Federal Legislative Issues:

**Issue 1: Positive Train Control (PTC) Implementation**
- VRE will continue monitoring PTC legislative and regulatory activity

**Issue 2: FAST Act Rule Making and Funding Opportunities**

**Actions:**
- VRE will monitor and participate in the rule making process.
- VRE will look for funding opportunities within the FAST Act.

**Background:**
- On December 4, 2015, President Obama signed into law the Fixing America’s Surface Transportation Act, or “FAST Act.”
- The FAST Act includes new programs and changes to existing programs that will require agencies to go through the federal rule making process.

**Issue 3: Surface Transportation Board (STB) policy on Amtrak On-Time-Performance (OTP)**

**Action:**
- VRE will monitor current legal action and work with industry groups and STB staff if necessary.

**Background:**
- The STB recently finalized their rule regarding Amtrak OTP on host railroads. OTP will now be calculated based on every station. Previously it had been based only on the terminal station.
- Staff has analyzed the possible impacts of this rule and believe there may be negative unintended consequences for VRE operations.
- The Association of American Railroads and three Class I Railroads have filed suit in federal court challenging the STB’s authority to implement the rule.
State Legislative Issues:

Issue 1: Protective Floor for the Regional 2.1% Motor Fuels Tax

Action:
- VRE will continue to support its parent commissions and jurisdictions on the creation of a “protective floor” for the regional 2.1% motor fuels tax.

Background:
- Currently without a protective floor, the existing regional 2.1% motor fuels tax generates far less revenue than expected due to the drop in fuel prices. The situation is a threat to PRTC bus service and creates serious operational constraints for VRE.

Issue 2: Critical Need for Increased Commonwealth Funding Support of VRE Capacity in Corridors of Statewide Significance.

Actions:
- VRE will educate Members of the Virginia General Assembly on the cost to the Commonwealth of losing or replacing the peak period capacity provided by VRE in Corridors of Statewide Significance (CoSS).
- VRE will actively work with the General Assembly and Administration to identify opportunities for additional monies to sustain current service and increase service levels to keep up with planned growth as outlined in System Plan 2040:
  - $14M per year through 2040 in Operating support from the Commonwealth
  - $52M per year through 2040 in non-local Capital support

Background:
- VRE developed a long-range System Plan 2040 and accompanying Financial Plan that identifies capital and operating requirements needed to implement the full plan and two reduced scenarios.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Avg. Daily Ridership</th>
<th>Average Annual Operating Gap</th>
<th>Average Annual Capital Gap</th>
<th>Total Average Annual Gap</th>
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</thead>
<tbody>
<tr>
<td>Steady State</td>
<td>19,200</td>
<td>21.2M</td>
<td>20.5M</td>
<td>41.7M</td>
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<tr>
<td>Natural Growth</td>
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<td>9.7M</td>
<td>34.8M</td>
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<td>System Plan 2040</td>
<td>52,240</td>
<td>14.3M</td>
<td>52.1M</td>
<td>66.4M</td>
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</tbody>
</table>
A key finding of the Financial Plan is the clear need for increased funding just to maintain current service levels (Steady State Scenario). Without increased funding, VRE will be forced to cut back service and ultimately terminate all service by 2032.

The local jurisdiction members of VRE are financially constrained in their ability to fund existing VRE operating and capital needs and have no capacity to increase funding for operating and capital costs identified in the System Plan.

In 2016, language in the budget instructed the Commonwealth Transportation Board to review VRE’s System Plan and Financial Plan and report back to the legislature. That review found:

- VRE has demonstrated the ability to provide appropriately costed, efficient services that attract increasing levels of ridership.
- The current service operated by VRE provides economic benefits to the Commonwealth by mitigating congestion on the I-95 and I-66 CoSS. Furthermore, the additional service included in System Plan 2040 will provide further benefits towards reducing traffic on these CoSS. This benefit could be equivalent to as much as 96 lane miles of travel demand.
- VRE’s concerns regarding the long-term financial viability of service are founded.