



CHIEF EXECUTIVE OFFICER'S REPORT

December 2006

MONTHLY DELAY SUMMARY

	Sep-06	Oct-06	Nov-06	Dec-06
System wide				
Total delays	74	65	41	47
Average length of delay (mins.)	15.4	16	16.8	23.8
Number over 30 minutes	8	8	5	9
On-Time Performance	87.2%	89.3%	92.6%	91.9%
Fredericksburg Line				
Total delays	61	47	25	17
Average length of delay (mins.)	15.5	16.9	20.3	27.1
Number over 30 minutes	7	7	5	4
On-Time Performance	76.5%	82.8%	89.9%	93.5%
Manassas Line				
Total delays	13	18	16	30
Average length of delay (mins.)	15.3	13.7	11.9	21.3
Number over 30 minutes	1	1	0	5
On-Time Performance	95.9%	94.6%	94.7%	90.0%

On-time performance has progressively improved since July and the number of railroad caused delays has dropped significantly. The Fredericksburg line was 93.5% on-time and the Manassas line was 90.0% on-time during the month of December. A review of December reveals that 58% of the delays in December were attributed to VRE and/or Amtrak. The largest number of delays was caused by interference of VRE and/or Amtrak trains (34%), passenger dwell times caused by heavy loads and handicapped passengers (24%), and VRE mechanical problems (10%). We are pleased with this upward trend and continue to work toward maintaining our on-time performance.

NEW RAIL CARS

On January 17th, a Christening ceremony will be held in Alexandria to introduce the first two new rail cars. The ceremony begins at 9:30am and guests will be invited to tour the cars and receive a demonstration of the automatic wheelchair lift. The new cars will be put into service beginning January 19th.

NURIDE PILOT PROGRAM

VRE is currently working on a pilot program with NuRide, Inc. which will test the concept of ridesharing to VRE stations and reducing parking demand. The program will be tested at the Fredericksburg and Broad Run stations being that they are at the end of each line and people tend to drive the furthest to get to these stations. NuRide will offer a reward to passengers when they sign up and share their first ride to a VRE station. In the next few months, VRE plans to announce the program via Train Talk as well as with an article in the on-board newsletter. If successful, the program will be broadened to include other stations.

QUANTICO BRIDGE CUT-IN

The Quantico Bridge is nearly complete and the next few months will be critical as new switches are cut-in and old switches removed. While VRE and CSX are working hard to minimize the impact to VRE trains, there will be three weeks in the upcoming months where VRE trains will be significantly impacted.

While the operating plan is not yet final, tentative plans are as follows. During the weeks of February 19 and April 2, all trains will operate under a signal suspension while CSX tests the signal system. Without signals, trains will be required to operate slower than normal. Trains will also need to check in with the dispatcher before entering the dark territory. As a result, VRE will only operate four trains in the morning and four trains in the evening on the Fredericksburg line. These trains will operate hourly and even with this reduced schedule, delays of 45 minutes should be expected.

During the week of March 26, all trains (northbound and southbound) will be forced to operate on a single track for nearly 15 miles. As a result, VRE will operate only 3 trains in the morning and 3 trains in the evening. Congestion in this single track area is also expected to cause delays of 45 minutes to VRE trains.

After the last signal suspension in April, the construction of the bridge will be complete and both spans will be fully operational. While there will be delays during these three weeks, the end result will be well worth it.

MONTHLY PERFORMANCE MEASURES – December 2006

RIDERSHIP OVERVIEW		RIDERSHIP
VRE FY 2007 Passenger Totals (to date)		1,680,330
VRE FY 2006 Passenger Totals (to date)		1,809,362
PERCENTAGE INCREASE		-7.13%
MONTHLY ON-TIME PERFORMANCE		ON-TIME PERCENTAGE
December Fredericksburg OTP Average		93%
December Manassas OTP Average		90%
VRE DECEMBER OVERALL OTP AVERAGE		91.9%
REASON	TOTALS	PERCENT
Signal/Switch Failure	10	21%
Slow Orders	0	0%
M/W	1	2%
Train Interference	18	38%
AMTRAK	1	2%
Freight	8	17%
VRE	9	19%
Mechanical Failure	7	15%
Late Turn	2	4.5%
PAX Handling	5	11%
Weather	1	2%
Crew Related	2	4.5%
Other	1	2%
TOTAL	47	100%

FINANCIAL INDICATORS		NOVEMBER 2006		
MEASURES		GOAL	ACTUAL	TREND
OPERATING RATIO		55%	64%	↑
BUDGETED FARE REVENUE YTD	23,284,457			
ACTUAL FARE REVENUE YTD	22,951,325			
CUMULATIVE VARIANCE	(333,132)	0	(333,132)	↓
PERCENT COLLECTED FY 07 YTD		42.55%	41.94%	↓
BUDGETED EXPENSES	54,727,245			
BUDGET EXPENSES YTD	23,767,188			
OPERATING EXPENSES YTD	21,229,031			
CUMULATIVE VARIANCE	2,538,157	0	2,538,157	↑
PERCENT COLLECTED FY 07 YTD		43.43%	38.79%	
NET INCOME LOSS		0	2,205,025	↑