

SECTION 305 FINANCE SUB COMM

MINUTES

JUNE 9, 2010

3:00 PM EST

CONFERENCE CALL

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

DECISIONS MADE

<p>Chair, DJ Stadtler, provided Subcommittee members with a brief overview of the May 26th meeting of the S305 Committee Executive Board. In his overview, DJ described the session with USDOT Deputy Secretary, John Porcari and FRA Administrator Szabo as the key and most telling part of the meeting. Both, Mr. Porcari and Mr. Szabo, stressed the importance of complying with "Buy America" requirements and the need for 100% domestic content. The Administration understands the difficulty of achieving 100% domestic industry and the pushback they are receiving, but still are insistent upon achieving 100%. DJ described this as a major challenge. Amtrak currently has bids out for both single level and locomotives and, on those orders, are not at "Buy America" levels, but trying to be close. Total order levels are: 130 single level cars 20 electric locomotives with options for 40 more. The bids are coming in close to the procurement levels. Because the order is small, relatively speaking, some manufacturers did not bid. The Subcommittee recognized that one of the key issues in trying to achieve 100% content is the size of the orders anticipated – resulting in difficulties in achieving economies of scale and attracting industry interest. The members agreed that there is a need to explore funding/financing partnerships to help get the industry going and to build a "production line" with a steady flow at a certain level.</p>
<p>It was agreed that the subcommittee should explore funding and financing opportunities to consider, as well as exploring partnerships among states, Amtrak and the industry. Some funding and/or financing opportunities that the subcommittee agreed to explore included: TIGER 2 grants, the Appropriations process, HSIPR Grants – Round 2 – and RRIF Loans. It was agreed that some states would not be able to pursue TIGER grants, (access agreements, strong highway program states pursuing TIGER) but that the subcommittee should still look at all possibilities. It was also noted that in the HSIPR grants in Round 1 and likely in Round 2 required an SDP and NEPA in equipment procurement – and states could not use a CE. This is a "bump in the road" and the subcommittee agreed that it was important to explore these issues with FRA to see what the options are.</p>
<p>As the two primary issues appear to be match and the size of the orders – it was agreed that the subcommittee begin to look into partnerships and ways to collaborate both in finding ways to provide match and to develop large enough orders to attract the industry and build a credible and steady production line. It was agreed that members of the subcommittee would look into and define partnership opportunities – states looking to purchase new equipment – manufacturers who may be interested in pursuing the domestic market aggressively and willing to possibly provide the "up front" match. It was agreed that it was important to have discussions and explore possible firms with who to have a P3 discussion - but that we need to be sensitive to the fact that, at this time, the subcommittee cannot agree to enter into a contract with consultant or legal firms until an approval process has been developed. (Administrative Task Force and Finance Subcommittee need to work this out)</p>
<p>It was agreed that the subcommittee should look into other match issues such as; the use of the D&I charges to acquire new equipment through an up-front agreement between Amtrak and states and to look at RRIF loan options (Can RRIF loans be used for match? – Doubtful – but should be determined).</p>
<p>It was decided that there were many areas to explore and that it was important to develop an options paper to present to subcommittee members and/or the Executive Board. AASHTO was asked to coordinate this activity.</p>
<p>On a motion by Bill Bronte and seconded by David Ewing, the minutes of the April 30, 2010 conference call meeting of the Finance Subcommittee were approved without exception.</p>
<p>The next meeting of the Finance Subcommittee will be held June 23rd at 3:00pm Eastern – a reminder and call-in number (same number as today) will be sent out in advance.</p>

Action Items Update (New and Current)

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 Finance and Administration (SCOFA). Shayne will talk to Jack and Joung 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.

David Ewing will work with AASHTO to help identify states with equipment needs that may be willing to look into partnering and/or collaborative efforts where feasible. David will be meeting with George Weber, IDOT, and this will be part of that discussion.

Bill Bronte will look into finding contacts to talk to/touch base with in regards to the P3 discussion.

DJ will reach out to Rod Massman, Chair of the S305 Administrative Task Force to work with him in developing an approval process for acquiring professional services moving forward.

Steve Hewitt will provide DJ with the call-in number and time for the next conference call meeting of the Administrative Task Force – so that DJ may call in if his time and schedule permits.

Steve Hewitt will send out a reminder notice to subcommittee members prior to the next conference call of the Finance subcommittee (June 23rd at 3:00pm Eastern)

ATTACHEMENTS

PRIIA Section 305 Finance Sub Committee Conf. Call Meeting June 9, 2010

Agenda Items

- 1.) Summary of discussions from the May 26, 2010 Executive Board meeting
- 2.) Next Steps for the Finance Subcommittee

NEXT MEETING / CONFERENCE CALL: June 23 - 3:00-4:00 pm EST

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