

---

## Virginia Railway Express (VRE) Governance and Spotsylvania County

---

VRE is a service, not a legal entity, with a complex governance structure described in a Master Agreement, first signed by various local governments in 1988. The Master Agreement reflects the fact that VRE is a service jointly sponsored by two Transportation Commissions, the Potomac and Rappahannock Transportation Commission (PRTC) and the Northern Virginia Transportation Commission (NVTC), both of which are legal entities created in State of Virginia law. In addition the Master Agreement created an Operations Board to oversee the business practices of VRE and its staff, with an Operations Board representation scheme agreed to. Decisions on matters not delegated to the Operations Board in the Master Agreement are under the purview of the two Transportation Commissions. A select set of budget and membership decisions also requires the unanimous agreement of the member governments.

To “join” VRE, a local government must join one of the two Transportation Commissions. Because State tax law requires a 2% fuel tax on all fuels sold within the member governments’ borders, “joining” VRE means that the new local government member assents to the 2% fuel tax on sales in within its borders. In the case of PRTC, these funds are first used to pay VRE assessments, while in NVTC (except for Loudoun County), these funds are designated by State law to be used by the NVTC member governments to pay for their respective WMATA obligations (Loudoun is not a WMATA member). At PRTC any fuel taxes collected over and above the amount required to pay VRE assessment may be used to fund other transportation-related needs, with the approval of the PRTC Board.

The Master Agreement also holds that VRE budgets must be ratified by both PRTC and NVTC and all elected bodies of the member local governments.

Recently VRE member local governments amended the Master Agreement to change the way in which annual assessments are calculated and to adjust the formula governing membership on the Operations Board. In general this amendment does two things: first it transitions over a four year period annual VRE assessments to local governments being made solely on the basis of ridership, removing population as a factor, and second it holds that membership on the Operations Board is also calculated on the basis of ridership.

Avowed VRE policy has been that the Operations Board will more and more be autonomous, meaning that fewer of its decisions will require concurrence by the commissions. To this end, VRE members developed a “Plan of Delegation” that has now been fully implemented. VRE’s member governments also intend to explore the possibility of making VRE a legal entity separate from the commissions.