

# SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES      SEPTEMBER 16,  
2015      3:00PM EASTERN      CONFERENCE CALL

<b>FACILITATOR</b>	<i>Darrell Smith, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i>
<b>ATTENDEES</b>	<i>Darrell Smith, Ray Hessinger, Brent Thompson, Brent also as proxy for Arun Rao, Tammy Nicholson, John Pagano, Brian Beeler II, Beth Nachreiner for Michael Lestingi, Sal DeAngelo, Vince Brotski, Shayne Gill, Steve Hewitt,</i>
<b>ABSENTEES</b>	<i>Michael Lestingi, Tim Hoeffner, Arun Rao, Larry Salci, Jeff Gordon</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:

#### Status: Action Items

**Establishing a Legislative Outreach Task Force:** The newly formed task force met on August 13<sup>th</sup>. The second call of the Outreach Task Force took place on September 3<sup>rd</sup> without a quorum present, but progress was made with Eric and MODOT in the process of preparing a one pager for use on the Hill, and Karen Songhurst having reached out to FRA (Paul Nissenbaum) requesting suppliers' numbers and jobs numbers as related to the two NGEN procurements. The next call is scheduled for September 28, 2015 at 3:30PM Eastern

#### Agenda item 5

**Obtaining data in regard to potential/future acquisition needs:** FRA has prepared "a back of the envelope" look at "the best sense of what the needs might be". It was emphasized that this is not a well vetted body of work.

Nico Lindenau and Brent Thompson will get together and do follow up on this to try to show what is expected to be on the table over the next 10 or 20 years...and estimate where things will be in order to then determine the next steps for going to the Executive Board.

Brent and Nico will report on their progress on the next call – September 16, 2015.

**Last night, (9-15-15), along with the agenda and other items for this call, a revised spreadsheet, provided by Nico and Brent were included.**

**This item will be a part of the discussion under Agenda item 6.**

**Review of and comment on the NGEN Future Concept document:** Eric Curtit provided a draft white paper to all FASC members on 8-14-15. Comments on the DRAFT are due to Steve Hewitt by COB on **9-10-15**.

**One comment was received from Tammy Nicholson, and the recommended changes are included in the document – no other comments have been submitted.**

Sal DeAngelo commented that he had just sent an email (which Steve Hewitt subsequently forwarded to FASC members) on PRIIA locomotive price analysis which may help this effort as well.

#### **Agenda item 7**

**Proposal to assess a membership fee:** Darrell Smith developed a spreadsheet for a potential NGEC/209 membership fee and sent it to all FASC members on 8-17-15. Darrell will revise the spreadsheet to include units used and send out to FASC members before the next call. All members, in the meantime, are asked to review and comment on the DRAFT.

Darrell has not completed the revised spreadsheet that will include units used. He will get it out asap for comment and further discussion on the next call (10-21-15)

**No comments received to date.**

#### **Agenda item 8**

**Assessing Specification use fees:** Shayne Gill reported that he met with the AASHTO publications department and learned that it would be doable to have the NGEC specifications available for purchase in the AASHTO online bookstore as a potential source of revenue. Members of the FASC are asked to go online to the AASHTO Bookstore to get a sense of what it looks like and what the prices for AASHTO publications are. AASHTO would need to know how much to charge and how many documents there would be.

#### **Agenda item 9**

**Next call:** The next call is rescheduled from 9-23-15 to **9-16-15**. Steve Hewitt will send calendar notifications.

**Task complete**

#### **4.**

##### **Approval of Minutes from the August 17, 2015 FASC conference call – Darrell Smith:**

On a motion by Eric Curtit, MODOT, and a second by Brent Thompson, WSDOT, the minutes from the August 17, 2015 FASC call were approved without exception.

#### **5.**

##### **Update: Legislative Outreach Task Force Activities – Eric Curtit:**

Eric Curtit reported that the Legislative Outreach task force has met twice and has discussed what the message should be and how it should be packaged to take to the Hill to educate members of Congress on what the NGEC is, what it does and what it has accomplished, as well as the economic benefits associated with its work.

MODOT is developing a one to two page document to with graphics to convey the message. Eric expects to have a first draft ready for distribution to both the FASC and the Outreach task force by next week.

Eric noted that FRA has asked him not to use a specific dollar amount to describe the savings that have been achieved in the procurements rather to use a percentage (36% savings on anticipated costs for the bi-level).

The task force has reached out, also, to FRA for rail supplier numbers and jobs numbers to show the economic benefits derived nationwide for the two NGEC procurements.

For now, MODOT will use the Rail Supply Institute National Map of suppliers provided by OneRail to help make the case.

A discussion ensued with regard to the benefits derived from the 514 subcommittee – Eric and Darrell Smith will talk off-line about the best way to state the benefits and, quantify them if possible.

#### **6.**

##### **Status: Follow up on obtaining data on potential/future acquisition needs - Brent Thompson/Nico Lindenau:**

Brent Thompson provided a summary overview of the revised spreadsheet prepared by Nico Lindenau and

Brent (below):

**Table 4: Amtrak Passenger Car Portfolio**

**Amtrak Passenger Car Fleet - Age**

Equipment Type	Active Units 12/1/2011	Year Started in Service	Age in 2012	Average Mileage
Amfleet I	473	1974 to 1977	35 - 38 Years	4,125,000 <sup>(a)</sup>
Cab Cars / NPCU	39	1969	43 Years	2,980,000 <sup>(b)</sup>
Horizon	95	1988 to 1990	22 - 24 Years	2,750,000
Surfliner <sup>(c)</sup>	49	2000 to 2002	10 - 12 Years	1,580,000
California Cars	78	1995 -1996	17 - 18 Years	1,875,000
North Carolina Cars	12	1950s	60+ Years	675,000 <sup>(d)</sup>
Amfleet II	145	1980 to 1981	31 - 32 Years	5,640,000
Heritage	99	1948 to 1956	56 - 64 Years	5,000,000 <sup>(e)</sup>
Viewliner / LDSL	51	1995 to 1996	16 - 17 Years	3,065,000
Superliner (I & II)	428	1979 - 1996	16 - 33 Years	4,880,000 <sup>(f)</sup>
Auto Carrier	80	2005	7 Years	1,160,000
Other (2 wheel cars / 2 track insp. / 1 training)	4	Unknown	Unknown	N/A
<b>Total</b>	<b>1,553</b>			

<sup>(a)</sup> Average Amfleet I mileage lower than previous report due to the return to service of 55 cars formerly in storage for 5+ years

<sup>(b)</sup> Cab Car average mileage = 1,800,000 Mileage since inception of Amtrak data systems in 1970's; estimates not available for prior period

NPCU average mileage = 3,900,000

<sup>(c)</sup> Includes cars owned by Amtrak (39) and California (10)

<sup>(d)</sup> Mileage since last major overhaul, approximately 1995

<sup>(e)</sup> Mileage since inception of Amtrak data systems in 1970's; estimates not available for prior period

<sup>(f)</sup> Average Superliner I mileage = 5,995,000 and Superliner II average mileage = 3,410,000

**Table 5: Amtrak Locomotive Portfolio**

**Locomotive Fleet Portfolio - Age**

Equipment Type	Active Units 12/1/2011	Year Started in Service	Age in 2012	Average Mileage
P32	17	1991	21 Years	1,985,000
P32DM	17	1995 to 1998	14 - 17 Years	1,630,000
P40	15	1993	19 Years	2,035,000
P42	196	1996 to 2001	11 - 16 Years	2,250,000
F59PHI	21	1998	14 Years	1,580,000
AEM-7	47	1980 to 1988	24 - 32 Years	3,915,000
HHP-8	15	1999 to 2001	11 - 13 Years	1,095,000
California Diesels *	17	1991 - 1994	18 - 21 Years	1,650,000
North Carolina Diesels *	6	1988 to 1998	14 - 24 Years	267,000
Switchers	45	1950 - 2010	2 - 62 Years	N/A
<b>Total</b>	<b>396</b>			

\* Note: California and North Carolina diesel locomotives are **not** Amtrak owned.

Darrell Smith commented that while the spreadsheet follows a replacement schedule, funding remains problematic and there are a number of efforts taking place to look at extending the life of existing equipment. As funding continues to be difficult to anticipate or predict, Amtrak is looking at keeping its current equipment in use even longer.

Brent Thompson agreed, and commented that the scarcity of funding continues to equate to equipment overhauls and extended use. Ultimately this means that Amtrak is overhauling rather than procuring and equipment age can go from 40-60 years.

Brent noted that the spreadsheet is in some ways "an optimistic look" at finding funding based on equipment replacement and the potential for selling specifications, "because there is no funding".

Darrell noted it is still a good document because "we needed a profile of what is out there" and this spreadsheet paints a good picture of that.

Brent added that he believed while there is no "hard rule" it "stimulates the conversation."

Darrell concurred that it is an eye opener.

Darrell suggested that this document be brought to the Legislative Outreach Task Force to help in its efforts to raise awareness on the needs and to stress the point of how old the equipment out there really is.

Eric agreed.

## **7.**

### **Discussion/Comments: DRAFT White paper on NGENC Future Concept Document - Eric Curtit:**

Eric Curtit provided an overview of the DRAFT white paper/memo regarding the NGENC future.

He noted that, while it is good to look at "what we want to be when we grow up" it is important to know that "this (the current structure and functions) is working". He added "we need to make sure that this is solidified in its current scope and functions...we keep the specs maintained and updated and we support the industry." These are valuable functions and "the mechanics are in place and are serving the need."

Darrell Smith commented with regard to High Speed Rail specification development as a potential function of the NGENC going forward, noting that "Amtrak has an RFP on the street" for the next generation of their high speed rail fleet. When this effort is complete, "there will be new knowledge gained", and with California's High Speed Rail effort and Amtrak's there will be a "volume of stuff" upon which to base and create a standardized specification. It would be "nice to get ahead of the game."

Eric noted that additional comments on the white paper are coming in now, as this call is on, (via email) and there may be more yet to come. Eric added that this paper will dovetail nicely with the two pager MODOT is developing as a part of the Outreach Task Force efforts.

It was agreed that additional comments/revisions to the memo should be submitted to Eric, Darrell and Steve Hewitt by COB on Monday, September 21, 2015.

At that point, the revisions will be included in a revised document and distributed to the full subcommittee for review and comment with a week's turnaround. The goal is to have a final draft in advance of the next call (10-21-15).

Additional discussion revolved around the earlier discussion of quantifying the benefits derived from 514. At the very least, the information obtained through 514 has been a benefit in its transfer of knowledge. The process results in revising timing of work and scope of work alone has been beneficial. It was agreed that while it may not be simply quantifiable in dollars saved, some component can and should be reflected in the two pager.

## **8.**

### **Comments/Discussion Membership Fee Proposal - Darrell Smith:**

Darrell Smith reiterated what he stated in the Action Items update, that he will revise the spreadsheet to include units used as a part of the comparative measures.

If there are any additional thoughts or comments on the concept of a membership fee – submit them to Darrell Smith asap.

## **9.**

### **Comments/Discussion - Assessing a fee for obtaining NGENC specifications/documents – Darrell Smith/Shayne Gill:**

Shayne Gill summarized his discussions with the AASHTO publications division with regard to assessing a fee for

obtaining NGEC documents and selling them through the AASHTO "bookstore".

AASHTO would need to know the format, the number of documents, page count, illustration formats and the amount to charge.

Those obtaining the documents would need to register in a similar fashion to how it is done for other AASHTO products. There would be a download for the agreed upon purchase price and the money would be deposited in an account tied to the NGEC.

Discussion ensued about charging NGEC member and non-member fees, and who would be considered an NGEC member.

It was agreed that Shayne would set up a conference call with Erin (AASHTO publications) and Jeff Gordon, Sal DeAngelo, FRA; Steve Hewitt, NGEC; and Nico Lindenau, FRA consultant, to talk about the particulars. Shayne will try to set the call up for the first week in October.

#### **10.**

#### **Preparing recommendations for the Executive Board – next steps – Darrell Smith:**

Darrell noted the next steps as:

Finalizing the "white paper"/Memo on the NGEC future and the Outreach Two pager.

Finalizing the Equipment Acquisition Needs document.

Finalizing the three funding option concepts:

- Obtaining additional Federal Funds – Legislative Outreach Task Force recommendations
- Assessing fees for obtaining NGEC documents
- Charging a member fee

By the next call (10-21-15) Darrell will have developed (with Steve Hewitt's assistance) an outline of what will go to the Executive Board as recommendations from the FASC. This package will include a cover letter and the items under development (noted above).

The goal is to approve the recommendations on the next call for submittal to the executive Board in advance of its last call in October – (the 27<sup>th</sup>).

#### **Adjourn:**

With no further business forthcoming, Darrell Smith adjourned today's conference call meeting at approximately 4:00 PM Eastern.

**Next Finance and Administrative subcommittee conference call October 21, 2015  
866 209 1307 access code: 9786620#**

### **Decisions and Action Items**

**Developing the new two page educational document:** Eric Curtit will provide the task force and the FASC with the DRAFT two pager by early next week (week of 9-21-15) for review and comment.

**Obtaining data in regard to potential/future acquisition needs:** Additional comments on the revised spreadsheet should go to Brent Thompson and Nico Lindenau in advance of the next FASC call – 10-21-15.

**Review of and comment on the NGEC Future Concept document:** Final comments on the NGEC Future "white paper" are due to Eric Curtit, Steve Hewitt and Darrell Smith by COB on 9-21-15. At that point the comments will be compiled into a "final draft" for review in advance of the 10-21-15 FASC call.

**Proposal to assess a membership fee:** Darrell will revise the spreadsheet to include units used and send it out to FASC members before the next call. All members, in the meantime, are asked to review and comment on the DRAFT.

**Assessing Specification use fees:** Shayne Gill will arrange a conference call to discuss the particulars of this concept. The call will be with Erin (AASHTO publications) and will include Steve Hewitt, Sal DeAngelo, Jeff

Gordon, and Nico Lindenau. Shayne will try to get this call scheduled for the first week in October.

**Preparing recommendations for submittal to the Executive Board:** Darrell Smith, with assistance from Steve Hewitt, will develop a DRAFT outline of the recommendations and cover letter to be submitted to the Executive Board. The DRAFT will be circulated in advance of the 10-21-15 FASC call.

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  
September 16, 2015  
3:00pm. Eastern  
866 209 1307 pass code 9786620#**

**MEETING AGENDA**

- |   |                              |
|---|------------------------------|
| 1. Welcome/Open   | Darrell Smith                |
| 2. Roll Call  | Steve Hewitt                 |
| 3. Action Item Review   | Steve Hewitt                 |
| 4. Approval of the Minutes from 8-17-15                                       | Darrell Smith                |
| 5. Update: Legislative Outreach Task Force Activities                         | Eric Curtit                  |
| 6. Status: Follow up on obtaining data on potential/future acquisition needs: | Brent Thompson/Nico Lindenau |
| 7. Discussion/comments: DRAFT White paper on NGEC Future Concept Document     | Eric Curtit                  |
| 8. Comments/Discussion - Membership Fee Proposal:                             | Darrell Smith                |
| 9. Comments/Discussion -Assessing a fee for obtaining NGEC documents          | Darrell Smith/Shayne Gill    |
| 10. Preparing recommendations for the executive Board – next steps            | Darrell Smith                |
| 11. Other Issues/questions  | All                          |

**Next Call October 21, 2015  
Call in # 866 209 1307 passcode 9786620#**