

SECTION 305 FINANCE SUB COMM

MINUTES

AUGUST 1, 2012

3:00PM EST

CONFERENCE CALL

FACILITATOR	<i>Gordon Hutchinson, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
ATTENDEES	<i>Gordon Hutchinson, Darrell Smith, Brent Thompson, Chad Edison, Bill Bronte, Jeff Gordon, Nico Lindenau, Ryan Swick, Shayne Gill, Leo Penne, Steve Hewitt, David Ewing, Vincent Brotski</i>
ABSENTEES	<i>Jim Donlin, Juli Salvi, Mytrang Le, Andy House, Kevin Kesler, Ashok Sundararajan,</i>

DECISIONS MADE

Gordon Hutchinson opened the conference call, and welcomed all participants to his first call as Chairman of the Finance subcommittee and NGEC Treasurer. He called the meeting to order, and asked Steve Hewitt to call the roll.

Steve called the roll, and established the presence of a quorum with 4 of 5 voting members present. (Amtrak, FRA and two of three state members – California and Washington State)

Introduction of Darrell Smith, Amtrak – his role with 305 NGEC – Gordon Hutchinson:

Gordon Hutchinson introduced Darrell Smith, Amtrak, who will provide financial support to the NGEC taking the place of Ken Uznanski, and will also serve as Amtrak's project manager for the NGEC. Darrell has extensive experience with state agencies and Amtrak – having worked with Amtrak previously, and also with the State of Florida.

Gordon emphasized that Darrell will provide timely support to the NGEC participants.

Darrell thanked Gordon for the introduction, and noted that he was looking forward to working with the NGEC and all of its participants.

Gordon will provide contact information for Darrell to all members of the subcommittee following this call. Steve Hewitt and Bill Bronte already have received that information.

Review of Action Items – Steve Hewitt:

Steve Hewitt provided a brief status update on all action items from the June 6, 2012 call:

Action: Steve Hewitt will distribute the Accessibility DCR Handling Document to all subcommittee members following today's call. All subcommittee members are asked to provide any comments they may have to DJ by June 11, 2012. (CC to Steve Hewitt) **Status: Task Complete –DCR Handling document was approved by the Executive Board June 12, 2012.**

Action: Ken Uznanski will keep the subcommittee informed as to the status of the grant agreement amendment. It is expected to be executed any day now. **Status: Task complete - the amended grant agreement has been executed. It covers the period from 4-1-12 thru 3-31-14.**

Action: DJ will ask the Amtrak IG to begin the audit of the NGEC around the first of August (providing the grant agreement is resolved and payments due AASHTO are resolved) **Status: An update on this item is on the agenda for today's call.**

Action: Steve Hewitt will check with DJ about rescheduling the next Finance subcommittee call – as it now falls on July 4th. **Status: Task complete. This call was cancelled and the schedule remained as is with today's call (August 1, 2012) scheduled as the next call.**

Approval of the Minutes of June 6, 2012 – Gordon Hutchinson

Gordon asked for any comments or corrections to the minutes from the June 6, 2012 call, and hearing none, he called for a motion to approve.

On a motion by Brent Thompson, Washington State DOT, and a second by Bill Bronte, Caltrans, the minutes of the Finance subcommittee's June 6, 2012 conference call were approved without objection.

Update: NGEN Audit – Gordon Hutchinson:

Gordon Hutchinson reported that DJ Stadler, prior to leaving the NGEN, had spoken to the Amtrak IG about Amtrak conducting an NGEN audit, and Gordon has done so as well. The IG has agreed to the audit. Gordon stated that he now has the action to work with the direct reports of the IG, and have the audit completed. Gordon will advise members of the subcommittee on, or prior to, the next call on the status of the audit.

Status: Execution of contracts – Gordon Hutchinson/Leo Penne:

a. PB contract – section 6/deployment

b. Larry Salci contract – Review efforts for Locomotive Rev A and DMU specification

Gordon asked Leo Penne to speak to this agenda item. Leo reported that the two contracts – one with PB and one with Larry Salci - are "all prepared" and have "had all approvals along the way". AASHTO is now "waiting for Amtrak to give us formal notice that the funds are available".

Gordon asked Darrell to address the status of this action. Darrell noted that "AMTRAK purchasing is working on a formal agreement with AASHTO" for all aspects of the AASHTO support services including the two contracts and the shift of funds for them. Darrell added that Amtrak had reached out to someone from AASHTO purchasing. Leo noted that Strat Cavros is AASHTO's contracts manager.

Gordon noted that there was not, at this point, a formal agreement with AASHTO and Amtrak, and they were getting all of that cleaned up. He also emphasized that "these things are to be moved quickly."

Discussion: Goals and Objectives of the Finance subcommittee moving forward – Gordon Hutchinson/All:

Gordon reported that he and Darrell had reviewed the Finance subcommittee's work plan. He read the key items of the work plan to the call participants and commented that he recognized there is "some overlap with the Administrative Task Force (ATF) and the Structure and Finance Task Force (SFTF)". He added that "we do not want to duplicate functions."

Chad Edison, FRA, stated that the work of the SFTF on the Section 6 plan "does some it", but "not comprehensively" in regard to ownership and structure.

He added that there is overlap between the Finance subcommittee and the Administrative Task Force, and suggested that "one way to look at it is – maybe see if the Finance subcommittee and the Administrative Task Force can be combined to one meeting." "This", Chad stated, "is just one idea" but there are many other things that could be looked at.

Bill Bronte, Caltrans, noted "my concern is developing a structure for moving forward for future procurements. We should develop an infrastructure for support of ideas like TIFIA and RRIF." He added, "we need an infrastructure to access the loans" and suggested that there may be "a need to develop model legislation that can be used by all states." Or, possibly "develop work sheets to determine if it makes sense for a particular state to go after RRIF loans." These would be on a "per state basis".

Steve Hewitt, commenting on the issues of overlap among the Finance subcommittee and the SFTF and the ATF, noted that when the SFTF was created the chairs of the Finance subcommittee, the Technical subcommittee, and the ATF were all named as ex officio members. The reason for this was to make sure that there was interaction among the key subcommittees and task forces, and to prevent duplication and ensure consistency. Steve added that Mario Bergeron, chair of the Technical subcommittee has designated Michael Burshtin as his representative on the SFTF, and Steve suggested that Gordon may wish to do something similar. Steve suggested that Gordon may wish to designate Darrell Smith as his representative on the SFTF on behalf of the Finance subcommittee. Gordon agreed with this suggestion, and noted that he was designating Darrell as his representative to the SFTF, and that Darrell was also going to attend the Administrative Task Force calls.

Gordon then responded to Bill Bronte's suggestions in regards to TIFIA and RRIF. He stated that he liked Bill's ideas on looking at these as potential sources moving forward. He stated that Amtrak has some RRIF loans and, while they certainly have their good points, "there are some drawbacks". A RRIF loan "is not a panacea", but does have some possibilities.

Gordon added that he would also like to look at TIFIA, which has changed. He believes TIFIA "could have a place in financing equipment".

Gordon agreed to take the action of having Amtrak staff look at RRIF and TIFIA, and put something together for the next call to build on today's discussion. Gordon stated they will "get something out in advance of the next call."

Bill Bronte agreed that this was a good next step and further elaborated that there needs to be some thought on "where is the equipment to be maintained?" A facility for maintaining equipment can be in excess of \$100 million – "these are things that we, as an entity, need to get pulled together."

Other:

Gordon asked if there were any other items to come before the subcommittee today, and, hearing none, he asked that members feel free to send any ideas or thoughts they have in regards to the subcommittee's activities to him, via email, or a phone call, and to be sure to cc Steve Hewitt and Bill Bronte.

Steve asked if Gordon intended to stick to the current call schedule (once every four weeks). Gordon stated that he does intend to stay with that schedule, and added that he would have an agenda prepared for each call and sent out in advance, noting that he and Steve had agreed that this was the preferred way.

Bill Bronte welcomed Gordon to his new roles in the NGEC, and welcomed Darrell to the team.

With no other business to come before the subcommittee today, Gordon closed the meeting and thanked everyone for their participation.

**Next Finance subcommittee conference call – August 29, 2012
866 209 1307 access code: 1618163#**

Decisions and Action Items

Gordon Hutchinson will take the action to progress the NGEC audit, and will provide a status update by the next Finance subcommittee call.

Darrell Smith and Amtrak purchasing will work with AASHTO to finalize and formalize the agreement for all of the support services, and clean up any of the items still open. This will encompass all of the support AASHTO supplies including the consulting contracts (PB and Larry Salci).

Gordon Hutchinson will ask Amtrak staff to look at TIFIA and RRIF and put something together for subcommittee members to react to. Gordon will get something out to members in advance of the August 29, 2012 conference call.

Agendas will be prepared and distributed in advance of all Finance subcommittee calls.

ATTACHMENTS

SECTION 305 Finance Subcommittee

Conference Call August 1, 2012
3:00pm. Eastern Time
866 209 1307 pass code 1618163#

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|--|-----------------------------|
| 1. Welcome | Gordon Hutchinson |
| 2. Roll Call | Steve Hewitt |
| 3. Introduction of Darrell Smith/his role with 305 NGE | Gordon Hutchinson |
| 4. Review of Action Items | Steve Hewitt |
| 5. Approval of prior minutes | Gordon Hutchinson |
| 6. Update: NGE Audit | Gordon Hutchinson |
| 7. Status: Execution of contracts | Gordon Hutchinson/Leo Penne |
| a. PB (Section 6/deployment) | |
| b. Larry Salci (Review efforts) | |
| 8. Discussion: Goals and Objectives moving forward | Gordon Hutchinson/all |
| 9. Other issues/questions? | All |

Call in # 866 209 1307 passcode 1618163#

Decisions and Action Items from June 6, 2012
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Ken Uznanski will keep the subcommittee informed as to the status of the grant agreement amendment. It is expected to be executed any day now. Status: The amended grant agreement has been executed dating from 4-1-12 thru 3-31-14
DJ will ask the Amtrak IG to begin the audit of the NGE around the first of August (providing the grant agreement is resolved and payments due AASHTO are resolved) Status: This item is on the agenda for today's call
Steve Hewitt will check with DJ about rescheduling the next Finance subcommittee call – as it now falls on July 4 th . Status: Call was cancelled and not rescheduled. Next call: August 1, 2012