



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

June 2008

## MONTHLY DELAY SUMMARY

	February 08	March 08	April 08	May
<b>System wide</b>				
Total delays	84	75	126	123
Average length of delay (mins.)	16	16	14	17
Number over 30 minutes	9	6	11	20
Days with Heat Restrictions/Total days	0/20	0/21	0/22	0/21
On-Time Performance	85.5%	87.7%	80.3%	80.9%
<b>Fredericksburg Line</b>				
Total delays	42	31	70	67
Average length of delay (mins.)	16	18	12	18
Number over 30 minutes	3	4	0	9
On-Time Performance	83.8%	88.6%	75.5%	76.8%
<b>Manassas Line</b>				
Total delays	42	44	56	56
Average length of delay (mins.)	16	15	17	17
Number over 30 minutes	6	2	11	11
On-Time Performance	86.9%	86.9%	84.1%	84.4%

## SYSTEM RIDERSHIP

Ridership has increased for eleven consecutive months. The last time that VRE had eleven months of consecutive growth was in FY 2004. Ridership in May 2008 was 8.4% higher than in May 2007. The cumulative ridership for this fiscal year has climbed to 14,572 average daily trips and represents a 4.4% increase from last fiscal year. This is the highest that it's been since June 2006. There are now 611 more trips per day than there were a year ago. In addition, we are experiencing many more phone calls from new riders asking questions about how to ride VRE and on the peak period trains we are starting to see standees.

## SYSTEM ON TIME PERFORMANCE

System wide on-time performance (OTP) remained at 80.9% in May, with an OTP of 76.8% on the Fredericksburg Line and 84.4% on the Manassas Line. The major cause of delays was train interference. Only 9 delays out of the total 115 delays for May were due to mechanical issues. Events that significantly affected on-time performance in May were a disabled freight train near Alexandria on May 6<sup>th</sup> and speed restrictions related to flash flood warnings on May 9<sup>th</sup>. Although OTP is not where I want it to be, we continue to work on improving it. First, Amtrak trains OTP is improving. Second, we have mechanical delays under control. Third, CSX dispatchers for our territory will relocate to Baltimore effective June 21<sup>st</sup> and I anticipate the

dispatchers will gain a more intimate knowledge of the territory and VRE crews. Both will ensure more direct and personal dispatching – a direct benefit to CSX, VRE and Amtrak.

### **CSX THIRD TRACK INSTALLATION**

On Friday, May 30<sup>th</sup>, VRE experienced planned service disruptions on both lines due to CSX tying in a new portion of third main track at "RO", an area just south of the Potomac River Bridge near the Crystal City Station. CSX began the process on Thursday evening, May 29 after VRE service and completed it on Sunday, June 1.

During that day, VRE terminated Fredericksburg line trains at Franconia/Springfield and passengers transferred to Metrorail using their VRE ticket. Manassas line trains terminated at the Norfolk Southern facility near the Van Dorn Street Metrorail station where they were bused to the Metro Station. This process was reversed in the afternoon. VRE staff was on location at both Metro stations to assist passengers. While ridership was low - 7,037 passenger rides-ample notification helped minimize this temporary inconvenience. WMATA station managers provided exceptional customer service to our riders.

### **CSX RAIL REPLACEMENT**

The CSX R3 rail team will work on the RF&P subdivision from Sunday, June 1<sup>st</sup> through Thursday, June 26<sup>th</sup>. The team will work eight straight days beginning on Sunday, June 1<sup>st</sup> through Sunday, June 8<sup>th</sup>, followed by six days off . Work will resume from Sunday, June 15<sup>th</sup> and run through Thursday, June 26<sup>th</sup>, with no work on Friday, June 20<sup>th</sup>. While most work will occur overnight, some daylight hours are needed for work on the Long Bridge. Work will start at milepost CFP 60.87, near Dahlgren, VA and work north to milepost CFP 112.3, near Virginia Avenue, DC. A total of 85,931 linear feet of rail will be installed during this period.

### **MANASSAS RAILWAY FESTIVAL**

On Saturday, June 7<sup>th</sup>, the Fourteenth Annual Manassas Railway Festival was held at the Manassas VRE station from 10:00 a.m. until 5:00 p.m. VRE ran excursion train rides every hour on the hour starting at 10:00 a.m. with the last one departing at 3:00 p.m. The train consist was made up entirely of VRE's new Gallery cars. The festival also featured a variety of model railroads, railroad history and memorabilia, live bands, children's rides and activities, and plenty of food. The train service expenses were paid by Historic Manassas up front, so no costs were incurred by VRE.

### **MEET THE MANAGEMENT**

For the month of June, Meet the Management events will take place at Manassas, Brooke, Manassas Park and Quantico. We will meet all morning trains with refreshments and answer any questions.

## **NEXT DELIVERY OF NEW RAIL CARS**

The next five new Gallery cars (31<sup>st</sup> through 35<sup>th</sup> cars) are scheduled to arrive on Thursday, June 19<sup>th</sup>. They will be tested over the weekend and are scheduled to be in service the week of June 23<sup>rd</sup> on the Manassas line.

## **VRE FARE INCREASE**

The approved 3% fare increase will go into effect on June 30, 2008. Fare collection machines will be reprogrammed and Fare and Schedule posters, Rider's Guides, and the web site will be updated with the new rates.

**MONTHLY PERFORMANCE MEASURES – MAY 2008**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
May Fredericksburg OTP Average	76.8%
May Manassas OTP Average	84.4%
<b>VRE MAY OVERALL OTP AVERAGE</b>	<b>80.9%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2008 Passenger Totals	3,300,410
VRE FY 2007 Passenger Totals	3,155,216
<b>PERCENTAGE CHANGE</b>	<b>4.6%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
MAY 2008	305,560
MAY 2007	310,046
<b>PERCENTAGE CHANGE</b>	<b>8.4% (NORMALIZED)</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>20/22</b>

# Chief Executive Officer's Ridership Report



**JUNE 2008**

*As Reported to the VRE Operations Board  
June 20, 2008*

# Monthly Ridership and OTP: May 2008

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	3,477	3,631	7,108	88%	3,864	4,140	8,004	92%	15,112	90%
2	2,846	2,823	5,669	81%	3,465	3,625	7,090	77%	12,759	79%
3										
4										
5	3,597	3,574	7,171	88%	3,821	4,081	7,902	69%	15,073	79%
6	3,313	3,414	6,727	50%	3,979	4,298	8,277	46%	15,004	48%
7	3,466	3,538	7,004	94%	3,970	4,063	8,033	77%	15,037	86%
8	3,641	3,610	7,251	88%	4,006	4,054	8,060	92%	15,311	90%
9	2,870	2,481	5,351	44%	3,631	3,514	7,145	23%	12,476	34%
10										
11										
12	3,147	3,060	6,207	88%	3,692	3,788	7,480	69%	13,687	79%
13	3,599	3,545	7,144	100%	4,050	4,220	8,270	92%	15,414	97%
14	3,509	3,599	7,108	88%	4,223	4,295	8,518	92%	15,626	90%
15	3,702	3,706	7,408	75%	3,892	4,049	7,941	77%	15,349	76%
16	2,949	3,148	6,097	88%	3,855	3,775	7,630	77%	13,727	83%
17										
18										
19	3,474	3,492	6,966	88%	3,762	3,959	7,721	100%	14,687	93%
20	3,537	3,615	7,152	100%	4,226	4,379	8,605	62%	15,757	83%
21	3,918	3,743	7,661	81%	4,091	4,165	8,256	69%	15,917	76%
22	3,619	3,759	7,378	100%	3,911	4,333	8,244	85%	15,622	93%
23	2,627	2,451	5,078	100%	3,695	4,210	7,905	92%	12,983	97%
24										
25										
26										
27	3,552	3,681	7,233	88%	3,775	4,355	8,130	77%	15,363	83%
28	3,757	3,683	7,440	100%	4,214	4,472	8,686	100%	16,126	100%
29	3,696	3,781	7,477	50%	4,158	4,348	8,506	46%	15,983	48%
30*	977	951	1,928	38%	2,545	2,564	5,109	67%	7,037	52%
31										
<b>Adjusted total:</b>	<b>65,796</b>	<b>65,634</b>	<b>138,538</b>	<b>82%</b>	<b>76,961</b>	<b>80,547</b>	<b>165,512</b>	<b>75%</b>	<b>304,050</b>	<b>78%</b>
			<b>136,634</b>			<b>Adjusted Total:</b>	<b>161,889</b>	<b>Adjusted Total:</b>	<b>298,523</b>	

# of Service Days: 20 Manassas Daily Avg. Trips: 6,597 Fred'burg Daily Avg. Trips: 7,882 Total Avg. Daily Trips: 14,479	Adjusted Avg.: 6,832 Adjusted Avg.: 8,094 Adjusted Avg.: 14,926	Total Trips This Month: 305,560 Prior Total FY-2008: 2,994,850 Total Trips FY-2008: 3,300,410 Total Prior Years: 36,969,773 Grand Total: 40,270,183
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Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days. \* designates scheduled service disruption and is not included in adjusted totals.

## Monthly Ridership Changes: Fiscal Year 2007 vs. 2008

Current Month	MANASSAS			FREDERICKSBURG			Current Total	% change
	Avg Daily FY2007	Avg Daily FY2008	% change	Avg Daily FY2007	Avg Daily FY2008	% 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	6978	-2.51%	7862	8148	3.64%	15126	0.71%
February	6921	6842	-1.14%	7465	8018	7.41%	14860	3.29%
March	6842	6812	-0.44%	7218	8050	11.53%	14862	5.70%
April	6467	6988	8.06%	7259	8324	14.67%	15312	11.55%
May	6600	6832	3.52%	7493	8094	8.02%	14926	5.91%
June	6647			7560			0	
Average growth			2.53%			6.06%		4.37%

\*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.

\*\*\*Average daily ridership for May 2008 does not include 5/30/08 due to planned service disruption.

# Chief Executive Officer's Report



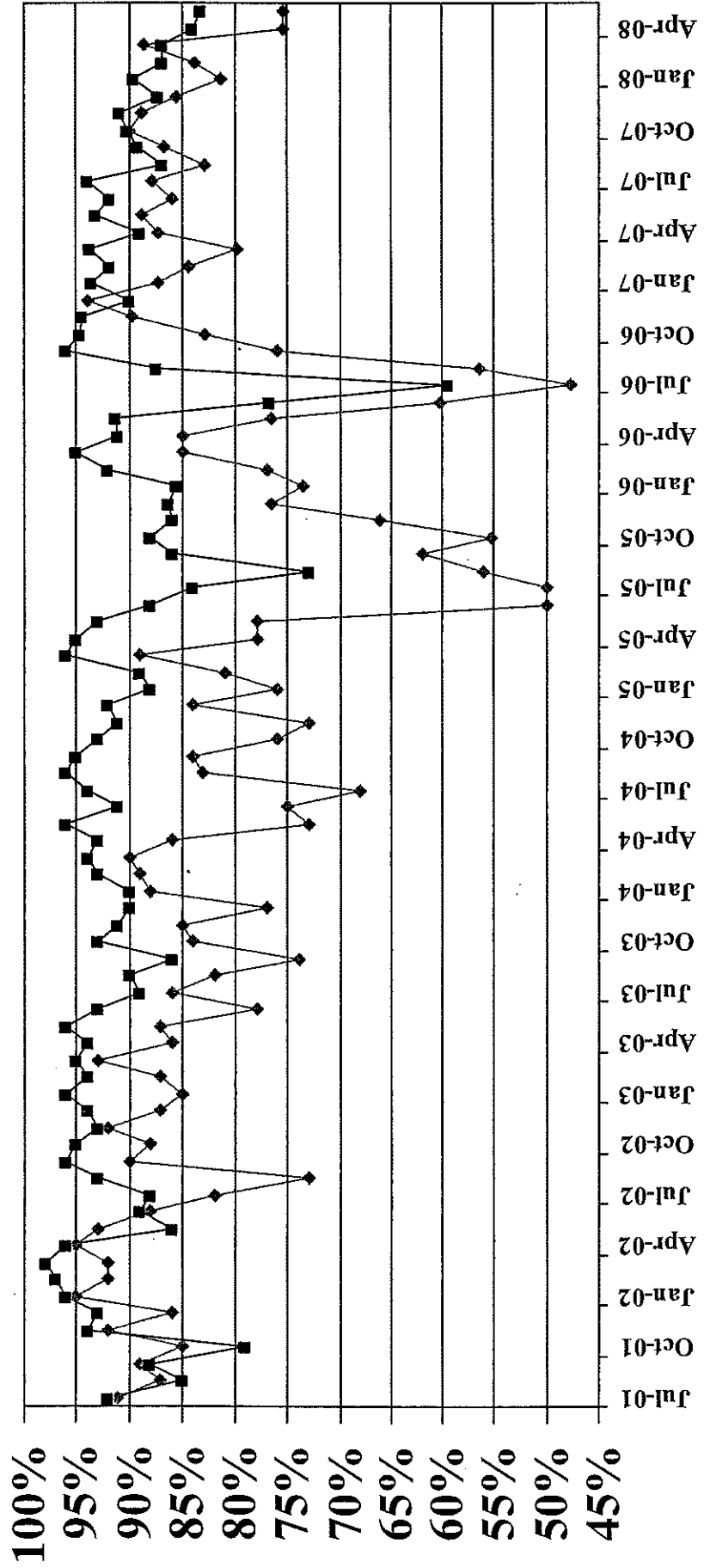
## Chief Executive Officer's On-Time Performance

**JUNE 2008**

*As Reported to the VRE Operations Board  
June 20, 2008*

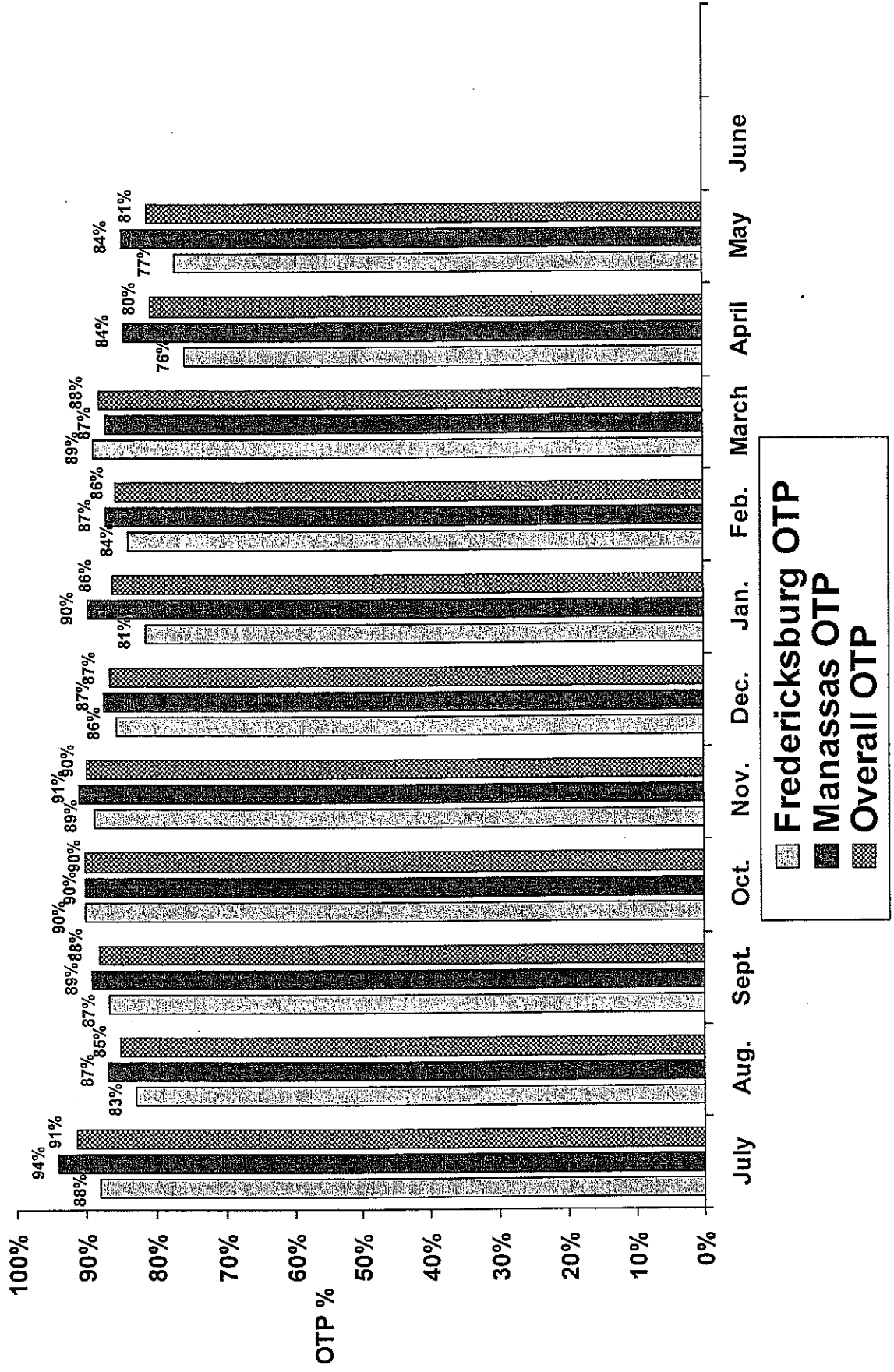
# On-Time Performance

July 2001 – May 2008



◆ Frederickburg Line    ■ Manassas Line

# Average On-Time Performance FY-2008



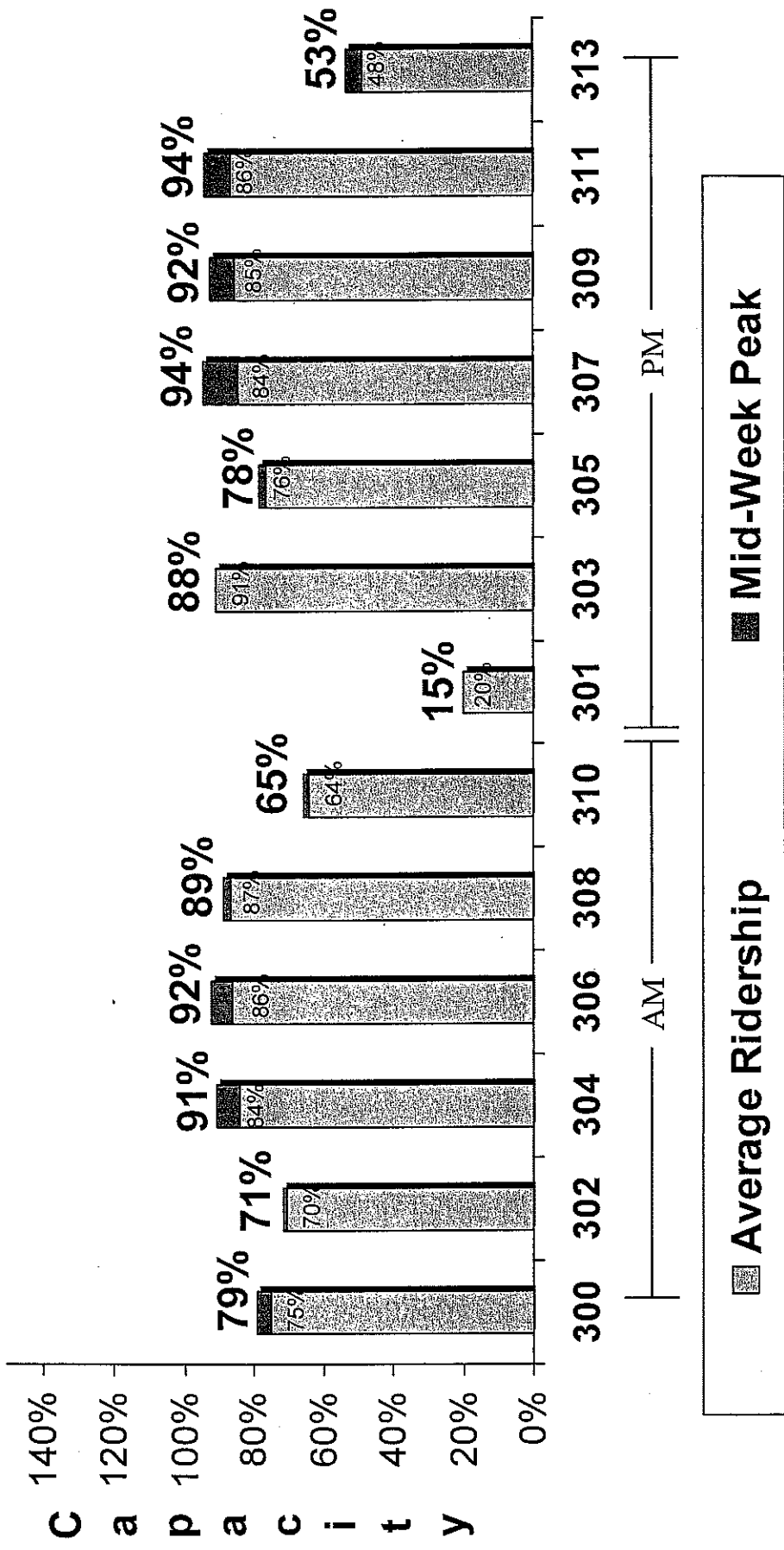
# Chief Executive Officer's Train Utilization



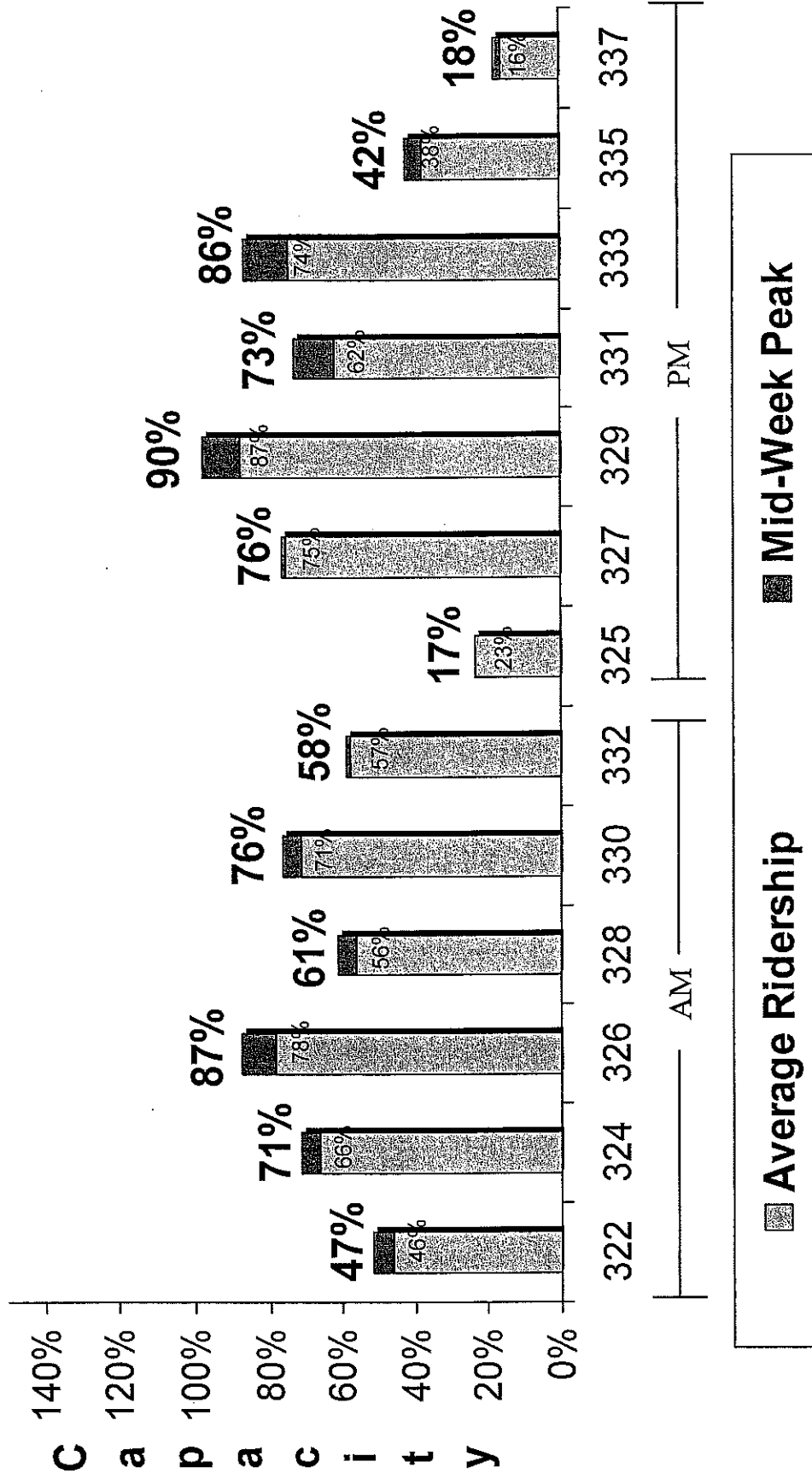
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# Train Utilization: Fredericksburg Line – May 2008



# Train Utilization: Manassas Line – May 2008



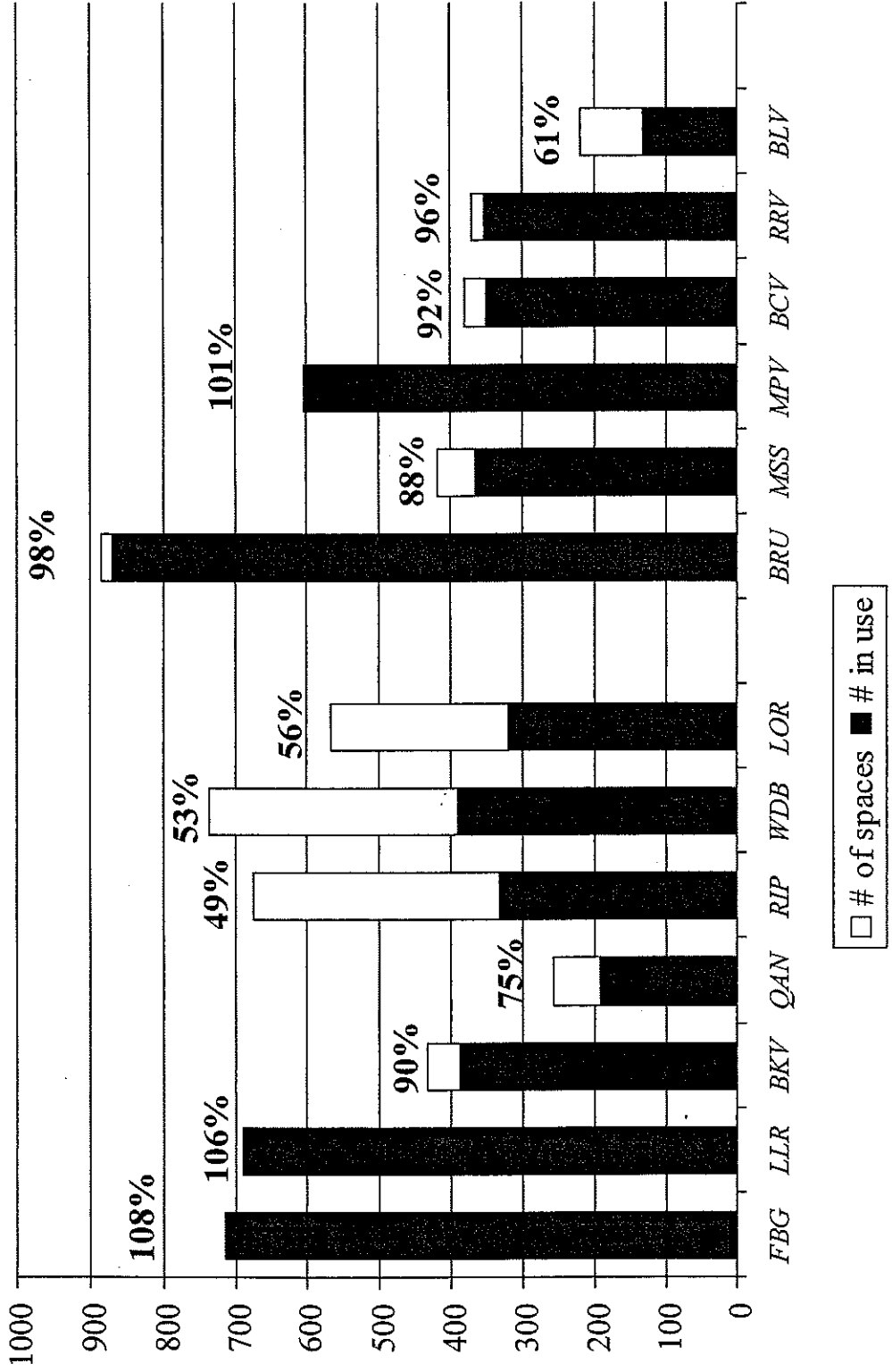
# Chief Executive Officer's Parking Utilization



**JUNE 2008**

*As Reported to the VRE Operations Board  
June 20, 2008*

# Parking Lot Utilization: May 2008



# Chief Executive Officer's Capital Project Summary



**JUNE 2008**

*As Reported to the VRE Operations Board  
June 20, 2008*

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
June 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY09	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Cherry Hill Third Track	Cherry Hill, Virginia	\$2,500,000		This project includes the development of VRE's 13th station on the 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.			
Cherry Hill Third Track FBEA			\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	0%	3rd Quarter 2009	Kick off meeting held on May 14 with CSX and KSI. Aerial survey performed, data collection underway.
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	\$630,000	\$630,000	Construct approximately 1400 ft storage track just north of the existing platform	95%	1st Quarter 2008	Siding construction completed in late September. Passed CSX inspection upon completion. Currently reviewing final invoice (\$139,196.17).
L'Enfant Storage Track Wayside Power Design			N/A	Design of wayside power for two train sets.	85%	2nd Quarter 2008	HDR currently revising design and construction cost estimate to incorporate air compressor and shift of pedestal to north end of storage track.
L'Enfant Storage Track Wayside Power Construction			N/A	Construction of Wayside Power	0%	TBD	Signed task order with NVE to install CTJ cabinet. If feasible, VRE will amend task order to include purchase of, and potentially installation of, switchgear, power pedestal and other wayside power components. VRE to purchase air compressor, PECCO to proceed with service installation once CTJ cabinet is installed.
<b>Planning, Studies and Communications Projects</b>							
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	Request for proposal forwarded to S&B; awaiting response. Smart Benefits pilot continues.
Hecht Site Feasibility	Washington, D.C.	\$329,000	\$160,909	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.
WJUT Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WJUT, Ivy City and Coach Yard and allocate cost to utilize the facility.	99%	2nd quarter 2008	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. VRE sent letter to Amtrak requesting settlement terms. Awaiting answer.
2-Way Radio System				To install a radio communication system that will allow monitoring of train communication and communication with trains during emergencies.			
2-Way Radio System Design	System-wide	\$346,400	\$98,000	Design and develop RFP for new two-way radio system	100%	Completed	Design completed.
2-Way Radio System Construction			\$248,400	Installation of new two-way radio system	75%	4th Quarter 2008	Located antenna location in Alexandria; Working on lease agreement and permit process for Alexandria and Leeland; All leases under review by VRE Attorney; Will expend all DHS grant funds prior to deadline.

Note 1: Total adopted CIP budget will be revised upon receipt of FY09 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT**  
Projects Underway in FY08 As of  
June 1, 2008

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY08	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Gainesville Haymarket MIS	New Line	\$1,537,338	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket	1%	1st Quarter 2009	Kick-off meeting held on 4/10/08. Project Manual/Schedule submitted 4/17/08. Public participation plan submitted 5/2/08 and under review. Progress meeting scheduled for 5/8/08.
Commuter Station Projects							
Fredericksburg Viaduct Repairs							
Fredericksburg Viaduct Repairs Design	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.
Manassas City Parking Deck				Develop detailed design to address necessary repairs	0%	2007-2010	Will issue a task order for detailed design and construction documents once further funding is in place.
Manassas City parking Deck Environmental			\$170,675	Construction of a 520 space parking garage in the City of Manassas.		2nd Quarter 2008	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			\$598,534	Preliminary work (site location/environmental) for future garage parking.	100%	Completed	
Manassas City parking Deck Construction	Manassas, Virginia	\$12,750,000	\$9,189,400	Design and limited construction administration for 520+ space parking structure.	95%	3rd Quarter 2008	PB providing ongoing construction administration support.
Manassas City Parking Deck Electrical Line Relocation				Construction of Parking Garage	85%	3rd Quarter 2008	Current construction activities include electrical, plumbing, caulking and precast finishing, concrete pour strips, window installation, curbs, gutters and sidewalks, and elevator installation. Completion scheduled for end of July but is anticipated early to mid-July. Ribbon-cutting ceremony scheduled for 6/26/08.
Land Acquisition Assistance			\$416,000	Relocate high voltage line along Prince William Street	100%	Completed	Relocation of new pole and transmission line work complete. Received final Dominion invoices (\$157,060.23). Waiting for cost breakdown and certified payroll.
Woodbridge Station Expansion	Woodbridge, Virginia		\$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.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia	\$7,400,000	\$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	Improvements to Route 1 in VDOT right-of-way eliminated, along with sidewalk connection from Route 1 to elevator/stair tower. These improvements to be addressed during later phase of project. Received PWC final site plan approval on 5/19/08.
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		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. Release of estimate dependent on resolution of other CSX issues.
			TBD	Construction of second platform, pedestrian crossover to existing parking garage, and bus turnout on Route 1.	0%	2nd Quarter 2009	Received Board and Commission approval to award contract to Costello Construction of Maryland, Inc. Waiting on certain contract submittals from Costello. Costello applied for CSX Right-of-Entry on 5/20/08. NTP anticipated in July. Special Inspections Meeting with PWC to be arranged for release of building permit.
			NA	To obtain traffic data and prepare report of analysis results	10%	2nd Quarter 2008	Study underway. Gathering additional VRE ridership data for use in completing traffic analysis. Continuing coordination with VDOT.

Note 1: Total adopted CIP budget will be revised upon receipt of FY09 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
June 1, 2008**

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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 those acquisitions.	100%	Completed	All property has been acquired and tenants and business relocated.
Burke Centre Platform Extensions Design		\$1,000,000	\$100,760	Extend platform by 200ft and replace existing platform post lights	50%	1st Quarter 2009	30% Design Complete. 60% Design due at end of June. Fairfax County permitting process is underway.
Leeland Rd Station Parking Lot Expansion Environmental	Stafford, VA		\$172,700	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station Park and Ride Lot.	5%	4th Quarter 2008	Data collection started. Progress Meeting 6/12/08.
Brooke Station Parking Lot Expansion Environmental	Stafford, VA	\$956,400	\$275,124	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Brooke Station Park and Ride Lot.	5%	4th Quarter 2008	Data collection started; Progress Meeting 6/12/08
Brooke Station Parking Lot Restriping	Stafford, VA			Restripe lot to gain spaces and improve circulation	0%	4th Quarter 2008	Design complete; Request for Quotes sent out for re-striping (Dus 6/6/08)
<b>Yard Improvements</b>							
Broad Run Yard Expansion / Maintenance Facility	Broad Run	\$3,222,000		Design and construction of additional storage tracks and locomotive and train wash facilities.			
Broad Run Yard Expansion / Maintenance Facility Design			\$766,887	Perform design of S&I building, car wash, warehouse and limited construction support services.	90%	2nd Quarter 2008	90% Design submitted to VRE for review on 04/07/2008 and review meeting held on 04/30/2008. VRE currently reviewing 90% Design submission and expects to provide comments to DMJM in early June 2008. Coordination with Dominion Power regarding to electrical service install and with PWC regarding building permit and site plan are on-going.
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	Providing construction support as needed.
Crossroads Yard Expansion / Maintenance Facility SWM Investigation	Crossroads	\$7,157,000	\$45,888	Evaluate SWM design performed by PE, 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. Extension of Right-of-Entry Agreement through the end of construction was executed on 01/21/2008. 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 All Design			\$43,042	Perform design of compressed air system for yard to be used for air brake testing of trainsets.	100%	4th Quarter 2007	Installation will be completed as a change order under Maintenance Facilities Construction project. Installation is scheduled to be completed by the end of July 2008.
Crossroads Yard Expansion / Maintenance Facility Construction			\$6,252,550	Construction of Service and Inspection Building, Train wash and Additional Storage Tracks within the Crossroads Yard.	80%	3rd Quarter 2008	Building foundations, inspection pit, utilities, and Train Wash Building steel are substantially complete. S&I steel erection is underway and is expected to be completed by mid/late July. Train wash system being fabricated and delivery is anticipated for late July. Train wash system expected to be completed by September. Track installed up to north end of project. Remaining expected to be completed by early July.
<b>Rolling Stock</b>							
New Railcar Procurement Proj. No. 90-16-16026				Construction of new passenger rail cars			

Note 1: Total adopted CIP budget will be revised upon receipt of FY08 grant.

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**Projects Underway in FY08 As of**  
**June 1, 2008**

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New Railcar Fabrication (11 Cab Cars)	System-wide	\$2.2 million annual payment	\$25,035,000	Construction of 11 cab car BASE ORDER	100%	1st Quarter 2008	All 11 cars in base order on VRE property. All 11 in service. Working out warranty issues. Have added Sparking brakes
New Railcar Oversight (11 Cab Cars)			\$2,750,000	Perform all engineering oversight and warranty follow-up for construction of 11 cab cars	88%	1st Quarter 2008	Engineering now focused on warranty issues.
New Railcar Procurement Proj No 90-42-16060							
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.	45%	4th Quarter 2008	30 cars now in service. All other shells either at Super Steel. 5 more scheduled to arrive on 6/19.
New Railcar Oversight (50 Cars)			\$2,149,814	Perform all engineering oversight and warranty follow-up for construction of 50 car option order	40%	4th Quarter 2008	Activities in Japan concluded. All work now in Milwaukee and Manassas.
Sounder Lease	System-wide	\$8,226,000	\$8,360,180	Lease of three train sets from Sound Transit.	100%	Completed	First set of cars returned to Seattle in May, 2006. Second set returned June, 2007. Third, and final, set returned in March, 2008. Finalizing accounts between parties
Top Deck Rebuilds Work Management Software Project No 90-57-16270	System-wide	\$4,500,000	\$1,730,776	Top Deck Rebuild for 8 Locomotives	90%	On going Project	V02, V07, V21, V06, V08, V09 and V24 Top deck work has been completed. Next locomotive scheduled for top deck is V10
Work Management Software Training and Setup	Yards & Warehouse	\$95,000		Provide software and license agreements to track parts management. Train personnel in use product. Training underway Transferring all inventory data from QuickBooks to new software.	100%		Ready to launch warehousing application 5/1/08. Work management phase should follow by 1 or 2 months.
Locomotive Lease New Locomotive Procurement No. 90-55-16040	System-wide	\$607,725	\$202,575/year	3-year lease of 3 locomotives	65%	2nd Quarter 2008	2 locomotives arrived at VRE. Should be in service by EOM. Third to follow.
New Locomotive Manufacture (2)		\$10,000,000	\$9,634,396	Base Order is for two MP-36 locomotives at \$4,233,487 each (\$9,466,974). Option units are between \$600,000 and \$700,000 less per unit.	0%	1st Quarter 2013	Base order locomotives will be delivered on or before April, 2010. Contract not yet signed. Attorneys discussing various clauses.
New Locomotive Engineering Oversight		\$4,145,920	\$4,145,920	On site engineering through warranty administration.	0%	1st Quarter 2015	Although contract total for 18 locomotives over a five year period is over \$4 million, budget for first two is limited to \$2,895,071.

# Chief Executive Officer's Financial Report



**JUNE 2008**

*As Reported to the VRE Operations Board  
June 20, 2008*

## FINANCIAL STATISTICS FOR MAY 2008

Copies of the May 2008 Operating Budget Report are attached.

Fare income for the month of May 2008 was \$72,554 above the budget – a favorable variance of 4.03%. The cumulative variance for the year is 1.78% or \$347,408 above the budget. This positive variance is generally in line with current projections and reflects the anticipated gradual increase in ridership. Revenue in the first eleven months of FY 2008 is up 10.4% over FY 2007.

A summary of the financial results (unaudited) as of May 2008 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report. This report is consistent with the year-end financial projection that was presented to the Board in April, which estimated a net income loss from operations of approximately \$2 million. Major factors contributing to this loss are higher than anticipated diesel fuel costs, Amtrak contract settlement costs, equipment repair costs, and less than budgeted revenue from older state grants with lower match reimbursement rates. The report also reflects that a portion of debt service payments for the gallery cars was paid with the remaining loan proceeds in accordance with the financing agreement.

Measures		Goal	Actual	Trend
Operating Ratio		55%	64%	↑
<b>Budgeted Revenue</b>	61,499,872			
Budgeted Revenue YTD	57,395,703			
Actual Revenue YTD	54,036,265			
Cumulative Variance	(3,359,438)		(3,359,438)	↓
Percent Collected FY 07 YTD		93.33%	87.86%	
<b>Budgeted Expenses</b>	61,499,872			
Budgeted Expenses YTD	55,191,208			
Operating Expenses YTD	53,457,074			
Cumulative Variance	1,734,134		1,734,134	↑
Percent Collected FY 07 YTD		89.74%	86.92%	
<b>Net Income (Loss) from Operations</b>			(1,625,304)	↓

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2008 Operating Budget Report**  
**May 31, 2008**

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY08 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	1,871,838	1,799,284	19,882,493	19,535,085	347,408	1.8%	21,334,369
Equipment Rental and Other	7,914	43,330	387,320	470,445	(83,125)	-17.7%	513,775
<b>Subtotal Operating Revenue</b>	<b>1,879,752</b>	<b>1,842,615</b>	<b>20,269,813</b>	<b>20,005,529</b>	<b>264,284</b>	<b>1.3%</b>	<b>21,848,144</b>
Jurisdictional Subsidy (1)			12,836,166	12,836,166		0.0%	12,836,166
Federal/State Subsidy	1,877,674	2,243,842	20,551,368	24,361,719	(3,810,351)	-15.6%	26,695,562
Appropriation from Reserve	26,453	17,711	378,918	192,289	186,629	0.0%	210,000
Interest Income	3,725,679	4,104,168	54,036,265	57,395,703	(3,359,438)	-5.9%	61,499,872
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	3,854,622	3,672,997	39,959,879	40,055,502	995,623	2.5%	43,868,359
Debt Service	279,074	917,448	9,423,345	10,091,925	668,580	6.6%	12,409,373
Insurance		35,000	4,950,000	4,985,000	35,000	0.7%	5,160,000
Other Non-Departmental Expenses	92	(6,396)	23,850	58,781	34,931	59.4%	64,140
<b>Total Operating Expenses</b>	<b>4,133,788</b>	<b>4,619,049</b>	<b>53,457,074</b>	<b>55,191,208</b>	<b>1,734,134</b>	<b>3.1%</b>	<b>61,499,872</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(407,909)</b>	<b>(574,881)</b>	<b>579,191</b>	<b>2,204,495</b>	<b>(1,625,304)</b>		
<b>CALCULATED OPERATING RATIO</b>							
						<b>64%</b>	

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