



SECTION 305 FINANCE SUB COMM

MINUTES OCTOBER 6, 2010 3:00 PM EST CONFERENCE CALL

FACILITATOR	<i>DJ Stadler, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>DJ Stadler, Brent Thompson, Bill Bronte, Scott Witt, James Donlin, Ken Uznanski, Steve Hewitt, David Ewing</i>
ABSENTEES	<i>Paul Nissenbaum, Chad Edison, Tanya Wojtulewicz, Amy Arnis, Shayne Gill, Leo Penne</i>

DECISIONS MADE

On a motion made by Bill Bronte and seconded by Brent Thompson, the minutes of the last Finance Subcommittee conference call meeting (September 8, 2010) were approved without exception.

Chair, DJ Stadler provided an overview of his primary agenda items for discussion on this call:

1. Debrief of the Emergency Conference call of the Executive Board held September 15th
2. Provide brief summary/overview of the joint subgroup/task force formed by the Finance subcommittee and Administrative Task Force to revise/refine the procurement approval process
3. An update on the status of the Amtrak Fleet equipment orders
4. Discussion of Amtrak legal staff efforts in regards to issues related to possible incorporation of the S305 Committee

Discussion item 1:

DJ summarized the results of the September 15th Special (Emergency) Executive Board conference call meeting – reporting on the highlights:

1. At the request of the FRA, the Executive Board held an emergency conference call on September 15th for the purpose of reconsidering its decision to revise priorities for specification development to do single level trainsets now with standalone cars next.
2. After much discussion – the Board agreed to reconsider the decision made on August 31 to revise the priorities, and ultimately agreed to revise those priorities to now develop single level standalone cars specs first (now) with the single level trainsets spec to follow next.
3. The reconsideration and reprioritization was deemed necessary to remain aligned with the President's proposed stimulus program which includes an emphasis on replacing Amtrak's fleet.
4. Amtrak and the Technical subcommittee have committed to expediting the efforts to develop both sets of specifications in a timely manner – with anticipated completion of the standalone cars by the end of December, 2010 and the single level trainsets by the end of March, 2011.

Discussion item 2:

DJ reported that the subcommittee and the Administrative task force has formed a joint subgroup with members from both the Task Force and the subcommittee to revise/refine the proposed procurements approval process as presented at the Aug 31 Executive Board meeting. The first conference call of the joint subgroup will take place at 1:00 pm Eastern on October 14, 2010. All subcommittee members are welcome to participate.

Discussion Item 3:

DJ reported that Amtrak's Fleet order for 130 single level cars was awarded to CAF USA and delivery for testing is anticipated in 2012. The next expected announcement will be for the order of 70 electric locomotives for the NEC. The announcement is hoped to take place in October. Everything is in place in regards to making the reward – biggest issue unresolved is financing – private or federal loans (RRIF)

Discussion ensued regarding the issue of Amtrak obtaining approval for a RRIF loan. The primary issue is that of Amtrak as a heavily federally subsidized entity securing a federal loan at a considerably more economically efficient rate versus securing private financing at higher cost. It is a policy call which is yet to be determined.

Further discussion concerned outreach to the financial community to become involved as participants on the finance subcommittee. Bill Bronte noted that the technical subcommittee has been very successful in getting input and involvement from the equipment manufacturing and supply industry. There are over 125 industry participants working with the technical subcommittee. Steve Hewitt described the manner in which the technical subcommittee solicited industry participation – via an invitation letter from Tech subcommittee Chair Mario Bergeron. DJ and members on the call agreed that soliciting private sector involvement was a good idea - DJ was fully supportive. No specific decision was made on formal solicitation – but, opportunities to gain industry involvement are to be explored.

The issue of P3s was raised and the question was posed as to whether Amtrak has considered p3s. DJ responded that on large projects they definitely look at p3s as a possible option. There are a number of firms who have come to the door with ideas related to p3s and Amtrak.

One company has requested time on the agenda of a future Executive Board meeting – and the issue is whether or not having one specific company make a presentation to the Board would be a legally or practically prudent thing to do.

David Ewing posed the question of where does Amtrak go next once the Locomotives order is in place? DJ responded that Amtrak intended to follow the 305 specifications schedule. Currently bi-level car specs have been developed – so Amtrak will proceed to look at procurement of bi-level cars.

Bill Bronte noted that if California is awarded grant money in the 2010 appropriations for HSIPR grants, and is able to put together a bonding package as well, he would look for an opportunity to work with Amtrak to go forward together in the procurement of bi-level equipment. Efforts such as this will help build the market base that will be necessary to fulfill PRIIA and Buy America requirements.

Discussion Item 4:

DJ apprised the subcommittee members of the effort within Amtrak, spearheaded by Nancy Greene, to have counsel develop questions and options in regards to the issues of corporations/incorporating 305 Committee. DJ recommended that the finance subcommittee make time on the next conference call agenda for the Amtrak legal team to make a presentation to the subcommittee and to then follow up with a presentation to the Administrative Task Force and eventually to the Executive Board. The subcommittee members agreed with the Chair's suggestion.

The next regularly scheduled conference call meeting of the Finance Subcommittee will take place on October 20, 2010 – call in number: **1 866-209-1307 Access code: 8597804#**

Action Items Update (New and Current)

Carry over Item: Shayne Gill, AASHTO, will talk to Jack Basso and Joung Lee about the possibility of adding some of the issues regarding financing options (the options paper) as a topic for future discussions of AASHTO's Finance Center or the Standing Committee on Administration and Finance. Shayne will talk to Jack and Joung Lee to see if there are upcoming webinar or meeting opportunities where these issues can be on the agenda. Shayne will report back on his discussions and, after that, will put together a sub-group to explore options and develop an options paper.

Carry over item: Bill to ask FRA whether or not "we can use CE for secular kinds of growth?"

DJ will schedule Amtrak Legal to make a presentation to the subcommittee in regards to issues and question pertaining to incorporating. He will schedule the presentation as part of the next subcommittee conference call.

ATTACHEMENTS



PRIIA Section 305 Finance Sub Committee Conf. Call Meeting September 8, 2010

Agenda Items

- 1.) Approval of minutes of the September 8th conference call meeting of the Finance subcommittee
- 2.) Review of September 15 emergency/special Executive Board conference call meeting
- 3.) Discussion of the formation of a joint subgroup comprised of members of the finance subcommittee and the Administrative Task Force to revise/refine a procurement approval process.
- 4.) Update on Amtrak's Fleet Plan implementation.
- 5.) Amtrak legal counsel efforts to develop questions/options in regards to incorporation.

NEXT MEETING / CONFERENCE CALL: October 20, 2010 - 3:00-4:00 pm EST

Call in number: 1 866-209-1307 Access code: 8597804#