



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

January 2008

## MONTHLY DELAY SUMMARY

	September 07	October 07	November 07	December 07
<b>System wide</b>				
Total delays	66	63	56	75
Average length of delay (mins.)	25	18	17.8	19.4
Number over 30 minutes	20	11	9	12
Days with Heat Restrictions/Total days	0/19	0/22	0/19	0/20
On-Time Performance	88%	90.10%	89.80%	86.50%
<b>Fredericksburg Line</b>				
Total delays	33	29	28	36
Average length of delay (mins.)	22	16	21.4	17.4
Number over 30 minutes	8	4	6	5
On-Time Performance	86.6%	89.90%	88.70%	85.60%
<b>Manassas Line</b>				
Total delays	33	34	28	39
Average length of delay (mins.)	28	20	13.8	21.2
Number over 30 minutes	12	7	3	7
On-Time Performance	89.1%	90.30%	90.80%	87.20%

## SYSTEM RIDERSHIP

Ridership increased 5.1% when December 2006 ridership is compared to December 2007. This is the sixth consecutive month of growth. During the first six months of FY 2008, the cumulative ridership has climbed 3.0%. There are now 50,711 more passenger trips than there was a year ago.

The on-time performance is hovering in the high 80's on each line. CSX, Amtrak, and VRE are collectively dedicated to achieving at least 90% on both lines. It is proving difficult with minor delays on both sides. In December, we had 17 mechanical delays with an average individual delay length of 21.0 minutes. This is above my targeted goal of 11.3 delays with an average delay length of 17.5 minutes. I'll continue to work diligently at reducing both the number of mechanical delays and their length.

## EQUIPMENT UPDATE

The first five cars from the 50-car Gallery option cars entered revenue service on December 19<sup>th</sup> on trains 330, 327, 337 and 338. The second set of five cars will be shipped on January 16<sup>th</sup> and will be put into revenue service by January 30<sup>th</sup>. I expect the third 5 car shipment to occur in mid-February.

In addition, I expect to receive delivery of the three leased locomotives in February, which will provide us more locomotive flexibility by ensuring that protect locomotives are at all yards and permit more time for locomotive maintenance. Lastly, the last Sounder consist of six coaches and one locomotive will be returned to Seattle in March. The consist will be replaced with a consist of six new Gallery coaches.

#### **UPDATE ON AMTRAK STRIKE POTENTIAL**

The five-member Presidential Emergency Board (PEB) made its recommendations to settle a labor dispute between Amtrak and eight of its labor unions. The report was delivered on December 30<sup>th</sup> to the White House, which publically released that report on January 3<sup>rd</sup>.

As provided in the Railway Labor Act, the two sides must now preserve the status quo until January 30<sup>th</sup> while each side studies the recommendations for settlement, which are not binding. If no resolution and no extension of the cooling off period is agreed to or imposed, unions may strike or Amtrak may unilaterally impose a lock out or rule and working condition changes. Therefore, the deadline for action by either group will be the end of January.

Amtrak is carefully reviewing the recommendations of the PEB regarding the issues brought before the PEB by Amtrak and the eight unions representing a portion of Amtrak's employees. Amtrak's concern has always been the railroad's ability to make pay increases retroactive and to achieve efficiencies through work rule reform, and they will be looking closely at the recommendations particularly as they relate to these issues.

I will brief you on VRE contingency plans at the January 18<sup>th</sup> Operations Board meeting. I will participate in an Amtrak conference call on January 15<sup>th</sup> and continue to keep you apprised of any developments that occur on this matter.

#### **MANASSAS PARKING GARAGE STATUS**

The site work has been completed and foundations are about 50% complete. Precast concrete delivery is expected in early March, at which time the structure will begin to take shape. It is expected that the garage will be opened in the summer of 2008.

#### **BURKE STATION PARKING GARAGE STATUS**

Fairfax County reports that the garage structure is nearing completion. The platform extension has been completed and the new canopy is expected to be complete by the end of January. At that time an additional 80 feet of platform will be opened for use. The garage is expected to be opened early this summer, while the remaining work on the access road and new kiss and ride is being completed.

#### **BROOKE STATION PARKING EXPANSION**

At the request of Stafford County, VRE will be conducting an environmental assessment and preliminary design of a parking expansion project at the Brooke VRE station. This additional parking will provide much needed capacity. The current parking facility has 431 parking

spaces, and is at/or near capacity each work day. VRE received notification on December 20<sup>th</sup> that CMAQ (Congestion and Mitigation Air Quality) funding would be made available to VRE for the environmental and initial design work. This work is estimated to cost \$275,000. Though it will take some time for the environmental work at Brooke to be completed, VRE is committed to bringing more parking to the riders of VRE.

### **INCREASED COST FOR TLC PASS**

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Due to a recent increase in Metrorail's fares, the cost of the Transit Link Card (TLC) passes will be increased by \$25.00. This change in fare will be effective starting for the month of February. February TLC's went on sale January 10, 2008.

### **EMERGENCY RESPONSE VIDEO**

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A seventeen minute Emergency Response Video has been produced to train emergency responders on critical details of VRE equipment. Professional fire fighters and police officers from various jurisdictions volunteered to reenact events to demonstrate what procedures to follow in the event of a derailment, fire, terrorist attack or other potential emergency. This educational DVD will be widely distributed to all fire and rescue and police departments in participating VRE jurisdictions. Copies will be provided to the Operations Board members.

**MONTHLY PERFORMANCE MEASURES - DECEMBER 2007**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
December Fredericksburg OTP Average	85.6%
December Manassas OTP Average	87.2%
<b>VRE DECEMBER OVERALL OTP AVERAGE</b>	<b>86.5%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2008 Passenger Totals	1,731,041
VRE FY 2007 Passenger Totals	1,680,330
<b>PERCENTAGE CHANGE</b>	<b>3.0%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
DECEMBER 2007	245,720
DECEMBER 2006	233,766 (Adjusted)
<b>PERCENTAGE CHANGE</b>	<b>5.1%</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>18.5/20</b>

# Chief Executive Officer's Ridership Report



**JANUARY 2008**

*As Reported to the VRE Operations Board  
January 18, 2008*

# Monthly Ridership and OTP: December 2007

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	Actual OTP TD	Total Trips	Actual OTP TD
1										
2										
3	3,576	3,517	7,093	75%	3,882	3,906	7,788	85%	14,881	79%
4	3,510	3,387	6,897	88%	3,933	3,990	7,923	85%	14,820	86%
5	3,650	3,718	7,368	69%	3,979	4,693	8,672	85%	16,040	76%
6	3,434	3,369	6,803	75%	3,978	4,021	7,999	62%	14,802	69%
7	2,935	2,944	5,879	69%	3,837	3,951	7,788	77%	13,667	72%
8										
9										
10	3,581	3,317	6,898	100%	3,845	3,933	7,778	92%	14,676	97%
11	3,715	3,602	7,317	100%	4,025	4,059	8,084	92%	15,401	97%
12	3,818	3,164	6,982	75%	3,951	4,106	8,057	77%	15,039	76%
13	3,534	3,425	6,959	100%	3,893	4,040	7,933	100%	14,892	100%
14	3,278	3,198	6,476	100%	3,413	3,644	7,057	100%	13,533	100%
15										
16										
17	3,419	3,287	6,706	100%	3,675	3,893	7,568	100%	14,274	100%
18	3,499	3,314	6,813	94%	3,669	3,969	7,638	92%	14,451	93%
19	3,292	3,356	6,648	63%	3,717	4,062	7,779	62%	14,427	62%
20	3,112	3,095	6,207	94%	3,391	3,892	7,283	92%	13,490	93%
21	2,526	2,394	4,920	81%	2,849	3,449	6,298	92%	11,218	86%
22										
23										
24*	115	109	224	100%	200	202	402	100%	626	100%
25										
26	1,338	1,427	2,765	88%	1,930	1,933	3,863	85%	6,628	86%
27	1,632	1,805	3,437	94%	2,807	2,316	5,123	92%	8,560	93%
28	1,450	1,822	3,272	94%	2,444	2,131	4,575	69%	7,847	83%
29										
30										
31*	1,084	1,059	2,143	100%	1,348	1,255	2,603	75%	4,746	88%
	56,498	55,309	111,807	87%	64,766	67,445	132,211	86%	244,018	86%
	Adjusted total:		109,461		Adjusted Total:		130,235	Adjusted Total:	239,696	

# of Service Days:	18	Total Trips This Month:	245,068	Adjusted Total:	239,696
Manassas Daily Avg. Trips:	5,590	Prior Total FY-2008:	1,485,973		
Fred'burg Daily Avg. Trips:	6,611	Total Trips FY-2008	1,731,041		
Total Avg. Daily Trips:	12,201	Total Prior Years:	36,969,773		
		Grand Total:	38,700,814		

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days. \* designates "S" schedule day

# Monthly Ridership Changes: Fiscal Year 2006 vs. 2007

Current Month	MANASSAS			FREDERICKSBURG				
	Avg Daily FY2007	Avg Daily FY2008	% change	Avg Daily FY2007	Avg Daily FY2008	% change	Current Total	% change
July	6310	6513	3.22%	7337	7393	0.76%	13906	1.90%
August	6319	6405	1.36%	7070	7379	4.37%	13784	2.95%
September	6451	6847	6.14%	7232	7652	5.81%	14499	5.96%
October	6820	6973	2.24%	7513	7754	3.21%	14727	2.75%
November	6695	6894	2.97%	7626	7707	1.06%	14601	1.96%
December	5823	6081	4.43%	6813	7235	6.19%	13316	5.38%
January	7158			7862			0	
February	6921			7465			0	
March	6842			7218			0	
April	6467			7259			0	
May	6600			7493			0	
June	6647			7560			0	
Average growth			3.39%					3.57%
								3.48%

\*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

\*\* Average daily ridership for January 2007 does not include 1/2/07 due to Federal Government closure.

# **Chief Executive Officer's Report**



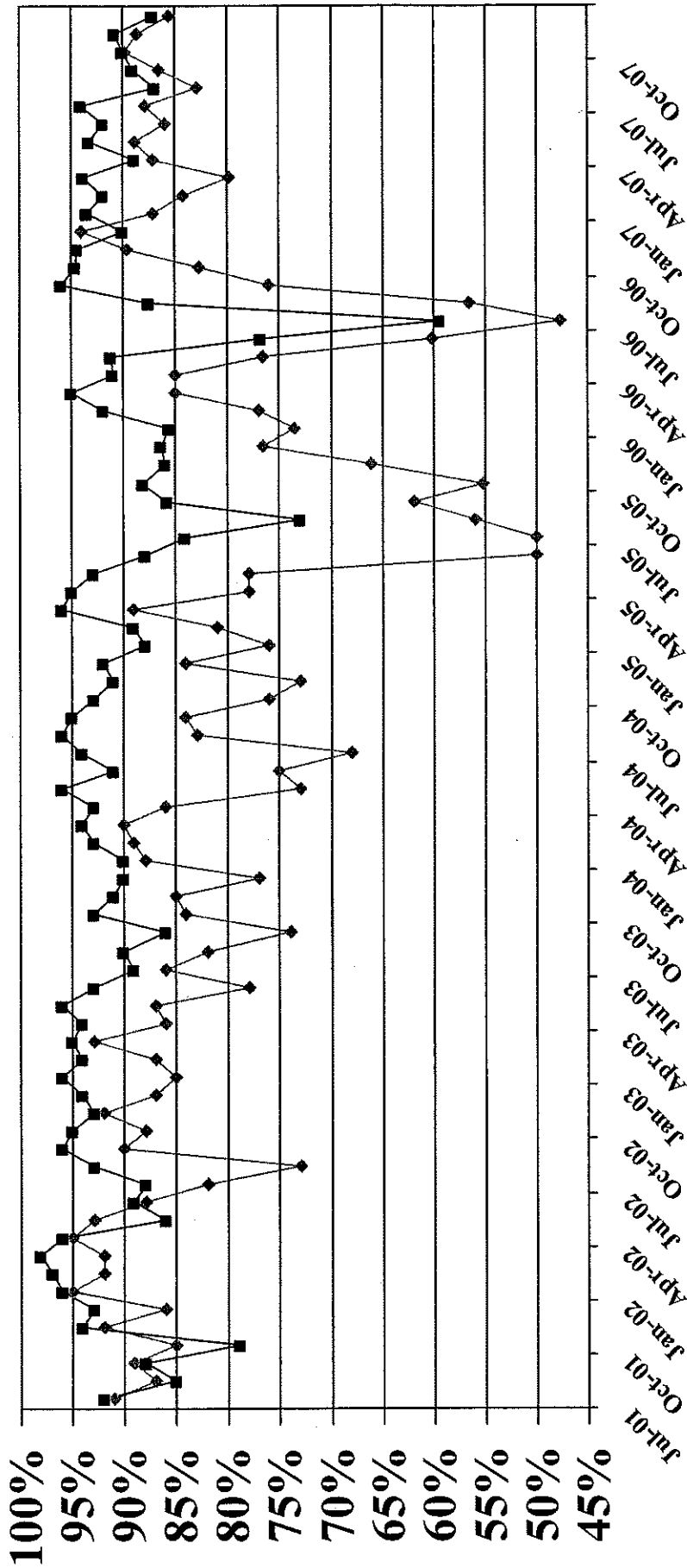
## **Chief Executive Officer's On-Time Performance**

**JANUARY 2008**

*As Reported to the VRE Operations Board  
January 18, 2008*

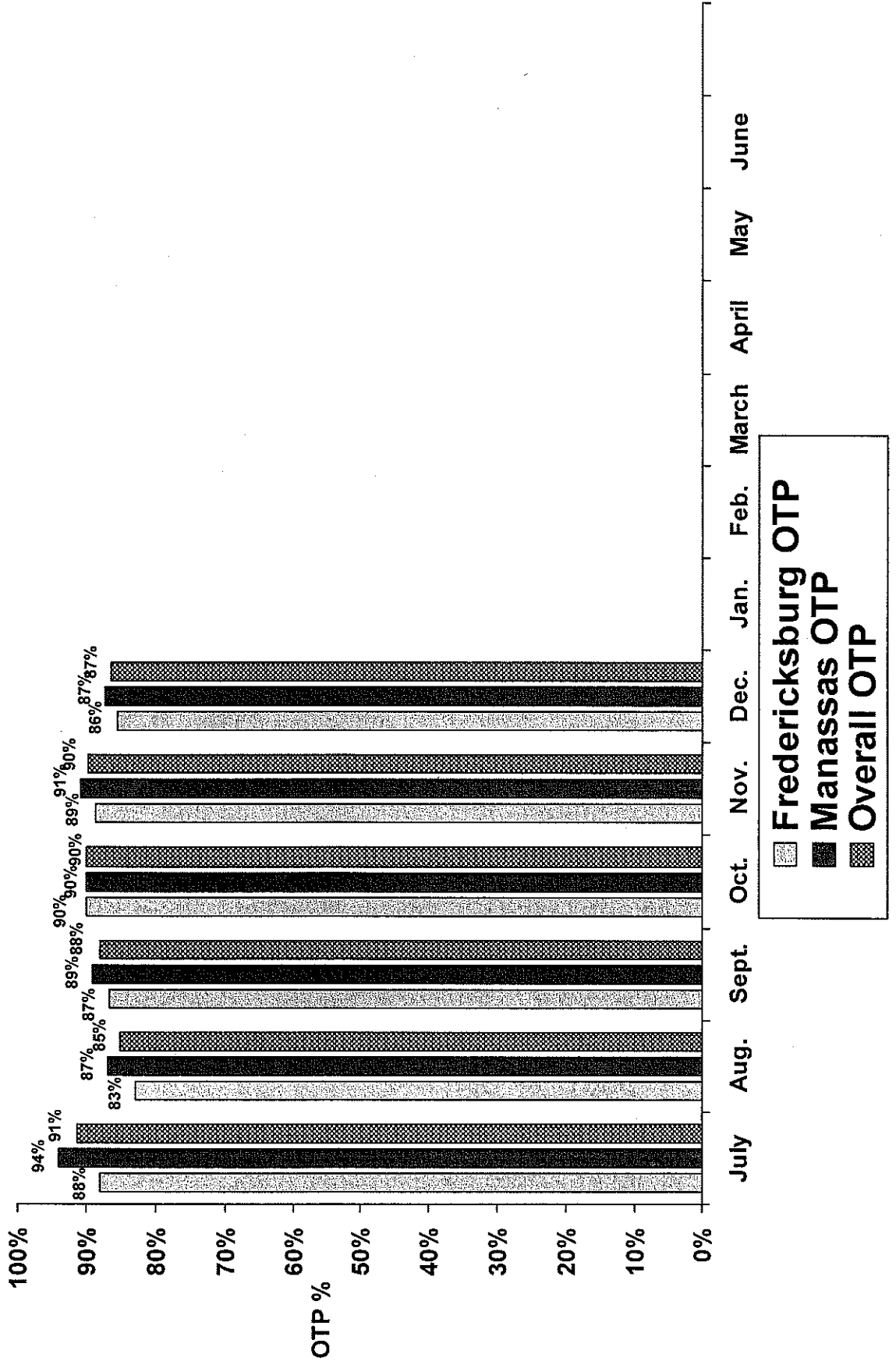
# On-Time Performance

July 2001 – December 2007



◆ Frederickburg Line    ■ Manassas Line

# Average On-Time Performance FY-2008



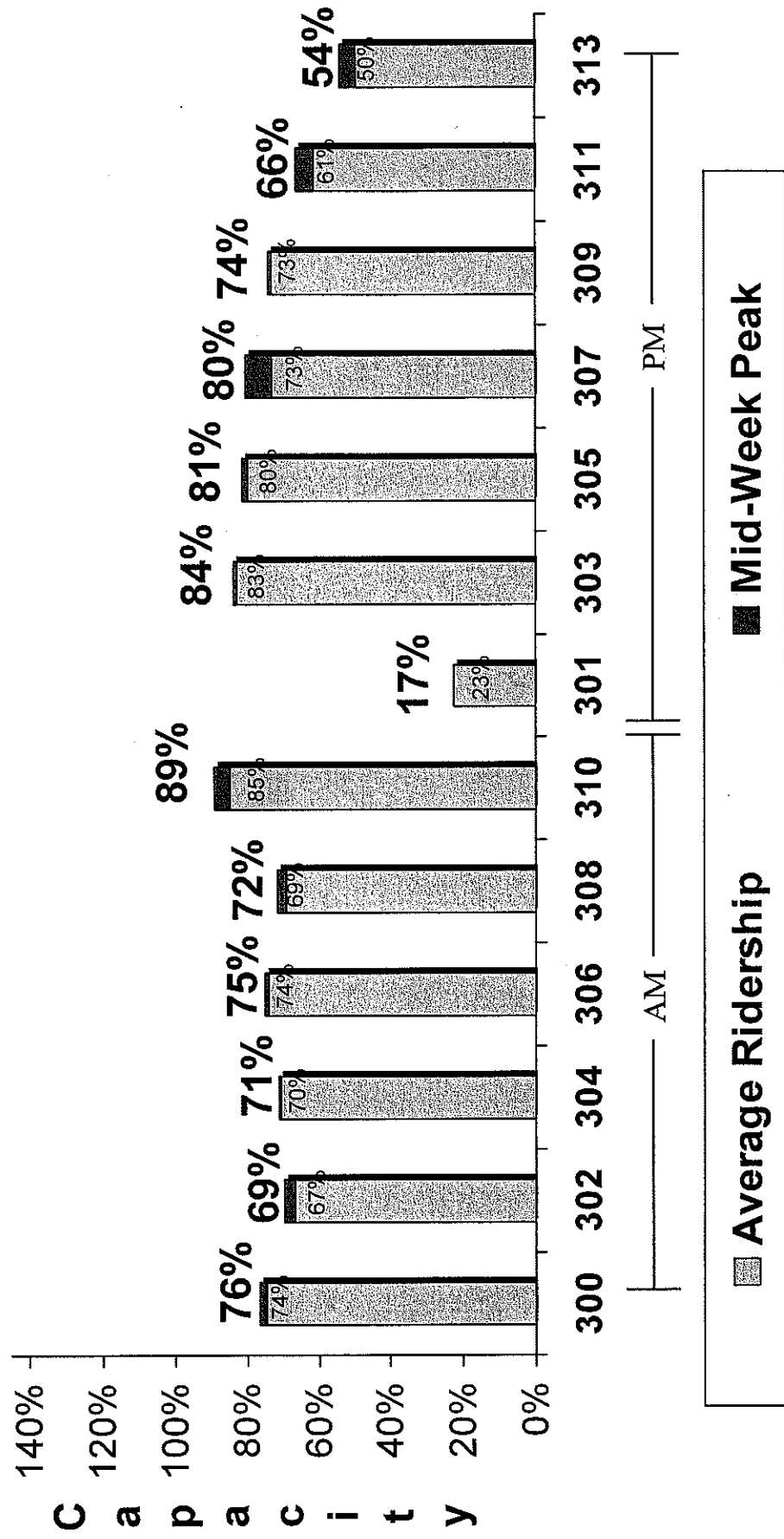
# Chief Executive Officer's Train Utilization



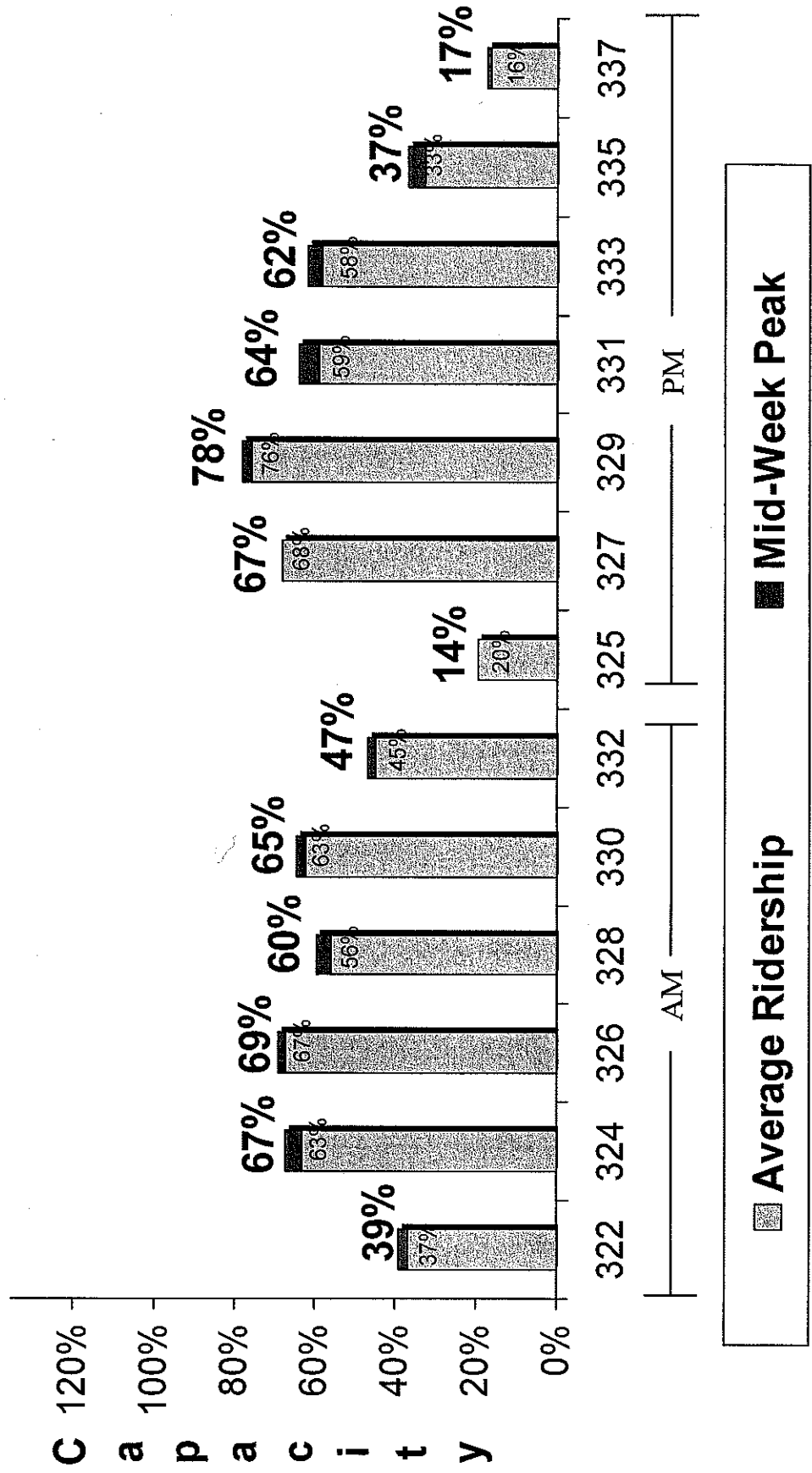
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# Train Utilization: Fredericksburg Line – December 2007



# Train Utilization: Manassas Line – December 2007



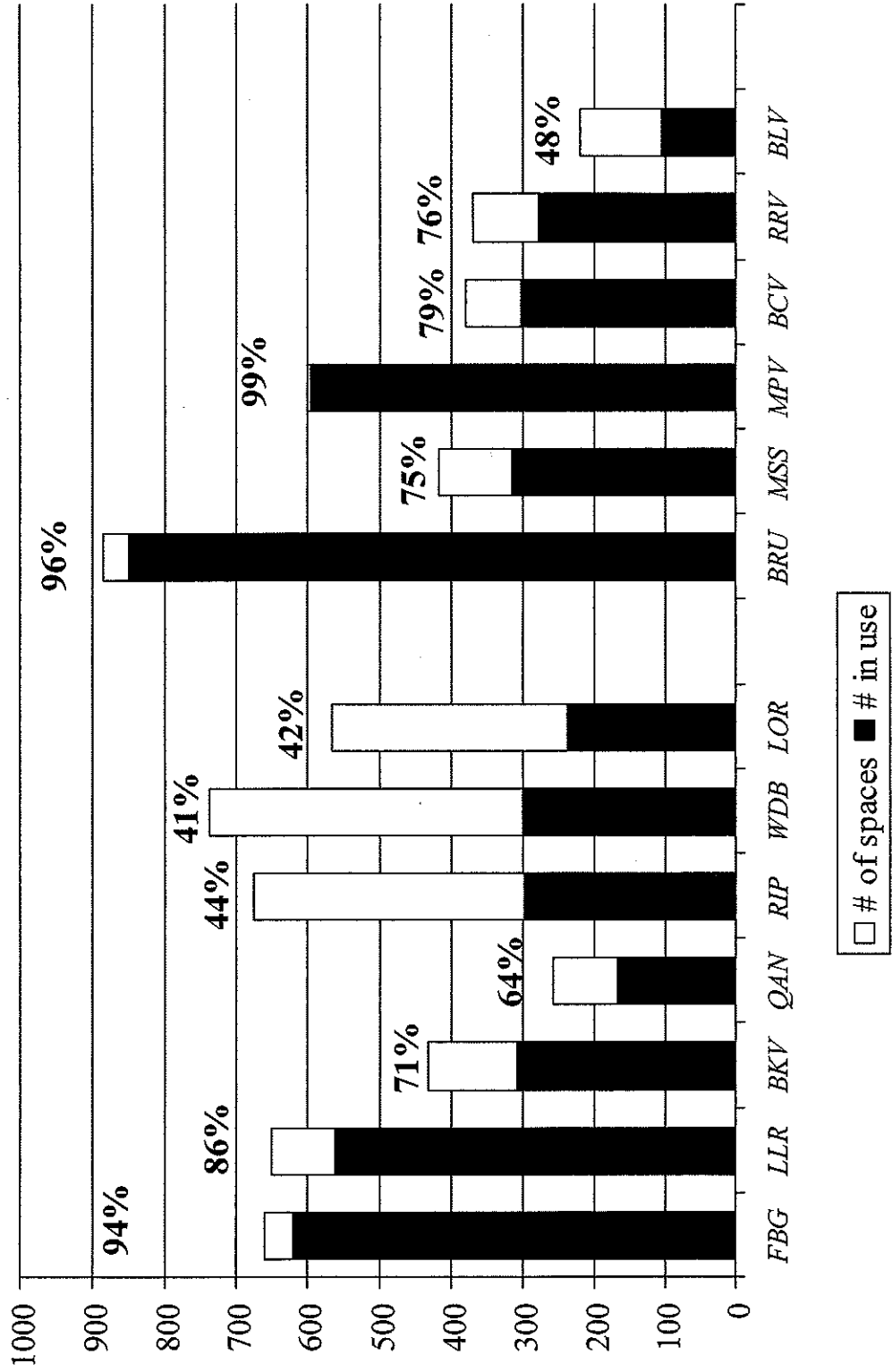
# **Chief Executive Officer's Parking Utilization**



## **JANUARY 2008**

*As Reported to the VRE Operations Board  
January 18, 2008*

# Parking Lot Utilization: December 2007



# **Chief Executive Officer's Capital Project Summary**



**JANUARY 2008**

*As Reported to the VRE Operations Board  
January 18, 2008*

**VIRGINIA RAILWAY EXPRESS**  
**CAPITAL PROJECTS - PROGRESS REPORT**  
**Projects Underway in FY07 As of January 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY06	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Quantico Bridge Construction				This project will construct a second railroad bridge at Quantico Creek, parallel to the existing crossing.			
Construction - Bridge	Quantico, Virginia		\$16,892,541	Construct double mainline track bridge and related civil and track work.	100%	Completed	Closed out
Construction - Track	Quantico, Virginia	\$26,860	\$4,671,000	Provide track construction materials, railroad flagging and signal design and construction.	100%	Completed	CSX completed signal testing on April 1 2007. Awaiting final bill
Construction Inspection	Quantico, Virginia		\$1,200,000	Perform testing and inspection and monitor construction progress	100%	Completed	Closed out
Utility Relocation	Quantico, Virginia		\$76,308	Relocate fiber lines in order to allow for bridge and track construction	100%	Completed	Closed out
Environmental Mitigation	Quantico, Virginia		NA	Develop SAV mitigation plan as approved by VMRC and perform mitigation planings and monitoring	100%	Completed	VMRC rejected the proposal to waive continued monitoring. Therefore VRE will submit two additional inspection reports (spring 08 and winter 08)
L'Enfant Storage Track				Construct approximately 1400 ft storage track just north of the existing platform and provide wayside power for two train sets.			
L'Enfant Storage Track Construction	L'Enfant	\$830,000	\$830,000	Construct approximately 1400 ft storage track just north of the existing platform	95%	1st Quarter 2008	Siding construction completed in late September. Awaiting CSXT inspection and installation of close-clearance signage. Reviewed support documentation for initial C-SX invoice. Requested CSX to revise invoice and resubmit.
L'Enfant Storage Track Wayside Power Design				Design of wayside power for two train sets.	85%	1st Quarter 2008	Currently investigating feasibility of moving power pedestals to north end of siding as cost-savings measure.
L'Enfant Storage Track Wayside Power Construction				Construction of Wayside Power	0%	2nd Quarter 2008	60% cost estimate shows \$224,000 required for construction. Additional funding needed for construction of WP. Requested PEPCO to proceed with electric service installation. Awaiting final estimate and construction agreement.
Administrative Studies and Communications							
SmartTrip Technical Support Proj. No. 1310 020	VRE offices/ system wide	\$155,000	\$154,285	Technical assistance for the design, procurement, installation and testing of a SmartTrip compatible system for VRE.	31%	3rd Quarter 2009	Smart Benefits pilot in progress. Phase 1 scope of work being developed as modification to S&B Fare Collection System contract; meetings scheduled with key VRE staff through end of Sept to review SmartTrip hardware/software, PCI and ADA scope requirements.
Hecht Site Feasibility	Washington, D.C.	\$329,000	\$160,609	Investigate use of Hecht site for mid-day storage as proposed by Amtrak.	45%	2nd Quarter 2008	Meeting was held with Amtrak on 10/31/07 where Amtrak presented a new plan to facilitate VRE access to the site. This plan appears feasible provided that purchase or lease of CSXT trackage is accomplished. VRE usage to be analyzed

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY07 As of January 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY06	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT/TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
WUT Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WUT, Ivy City and Coach Yard and allocate cost to utilize the facility.	99%	4th Quarter 2007	Findings presented to Amtrak on July 12, 2007. Amtrak took issue with previously agreed to camera locations; lacking a 1st St. tunnel camera. VRE contends locations were in agreement. Savings to VRE to be substantial. Amtrak now questioning VRE's computations and allocations. Will schedule negotiating session with Amtrak.
2-Way Radio System Design	System-wide	\$346,000	\$95,000	Design and develop RFP for new two-way radio system	100%	4th Quarter 2007	Design completed
2-Way Radio System Construction			\$248,400	Installation of new two-way radio system	40%	4th Quarter 2007	BearCom to commence ordering materials B-27-07. Have conducted site visits for antennas at Leland and Alexandria. Needed permits being sought.
System Safety Plan	System-wide	\$300,000	\$375,000/five years	Continuing development of VRE Safety Plan including audits.	99%	4th Quarter 2007	VRE annual emergency response drill completed 12/01/07
Gainesville Haymarket MIS	New Line	\$1,537,338	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket.	0%	4th Quarter 2008	Negotiations with preferred firm underway. Awaiting Board Authorization on 12/24/07
Continuing Station Projects							
Fredericksburg Viaduct Repairs	Fredericksburg	\$2,606,000	NA	Develop scope of work to address spalling concrete and drainage with available funding	100%	Completed	Final report submitted to VRE on May 15. Option 7 costs \$2.4 Million which includes repairs to the bottom of the platform slabs, CSX center track slab, abutments, ramps, and pier substructures.
Cherry Hill Station and Track Improvements	Cherry Hill, Virginia	\$2.5 million Rail Enhancement Fund	\$348,000	Develop detailed design to address necessary repairs This project includes the development of VRE's 13th station on its Fredericksburg Line. The VRE station is part of a larger development project on the Cherry Hill Peninsula. Proposed 3rd track will extend from MP 72.0 to MP 83.4.	0%	2007-2010	Will issue a task order for detailed design and construction documents once further funding is in place.
Manassas City Parking Deck	Manassas			Construction of a 620 space parking garage in the City of Manassas.	5%	2009	Grant match agreement with KSI signed by all parties on 11/08/07. RFP for Preliminary Engineering and Environmental issued on 12/20/07.
Manassas City parking Deck Environmental	Manassas		\$170,675	Preliminary work (site location/environmental) for future garage parking.	100%	Completed	Both Commissions have approved MOU with City of Manassas for funding and cost sharing of Parking Deck. Environmental document approved by FTA on August 27th. Traffic study revisited due to increased size of the garage.
Manassas City parking Deck Design	Manassas, Virginia	\$12,750,000	\$598,534	Design and limited construction administration for 620+ space parking structure.	100%	Completed	City completed review of revised elevator backup power drawings. Requested signed & sealed sets from PB in order to issue building permit.
Manassas City parking Deck Construction	Manassas, Virginia		\$9,189,400	Construction of Parking Garage	20%	3rd Quarter 2008	Perimeter footing and CIP wall construction continues. Installation of excavation support adjacent to platform nearing completion. VRE/PB to visit Shockey Precast to review precast mock-up and tour production line; Precast production to begin soon after.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY07 As of January 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY06	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT/TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Manassas City Parking Deck Electrical Line Relocation			\$416,000	Relocate high voltage line along Prince William Street	100%	Completed	Relocation of new pole and transmission line work complete.
- Land Acquisition Assistance			\$102,626	Assist in relocation services for current Owners and Tenants per Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act.	100%	Completed	Property acquisition was completed in September and tenant relocation was completed in January.
VMS replacement Program				Install new VMS, Audio and Communication Improvements for all VRE rail station Facilities.		4th Quarter 2007	The Board item was passed at January 2005 meeting to authorize DIMJM under GEC IV to perform task order work to develop the scope of work for a RFP to be solicited in the 1st quarter of 2005.
VMS replacement Program - Design	System-wide	\$1,500,640	\$143,177	Develop the Scopes of Work and technical specifications for the RFP. DIMJM + Harris will review submittals, RFIs, and possible change orders to include site visits for various actions.	98%	4th Quarter 2007	Waiting for DIMJM's final application for payment.
VMS replacement Program - Construction			\$1,357,463	Install a new VMS system, improved audio and VRE communication systems and removal of the obsolete VMS system.	95%	4th Quarter 2007	Change order 1 is in process and when executed final payment will be made. IDS has delivered the As-Built Drawings and waiting for the close out items for the contract to make final payment.
Woodbridge Station Expansion	Woodbridge, Virginia		\$910,000	This project includes a Kiss & Ride, Second Platform & Pedestrian Crossover -- which will join the parking garage and Second Platform.	100%	3rd Quarter 2007	Dewberry modifying plan and detail sheets for sanitary force main encasement as well as other plan sheets based on previous Addendum #2. VDOT review comments received. Comments are minor and are being incorporated into plans. PWC site plan/building permit approval expected after resubmitting plans with recent revisions.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia	\$7,400,000	TBD	Shifting of track 3 to the west to allow for future third track between platforms.	0%	3rd Quarter 2007	Draft force account agreement and project addendum approved by Legal. CSX force account estimate prepared and expected to be forwarded to VRE in next couple of weeks. Estimate not received as of 1/22/2007.
Woodbridge Station Expansion Construction	Woodbridge, Virginia		TBD	Construction of second platform, pedestrian crossover to existing parking garage, and bus turnout on Route 1.	0%	3rd Quarter 2008	Solicitation cancelled 10/4/07 due to error in low bid. Remaining bids exceeded project budget. Documents being prepared for reposing, anticipated by end of January.
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		NA	To obtain traffic data and prepare report of analysis results	10%	2nd Quarter 2007	Study underway. VRE ridership data forwarded to MCV inc. for use in completing traffic analysis. Continuing coordination with VDOT.
Woodbridge Station Expansion Land Acquisition	Woodbridge, Virginia	\$4,311,928	\$4,311,928	Acquisition of 8 parcels, relocation fees, relocation assistance, appraisals, surveys, and legal fees associated with these acquisitions.	100%	Completed	All property has been acquired and tenants and business relocated.
<b>Broad Run Yard Maintenance Facility</b>				<b>VRE Yard Improvements</b>			
Broad Run Yard Expansion / Maintenance Facility Design	Broad Run	\$3,222,000	\$766,887	Design and construction of additional storage tracks and locomotive and train wash facilities.	55%	2nd Quarter 2008	60% Design phase is currently underway. Submittal for 60% Design has been delayed due to the electrical upgrade design and submission is currently anticipated for mid to late 1/2008. Completion of the design remains scheduled for 5/2008 as 60% Design delay will be absorbed in pre-final design phase.
Crossroads Yard Expansion / Maintenance Facility				Design and construction of additional storage tracks and locomotive and train wash facilities.			
Crossroads Yard Expansion / Maintenance Facility Design			\$524,628	Perform design of S&I building and car wash and limited construction support services	100%	4th Quarter 2007	Site plan and building permits approved on 8/15/2007 and 8/23/2007, respectively. PB is currently review shop drawing submittals, RFIs, RFCs, and providing design clarifications.

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PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY06	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Crossroads Yard Expansion / Maintenance Facility SWM Investigation			\$45,898	Evaluate SWM design performed by PB, identify more cost effective SWM alternatives, and revise SWM in site plan if necessary.	100%	Completed	Right-of-Entry Agreement, expiring 12/31/2007, with CSXT executed on 7/30/2007. BMP agreement recorded at Spotsylvania County on 8/14/2007. Site plan approved on 8/15/2007. Certification of as-built plans will need to be completed at the end of construction (Summer 2008).
Crossroads Yard Expansion / Maintenance Facility Yard Air Design	Crossroads	\$7,300,000	\$43,042	Perform design of compressed air system for yard to be used for air brake testing of trainsets.	100%	4th Quarter 2007	100% Design submittal received by VRE on 10/11/2007. 100% Design submittal modified to provide brake compressed air within the S&J Building was received on 11/9/2007. Construction is planned as a change order to Maintenance Facilities construction by MEB. Request for proposal was forwarded to MEB on 11/13/2007.
Crossroads Yard Expansion / Maintenance Facility Temporary Welfare Facility			\$48,750	Lease of a temporary welfare facility to support shift of fleet maintenance to Crossroads Yard	98%	2nd Quarter 2008	Trailer was accepted by VRE and lease began on 12/1/2006. Currently, in month 14 of 15 month lease. Request to exercise buy option for trailer was sent with payment for Month 14 invoice. VRE will purchase and take ownership of trailer once final invoice is received.
Crossroads Yard Expansion / Maintenance Facility Construction			\$6,252,550	Construction of Service and Inspection Building, Train wash and Additional Storage Tracts within the Crossroads Yard.	40%	3rd Quarter 2008	SWM pond maintenance is approximately 95% complete. Spread footers, pedestals and grade beams for S&J Building are 45% complete. Foundation work for both S&J and Train Wash Buildings is currently on hold. The storming plan has been approved, but conditions of approval not acceptable to MEB. Foundation work will resume once storming plan dispute is resolved. Utility work is currently underway and approximately 50% complete.
Rolling Stock							
New Railcar Procurement Proj. No. 90-16-16025				Construction of new passenger rail cars			
New Railcar Fabrication (11 Cab Cars)	System-wide	\$2.2 million annual payment	\$25,035,000	Construction of 11 cab car BASE ORDER	95%	1st Quarter 2008	All 11 cars in base order on VRE property. All 11 in service. Working out bugs and identifying issues. Have added 2 parking brakes.
New Railcar Oversight (11 Cab Cars)			\$2,750,000	Perform all engineering oversight and warranty follow-up for construction of 11 cab cars	94%	1st Quarter 2008	Engineering now focused on field testing/acceptance.
New Railcar Procurement Proj No 90-42-16050							
New Railcar Fabrication (50 Cars)			\$90,427,748	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	19%	4th Quarter 2008	Five cars place in service on 12/19/07
New Railcar Oversight (50 Cars)			\$2,148,814	Perform all engineering oversight and warranty follow-up for construction of 50 car option order	14%	4th Quarter 2008	Inspector in place in Toyokawa
Sounder Lease	System-wide	\$8,226,000	\$6,380,180	Lease of three train sets from Sound Transit.	100%	Ongoing Lease	First set of cars returned to Seattle in May, 2006. Second set returned June, 2007. Remaining set to be returned by March 2008.
Top Deck Rebuilds Work Management Software Project No 90-57-16270	System-wide	\$4,500,000	\$1,730,778	Top Deck Rebuild for 8 Locomotives	75%	On going Project	V02, V07, V21, V06, V08 and V09 Top deck work has been completed. Next Locomotive for Top deck work is V24
Work Management Software Training	Yards	TBD	N/R	Provide software and license agreements	75%	4th Quarter 2007	Software purchased, All licenses arrived at VRE. Currently developing some program mods to make fully responsive to VRE needs.
			N/R	Design software modifications for conformity with VRE specific needs and train personnel in use product.	25%	1st Quarter 2008	Produced 1st draft of periodic inspection forms. Within 2 weeks of transferring warehouse inventory into Micro Main from Quick Books.

# Chief Executive Officer's Financial Report



**JANUARY 2008**

*As Reported to the VRE Operations Board  
January 18, 2008*

## FINANCIAL STATISTICS FOR DECEMBER 2007

Copies of the December 2007 Operating Budget Report are attached.

Fare income for the month of December 07 was \$102,101 below the budget – an unfavorable variance of 6.27%. The cumulative variance for the year is 0.67% or \$70,752 below the budget. This negative variance is generally in line with current projections and reflects the anticipated gradual increase in ridership. Revenue in the first six months of FY 2008 is up 9.0% over FY 2007.

A summary of the financial results (unaudited) as of December 2007 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual	Trend
Operating Ratio		55%	66%	↑
<b>Budgeted Revenue</b>	61,499,872			
Budgeted Revenue YTD	28,850,138			
Actual Revenue YTD	28,960,808			
Cumulative Variance	110,670		110,670	↑
Percent Collected FY 07 YTD		46.91%	47.09%	
<b>Budgeted Expenses</b>	61,499,872			
Budgeted Expenses YTD	30,811,387			
Operating Expenses YTD	30,674,143			
Cumulative Variance	137,244		137,244	
Percent Collected FY 07 YTD		50.10%	49.88%	↑
<b>Net Income (Loss) from Operations</b>			247,914	↑

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2007 OPERATING BUDGET REPORT**  
 December 2007

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY08 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	1,525,823	1,627,924	10,467,912	10,538,664	(70,752)	-0.7%	21,334,369
Equipment Rental and Other	7,759	39,204	75,891	100,960	(25,069)	-24.8%	513,775
<b>Subtotal Operating Revenue</b>	<b>1,533,582</b>	<b>1,667,127</b>	<b>10,543,803</b>	<b>10,639,624</b>	<b>(95,821)</b>	<b>-0.9%</b>	<b>21,848,144</b>
<b>Jurisdictional Subsidy (1)</b>							
Federal/State Subsidy	1,941,368	1,952,653	6,389,596	6,389,596	-	0.0%	12,518,448
Appropriation from Reserve	-	-	11,869,172	11,715,919	153,254	1.3%	26,923,280
Interest Income	23,512	17,500	158,237	105,000	53,237	0.0%	210,000
<b>Total Operating Revenue</b>	<b>3,498,462</b>	<b>3,637,281</b>	<b>28,960,808</b>	<b>28,850,138</b>	<b>110,670</b>	<b>0.4%</b>	<b>61,499,872</b>
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	3,523,613	3,503,305	20,002,518	20,203,464	200,946	1.0%	43,866,359
Debt Service	910,031	879,974	5,493,867	5,415,854	(78,014)	-1.4%	12,409,373
Insurance	210,000	210,000	5,160,000	5,160,000	-	0.0%	5,160,000
Other Non-Departmental Expenses	-	(168,321)	17,758	32,070	14,312	44.6%	64,140
<b>Total Operating Expenses</b>	<b>4,643,644</b>	<b>4,424,957</b>	<b>30,674,143</b>	<b>30,811,387</b>	<b>137,244</b>	<b>0.4%</b>	<b>61,499,872</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>							
	(1,145,182)	(787,677)	(1,713,335)	(1,961,249)	247,914		0
<b>CALCULATED OPERATING RATIO</b>							
						66%	

(1) Total jurisdictional subsidy is \$13,379,154. Portion shown is attributed to Operating Fund only.