

VIRGINIA RAILWAY EXPRESS

WHO WE ARE

Virginia Railway Express (VRE) is Virginia's only commuter rail system serving the Northern Virginia and Washington, D.C. area since 1992. Our service reaches as far west as Manassas and as far south as Spotsylvania County running parallel to the I-95/395 and I-66 Corridors of Statewide Significance (CoSS).

VRE's two lines—the 60-mile Fredericksburg Line and the 35-mile Manassas Line—provide direct access to jobs in Alexandria, Arlington, and Washington, DC. VRE provides safe, cost-effective, accessible, reliable, convenient, and customer responsive services to its riders. VRE is jointly operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC).

VRE CONTRIBUTIONS TO THE VIRGINIA ECONOMY

- VRE's current ridership takes 20,000 cars off those CoSS during the busiest periods of every weekday providing the equivalent capacity of an entire lane on I-95/395 and I-66.
- According to a Commonwealth Transportation Board (CTB) study, VRE provides service valued around \$8.7 billion.
- NVTC's recent study found that VRE and Metro contribute over \$600 million dollars to the Commonwealth's general fund, an over 250 percent ROI.

FUNDING

VRE is primarily funded through federal, state, and regional grants along with member jurisdiction subsidies and fares.

Operating Funds: Even with strong business practices and regular increases in fares and local jurisdictional subsidies, VRE operating costs are projected to rise faster than revenues. The operating funding gap on average, is \$11 million annually through 2040.

Currently, VRE utilizes all available options for operating funds, such as:

- Increasing passenger fares by 3 percent every other year to continue to cover more than 50 percent of operating costs.
- Increasing the jurisdictional subsidies 3 percent every other year.
- Applying for state funding through DRPT's transit assistance programs.

Our financial analysis shows these actions will no longer be sufficient to cover costs and without additional resources to cover operating costs, service levels must be cut. Less service will result in lower ridership, which leads to lower revenues, creating a financial "death spiral." This "death spiral" will result in drastic cuts to service starting as early as 2024 and eventual cessation of VRE service by 2033.



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Capital Funds: Projected capital needs also exceed expected available funding, with a projected gap, on average, of \$34 million annually. VRE currently takes advantage of numerous sources of capital funding, including available Federal funds, regional NVTA funding, Virginia's SmartScale, and DRPT rail and transit funding programs and will be applying for the new funds available on I-66 and I-395 as part of the HOT lanes expansion.

VRE needs on average \$45 million additional funding annually through 2040 to maintain the current level of service per our strategic financial analysis, which was verified by the CTB's "VRE Long Range Service Plan & Financial Analysis Review." In order to expand service as outlined in our 2040 long range plan, which would potentially double ridership, VRE will need \$60 million.

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COMMUTER RAIL OPERATING AND CAPITAL (C-ROC) FUND

- Legislation passed during the 2018 Virginia Legislative session created a state fund specifically for operating and capital costs of commuter rail service.
- Legislation was also passed directing \$15 million of regional fuels tax revenue annually into C-ROC.
- Vital to VRE's financial stability:
 - Offset operating expense growth without major increases in local subsidy or fares
 - Provide funding for critical capacity projects like L'Enfant Station and Fourth Track and Crystal City Station
 - Support future needs such as railcar replacement

ADDITIONAL NEEDS

- Fixing the transit capital fiscal cliff
- \$30 million annually for Phase I
- An additional \$15 million annually to fully implement Phase II

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