



# CHIEF EXECUTIVE OFFICER'S REPORT

August 2007

## MONTHLY DELAY SUMMARY

	April-07	May-07	June-07	July 07
<b>System wide</b>				
Total delays	73	56	65	53
Average length of delay (mins.)	26	21.6	18	21
Number over 30 minutes	28	11	10	15
Days with Heat Restrictions/Total days	0/21	3/22	5/21	3/21
On-Time Performance	88.10%	91.20%	89.30%	91.3%
<b>Fredericksburg Line</b>				
Total delays	36	32	38	33
Average length of delay (mins.)	26	25.6	20	23
Number over 30 minutes	10	7	7	11
On-Time Performance	87.20%	88.8%	86%	87.90%
<b>Manassas Line</b>				
Total delays	37	24	27	20
Average length of delay (mins.)	26	16.1	16	16
Number over 30 minutes	18	4	3	4
On-Time Performance	88.90%	93.2%	91.90%	94%

## LAST YEAR COMPARED TO THIS YEAR – MONTH TO MONTH

Month	June-06	June-07	July-06	July-07
<b>System wide</b>				
Total delays	180	65	287	53
Average length of delay (mins.)	30	18	26	21
Number over 30 minutes	70	10	78	15
Days with heat restrictions/Total days	6/20	5/21	18/20	3/21
On-Time Performance	70.20%	89.30%	53.90%	91.30%
<b>Fredericksburg Line</b>				
Total delays	104	38	146	33
Average length of delay (mins.)	27	20	29	23
Number over 30 minutes	33	7	47	11
On-Time Performance	60.50%	86.00%	47.70%	87.90%
<b>Manassas Line</b>				
Total delays	76	27	141	20
Average length of delay (mins.)	34	16	22	16
Number over 30 minutes	37	3	31	4
On-Time Performance	77.90%	91.90%	59.40%	94.00%

Significant changes:

1. Days with heat restrictions reduced from 18 days in July 2006 to 3 days in July 2007
2. Delays over 30 minutes reduced by over 80%

## SYSTEM RIDERSHIP

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	Average Daily Riders			Percent
	April	May	June	Change
Manassas Line	6,459	6,597	6,644	2.9%
Fredericksburg Line	7,259	7,493	7,560	4.1%
Total	13,718	14,090	14,204	3.5%

Ridership from April through June has increased 3.5% system wide. The ridership for July and August are expected to be less than June due to a normal decrease resulting from summer vacations.

The two factors that affect ridership the most are on-time performance and reliability. In light of this, significant measures have been taken to improve in these areas, such as:

1. Improved locomotive maintenance at VRE yards with experienced electrical and mechanical personnel
2. Changed procedures for departure inspections permitting more time to make adjustments and repairs
3. Replaced engine components that have a shown a history of failing en-route
4. Improved dispatching by CSX
5. Reduced switch and signal problems on Fredericksburg Line
6. Completed the Quantico Bridge – estimated 30% reduction in congestion delays

Planned events to increase ridership.

1. Start marketing campaign (both radio and print media) in mid-September to attract new riders
2. Conduct market analysis to determine new ways to attract riders and determine why ridership has decreased in past year
3. Continue to stress courtesy campaign with riders and Amtrak crews
4. Install new electronic signs at all stations to improve customer communications

## LOCOMOTIVE UPGRADES

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A complete maintenance plan for the 15 oldest GP-39 locomotives is currently in full swing. Our current plan is to continue to upgrade components on the locomotives that have a history of failing. This plan provides for more reliability at a reasonable cost and will continue to improve overall on-time performance.

Complete Top Deck Overhaul	Replace Turbo Charger	Replace Fuel Pumps	Replace Batteries
6/15	9/15	10/15	5/15

## HAPPY 15<sup>TH</sup> ANNIVERSARY VRE

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This summer marks 15 years of VRE service. Who knew that in just 15 years, we'd go from providing just over 4,300 trips a day to nearly 15,000 trips a day, or go from 16 trains a day to our current schedule of 30 trains a day? To help celebrate this milestone, we implemented several contests over the summer for our loyal riders. In commemoration of VRE's 15th Anniversary, VRE is celebrating with an **Essay Contest**. We have asked our riders to describe in 100 words or less, what VRE means to them. We will choose one grand prize winner from each line to receive a free monthly ticket on VRE. We will also award 15 Honorable Mentions who will receive a VRE 15th Anniversary edition tote bag with two FRCs inside. All winning entries will be published in the VRE Update and on the web site. We are also hosting a **Trivia Contest**. Each week for 15 weeks, we are sending out a Train Talk with a weekly trivia question. The 15th person to email [gotrains@vre.org](mailto:gotrains@vre.org) with the correct answer will win a 15th Anniversary prize. Another very popular contest which we reenacted from our tenth Anniversary is the **Where's the Logo Contest**. The 15<sup>th</sup> person to identify which web page the floating VRE 15<sup>th</sup> anniversary logo is hiding on receives an Anniversary prize. We are also planning a Photo Contest, which is still in the planning stages.

The contests have been running since June and will terminate this fall with a grand prize lottery.



## NEW RAIL CAR UPDATE

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Five of the new Gallery Cars have left Chicago and will be in Milwaukee by the beginning of August. The next five are right behind them. So far, we are keeping on, or ahead of, schedule. We expect to start receiving five new gallery coaches per month starting in December 2007 and ending in October 2008. By November 2008 all 61 new gallery coaches will be in service on all peak period trains.

## CSX DECENTRALIZING DISPATCHING

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Over the next two years, CSX will be decentralizing the dispatching of its 21,000-mile railroad network, moving to nine centers spread out across the eastern half of the United States. Since 1988, the majority of CSX dispatching has been handled at the Dufford Control Center in Jacksonville, Fla., a massive, centralized facility originally equipped by Union Switch & Signal. The 1999 integration of 42% of Conrail brought dispatching centers in Albany and Indianapolis into the fold. CSX also operates a center in Chicago to handle trains in that area. The new plan calls for CSX to convert Dufford into a regional center employing 54 dispatchers. The dispatch

offices in Chicago, Albany, and Indianapolis will be upgraded, and new dispatch centers will be opened at existing CSX facilities in Baltimore, Nashville, Atlanta, Cincinnati, Huntington, W. Va., and Florence, S.C.

Dispatching for the territory between Baltimore and Richmond is scheduled to move to Baltimore in December 2007. This move should greatly improve the dispatching in our territory and is something we have been requesting from CSX for quite some time. We expect the dispatchers in Baltimore to be more familiar with the operating territory, know the individual train crews and have provide more consistent dispatching.

### **IMPROVEMENTS AT THE FREDERICKSBURG STATION**

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Over the past year, both the City of Fredericksburg and VRE have been actively working to assemble funding for improvements to the Fredericksburg train station.

In June, the station underwent a comprehensive cleaning and painting, funded primarily by the City along with some financing and project management by VRE. In July, VRE completed a renovation of the ADA parking facility in front of the station, increasing the number of spaces to 11 regular spaces and 2 van accessible spaces.

Work is now underway to rehabilitate the station viaduct. While over \$2 million in funding was earmarked in FY 2006, the budget and grant process is lengthy and the first year of funding is not expected until the end of the summer. Since the earmark was distributed over four years, the final year of funding will likely not be received until 2010. In May of this year, VRE completed a condition assessment to understand the issues with the structure and determine the best course of action for repair. Once the initial funding is in place, VRE will hire an engineering firm to develop a detailed scope that will be used to solicit contractors to perform the work. The rehab work itself will not be initiated until late next year when enough funding is in place to allow for a productive effort.

### **RAILROAD BRIDGE INSPECTIONS**

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Following the Minnesota tragedy, I contacted CSX and Norfolk Southern concerning their bridges.

CSX informed me that all their rail bridges meet company and Federal Railroad Administration standards for safe operation, which are confirmed by annual inspections. They stressed that rail bridges, though old, were built to withstand the dynamic forces of heavier steam locomotives.

Norfolk Southern (NS) indicated all bridges, culverts and tunnels are inspected by NS inspectors at least annually. Truss bridges with pinned portions are inspected semi-annually. Selected "critical" bridges receive a monthly walking inspection from the deck. The results of their inspections serve as the basis for planning all bridge maintenance and inspections.

**MONTHLY PERFORMANCE MEASURES – JULY 2007**

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
July Fredericksburg OTP Average	87.9%
July Manassas OTP Average	94.0%
<b>VRE JULY OVERALL OTP AVERAGE</b>	<b>91.3%</b>

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2008 Passenger Totals	292,043
VRE FY 2007 Passenger Totals	272,934
PERCENTAGE CHANGE	1.9% NORMALIZED

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
JULY 2007	292,043
JULY 2006	272,934
PERCENTAGE CHANGE	1.9% NORMALIZED
SERVICE DAYS (CURRENT/PRIOR)	(21/20)

FINANCIAL INDICATORS	JUNE 2007			
	MEASURES	GOAL	ACTUAL	TREND
OPERATING RATIO		55%	59%	↑
BUDGETED REV YTD	54,227,245			
ACTUAL REV YTD	54,512,645			
CUMULATIVE VARIANCE	285,400	0	285,400	
% COLLECTED FY07 YTD		100.00%	100.53%	↑
<b>BUDGETED EXPENSES</b>	54,227,245			
BUDGET EXPENSES YTD	54,227,245			
OPERATING EXPENSES YTD	53,918,713			
CUMULATIVE VARIANCE	308,532	0	308,532	↑
% COLLECTED FY07 YTD		100.00%	99.43%	
<b>NET INCOME/ (LOSS)</b>		0	593,932	↑