

**AGENDA ITEM 8-A**  
**ACTION ITEM**

**TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD**

**FROM: DALE ZEHNER**

**DATE: MARCH 16, 2007**

**RE: AUTHORIZATION TO MODIFY VRE'S FARES**

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**RECOMMENDATION:**

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to increase the Amtrak Step-Up fare to the per person fee charged by Amtrak and modify the FRC service guarantee program from 30 minutes to 60 minutes.

**BACKGROUND:**

On December 15, 2006, the VRE Operations Board approved a FY 2008 Operating and Capital budget which included an increase to the Amtrak Step-Up charge from \$2 to \$10 and the elimination of the FRC service guarantee program. Both NVTC and PRTC approved the budget and referred it for action to the jurisdictions. On January 19, 2007, VRE received authorization to conduct public hearings on these changes in Washington, D.C., Alexandria, Manassas, Woodbridge and Fredericksburg.

VRE solicited public opinion via e-mail, public hearings, letters and faxes. The comment period began January 22 and finished March 2, 2007. More than 280 comments were received during the process and a total of 34 people attended the public hearings. In addition to comments on the FRC program and Step-Up change, passengers also took the opportunity to relay opinions regarding on-time performance, VRE equipment and how ridership may be affected should these changes take place.

A summary of the comments received is shown below:

Summary of Comments	Number of Comments
Total number of people who attended or commented on proposed changes	288
Negative comments on proposed elimination of FRC Program	232
Commented that they'd rather see FRC program eliminated than fare increase	31
Number of people who commented that FRC elimination will lead to reduced OTP	88
Number of people who made comments that FRC elimination would result in drop in ridership	51
Negative comments on proposed increase to Amtrak Step Up ticket	99
Commented that they rather see Step-Up increase than fare increase as a result of VRE continuing to subsidize those riding Amtrak	43

Note: Summary of comments totals more than number of comments as in some cases, more than one topic was addressed.

Based on these comments, VRE management is recommending the following.

1. Amtrak Step-Up – the FY 2008 budget included an increase to the Amtrak Step-Up charge from \$2 to \$10, making the program cost neutral to VRE. As this increase will likely end the program due to lack of use, VRE made a proposal to Amtrak that they consider lowering the charge to \$5 and reinstating the weekend cross-honoring. With a response still pending, VRE is recommending that the Amtrak Step-Up charge be raised to the assessed per person fee charged by Amtrak. If the charge remains \$10, the Step-Up charge will be increased to \$10 as originally proposed. If Amtrak reduces the fee to \$5, the Step-Up fee would be \$5 accordingly. This change will go into effect on April 30, 2007 as the cost increase and usage survey required by Amtrak must be implemented prior to the beginning of the fiscal year in order to have the desired impact on the FY 2008 budget.

2. FRC Service Guarantee Program – after considering the comments received, VRE is recommending modification of the FRC service guarantee program rather than complete elimination. This recommendation is being made in an effort to preserve the commitment VRE has made to improve on-time performance as well as the brand identity that VRE has established for itself. Many passengers stated that this program is viewed highly by our patrons because it makes VRE unique

from other transportation organizations. In an effort to compromise on this issue, several changes to the program are being recommended including increasing the service guarantee from 30 minutes to 60 minutes and changing the process for administering the ticket distribution. Making these changes will reduce the total cost of the program by \$40,000. As the original program (with a 30 minute guarantee) cost \$60,000, \$20,000 will be added to the proposed FY 2008 budget and absorbed within existing programs. The FRC service guarantee program would be modified beginning July 2, 2007.

Information dissemination regarding these changes will be via Train Talk, the VRE web site and onboard newsletter. No additional funding is required to publicize these changes as the VRE Rider's Guide will be reprinted at the end of April due to an upcoming Amtrak schedule change.

**FISCAL IMPACT:**

The changes to the Step-up charge and modification of the FRC service guarantee program to one hour reduces expenses by \$473,000.

**TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD**  
**FROM: DALE ZEHNER**  
**DATE: MARCH 19, 2007**  
**RE: AUTHORIZATION TO MODIFY VRE'S FARES**

**RESOLUTION  
8A-03-2007  
OF THE  
VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD**

**WHEREAS**, VRE must increase revenue or reduce expenses by \$7.7 million in order to produce a balanced budget; and,

**WHEREAS**, in addition to an increase in the jurisdictional subsidy, the VRE Operations Board also authorized an increase to the Amtrak Step-Up fare and the elimination of the FRC service guarantee program; and,

**WHEREAS**, passengers and interested parties commented via e-mail, letter, fax, and in person at any of five public hearings; and,

**WHEREAS**, the Amtrak Step-up increase will go into effect on April 30, 2007 and the modification of the FRC service guarantee program from 30 minutes to 60 minutes will go into effect on July 2, 2007.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to increase the Amtrak Step-Up fare to the per person fee charged by Amtrak and modify the FRC service guarantee program from 30 minutes to 60 minutes.