



Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

March 2010

MONTHLY DELAY SUMMARY

	November	December	January	February
System wide				
Total delays	94	64	52	64
Average length of delay (mins.)	18	17	13	16
Number over 30 minutes	11	9	1	5
Days with Heat Restrictions/Total days	0/21	0/22	0/19	0/15
On-Time Performance	82.40%	89.1%	90.6%	84.8%
Fredericksburg Line				
Total delays	34	37	21	34
Average length of delay (mins.)	20	21	16	18
Number over 30 minutes	5	8	1	4
On-Time Performance	85.80%	86.1%	91.5%	82.1%
Manassas Line				
Total delays	60	27	31	30
Average length of delay (mins.)	17	13	12	14
Number over 30 minutes	6	1	0	1
On-Time Performance	79.60%	91.6%	89.8%	87.1%

SYSTEM RIDERSHIP

February's final average daily ridership was 17,477. This does not include February 5th, since ridership was drastically reduced as a result of the winter storm, or February 12th, when we ran a reduced schedule. We also did not run February 8th through February 11th because of the snow storms. Due to the limited service, cumulative ridership was only up 1%, as opposed to 3.7% in January. However, this is the second consecutive month where the Average Daily Ridership was above 17,000. Four out of the ten highest ridership days ever were in February - including the highest day on record, which was 19,075 on February 17th.

ON-TIME PERFORMANCE

On time performance on the Fredericksburg Line for the month of February was 82.1% and the Manassas Line was 87.1%. Thirty-three percent of the 64 total delays in February were due to train interference and 21% were due to switch failures. A major mechanical problem disrupted the entire evening service on February 1st and signal and switch problems at AF affected both lines of morning service on February 2nd.

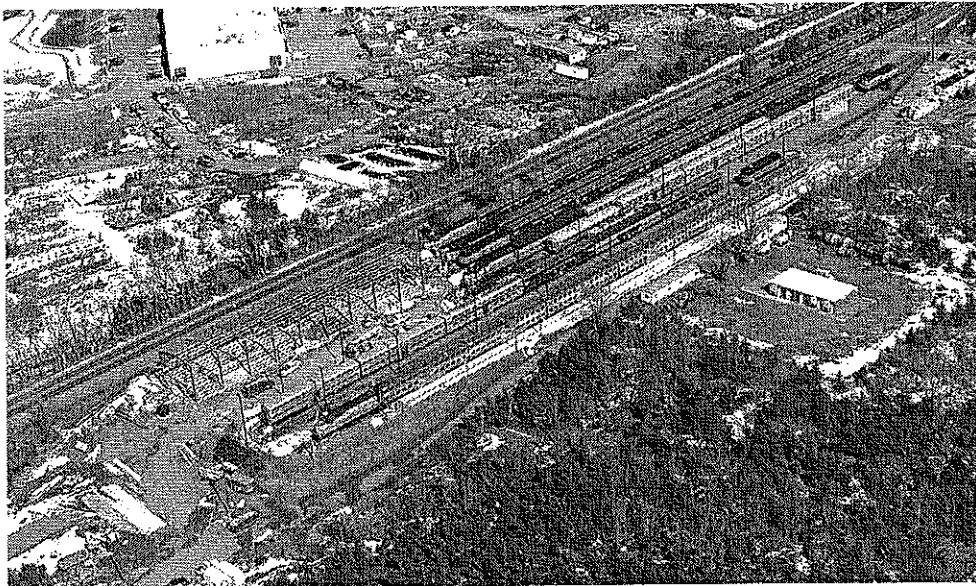
WOODBIDGE STATION UPDATE

The facility is expected to open in the next couple of weeks. Construction of a temporary Kiss & Ride will follow as the cold weather subsides, as will minor cosmetic improvements such as touch-up painting and landscaping. An opening ceremony is being planned for the spring.

PARKING SITUATION AT BROAD RUN

The parking situation at Broad Run continues to be a major challenge. With record ridership in recent months, the station parking demands are higher than ever. VRE is currently working with Prince William County and the City of Manassas to come up with possible short-term solutions.

BROAD RUN MAINTENANCE FACILITY



Building framing for the Broad Run Maintenance Facility, (shown above), is well underway and expected to be completed by April. The remainder of the project, which includes extending tracks, is expected to be completed this summer.

KEOLIS UPDATE

The first several months of the mobilization period have focused on the documentation of policies and procedures as well as building relationships with a number of outside agencies.

VRE and Keolis have been meeting monthly with the Federal Railroad Administration and the host railroads to ensure that everyone involved will be comfortable when the change in contractors occurs.

Keolis has also been in discussions with the two unions that represent VRE train crews, the United Transportation Union (UTU) and the Brotherhood of Locomotive Engineers and Trainmen (BLET). Keolis is reporting progress with the unions and is ready to begin recruiting for train and engine crews. Open House dates have been set in March to allow current train employees the chance to get to know Keolis and what they are prepared to offer.

VRE Deliverables – Submitted to VRE

Quality Assurance Program – VRE has submitted comments on the draft Keolis program
Employee Procedures Manual – VRE has submitted comments on the draft Keolis manual
Supplemental Operating Instructions – Submitted and awaiting VRE comments
Crew Uniform Selection – Initial meetings held with CINTAS
Layover Facilities Identified – Keolis to finalize a contractual relationship prior to start-up
KORS (Keolis Operational Reporting System) – VRE has met with Keolis IT contractor
Drug Free Workplace Policy – Submitted to VRE as part of the FRA deliverable below

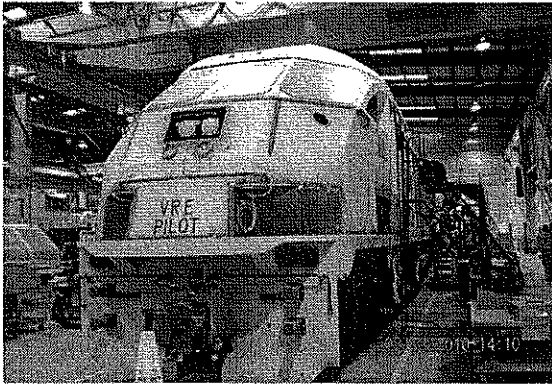
FRA Deliverables – Submitted to FRA

Drug and Alcohol Policy – Comments have been received from FRA
Engineer Qualification Program – Awaiting comments from the FRA
Accident and Incident Policy – Awaiting comments from the FRA
Good Faith Challenge Policy – Awaiting comments from the FRA

In Progress – Both to VRE and FRA

Rolling Stock Maintenance Plan	Track Safety Standards
Facility Maintenance Plan	Worker Protection Program
Warehouse Maintenance Plan	Operational Rule Testing Plan
Training Program Plan	System Safety Program Plan
System Security Plan	Contingency Plan
Environmental Services Plan	

DELIVERY OF FIRST MOTIVE POWER LOCOMOTIVE



VRE staff and Motive Power conducted their monthly progress meeting in Boise, ID on February 25, 2010, which included a plant visit and inspection of the Pilot Locomotive (V50). Currently, the locomotive is 92% complete with all the major components and parts built in. The locomotive is on schedule to go to the paint shop by the end of March. Spot checks were also performed to verify compliance with our specifications as well as reports submitted by our oversight contractor. The Pilot locomotive is scheduled to arrive on VRE property on July 1st. We will then perform a series of static and dynamic tests before entering the unit into revenue service.

POSITIVE TRAIN CONTROL (PTC) UPDATE

In January, the final regulations regarding PTC were issued. PTC is envisioned as a system that monitors a train's performance with respect to the signals, on-track work authorities, and other speed restrictions. That information is then relayed to the PTC equipment on the train from the host railroad's dispatcher. Should an engineer not obey requirements, the PTC system would stop the train well in advance of a potential issue. This requirement was legislated as part of the Rail Safety Improvement Act after the Chatsworth crash in California.

VRE's first deadline is to submit a PTC Implementation Plan by April 16, 2010. Key staff have been meeting with our host railroads to work through interoperability and equipment issues. At this time, our intent is to file a plan that conforms to our host railroads. In addition, we would discuss the VRE on-board equipment that VRE would procure and the maintenance and training that VRE would perform.

Once approved, VRE and its host railroads must have PTC fully operational by December 31, 2015. Funding continues to be an issue as this is an unfunded mandate that could have significant cost implications for VRE.

MONTHLY PERFORMANCE MEASURES – FEBRUARY 2010

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
February Fredericksburg OTP Average	82.1%
February Manassas OTP Average	87.1%
VRE FEBRUARY OVERALL OTP AVERAGE	84.8%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2010 Passenger Totals	2,541,521
VRE FY 2009 Passenger Totals	2,517,709
PERCENTAGE CHANGE	1.0%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
FEBRUARY 2010	245,765
FEBRUARY 2009	303,116
PERCENTAGE CHANGE	5.3%(NORMALIZED)
SERVICE DAYS (CURRENT/PRIOR)	15/19

Chief Executive Officer's Ridership Report



MARCH 2010

*As Reported to the VRE Operations Board
March 19, 2010*

Monthly Ridership and OTP: February 2010

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	4,300	4,267	8,567	75%	4,140	4,339	8,479	69%	17,046	72%
2	4,474	4,679	9,153	50%	4,435	4,359	8,794	62%	17,947	55%
3	3,722	3,631	7,353	94%	3,722	3,930	7,652	92%	15,005	93%
4	4,636	4,539	9,175	100%	4,202	4,613	8,815	92%	17,990	97%
5**	1,749	1,617	3,366	94%	1,641	1,591	3,232	77%	6,598	86%
6										
7										
8										
9										
10										
11										
12*	3,230	2,682	5,912	76%	3,181	2,874	6,055	63%	11,967	69%
13										
14										
15										
16	4,679	4,756	9,435	88%	3,915	4,516	8,431	54%	17,866	72%
17	4,839	4,879	9,718	81%	4,658	4,699	9,357	62%	19,075	72%
18	4,639	4,758	9,397	94%	4,358	4,671	9,029	100%	18,428	97%
19	3,894	3,815	7,709	100%	3,799	3,766	7,565	92%	15,274	97%
20										
21										
22	4,402	4,479	8,881	88%	4,254	4,462	8,716	100%	17,597	93%
23	4,663	4,686	9,349	100%	4,311	4,781	9,092	85%	18,441	93%
24	4,453	4,539	8,992	69%	4,523	4,726	9,249	77%	18,241	72%
25	4,542	4,577	9,119	94%	4,394	4,593	8,987	92%	18,106	93%
26	3,754	3,715	7,469	100%	3,707	3,876	7,583	92%	15,052	97%
27										
28										
	61,976	61,919	123,595	87%	59,240	61,796	121,036	81%	244,631	84%
	Adjusted total:		114,484		Adjusted Total:		112,716	Adjusted Total:	227,200	

# of Service Days:	13	Total Trips This Month:	245,765	Adjusted Total:	227,200
Manassas Daily Avg. Trips:	8,240	Prior Total FY-2010:	2,295,756		
Fred'burg Daily Avg. Trips:	8,069	Total Trips FY-2010:	2,541,521		
Total Avg. Daily Trips:	16,309	Total Prior Years:	44,455,982		
		Grand Total:	46,997,503		

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.
 * designates "S" schedule day
 ** designates a full service day with inclement weather. Ridership was dramatically lowered as a result of the winter storm.

Monthly Ridership Changes: FY 2009 v. FY 2010

Current Month	MANASSAS				FREDERICKSBURG			
	Cumulative FY2009	Cumulative FY2010	% change	Cumulative FY2009	Cumulative FY2010	% change	Current Total	% change
July	154,066	163,100	5.9%	184,525	179,830	-2.5%	342,930	1.3%
August	298,659	317,944	6.5%	359,154	351,580	-2.1%	669,524	1.8%
September	456,054	479,425	5.1%	542,275	528,890	-2.5%	1,008,315	1.0%
October	620,865	646,968	4.2%	730,116	707,230	-3.1%	1,354,198	0.2%
November	746,905	795,248	6.5%	875,201	861,321	-1.6%	1,656,569	2.1%
December	883,468	945,530	7.0%	1,035,994	1,017,358	-1.8%	1,962,888	2.3%
January	1,021,679	1,110,585	8.7%	1,192,914	1,185,171	-0.6%	2,295,756	3.7%
February	1,165,667	1,234,347	5.9%	1,352,042	1,307,174	-3.3%	2,541,521	0.9%
March	1,328,811			1,527,273				
April	1,492,195			1,707,585				
May	1,640,938			1,867,882				
June	1,808,366			2,049,280				

*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

Chief Executive Officer's Report

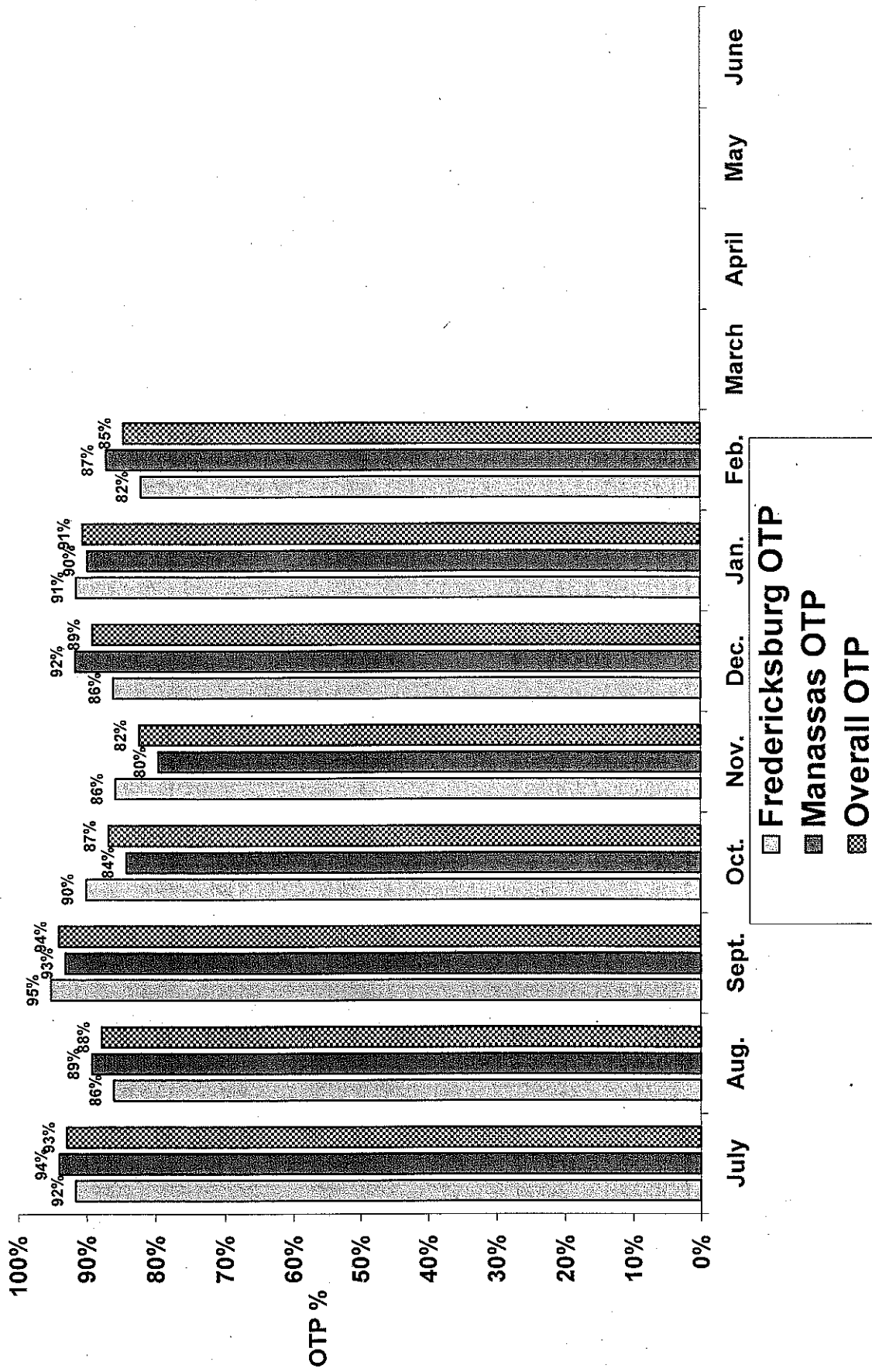


Chief Executive Officer's On-Time Performance

MARCH 2010

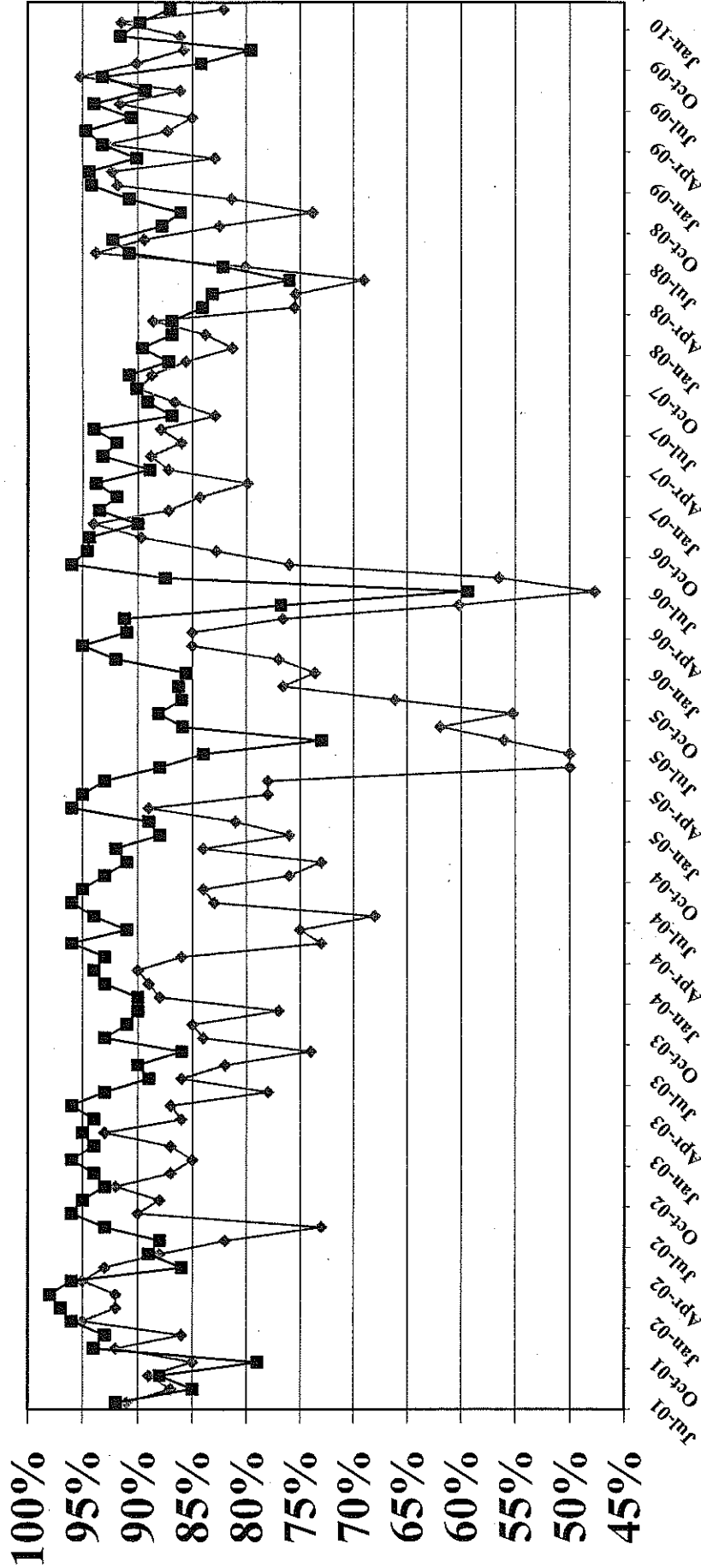
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March 19, 2010*

Average On-Time Performance FY-2010



On-Time Performance

July 2001 – February 2010



◆ Fredericksburg Line ■ Manassas Line

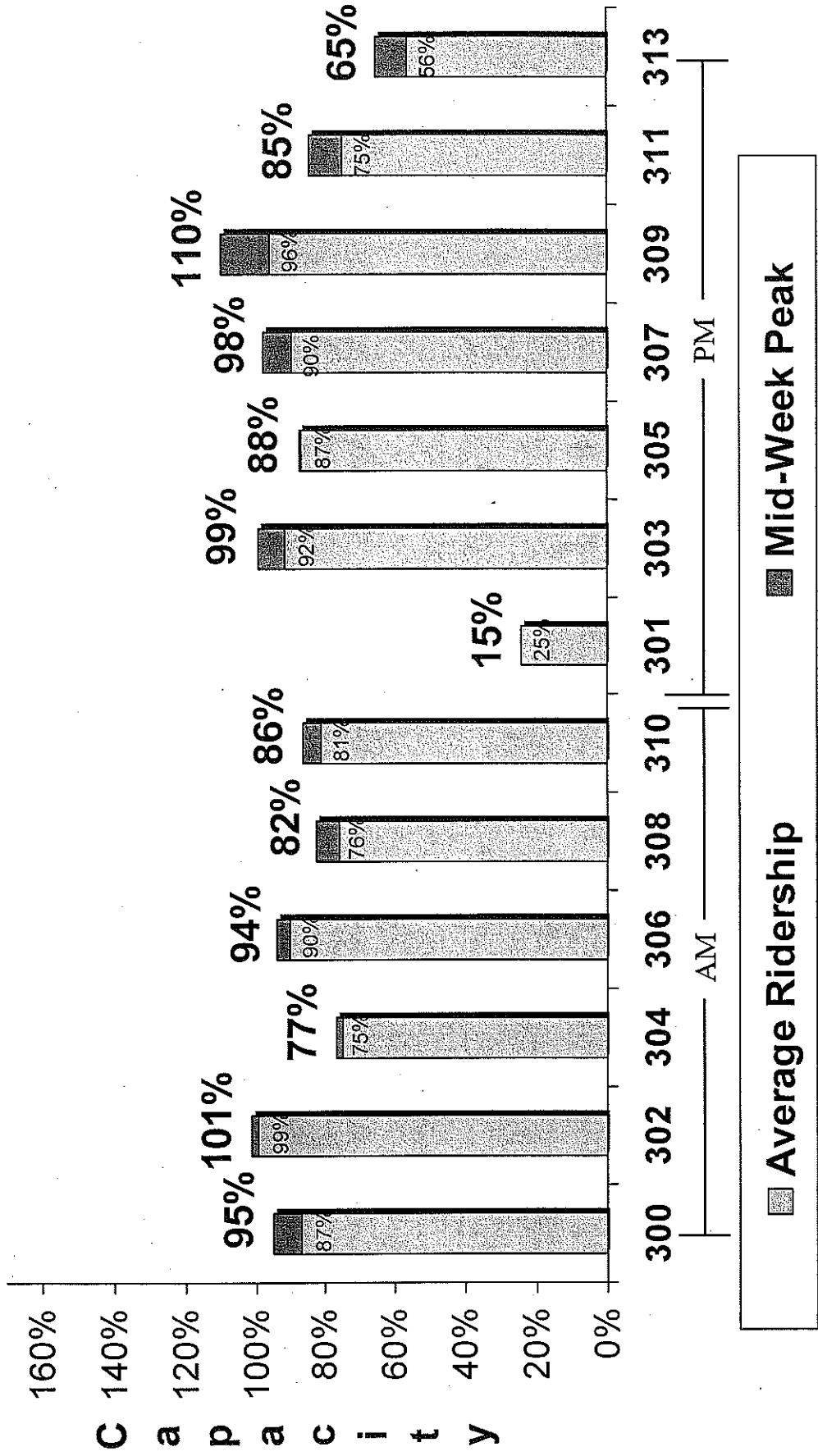
Chief Executive Officer's Train Utilization



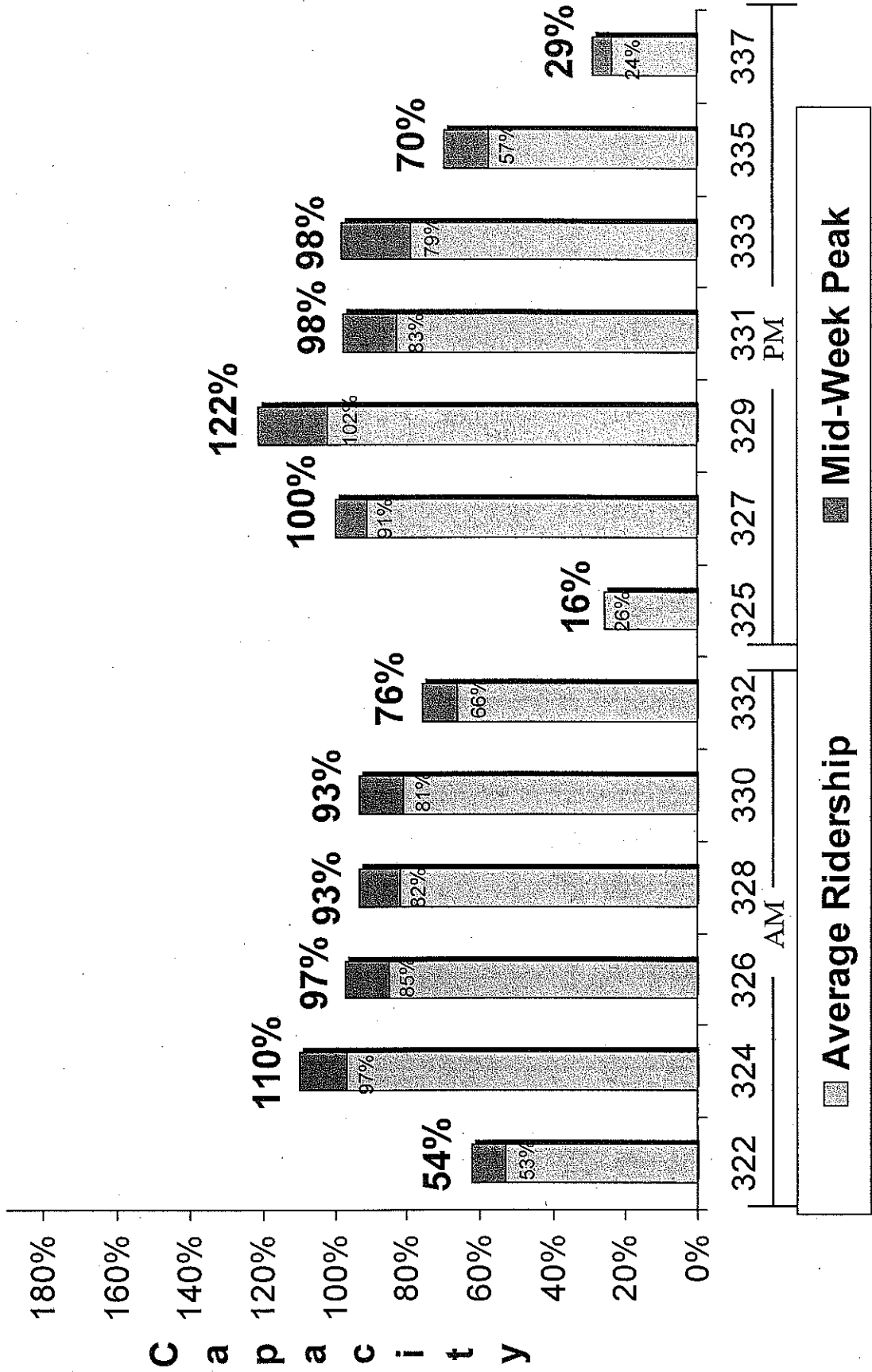
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Train Utilization: Fredericksburg Line – February 2010



Train Utilization: Manassas Line – February 2010



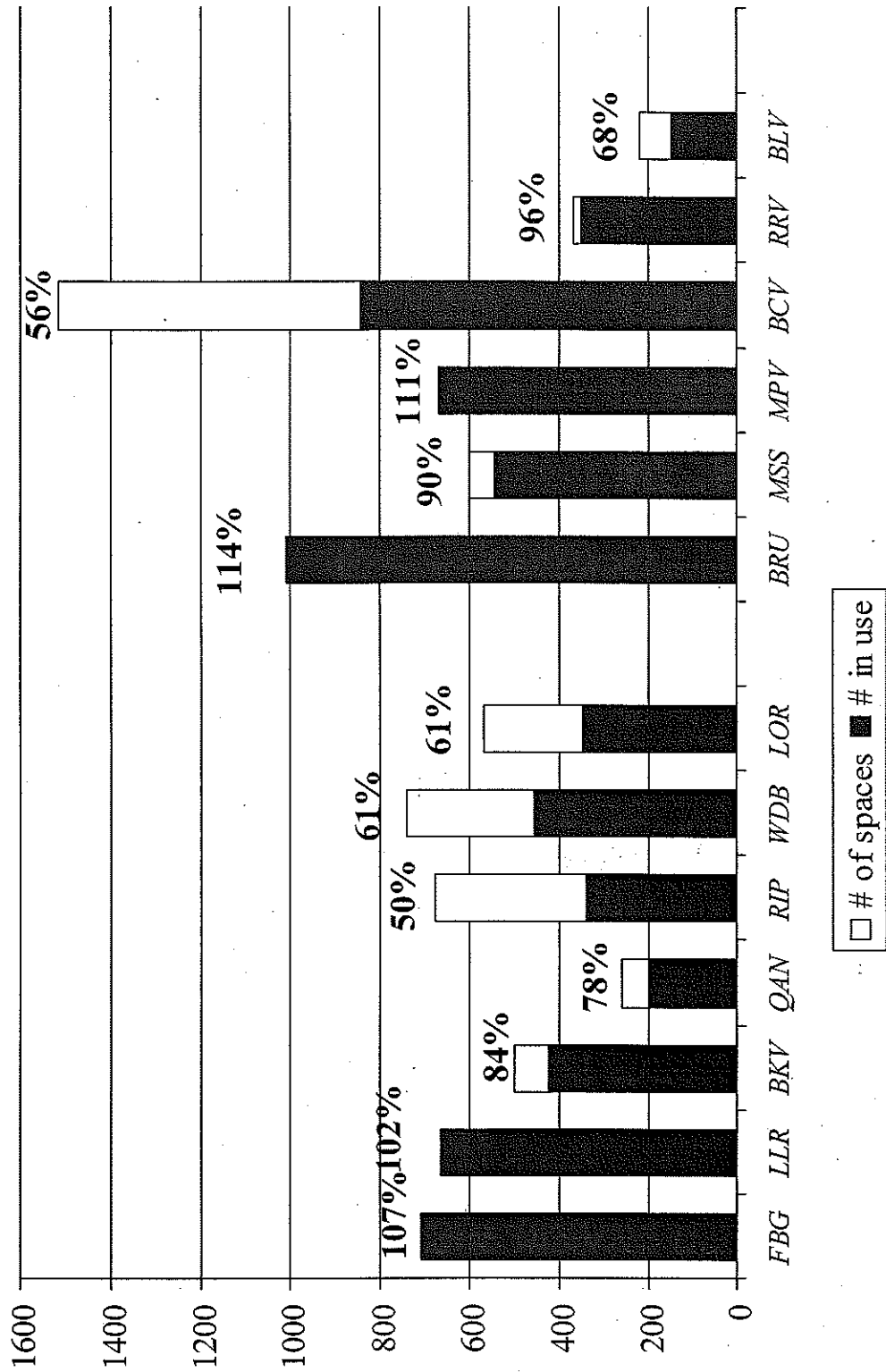
Chief Executive Officer's Parking Utilization



MARCH 2010

*As Reported to the VRE Operations Board
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Parking Lot Utilization: February 2010



Chief Executive Officer's Capital Project Summary



MARCH 2010

*As Reported to the VRE Operations Board
March 19, 2010*

**VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT**
Projects Underway in FY10 As of
March 1, 2010

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY09	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	FINAL PROJECT COMPLETION DATE (CALENDAR YEAR 03)	STATUS
Track and Infrastructure							
Gainesville/Haymarket Expansion				Expansion of service to Gainesville and Haymarket.		4th Quarter 2014	
GH Expansion MIS	NS "B" Line	\$1,537,340	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket.	100%	2nd Quarter 2010	Final invoice received 11/9/09; submitted for payment. Final Alternatives Analysis report completed 5/29/09. Final Feasibility Study completed 9/28/09.
GH Expansion PE and EA		TBD	TBD	Perform modeling, environmental analysis and preliminary engineering.	0%	4th Quarter 2011	Contract award underway.
Cherry Hill Third Track				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.			All field work completed. Geotech report being formalized. Advancing environmental permits and developing design build documents. Awaiting direction from FRA/DRPT regarding EA and design revisions to qualify for High Speed Rail funding.
Cherry Hill Third Track PE/EA	Powells Creek to Arkendale	\$2,500,000	\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	95%	4th Quarter 2009	
Cherry Hill Third Track PE/EA Support			\$272,747	Provide flagging services and design reviews.	95%	4th Quarter 2009	CSX provided signal design and cost is estimated at \$12M.
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			\$630,000	Construct approximately 1400 ft storage track just north of the existing platform	100%	Completed	Siding construction completed in late September. Passed CSX inspection upon completion. Paid final invoice (\$138,198.17).
L'Enfant Storage Track Wayside Power Design	L'Enfant	\$625,000	N/A	Design of wayside power for two train sets.	95%	4th Quarter 2009	HDR delivered final wayside power and compressed air design for CSX submission. CSX approved design. Waiting on receipt of agreement package.

Note 1: Total adopted CIP budget will be revised upon receipt of FY11 grant.

VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT
Projects Underway in FY10 As of
March 1, 2010

Project Description	Location	Estimated Cost	Actual Cost	Progress (%)	Key Milestones / Description	Start Date	End Date	Notes
L'Enfant Storage Track Wayside Power Construction				20%	Construction of Wayside Power	2nd Quarter 2010		NVE has ordered materials and is prepared to begin work. CSX has authorized VRE to start conduit and power pedestal installation on railroad property, pending agreement execution. VRE continuing to pursue authorization to construct compressor building on PEPCO property.
L'Enfant Storage Track Wayside Power Air Compressor Procurement				90%	Procure and oversee installation of air compressor equipment for new storage track air system through Virginia state procurement process (eVA).	4th Quarter 2009		Procurement process has been completed. Air compressor system has been delivered and is being stored at Crossroads Yard. VRE/NVE coordinating with Kaeser regarding construction details. Kaeser installed phase monitors on compressors.
Cab Signal Installation from CP RO to CP Virginia Avenue	Virginia / Washington, D.C.	\$1,260,000	\$1,260,000	100%	Installation of cab signals from MP CFP 110.1 to MP CFP 112.2	4th Quarter 2009		Signal outover completed weekend of October 24, 2009. Attended site visit with DRPT and CSX in mid January required for grant reimbursement.
Planning Studies and Communications Projects								
SmartTrip Fare System Update	VRE offices/ system wide	\$1,102,750			Technical assistance for the design, procurement, installation and testing of a SmartTrip compatible system for VRE.	2nd Quarter 2011		Proceeding with PCI compliance documentation review and technical support
SmartTrip/PCI Fare System Update		\$947,750		25%	Upgrade of the fare collection system to comply with PCI requirements	2nd Quarter 2011		Progress meeting scheduled 3/9/10. Hardware/communications installation and application testing/certification underway; completion scheduled 3/5/10. Contract amendment pending for SBC manufacturing delay. Smart Benefits pilot continues.
2-Way Radio System Design	System-wide	\$346,400		100%	Design and develop RFP for new two-way radio system	Completed		Design completed.
2-Way Radio System Construction		\$248,400		98%	Installation of new two-way radio system	4th quarter 2010		Bearcom is working out issues with Diagonal Road to finalize lease; Bearcom set to install console at Keolis office when given the go-ahead; Once T-mobile installs at Leesland Rd, then Bearcom can install VRE dish (expected end of March); Ordering portable radios.
Spotsylvania Station Study	Spotsylvania	NA		0%	Concept design and site feasibility study for new Spotsylvania station	4th Quarter 2010		Held kick-off meeting on 1/27/10. Spotsylvania County is working on their project administration agreements. Work will continue once MOU is executed with VRE for reimbursement.
Commuter Station Projects								
Fredericksburg Viaduct Repairs								

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**VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT
Projects Underway in FY10 As of
March 1, 2010**

Project Name	Location	Estimated Cost	Actual Cost	Scope of Work	Progress	Completion Date	Notes
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, 2007.
Woodbridge Station Expansion			\$148,281	Develop detailed design to address necessary repairs	100%	3rd Quarter 2010	Final plans received and CSX approved project. Preliminary comments from permitting process received on 03/03/2010. Anticipated advertisement of IFB is late March 2010 or early April 2010.
Woodbridge Station Expansion Design	Woodbridge, Virginia		\$970,000	This project includes a Kiss & Ride, Second Platform & Pedestrian Crossover - which will join the parking garage and Second Platform. Design and limited construction administration for second platform, pedestrian crossover and elevator/stair tower.	100%	Completed	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 5/13/09.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia		\$870,543	Shifting of track 3 to the west to allow for future third track between platforms and flagging services.	95%	1st Quarter 2010	Flagman required for several days of work near right-of-way upon improved weather conditions.
Woodbridge Station Expansion Construction	Woodbridge, Virginia	\$7,013,000	\$4,545,680	Construction of second platform, pedestrian crossover and elevator/stair tower.	95%	2nd Quarter 2010	Remaining PWC inspections include plumbing, elevator fire and final building. VRE resolving minor issues regarding plumbing, fire and final building inspections. Remaining work includes permanent ramp construction at existing elevator, temporary kiss & ride construction and punch list items. Facility expected to open in early March.
Woodbridge Station Expansion Construction Engineering Services	Woodbridge, Virginia		N/A	Perform construction engineering services for construction of second platform, pedestrian crossover and elevator/stair tower.	95%	2nd Quarter 2010	Submitted site plan revision and received county comments. Submitted and received county approval of building plan revision.
Woodbridge Station Expansion Special Inspection Services	Woodbridge, Virginia		\$66,570	Perform special inspection services for construction of second platform, pedestrian crossover and elevator/stair tower.	95%	2nd Quarter 2010	Finalizing final report for PWC Special Inspections Branch.
Broad Run Platform Extension Design	Bristow, VA		\$113,300	Extend platform by ~200ft	0%	4th Quarter 2010	Kick-off meeting this afternoon; Expect 3 month design after site investigation starts mid-March
Manassas Park Canopy Extension	Manassas Park Station	\$100,000	NA	Extend canopy on existing platform	60%	3rd Quarter 2010	Reviewed and commented on 60% design; HDR continuing with final design and specs.
Burke Centre Platform Extension		\$1,200,000		Extend platform by 200ft and replace existing platform post lights	100%	3rd Quarter 2009	
Burke Centre Platform Extension Design			\$100,760	Design platform extension and provide limited construction support.	100%	3rd Quarter 2009	Design Completed
Burke Centre Platform Extension Construction			\$1,064,500	General Contractor for construction	99%	2nd Quarter 2010	Temporary lights are in place while contractors get replacement lights from supplier; platform is open to trains and riders.

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**VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT
Projects Underway in FY10 As of
March 1, 2010**

Project Name	Location	Estimated Cost	Current Cost	Progress %	Current Status / Description	Start Date	End Date	Notes
Leland Rd Station Parking Lot Expansion / Environmental	Stafford, VA	\$659,000	\$172,700	88%	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leland Road Station Park and Ride Lot.	3rd quarter 2010		FTA currently reviewing environmental document.
Brooke Station Parking Lot Expansion / Environmental	Stafford, VA		\$275,124	69%	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Brooke Station Park and Ride Lot.	3rd quarter 2010		Closing on Brooke property Friday, March 5, 2010 after NVTC meeting March 4, 2010; Working with Stafford on funding.
Yard Projects								
Broad Run Yard Expansion / Maintenance Facility					Design and construction of additional storage tracks and locomotive and train wash facilities.			
Broad Run Yard Expansion / Maintenance Facility Design			\$756,887	100%	Conceptual and final design of S&I building, carwash and track work.	3rd Quarter 2008		Site plan, footing and foundation permit, and retaining wall permit have been approved and were pick-up from PWC on 5/5/2009. AECOM is currently providing on-going construction support.
Broad Run Yard Expansion / Maintenance Facility Construction	Broad Run	\$6,000,000	\$4,559,500	75%	Construction of S&I building and track work.	1st Quarter 2010		Pulling of new electrical conductors has begun and is currently about 50% complete. Installation of track work in S&I Building is 75% complete and will be completed in April 2010. Fabrication of switchgear and pre-engineered steel building has been completed. Erection of pre-engineered steel building is underway and will be completed by mid March 2010. Installation of new switchgear anticipated to begin in late March 2010.
Broad Run Yard Expansion / Maintenance Facility Electrical Service			N/A	95%	Temporarily relocate existing power to avoid construction conflicts and install new permanent power to new S&I Building.	1st Quarter 2010		PO for installation of new permanent power issued to Dominion on 9/18/2009. Installation of new permanent power is complete. Transformer has been tested and was energized upon completion of switchgear SG-2 installation in late January 2010. New electrical services for switchgear SG-2 has been established. New electrical services for switchgear SG-3 will be established in April 2010.
Broad Run Train Wash and Warehouse					Design and construction of Broad Run train wash facilities, warehouse and crew building. Design and implementation of modifications to Crossroads train wash facilities.			
Broad Run Train Wash and Warehouse Design	Broad Run / Crossroads	\$3,195,000	\$520,212	10%	Conceptual and final design of new Broad Run train wash, warehouse and crew building. Design of modifications to existing Crossroads train wash.	2nd Quarter 2010		Held kick-off meeting on 1/27/10. Final designs anticipated by May 2010. Construction to begin following completion of Broad Run Yard Expansion / Maintenance Facility project. Continuing design coordination with STVRWA.
Rolling Stock								
New Railcar Procurement Proj No 90-42-16060								
New Railcar Fabrication (50 Cars)	System-wide	\$2.5 million annual payment	\$90,427,748	95%	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	4th Quarter 2010		All 60 cars now in service. Still making field mods and working numerous warranty issues.

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**VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT
Projects Underway in FY10 As of
March 1, 2010**

New Railcar Oversight (50 Cars)			\$3,033,212	Perform all engineering oversight and warranty follow-up for construction of 50 car option order.	90%	4th Quarter 2010	All work is now warranty work.
Top Deck Rebuilds	System-wide	\$3,372,000	\$2,225,776	Top Deck Rebuild for 10 Locomotives	95%		V02, V07, V21, V06, V08, V09, V31, V24, V23, V10, V04 and V22 Top deck work has been completed. In the planning and preparation stage to send V20 for top deck overhaul work.
Work Management Software Project No 90-57-16270		\$95,000	N/R	Provide software and License agreements to track parts management.	100%	Completed	
Work Management Software Training and Set-Up	Yards & Warehouse			Design software modifications for conformity with VRE specific needs and train personnel in use product. Training underway. Transferring all inventory data from QuickBooks to new software.	100%	4th Quarter 2009	Validating updates; target December for start of work management implementation.
New Locomotive Procurement No. 90-55-16040							
New Locomotive Manufacture (2)	System-wide	\$64,725,912	\$60,579,992	Base Order is for five MP-36 locomotives at \$3,694,922 each (\$18,474,610).	25%	4th Quarter 2012	V50 production started on 11-10-09, on schedule; projected July 1, 2010 delivery date.
New Locomotive Engineering Oversight			\$4,145,920	On site engineering through warranty administration.	20%	4th Quarter 2012	On-site inspections in Boise; FAI work to be completed 1st QTR 2010
New Railcar Procurement Proj No 90-66-16060							
New Railcar Fabrication (10 Cars)	System-wide	\$23,669,956	\$22,660,000	Construction of 10 trailer cars without toilets	85%	1st Quarter 2012	10 cars placed into revenue service on 2-1-10
New Railcar Oversight (10 Cars)			\$1,009,956	Perform all engineering oversight and warranty follow-up for construction of 10 cars	65%	1st Quarter 2012	all 10 cars have been delivered and work will not shift to Warranty Administration

Chief Executive Officer's Financial Report



MARCH 2010

*As Reported to the VRE Operations Board
March 19, 2010*

FINANCIAL STATISTICS FOR FEBRUARY 2010

Copies of the February 2010 Operating Budget Report are attached.

Fare income for the month of February 2010 was \$283,864 above the budget – a favorable variance of 13.93%. The cumulative variance for the year is 11.51% or \$2,024,966 above the adopted budget. Revenue in the first eight months of FY 2010 is up 17.7% over FY 2009. This positive variance is the result of higher than anticipated ridership and the January and July 2009 fare increases. February had four fewer services days due to snow; however, some of this impact may carry over into March for the ten-trip riders.

A summary of the financial results (unaudited) as of February 2010 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report. These figures reflect the Amended FY10 Budget.

Measures		Goal	Actual
Operating Ratio		55%	83%
Budgeted Revenue	72,109,066		
Budgeted Revenue YTD	50,964,803		
Actual Revenue YTD	52,264,192		
Cumulative Variance	1,299,389		1,299,389
Percent Collected FY 07 YTD		70.68%	72.48%
Budgeted Expenses	72,109,066		
Budgeted Expenses YTD	43,996,853		
Operating Expenses YTD	42,397,145		
Cumulative Variance	1,599,708		1,599,708
Percent Collected FY 07 YTD		61.01%	58.80%
Net Income (Loss) from Operations			2,899,097

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2010 Operating Budget Report
February 28, 2010

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	AMENDED TOTAL FY10 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,321,458	2,037,594	19,612,615	17,587,649	2,024,966	11.5%	26,917,683
Equipment Rental and Other	5,666	11,468	198,242	98,988	99,254	100.3%	151,500
Subtotal Operating Revenue	2,327,124	2,049,062	19,810,857	17,686,637	2,124,220	12.0%	27,069,183
Jurisdictional Subsidy (1)	-	-	15,955,559	15,955,559	-	0.0%	15,955,559
Federal/State/Other Jurisdictional Subsidy	3,056,661	3,666,203	16,481,116	17,172,328	(691,212)	-4.0%	28,854,324
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	1,568	17,410	16,660	150,279	(133,619)	-88.9%	230,000
Total Operating Revenue	5,385,353	5,732,675	52,264,192	50,964,803	1,299,389	2.5%	72,109,066
OPERATING EXPENSES							
Departmental Operating Expenses	2,873,503	3,689,689	30,237,927	31,807,868	1,569,941	4.9%	48,678,777
Debt Service	1,306,769	1,306,317	7,539,688	7,576,172	36,484	0.5%	13,582,380
Insurance	-	-	4,612,813	4,612,813	-	0.0%	6,005,000
Other Non-Departmental Expenses	5,889	-	6,717	-	(6,717)	-	3,842,909
Total Operating Expenses	4,186,161	4,996,005	42,397,145	43,996,853	1,599,708	3.6%	72,109,066
NET INCOME (LOSS) FROM OPERATIONS	1,199,192	736,670	9,867,047	6,967,950	2,899,097		0
CALCULATED OPERATING RATIO							
			83%				

(1) Total jurisdictional subsidy is \$16,376,967. Portion shown is attributed to Operating Fund only.