

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES

JUNE 1, 2016

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, Arun Rao, Tim Hoeffner, Brian Beeler II, Amanda Martin, Jeff Gordon for Michael Lestingi, Sal DeAngelo, Shayne Gill, Steve Hewitt</i>
ABSENTEES	<i>Michael Lestingi, John Pagano, Beth Nachreiner, Lynn Everett, Jason Biggs, Larry Salci, Vincent Brotski, Nico Lindenau,</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.

Review of Action Items – Steve Hewitt:

Steve Hewitt provided the following brief action items status update:

Action Items Review

Website review: Agreed upon updates will be incorporated into the website by Bryan Hong, AASHTO. The goal is to have consistency in format throughout the site. Members are welcome to provide additional suggestions to improve the site. Many of the recommended changes have been made to the site and it will continue to evolve over time. (Ongoing)

Legislative Outreach Task Force – developing a strategy and implementation plan to obtain future federal funds for the NGEC: The Board reviewed the proposed two-pager on its call on March 15th and agreed to several "tweaks". Mo DOT was to revise the document as agreed, and recirculate for a final approval by the Executive Board before sending to AASHTO for printing.

The FASC memo recommends:

- Recognize the national interest in maintaining a set of standard intercity passenger rail equipment specifications through the NGEC, therefore re-doubling the NGECs education efforts with federal policymakers and Congress. In so doing, expand the membership of the FASC's Legislative Outreach Task Force, which in turn will provide, through the FASC, a quarterly progress report to the NGEC beginning June 30, 2016.

The recommendation was accepted and approved by the NGEC Executive Board on 5-24-16

Interpreting NGEC related provisions contained in the FAST Act: Beth Nachreiner agreed to follow up with the subcommittee by the next call (5-4-16), and, if a response is prepared by FRA, she will make it available to Steve Hewitt for distribution as a read-ahead -in advance of the call.

Task Complete: This task has been completed. Darrell Smith provided a report to the Executive Board on 5-10-16.

Developing a report to the Executive Board on the FASC findings with regard to Recommendations 1, 2 and 3: A report to the Board is due by May 31, 2016. Darrell Smith will prepare a draft report (based on today's discussions) and provide it to Steve Hewitt for distribution to FASC members one week (4-27-16) in advance of the 5-4-16 conference call.

This task has been completed. The memo, with two minor corrections was approved by the FASC for submittal to the NGEC Executive Board for its consideration.

Task Complete – On 5-24-16 the NGEC Executive Board accepted the FASC memo and approved its recommendations.

4. Approval of Minutes from the 5-4-16 FASC conference call– Darrell Smith:

On a motion by Brent Thompson, WSDOT, and a second by Tim Hoeffner, MDOT, the minutes from the 5-4-16 FASC conference call meeting were approved without exception.

5.
Discussion: VIA Rail request to use PRIIA Specifications – Darrell Smith:

- a. Discuss issues related to the request and develop a response for Board consideration:

Darrell Smith provided an overview of VIA Rail's request (submitted to Mario Bergeron) to use PRIIA specifications. Darrell referred to the email exchange between Mario and Bob Becker, VIA Rail, as background. Steve Hewitt had provided FASC members with the email exchange just prior to the call today and it is reprinted in these minutes – below:

The email request and ensuing exchanges between VIA Rail and Mario Bergeron:

Mr. Bergeron:

I obtained your contact information from Marc Beaulieu who you recently met with.

I have been the Chief Engineer for VIA Rail for the last 20 years and I am now on a special assignment to develop the technical specifications for replacement rolling stock for our Quebec-Windsor corridor. Since this new equipment will be for the next 30-40 years, one of my objectives is to end up with North American trains that could operate into the US without the need for waivers.

I have reviewed the Amtrak PRIIA specifications. They are excellent comprehensive documents that capture best practices in North America. Our approach will be to create a performance specification, but I was hoping to reference these as required.

Is there any authorization required from the PRIIA Board or from Amtrak to allow VIA Rail to reference sections of the PRIIA specifications?

I would appreciate any guidance you could provide on this.

Bob

Mario:

Have you had a chance to review this? Is there someone else I should be contacting directly?

Thanks.

Bob

Mr. Becker,

I discussed VIA Rail's request during the last week's Executive Board meeting of the S305. The action is to finalize the

response which is being drafted now, review it as a Committee before the S305 Chair signs and issues as the official response. I would expect the response to be issued within a month given cadence of S305 meetings.

*Regards,
Mario*

Discussion:

Darrell noted the importance of Cross Border efficiency between Canada and the US and the need for compatible/interoperable equipment. Achieving standardization wherever possible is a positive step.

Darrell also noted that the question, at this point, is not so much a matter of charging for the specifications use, as the complexities of international exchange and the fact that the NGEN is now precluded (FAST ACT) from forming a corporation. Thus, the discussion today is more about whether or not we would authorize VIA rail to use the specifications, and, if so, what would we ask of them. The suggestion at the Board meeting on 5-24-16 was to potentially invite them to join the NGEN Technical subcommittee as industry participants (non-voting members) and to provide the NGEN with feedback as they utilize the specs or make changes to them.

Darrell asked for Ray Hessinger and Tim Hoeffner to provide their thoughts as both have experience with cross border travel and issues relating to efficiency and interoperability.

Ray Hessinger, NYSDOT, commented that, for NY the key issue for cross border travel is with regard to customs – how it is handled and where. Right now there is a one hour scheduled stop in either direction. Efforts for establishing pre-clearance capabilities is ongoing with the location of pre-clearance sites at the NY Canada crossings a key issue.

Ray added that, post Hurricane Sandy, Amtrak had a need to borrow equipment from VIA Rail for the Adirondack. Because certain equipment did not clear the 3rd rail there were interoperability issues and resolving those issues was tricky due to red tape. Ray is of the view that VIA Rail procurement of similar equipment to that in the US (using PRIIA specifications) would be a good thing.

Tim Hoeffner commented that they are striving for pre-clearance at 8 Canadian Airports. At Vancouver, they have pre-inspection which is different than pre-clearance. Expanding pre-clearance is a priority, but will need action by both the US Congress and the Canadian Parliament.

The issue with the Canadian equipment, now, is that it does not meet US standards. "We need compatibility for both sides and a level of standardization between the two countries...it makes sense to improve interoperability, so outreach (from VIA Rail) to use our specs is good for all."

Darrell asked if the general sense was the following two key points:

There is genuine interest on our part for future interoperability between US and Canada, and it would be a benefit to facilitate specification use which would work across the border.

Send a letter from Eric Curtit, as Chair of the NGEN Executive Board, that would encourage the use of the PRIIA Specs and invite them to join the Technical subcommittee as industry participants, and request that, as they use the specs they provide the NGEN with feedback and notification of any changes they may make to the specs.

For clarification, Steve Hewitt referred back to the email exchange and emphasized that the email states that VIA intends to develop a performance specification and has requested the authority to reference our specifications. Steve also noted that VIA Rail has the specifications (all of the PRIIA specs) and has had them for quite some time – long before the NGEN even began to discuss assessing a user fee.

Shayne Gill commented on the fact that AASHTO, for its specification document charges a nominal fee to recoup the costs for maintaining their documents. He asked if he could reach out to get a sense of those minimum costs are for future reference.

Darrell agreed it would make sense, but also noted that it should not hold up responding to the request before us from VIA Rail.

Darrell asked the FASC members if they would agree that Steve Hewitt should draft a response for Eric Curtit's signature emphasizing the points highlighted earlier in this discussion.

Jeff Gordon, FRA, state that he had no objection to it, but he emphasized the importance of interoperability and compliance with FRA safety standards. The issue is that our requirements, especially with regard to safety are

more restrictive than those of Canada. In order for interoperability to happen the equipment would need to be compliant to the more restrictive requirements of the US. Jeff echoed what Steve Hewitt said earlier, that the email from VIA Rail notes that they intend to develop performance spec and are requesting to reference sections of our specs. The key is which sections. The sections referenced should be those that would enforce FRA safety/interoperability.

Asked how the Canadian requirements compared to US requirements, Jeff responded that our specs are compliant with the CFR and the CFR is compatible with Canadian requirements, but Canadian requirements alone are not compatible with the CFR.

Commenting further, Jeff noted that ADA requirements are different, and that interoperability would require adhering to US ADA requirements.

Overall, interoperability to be achieved would mean referencing US requirements which are more restrictive than Canadian requirements. We should ask that they follow the more restrictive requirements.

Tim Hoeffner commented that it would make sense to, as noted earlier, invite them to join the Technical subcommittee and to offer to work with them to ensure interoperability between the two countries. He added that building toward the CFR would ensure that interoperability. Tim added that standardization may be the same in many cases but it is measured differently.

Tim then suggested it may behoove the NGEC to "take it one step further" and open up the NGEC (Technical subcommittee) to Transport Canada as well as VIA Rail."

A discussion ensued with as to safety compliance/requirements, and it was noted that the Canadian Safety Board, not Transport Canada, would be the body to impose safety requirements.

Jeff Gordon re-emphasized that the point needs to be made that their specification be compliant with the more restrictive US requirements in order to ensure interoperability.

More discussion centered on contacting Transport Canada and determining who to contact at "whatever regulatory agencies they are under".

Tim Hoeffner agreed to "see about contacts at Transport Canada" and Darrell Smith agreed to check internally within Amtrak about potential contacts.

Tim Hoeffner also mentioned that the Province of Ontario has its own High Speed Rail going on and it may make sense to reach out to them.

Darrell brought the discussion back to the immediate issue of responding to VIA Rail.

With regard to expanding to Transport Canada and others, it was determined that those outreaches would be "next steps". The initial step needs to be drafting a response to VIA Rail. The original email to Mario was sent around a month ago, and, as can be seen in the exchange, they have asked a second time, and Mario has explained the NGEC process, and has committed to getting a response to the request within a month.

Ultimately it was agreed that by COB on Thursday, 6-2-16, Steve Hewitt would draft a proposed response to VIA Rail from Eric Curtit. The response will be circulated to FASC members for comment by COB on Friday, 6-3-16. Once all comments are received, the response will be finalized as a draft and be sent to the NGEC Executive Board for discussion and possible consideration during next week's (6-8-16) Executive Board conference call.

6.

Preparing for the Grant Agreement Extension Request – Darrell Smith:

- a. Request input from the standing subcommittees as to anticipated budget needs now through FY17 and beyond.

On the 6-22-16 Executive Board call, Darrell Smith will request that the standing subcommittees review their current budgets and work plans to determine the status of current budget needs and if there are any variations that they are aware of. Also the subcommittees should prepare anticipated budget needs and work plans in for the time frame of 10-1-17 through 9-30-2020 as Darrell begins to develop a SOW and budget for a no-cost grant agreement extension through 9-30-2020.

- b. Set a schedule/timeline and steps for developing a DRAFT SOW for a no-cost extension through 9-30-20 with steps in the process identified.

Darrell will meet with the Amtrak grants office over the next few weeks and will present (on the next FASC Call 6-29-16) a reverse timeline for developing and processing a no-cost grant agreement extension.

7.

Re-establishing and expanding the Legislative Outreach Task Force – Eric Curtit:

Eric Curtit reported that he does not believe a formal meeting of the task force needs to take place at this time, down the road maybe, but that each state member and Amtrak should contact its Government Affairs office and ask that the two pager (currently being finalized) be included in its package during Hill visits. The idea is to keep the NGEC on Congress' radar even though we are not yet ready to ask for more money.

Eric also talked about the development of a "regular update/report card/dash board" to 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.

8.

Other Issues/questions – All:

With no further business to come before the subcommittee today, Darrell Smith adjourned the meeting at 3:49PM Eastern.

**Next Finance and Administrative subcommittee conference call June 1, 2016
866 209 1307 access code: 9786620#**

Decisions and Action Items

Website review: Agreed upon updates will be incorporated into the website by Bryan Hong, AASHTO. The goal is to have consistency in format throughout the site. Members are welcome to provide additional suggestions to improve the site. Many of the recommended changes have been made to the site and it will continue to evolve over time. (Ongoing)

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.

Responding to VIA Rail Request: Steve Hewitt will draft a proposed response to the VIA Rail request by COB Thursday 6-2-16. It will be circulated for comment to the FASC members and, once all comments are incorporated, it will be submitted to the Executive Board members for discussion on the 6-8-16 conference call.

Outreach to Transport Canada and other potential Canadian contacts: It was agreed that this would be a "next step" after the response to VIA Rail. Tim Hoeffner and Darrell Smith will work on developing a list of potential contacts within Transport Canada as a starting point for further outreach.

Preparing for the No Cost Grant Agreement Extension Request:

Actions:

1. On the 6-22-16 Executive Board call, Darrell Smith will request that the standing subcommittees review their current budgets and work plans to determine the status of current budget needs and if there are any variations that they are aware of. Also the subcommittees should prepare anticipated budget needs and work plans in for the time frame of 10-1-17 through 9-30-2020 as Darrell begins to develop a SOW and budget for a no-cost grant agreement extension through 9-30-2020.
2. Darrell will meet with the Amtrak grants office over the next few weeks and will present (on the next FASC Call 6-29-16) a reverse timeline for developing and processing a no-cost grant agreement extension.

Next Call: 6-29-16 at 3:00PM Eastern

ATTACHMENTS

**Next Generation
Equipment Committee**



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
June 1, 2016
3:00PM Eastern
866 209 1307 pass code 9786620#**

MEETING AGENDA

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|---|---------------|
| 1. Welcome/Open | Darrell Smith |
| 2. Roll Call | Steve Hewitt |
| 3. Action Item Review | Steve Hewitt |
| 4. Approval of the Minutes from 5-4-16 | Darrell Smith |
| 5. Discussion: VIA Rail request to use PRIIA Specifications | Darrell Smith |
| a. Discuss issues related to the request and develop a response for Board consideration | |
| 6. Preparing for the Grant Agreement Extension Request | Darrell Smith |
| a. Request input from the standing subcommittees as to anticipated budget needs now through FY 17 and beyond. | |
| b. Set a schedule/timeline and steps for developing a DRAFT SOW for a no cost extension through 9-30-20 with steps in the process identified. | |
| 7. Re-establishing and expanding the Legislative Outreach Task Force | Eric Curtit |
| 8. Other Issues/questions | All |

**Next Call June 29, 2016
Call in # 866 209 1307 passcode 9786620#**