

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

APRIL 5, 2017

3:00PM EASTERN

CONFERENCE CALL

FACILITATOR	<i>Darrell Smith, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Darrell Smith, Brent Thompson, Ray Hessinger, Eric Curtit, Amanda Martin, Arun Rao, Tim Hoeffner, Sal DeAngelo for Michael Lestingi, Shayne Gill, Steve Hewitt</i>
ABSENTEES	<i>Michael Lestingi, John Pagano, Jeff Gordon, Jason Biggs, Brian Beeler II, Beth Nachreiner, Lynn Everett, Larry Salci</i>

DECISIONS MADE

1. Welcome and Open Meeting – Darrell Smith:

Subcommittee Chair Darrell Smith, Amtrak, opened the conference call meeting and asked Steve Hewitt to call the roll.

2. Roll Call – Steve Hewitt:

Steve Hewitt called the roll and confirmed the presence of a quorum.

3. Action Items Review – Steve Hewitt

Decisions and Action Items

Legislative Outreach Task Force – developing a strategy and implementation plan to obtain future federal funds for the NGEN: Each state member and Amtrak is to work with its Government Affairs office and ask that the two-pager (currently being finalized) be included in its package during Hill visits to keep the NGEN on Congress’ radar even though we are not yet ready to ask for more money.

A “regular update/report card/dash board” will be developed through the NGEN Legislative Task Force with the intent that it be provided to Congress through the states and Amtrak Government Affairs Offices as a means of continuing the outreach and education on the activities of the NGEN.

The first such update will be the “two-page” educational document being finalized for Executive Board approval.

Status: The education and outreach document has been printed and is available upon request through Steve Hewitt. Board members have each received 2 copies. Additional copies were distributed at the NGEN Annual Meeting. Distribution has been proceeding well – additional printed copies (on top of the original 300 copies) have been ordered through AASHTO.

Agenda item 6 – to discuss developing a strategy and implementation plan to obtain future federal funds.

Syncing the new Grant Agreement with ongoing NGEN contracts: Because the current Amtrak and AASHTO contract is in place until 9-30-17, and the current sub-contractor contracts are also in place until 9-30-17, no action is necessary right now. Amtrak and AASHTO have a process in place to extend the Amtrak/AASHTO contract in sync with the grant and effective 10-1-17 through 9-30-19. The subcontractors currently in place will be extended at the same time - effective 10-1-17 through 9-30-19 as anticipated in the new grant agreement SOW and budget.

No action necessary now.

Preparing the Treasurer’s Report and the FASC update presentation for the NGEN Annual Meeting: Darrell Smith will draft the Treasurer’s Report and the FASC update presentation for review by FASC members prior to the next FASC call – 2-8-17.

Task Complete – Agenda item 5 will provide a review/summary of the Annual Meeting

activities/actions/results.

4. Approval of Minutes from the 2-8-17 FASC conference call - Darrell Smith:

On a motion by Sal DeAngelo, FRA, and a second by Amanda Martin, Iowa DOT, the minutes from 2-8-17 were approved without exception.

5. Review Annual Meeting - Darrell Smith:

The Annual Meeting was attended by over 70 members (industry, states, Amtrak, FRA).

The Treasurer's Report was accepted as presented.

The Board discussed a proposed (by Chairman Curtit) Executive Board Task Force to look at Acquisition and Ownership issues – lessons learned and best practices resulting from the experiences of the NGEN's first multi-state procurements. The new task force has a timeline for submitting its report to the Board by the next NGEN Annual Meeting. A lot of what comes out of the task force will feed into the strategy for obtaining future federal funds.

Steve Hewitt added that the attendance at the Annual Meeting increased by about 10 from last year – a good sign that the NGEN is sustaining interest after 7 years.

Steve added that the feedback on the meeting, especially from industry members, has been very positive.

Note: All presentations given during the Annual Meeting are posted on the website and were distributed to all NGEN members electronically.

6. Developing a Strategy and implementation plan to obtain future funds – Darrell Smith/Eric Curtit:

Darrell opened the discussion about what the next steps should be in developing a strategy and an implementation plan for obtaining federal funding beyond the life of the current grant agreement (9-30-19).

Darrell advised that the committee needs to be cognizant, always, of:

- Being careful that we educate – not lobby – their needs to be a careful distinction.
- The fact that we have a good story to tell especially regarding the NGEN deliverables versus the dollars we have received.

The question that will need to be answered is "Ok – now that you have designed the specifications why do we still need you?"

Tim Hoeffner, Michigan DOT, commented that the answer to that question is that "we need to maintain the integrity of the specs going forward for others to use and for future procurements...stop now and the specs fall into disrepair...this was not meant to be a one-time deal." Tim added that maintaining and updating the specs will "give them longevity".

Shayne Gill, AASHTO, asked FRA if there is any information that would help the NGEN put something together to make the case going forward. Something that they have learned through the procurements – jobs created, etc. Shayne suggested that "maybe Siemens could help". The concept for creating the NGEN was to build a manufacturing base in the US and to standardize passenger rail equipment.

With the current emphasis on jobs and America first – the NGEN and FRA could emphasize the Buy American provisions..."and FRA may have some of that information."

Sal DeAngelo, FRA, responded, "Yes, I agree", however, FRA, under current circumstances, "is fighting our own battle to stay in business as it were."

Discussions about the FRA role in grant administration are underway with a desire to not duplicate efforts (such as multiple agencies administering grants).

The "big picture education is needed...with what has been discussed (today) you are going in the right direction with this overall."

Darrell Smith noted that "we seem to have the makings of a message – is this something for the Legislative Outreach Task Force to look at? Is this message one that we should kick to them?"

Eric Curtit, NGEN Chair, and Chair of the of the legislative Outreach Task Force, responded that "these are all good points, and it would make sense to take another look at the 2-pager to see if we can craft a better message." Eric added "with some re-thinking about state ownership. The task force should help articulate the direction and where each state's interest comes from..." Eric added that he is "open for tweaks of the 2-pager and updates...we should add items to work on for the next year."

Steve Hewitt mentioned that the 2-pager was always seen as a document that will evolve and be a tool for education and outreach. The 2-pager was an improvement and an update on the first "backgrounder", and will need to be updated and revise again going forward.

Sal DeAngelo using an analogy about Lockheed Martin and the F35s – "the product is there already, but production stays – they are constantly evolving with new technology, so they never shut down."

With the NGEN or any other similar entity, "shutting down, would mean you would need start-up costs to begin again." There is a need to "progress equipment, progress society, if it stops, it is a step back economically and technologically."

Darrell Smith noted "we need to keep in mind that the outreach should continue and the task force should review the document to see that the message gets through."

Darrell added that "this is not a one-time deal...we should work towards this and stay in touch with the Best Practices Task force – continue to review our message and see where we go...once the new task force has produced its report, we should use it to continue the education."

Eric Curtit suggested that NGEN members should be talking to their government affairs people and keep them educated on the NEC, and provide them with the 2-pager asking that they use it on the Hill." He added that this is what Missouri DOT does. It becomes a part of what they talk to their delegation about.

Sal DeAngelo commented that "you have hit the nail on the head and include the business (industry) members going along with the government affairs groups." He continued, "we should develop a plan to involve the industry" in the outreach efforts. He added, "make the case about dollars and cents – and job loss...co-join the industry in the effort."

Tim Hoeffner added "...our issues, right now, are not on the agenda...sooner or later they will govern, and we should make sure that what we do is on their radar."

Ultimately, the discussion wound down, with the beginnings of a message having been broached, and the start of the strategic discussion and thoughts about developing an implementation plan. Members should think more about this and be ready to move forward and create action items with timelines.

More to come...

7.

Other Issues/questions – All:

No other issues were forthcoming.

8.

Adjourn – With no other business brought forth on today's call, Darrell Smith adjourned the meeting at approximately 3:30PM Eastern.

**Next Finance and Administrative subcommittee conference call May 3, 2017
866 209 1307 access code: 9786620#**

Decisions and Action Items

Legislative Outreach Task Force – developing a strategy and implementation plan to obtain future federal funds for the NGEC: Each state member and Amtrak is to work with its Government Affairs office and ask that the two-pager (currently being finalized) be included in its package during Hill visits to keep the NGEC on Congress’ radar even though we are not yet ready to ask for more money.

A “regular update/report card/dash board” will be developed through the NGEC Legislative Task Force with the intent that it be provided to Congress through the states and Amtrak Government Affairs Offices as a means of continuing the outreach and education on the activities of the NGEC.

The first such update will be the “two-page” educational document being finalized for Executive Board approval.

Status: The education and outreach document has been printed and is available upon request through Steve Hewitt. Board members have each received 2 copies. Additional copies were distributed at the NGEC Annual Meeting. Distribution has been proceeding well – additional printed copies (on top of the original 300 copies) have been ordered through AASHTO.

Developing a Strategy and implementation plan to obtain future funds: After much discussion about message, FASC members are asked to think more about the strategy and an implementation plan going forward. On the next call (May 4th) there will be continued discussion with an eye on actions to be taken and the establishment of timelines.

Syncing the new Grant Agreement with ongoing NGEC contracts: Because the current Amtrak and AASHTO contract is in place until 9-30-17, and the current sub-contractor contracts are also in place until 9-30-17, no action is necessary right now. Amtrak and AASHTO have a process in place to extend the Amtrak/AASHTO contract in sync with the grant and effective 10-1-17 through 9-30-19. The subcontractors currently in place will be extended at the same time - effective 10-1-17 through 9-30-19 as anticipated in the new grant agreement SOW and budget.

No action necessary now.

ATTACHMENTS



The NGEC will provide national leadership in standardization, acquisition, financing and management of passenger rail equipment.

SECTION 305 Finance and Administrative Subcommittee (FASC)

**Conference call
April 5, 2017
3:00PM Eastern
866 209 1307 pass code 9786620#**

MEETING AGENDA

1. Welcome/Open Darrell Smith
2. Roll Call Steve Hewitt

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| 3. Action Items Review | Steve Hewitt |
| 4. Approval of the Minutes from 2-8-17 | Darrell Smith |
| 5. Review: Annual Meeting | Darrell Smith |
| 6. Developing a strategy and implementation plan to obtain future federal funds | Darrell Smith/Eric Curtit |
| 7. Other Issues/questions | All |

Next Call May 3, 2017
Call in # 866 209 1307 passcode 9786620#