was 538 million.[[9]](#endnote-9)

Metrolinx (which operated the UPX) was an Ontario provincial agency designed to help connect people living in the Greater Toronto and Hamilton Area. Metrolinx ran GO Transit (GO), which operated buses and trains between these communities. Metrolinx’s mission was to “champion, develop and implement an integrated transportation system for our region that enhances prosperity, sustainability and the quality of life.”[[10]](#endnote-10) Many of the people who worked in Toronto lived outside of the city and commuted to their jobs on GO buses and trains. Annual ridership on GO in 2015 was 65 million people.[[11]](#endnote-11) Metrolinx and GO were constantly growing, with work done on stations and parking lots (parking at GO stations was free for customers), tests of new lines (such as a summer service from Toronto to Niagara Falls on weekends), and new payment technology (such as the PRESTO reloadable payment card).

In addition to transit within the GTA, there were busy inter-city hubs within Toronto. The primary inter-city bus station (the Toronto Coach Terminal) and train station (Union Station) were located in downtown Toronto at the south end of the city. Union Station served as the main hub for the TTC and Metrolinx, as well as the VIA Rail intercity train service. A quarter million passengers passed through Union Station every day.[[12]](#endnote-12) A construction project renovating Union Station began in 2010 at a cost of $640 million, with completion expected in 2017.[[13]](#endnote-13)

Toronto had two commercial airports in 2015. In downtown Toronto, there was Billy Bishop International Airport on Toronto Island (connected to the mainland by a short pedestrian tunnel). This airport was constrained in that jet airplanes could not take off or land there, meaning that only regional aircraft could be used. The airport was primarily used by Porter Airlines, which flew to 20 cities in eastern and central North America (such as Ottawa, Montreal, New York, Boston, and Chicago).[[14]](#endnote-14)

Toronto’s primary airport, Toronto Pearson International Airport (Pearson), was located in Mississauga, a suburb of Toronto to the west of the city. The airport was 25 kilometres from downtown Toronto. Pearson was one of North America’s busiest airports. It was Canada’s primary point of entry for international travellers and served 41 million passengers each year.[[15]](#endnote-15)

UPX History

A rail link from downtown Toronto to Pearson airport was originally conceived in the 1980s but was rejected by the government at the time. Though it was raised several times during the next two decades, it was not until 2001 that the first real steps were taken to begin the project. In 2003, SNC-Lavalin Group, an engineering firm, won the bid to construct the rail line and operate it for 50 years. By 2010, the provincial government of Ontario called off the deal, citing financing difficulties. Metrolinx took over the project and planned to build and run the line according to the original SNC-Lavalin parameters: a 22-minute ride to the airport, running every 15 minutes, with a one-way fare around $20.[[16]](#endnote-16)

The service was expected to launch in the summer of 2015, in time for Toronto’s hosting of the Pan American (Pan Am) Games. The rail link was part of Metrolinx’s “Big Move” plan to better connect different areas within the GTA. Bruce McCuaig, Metrolinx’s president and CEO, said, “The Big Move is our plan to tackle gridlock across the Greater Toronto and Hamilton Area by building new transit and integrating our transportation system.” The Big Move was a $16 billion investment involving many different projects, including the UPX.[[17]](#endnote-17)

Metrolinx released several press releases to increase excitement about the project. According to Haley, “over the years there has been plenty of debate about the need for this link.” However, she added that she was “not sure how many people in Toronto [were] really aware of just what they will have at their disposal in 24-months’ time.”[[18]](#endnote-18) The project moved ahead on schedule, and the UPX was launched on June 6, 2015, one month ahead of the start of the Pan Am Games.[[19]](#endnote-19)

Metrolinx also commissioned several consultant reports about the UPX, focusing on alternatives for fares (see Exhibit 1). These studies suggested that high fares and relatively low ridership were the best hope for reaching the $70 million needed to cover annual operating costs.[[20]](#endnote-20) The reports also indicated that price was by far the most important factor for consumers when considering a service like the UPX. In 2012, consultants Steer Davies Gleave recommended a fare of $15 one-way, but in a subsequent report one year later they changed that recommendation to closer to $30 in order to maximize revenue.[[21]](#endnote-21)

The completed UPX took 25 minutes to get from Union Station to Pearson. As planned, trains left every 15 minutes and the service ran 19.5 hours each day, with a total of 140 trips per day. Each trip had a capacity of 173 passengers for a total capacity of 24,220 passengers per day (8.8 million annually).[[22]](#endnote-22) The expectation was that the UPX would carry 2.35 million passengers per year by 2018 and remove 1.2 million car trips to the airport annually (including both private cars and taxis).[[23]](#endnote-23) There were two other stations along the route so that those who lived in other areas of Toronto could reach the UPX easily. These stations were not ready at the launch date, but opened shortly afterward. For those people located downtown, the UPX was presented as the best way to get to the airport (see Exhibit 2).

Launch

The UPX launched with great fanfare. A high-style advertising firm, Winkreative, was given $4.5 million to brand and advertise the train, and was involved in the design of train stations and the train’s interior.[[24]](#endnote-24) The firm used the Ontario landscape as inspiration. Metrolinx passionately defended this cost. According to Anne Marie Aikins, spokesperson for Metrolinx, “people wanted to see a service that was going to be successful. Developing a new service and marketing a new service is something that requires investment, and that’s what we did.”[[25]](#endnote-25) Even so, criticism of the expenditure for Winkreative came from government officials in the opposition parties. “Anything like this—$4.5 million for logos and branding—only adds to that high cost,” said provincial parliament member and transportation critic Michael Harris. “These are the kind of people who did projects for Lexus in Japan. We’re not talking about a Lexus—we’re talking about a commuter train paid for with public money.”[[26]](#endnote-26)

The look and style of the train was intended to create the impression that the UPX was a high-end service for business travellers. “We wanted to return to the heroic age of air travel, and rail. We wanted to put the focus on the guest experience,” claimed Haley.[[27]](#endnote-27) The train had WiFi and outlets to charge electronic devices. It ran quietly using leading-edge low-emission diesel technology. The station housed a gift shop and café. Members of the press, invited to ride the train in advance of the launch, said that it was “hard to argue with the quality of this work,”[[28]](#endnote-28) and that the train had “the scent of luxury.”[[29]](#endnote-29)

The price was set to match the premium positioning of the UPX. At $27.50, it was the highest possible one-way ticket price on any Metrolinx or TTC route. Those customers who used the PRESTO payment card paid a discounted fare of $19.00. Other discounts would be available for students, seniors, families, airport employees, and people with disabilities.[[30]](#endnote-30) It was noted that while the UPX was opened in time for the Pan Am Games, it cost consumers more to ride the train than it did to go to a Pan Am event, which had ticket prices beginning at $20.00.[[31]](#endnote-31) Media reports anticipated that this would be too expensive and “unsuitable for many travellers.” Furthermore, a poll on the *Toronto Star* newspaper’s website showed that only 30 per cent of respondents said they planned to take the train, with 44 per cent saying they would not and 26 per cent undecided.[[32]](#endnote-32)

Nevertheless, the UPX averaged 3,250 riders a day in the first three weeks of operation. The first-year target was 5,000 riders per day, though this goal was not expected to have been met immediately.[[33]](#endnote-33) To fully recover the operating costs involved, 2.5 million riders per year (approximately 7,000 per day) would be required. Early feedback was positive: 78 per cent of riders were very satisfied with the service and 87 per cent said they would recommend it.[[34]](#endnote-34)

Problems Begin

Even though the first months of operations looked promising, it was not long before criticism of the UPX began in earnest. The first complaints were about convenience, specifically that the train station was hard to find within Pearson and that the massive construction project at Union Station downtown made it difficult to get to the train.[[35]](#endnote-35) Given that the target customers for the UPX were business travellers, this presented a significant challenge, as those travelling at their company’s expense were more likely to pay more for the convenience of a taxi, which cost $55 one way.

By autumn, the problems were mounting. Ridership was down to 2,500 passengers per day, meaning that on average, the trains were running nearly 90 per cent empty. Even so, transportation minister Steven Del Duca said that it was too soon to consider changes to operations and marketing of the UPX. “Every new service that we introduce experiences some degree of people having to get used to it to adjust their travel opportunities,” Del Duca said. “I’m confident, because the team at UPX and Metrolinx will continue to work hard on getting the message out. Anecdotally, speaking to people right across this region who’ve taken it, they love it.”[[36]](#endnote-36) Members of the government opposition parties called the train the “Pearson ghost express” and called on Metrolinx to cut fares, saying the fare price was out of reach for most and that “regular people” could not afford the train.[[37]](#endnote-37)

Consumer opinion was not on Metrolinx’s side either. In a Forum Research poll, 70 per cent of those surveyed said the fare was too expensive. The same poll indicated that consumers believed the fare should have been around $12, and 70 per cent of respondents believed the UPX should have been incorporated into the TTC.[[38]](#endnote-38)

As such, price continued to be the focus of the criticism of the UPX. To counter this criticism, UPX began a series of discounts and offers for riders. From November 2015 to January 2016, tickets were available under a two-for-one deal,[[39]](#endnote-39) and children under 13 could ride for free. The fare for a round-trip ticket fell to $44 from $53.[[40]](#endnote-40) One-way fares remained the same at $27.50 ($19 with PRESTO). At the same time, Haley held her ground regarding most of the choices around the UPX. Haley reminded the press that the launch had only been six months prior and that it would be premature to consider changes to price. She said that she believed “this value proposition is really compelling. It’s compelling for businesses, it’s compelling for consumers. So, you know, we will continue to listen and learn and modify, but our base fare, we think, is a very competitive and reasonable fare at $19 with a Presto card.”[[41]](#endnote-41) Haley went on to indicate that the original first-year goal of 5,000 riders a day may have been flawed because it had been made long before, and that there had been changes in the market since.

A Metrolinx report in November 2015 indicated that it was travellers’ habits and behaviours that were most difficult to change. According to the report, low ridership was consistent with what Metrolinx had learned from studying other international air-rail links, and that changing entrenched travel behaviours of both local and visiting air travellers took time.[[42]](#endnote-42)

February 2016: New Options on the Table

By early February 2016, a little more than half a year after launch, opinion of the UPX had become very negative. Ridership had fallen again in November, down to 2,200 riders a day, with December numbers not much higher than that (see Exhibit 3).[[43]](#endnote-43) Seasonal travel patterns and entrenched behaviours were still to blame, according to a Metrolinx statement dated February 5: “We have identified barriers—such as low awareness, ingrained travel habits, difficulty finding UP Express and impediments to ticket sales—and are strategizing to overcome these barriers. Promotional campaigns, better way-finding signage and incentive programs are examples of strategies being developed and implemented.”[[44]](#endnote-44)

Others disagreed. Toronto city councillor Josh Matlow said that the business model for the UPX had never made sense and Metrolinx had to adjust fares. He said that the discounts introduced in November helped but “it still doesn’t make it economical for the average family.” Matlow went on to say that “to invest half a billion dollars into a boutique train for business travellers when the average Toronto resident has been waiting decades for public rapid transit access to our airport is shameful.” Matlow called for lower fares, at least to one that was “more affordable,” and possibly as low as a TTC transit fare ($3.25).[[45]](#endnote-45) There was talk that the UPX would be taken over by the City of Toronto, removing it from Metrolinx’s control and making it part of the TTC.

Metrolinx announced a promotion offering everyone the opportunity to ride the train for free during the Family Day long weekend.[[46]](#endnote-46) In support of this promotion, Haley cited research that satisfaction among riders was high, and that those who used the UPX were certain to do so again. This claim was based on the same behaviours that had bedevilled the UPX, specifically that people stuck with what they knew when it came to travel and did not change entrenched behaviours. Metrolinx hoped that this stubbornness could be made to work for them once people converted to the UPX.

Within days of these announcements, however, prices were once again front and centre, this time courtesy of Ontario Premier Kathleen Wynne. “Looking at the fare structure is something they’ve said they are going to do,” Wynne said on February 8, 2016, in reference to the Metrolinx board. She also introduced the idea of shifting the UPX to more of an everyday commuter focus. “It wasn’t designed for commuters, but there are two stops,” Wynne said, “… so there is the possibility for it to be used in some partial way for getting downtown. That’s what Metrolinx has to look at.”[[47]](#endnote-47) A consumer advocacy group, TTCriders, put it more bluntly, saying that Metrolinx had “utterly failed to meet Toronto’s demand for sensible transit solutions.”

In response, Haley continued to cite entrenched behaviours as the main cause of the UPX’s woes. According to Haley, there were challenges other than price: 70 per cent of air travellers used previous experience to guide their decision about how to get to the airport, and a further 26 per cent had the decision made for them by someone else (such as an assistant or spouse). “People don’t want to walk that far from their hotels and condos … even in the downtown area,” Haley said.[[48]](#endnote-48) McCuaig focused more on price: “We’re going to be looking at pricing strategies. That includes promotions and discounts, but it also includes the whole range of how we’re positioning the service in the marketplace,” he said.[[49]](#endnote-49)

Critics within the provincial government went further. “To make it a useful piece of public transit service the [UPX] should be a TTC fare at least from Weston [station] down. Maybe there’s a premium for people to pay for going to the airport,” added Mike Sullivan, a member of provincial parliament for the opposition New Democratic Party. “[I]t should be useful to everybody in the city, not just a handful—literally six people—every time the train runs.”[[50]](#endnote-50) He claimed that at current ridership levels, it would take an $80 fare to cover the original capital costs.

Within a few days, Haley began saying that she was willing to re-evaluate price. She said on February 10th that “obviously we need to attract more people, so we, and I, are open to taking a look at that price.”[[51]](#endnote-51) She also confirmed what many had suspected—that ridership targets for the first year would not be met. “I think, based on the ridership projections, that we will get there eventually. I can’t say we’ll get there in June [2016].”

Pricing Considerations

Beyond the history of the UPX and its pricing, there were many other considerations when it came to the new price for the rail link. The competitive landscape had changed since the UPX had originally been conceived. The most impactful of these changes was the entry of Uber into the Toronto market. Uber was a ride-sharing program whereby consumers could order a taxi-like service using a mobile application. There was controversy around Uber because it operated in a grey area of the law, but there was no doubt that it was popular among Torontonians, particularly millennials (those born between 1980 and 2000) and those who lived in the heart of the city.

Unlike taxis, whose fares were regulated by the city, Uber’s pricing was flexible, so it could be less expensive when demand was low but have its prices surge in times of high demand. This made it difficult to use as a comparison point because the UPX could not use a variable pricing scheme. At non-peak times, when there was no rate surge, an Uber ride from Union Station to Pearson cost $35.00.[[52]](#endnote-52)

Moreover, at the time that the UPX was designed, the expectation was that the fare should represent half of the cost of a taxi ride to the airport. This price difference, coupled with the presumed convenience of the UPX, should have conferred a great strategic advantage on the train. What was not considered, however, was that this advantage only existed for those travelling alone. If travellers were in groups (whether a family or a group of colleagues or friends), the cost advantage evaporated.

Competition also existed within the public transit arena. For a single TTC fare ($3.25), someone could go from Union Station to Pearson, though this trip took over an hour and required taking two different subways and a bus. Alternatively, a combination of a TTC subway and GO Transit bus took 45 minutes and cost under $10. In the past, there also had been an express bus, costing $22 for a 40-minute trip from the airport to downtown Toronto (the pickup location was across the street from Union Station), but it had ceased operations in 2014.

As a government agency, Metrolinx had to consider the political consequences of the pricing decision. The Liberal Party, which held power in Ontario, ran on a populist message of making services accessible to everyone. They had promised infrastructure investments and improvements to Toronto’s public transit. In many ways, the UPX’s premium positioning ran counter to this government messaging. Technically, Metrolinx could run its services any way it wanted, provided it fulfilled the government’s mandate to “improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton Area.”[[53]](#endnote-53)

Metrolinx also had a Memorandum of Understanding with the government about funding, reporting, and communications. This memorandum was revised and renewed every five years, which meant that Metrolinx could be altered and funding could be increased or decreased depending on how well it was fulfilling its mandate. As such, the agency had to keep the government happy.

There was considerable pressure at both the municipal and provincial levels to make the UPX part of Toronto’s commuter system. The two stations on the line between Union Station and Pearson were already served by GO Transit on their Kitchener Line, but the majority of riders on GO were coming from and going to stations further away. Having an additional train line would ease pressure on the existing TTC system and allow for the removal of bus routes.

For this to happen, prices would have to drop considerably. A trip from Union Station to Malton Station on GO (roughly the same length of trip as the one to Pearson) cost $7.70 one way ($6.84 with PRESTO). While it had never been intended that the UPX would be a commuter train, this outcome was exactly what many consumers and those within the government were pushing for. There were no groups, outside of Metrolinx, that were pushing for the UPX to remain focused on business travellers.

Decision

Transportation minister Del Duca said on February 10, 2016, that the pricing discussion “is clearly extremely important, and it’s something that we’ll be taking a very, very clear and sort of sharp look at in the coming days.”[[54]](#endnote-54) Premier Wynne added, “That’s the bottom line: How do we get more people riding the UP Express? That is self-evident that that needs to happen.”[[55]](#endnote-55)

There was little time to present a new plan. On the one hand, everything about the UPX’s positioning, design, and marketing said “high-end business travel.” On the other hand, the prices were uniformly seen as unsustainable by almost everyone. The current price could be maintained if a strong enough argument could be made in favour of not only high prices but also a plan to attract more customers. Lowering the price would be much more appealing to stakeholders, but this would be grossly inconsistent with what the UPX was all about.

Either way, Haley was expected to present a decision about the price of the UPX. Should the price be lowered? What other marketing activities would help increase ridership and revenue, with or without a price cut? Even if the current year’s targets would not be met, it was not beneficial for the UPX to continue to be described as a “world-class, gold-plated, half-billion-dollar empty train,” as the *Globe and Mail* newspaper had done in a recent editorial.[[56]](#endnote-56) The editorial called on Metrolinx to “acknowledge failure and shift to Plan B.” But what would be Plan B?

Exhibit 1: Highlights from the consultant reports on UPX fares

In all, seven reports were commissioned by Metrolinx regarding fares and other aspects of operating the UPX. These reports involved researching consumer intentions and price, with different prices being tested both in person and as online consumer studies. According to Metrolinx spokesperson Anne Marie Aikins, “The goal of the pricing analysis for UP Express was always based on both ridership and achieving cost recovery.”

* Northstar Research: ARL Market Assessment, November 2011
* Northstar Research: UP Express Airport Employee Study, September 2013
* Northstar Research: UP Express Meeters & Greeters Study, October 2013
* Metrolinx/Deloitte/Ipsos Reid: Air Rail Link Study, 2012
* Metrolinx: Air Rail Link: Customer Experience and Business Strategy & Plan, June 2012
* Steer Davies Gleave: Georgetown Corridor Airport Rail Link, 2012
* Steer Davies Gleave: Toronto Union Pearson Express, 2013

The following points were learned in these studies. Some of the points may be contradictory because they came from different consulting companies and reports at different times.

* One-way fares of $27.50 would be unpopular.
* A fare of $10 for airport employees “wouldn’t work.”
* $10–15 price point would be ideal.
* A $30 one-way fare would result in 2.3 million annual passengers.
* A $10 one-way fare would result in 4.0 million annual passengers.
* Ridership would be 14% lower with a $25 fare than with a $20 fare.
* Ridership would be 26% lower with a $30 fare than with a $20 fare.
* A $15 one-way fare is preferred, and would result in $49 million in annual revenues by 2020.
* 79% of respondents said that price was the most important factor in their decision whether to use the UPX.
* 48% of respondents said they would not pay more than $17.50 for a one-way fare.
* 57% of airport employees said they would not pay more than $7.50 for a one-way fare.
* 9% of overall respondents said they would pay $27.50 for a one-way fare.
* 49% of respondents said they would use the UPX if the fare were around $15.
* 50% of respondents said that a $12 fare represented good value.
* $22.50 would not work as a fare, and ridership expectations were “too optimistic.”

Source: Shawn Jeffords, “Metrolinx Ignored Advice about UP Express Fares,” *Toronto Sun,* April 16, 2016, accessed January 12, 2017, www.torontosun.com/2016/04/16/metrolinx-ignored-advice-about-up-express-fares; and Jennifer Pagliaro, “UP Express Could Cost Taxpayers Millions in Subsidies,” *Toronto Star*, April 18, 2016, accessed January 12, 2017, www.thestar.com/news/city\_hall/2016/04/18/up-express-could-cost-taxpayers-millions-in-subsidies.html.

Exhibit 2: Transportation Options from Union Station to Pearson Airport

|  |  |  |
| --- | --- | --- |
| **Transportation Method** | **Time** | **Cost (in CA$)** |
| Private car | 25 minutes\* | $18 per day for airport parking |
| Taxi | 25 minutes\* | $55 |
| Limo | 25 minutes\* | $60 |
| Uber | 25 minutes\* | $35\*\* |
| TTC | 70 minutes | $3.25 |
| GO Transit (and TTC) | 45 minutes | $9.70\*\*\* |
| Union Pearson Express | 25 minutes | $27.50\*\*\* |

Note: \* This was a minimum time; traffic frequently made this a much longer drive, often over 60 minutes; \*\* Uber prices were flexible. During times of high demand, this price could go up; \*\*\* Passengers using the PRESTO payment system got discounts on these fares.

Source: Shawn Jeffords, “Metrolinx Ignored Advice about UP Express Fares,” *The Toronto Sun,* April 16, 2016, accessed January 12, 2017, www.torontosun.com/2016/04/16/metrolinx-ignored-advice-about-up-express-fares; Jennifer Pagliaro, “UP Express Could Cost Taxpayers Millions in Subsidies,” *Toronto Star*, April 18, 2016, accessed January 12, 2017, www.thestar.com/news/city\_hall/2016/04/18/up-express-could-cost-taxpayers-millions-in-subsidies.html.

Exhibit 3: UPX Riders by Month (2015)

|  |  |
| --- | --- |
| **Month** | **Ridership** |
| June | 82,600 |
| July | 80,700 |
| August | 79,400 |
| September | 76,700 |
| October | 79,000 |
| November | 65,600 |
| December | 67,200 |

Source: Shawn Jeffords, “Metrolinx Ignored Advice about UP Express Fares,” *The Toronto Sun,* April 16, 2016, accessed January 12, 2017, www.torontosun.com/2016/04/16/metrolinx-ignored-advice-about-up-express-fares; Jennifer Pagliaro, “UP Express Could Cost Taxpayers Millions in Subsidies,” *Toronto Star*, April 18, 2016, accessed January 12, 2017, www.thestar.com/news/city\_hall/2016/04/18/up-express-could-cost-taxpayers-millions-in-subsidies.html.

ENDNOTES

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in the case are not necessarily those of Metrolinx or any of its employees. [↑](#endnote-ref-1)
2. All dollar amounts are in Canadian dollars unless otherwise specified; CA$1 = US$0.714 on February 1, 2016. [↑](#endnote-ref-2)
3. Chris Selley, “Union Pearson Express—the Train Toronto Loves to Hate,” *National Post*, September 29, 2015, accessed January 12, 2017, http://news.nationalpost.com/toronto/chris-selley-union-pearson-express-the-train-toronto-loves-to-hate. [↑](#endnote-ref-3)
4. Jennifer Pagliaro, “UP Express Could Cost Taxpayers Millions in Subsidies,” *Toronto Star*, April 18, 2016, accessed January 12, 2017, www.thestar.com/news/city\_hall/2016/04/18/up-express-could-cost-taxpayers-millions-in-subsidies.html. [↑](#endnote-ref-4)
5. Editorial, “How Toronto got a ‘World-Class,’ Gold-Plated, Half-Billion-Dollar Empty Train,” *Globe and Mail*, February 10, 2016, accessed January 12, 2017, www.theglobeandmail.com/opinion/editorials/how-toronto-got-a-world-class-gold-plated-half-billion-dollar-empty-train/article28708468/. [↑](#endnote-ref-5)
6. Tess Kalinowski, “UPX Chief Laments Lack of ‘Early Adopters,’” *Toronto Star*, February 10, 2016, accessed January 12, 2017, www.thestar.com/news/gta/transportation/2016/02/10/upx-chief-laments-lack-of-early-adapters.html. [↑](#endnote-ref-6)
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