

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES AUG. 18, 2021 3:00PM EASTERN CONFERENCE CALL

FACILITATOR	<i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
ATTENDEES	<i>Tim Ziethen, John Oimoen, Amanda Martin, Amanda Martin as proxy for Arun Rao, Brian Beeler II, Jeff Gordon, Mike Murray, Shayne Gill, Strat Cavros, Steve Hewitt</i>
ABSENTEES	<i>Ray Hessinger, Jason Biggs, Troy Hughes, Arun Rao, Larry Salci,</i>

DECISIONS MADE

1. Welcome and Open Meeting – Tim Ziethen, Amtrak:

Subcommittee Chair, Tim Ziethen, 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 could not, at first confirm the presence of a quorum. However, ultimately a quorum was confirmed when Arun Rao provided his proxy to Amanda Martin

3. Approval of Minutes from the 6-23-21 and 7-21-21 conference calls– Tim Ziethen, Amtrak:

On a motion by Amanda Martin, Iowa DOT and a second by Brian Beeler II, for Maine DOT, the minutes from 6-23-21 and 7-21-21 were approved as submitted.

4. Treasurer’s Update – Tim Ziethen:

Tim Ziethen provided the following Treasurer’s update:

Balance and Spend Rate

Total Initial Grant Amount: \$1,250,000.
 Amount Spent through June 2021: \$811,187.60
 Balance remaining: \$ 438,812.40.
 Estimated spend at current rate for the remaining grant period (through 9-30-23): \$384,246.76
 Current Spend Rate per month (as info and used in calculating): \$14,231.36
 Estimated Balance at the end of the Extension Period (Contingency): \$54,565.64

It was noted by Chairman Ziethen that the June invoices from AASHTO were a bit higher than usual and that has increased the spend rate somewhat.

Strat Cavros, AASHTO, pointed out that June and July usually outsize the normal rate as AASHTO closes their fiscal year out in June.

5. Conveying the message - Tim/Steve:

2021 NGEC two-page educational document - Steve:

555 of these documents have been distributed electronically.

On the last call, a process and timeline was discussed for updating the two-pager to reflect the accomplishments that have taken place since the last update. The NGEC has a great story to tell as more and more we are seeing new passenger rail vehicles procured using NGEC specifications being placed into service. This is great news and is something that should be captured in the update for 2022.

The timeline would be for the FASC to begin its updating efforts on the next call (9-15-21). The timeline is to get it through the FASC and onto the Executive Board before the end of the year so that whatever the updates are they can be sent to MODOT graphic arts for formatting and printing. The new two-pager should be available for distribution at the NGEC Annual Meeting 2-25-22 in Washington, DC.

Update/Reauthorization of the NGEC - Tim/Steve:

Tim Ziethen opened the discussion noting that there have been significant efforts to add the NGEC reauthorization to the infrastructure bill recently passed by the Senate, but those effort did not come to fruition.

Steve Hewitt agreed. The Senate passed its infrastructure bill which includes reauthorizing federal surface transportation but does not appear to have added in reauthorization of the NGEC.

As has been reported previously – it seems that the NGEC does not have a sunset clause and has enough funding, through the current grant, to continue to operate through the grant period which ends on 9-30-23. FRA has informed the NGEC that as long as the committee exists, the funds in the current grant remain available until expended. Chairman Hessinger has stated that the NGEC will continue to conduct its activities as identified in its current scope and budget.

The issue now will be to find a funding source that will carry the NGEC beyond 9-30-2023. House T&I staff have told us that the NGEC “is covered in the budget”. What that means has not yet been determined – is it FRA? Is it Amtrak? No clarification or confirmation has been provided.

The NGEC can/should continue to seek additional funding either through FRA, Amtrak or consider other options to continue the work of the NGEC beyond 9-30-23.

Tim Ziethen concurred and elaborated that Ken Altman, Government Affairs, Amtrak, and Amtrak legal are of the opinion that there is no sunset provision, and the NGEC can continue to operate under the current grant agreement and that either FRA or Amtrak (potentially) can provide the funding to keep it going.

Amtrak included the NGEC as one of the kinds of things it would fund in its overall grant program but did not single it out as a line item in its grant request.

Tim went on to note that, while there has been significant positive feedback and support it has not translated into reauthorization within the infrastructure package. The NGEC continues to do its work and do it successfully but seems to continuously fly under the radar.

Tim believes it would be appropriate to confirm with FRA if there is funding available in its budget to support the FRA beyond the current grant agreement. It would also make sense to get some feedback from Amtrak on this as well.

Tim also suggested that it may be worthwhile looking into alternative solutions to funding the NGEC such as subscription membership.

Steve Hewitt mentioned, and Jeff Gordon, FRA, confirmed, that several years ago, the NGEC had looked extensively into alternative ways to fund and structure the NGEC in the future. The Executive Board, at that time, established a working group to look at what the NGEC should be “when it grows up”.

Ultimately, after looking at several structural options and various funding options, the working group concluded and the Executive Board agreed that the NGEC was a federal responsibility and should be funded by federal funds. The benefits of the work of the NGEC are national in scope, the work is done by a tremendous coalition of state, and federal partners as well as members of the rail manufacturing and supply industry all on a voluntary basis with minimal actual dollars invested.

Steve Hewitt reviewed the history of funding that has been provided to the NGEC noting that it was originally authorized to receive \$5 million but has received a total of \$4 million through two appropriations (the initial appropriation of \$2 million and a second one for \$2 million the following year due to a simple Continuing Resolution of federal transportation appropriations that year). Over its nearly 12 years operating the NGEC has conducted its business astutely managing its limited resources and receiving so much in kind and voluntary services that it has managed to function without any additional money being provided.

In many ways, the NGEC was a casualty of its own efficiency and was hard pressed to get another appropriation when it still had funds remaining.

After nearly 12 years, the NGEC will need to explore all options to obtain additional funds to continue the work of the Committee beyond 9-30-2023.

It was agreed the FASC Chair Tim Ziethen will bring this discussion to the NGEC executive Board on its next call on 9-7-21 and try to get some confirmation from FRA and/or Amtrak in the meantime if possible.

6.

Review: Quarterly Report submitted on 7-30-21 to FRA – Tim Ziethen:

The Quarterly Report for the period ending 6-30-21 was submitted on time - 7-30-21 and was distributed to all Board members on 8-10-21 by Steve Hewitt.

Adjourn:

With no other business forthcoming, Chairman Ziethen adjourned the call at about 3:30pm Eastern.

By Computer: <https://stephenhewittthewittconsulting.mywebex.com/meet/shewitt109>

by phone: 1-415-655-0001

Access code: 126-073-1531

Next call – 9-15-21

Decisions - Action Items

Treasurer's Report – 8-18-21:

Balance and Spend Rate through June 2021:

Total Initial Grant Amount: \$1,250,000.

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Conveying the message:

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2021 NGEC two-page educational document:

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The timeline would be for the FASC to begin its updating efforts on the next call (9-15-21). The timeline is to get it through the FASC and onto the Executive Board before the end of the year so that whatever the updates are they can be sent to MODOT graphic arts for formatting and printing. The new two-pager should be available for distribution at the NGEC Annual Meeting 2-25-22 in Washington, DC.

Update on Reauthorization

See detailed discussion above under agenda item 5.

Action:

Need to confirm with FRA and/or Amtrak whether there is funding in the budget for the NGEC as noted by House T&I committee staff – Frances Bourne who stated the NGEC is "covered in the budget". When asked about reauthorization.

Tim Ziethen will bring the FASC discussion about funding options to the NGEN executive Board on its next call which will take place on 9-7-21.

Quarterly Grant Progress Report to FRA:

The Quarterly Report for the period ending 6-30-21 was submitted on time - 7-30-21 and was distributed to all Board members on 8-10-21 by Steve Hewitt.

The next Quarterly Report to FRA will be due on 10-31-21.

Annual By-Laws Review:

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It was agreed on 7-21-21, that, in September, FASC Secretary, John Oimoen and Steve Hewitt begin the annual review of the NGEN By-Laws and make any suggestions they may have to the FASC by the end of October. If the FASC agrees, the By-Laws as revised (or not) will be sent to the Executive Board where they will be required to have them for 30 days before considering any changes that may be suggested. This will enable the Board to vote for consideration of approval by December 2021 and fulfill the annual review requirement.

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Next Call -9-15-21

ATTACHMENTS



Our Vision: The NGEN will provide national leadership in standardization, acquisition, and management of passenger rail equipment.

SECTION 305 NGEN Finance and Administrative Subcommittee (FASC)

Web Ex video/audio information:

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Access code: 126-073-1531

AGENDA

8-18- 21

1. Welcome/Open

Tim Ziethen

2. Roll Call

Steve Hewitt

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| 3. Approval of the Minutes from 7-21-21 | Tim Ziethen |
| 4. Treasurer's Update | Tim Ziethen |
| a. Balance-Spend Rate | |
| 5. Conveying the Message | Tim/Steve |
| Educational Document | |
| Update on Reauthorization/Funding of the NGEC | |
| 6. Review: Quarterly Report submitted July 31,2021 to FRA | Tim |
| 7. Other Issues/questions | All |

Next Call 9-15-21