

# S305 Structure and Finance Task Force

MINUTES

SEPTEMBER 10,  
2012

2:30PM EDT

CONFERENCE CALL

<b>FACILITATOR</b>	<i>Eric Curtit, Missouri DOT, Chair, Structure and Finance Task Force</i>
<b>ATTENDEES</b>	<i>Eric Curtit, Bill Bronte, Darrell Smith, Chad Edison, Michael Burshtin, Gordon Hutchinson Support Staff: Steve Hewitt, David Ewing, Vincent Brotski, Nico Lindenau, Ryan Swick, Ashok Sundararajan, Jeff Gordon</i>
<b>ABSENTEES</b>	<i>Kevin Kesler, Al Ware, Ron Pate, Tim Hoeffner, Leo Penne, Shayne Gill, Larry Salci,</i>

## DISCUSSION/DECISIONS MADE

### Roll Call – Steve Hewitt:

Steve Hewitt took the roll of members present on the call, and it was determined that a quorum was not present, so no votes would be taken on this call.

### Welcome – Eric Curtit:

Eric thanked all participants for taking the time to be on today's call.

### Approval of the Minutes from August 27, 2012– Eric Curtit:

Due to the lack of a quorum the minutes of the August 27, 2012 SFTF call will be considered for approval on the next call. (September 24,2012)

### Section 6/Deployment project status – Eric Curtit:

#### a. Execution of the PB contract – Leo Penne:

In Leo Penne's absence, Eric Curtit reported that the contract for PB is in their hands. There have been a few areas that required additional discussion, but it looks like all issues have been resolved. Eric believes the final execution of the contract is imminent.

Eric pointed out that since PB has not started work yet, it did not make sense to have them attend the meeting in Portland, ME next week, therefore the original plan of having PB report to the Board on September 20<sup>th</sup> will not take place.

Responding to a question from David Ewing in regards to the length of the PB contract –Eric said it was 9 months – basically 6 months going forward once signed, but including the July 17<sup>th</sup> "kickoff" meeting held in DC at FRA's offices.

### Discussion: SFTF Presentation to the Executive Board – 9-20-12 – Eric Curtit:

Eric reported that he had "re-thought" the Board presentation since PB is not on board yet." The presentation (which all SFTF members received a copy of in advance of this call) will now focus on what was the charge of the Executive Board when it established the SFTF. The presentation will review the tasks assigned, and provide an update as to where some of those are and what they are.

There will also be a discussion on the global aspect of the NGEN going forward.

David Ewing, having reviewed the draft presentation, asked "is it in PB's scope to be looking forward?"

Bill Bronte, commented that "I re-read their deliverables, and they are not as defined as I would like in the RFP, but looking at them, specifically under task 1, there is ownership models – short and long term." This Bill added "can mean a whole lot of things." Further, Bill noted, "as we talk to PB we will need to define the deliverables and address this."

Chad Edison noted that he agrees some areas of their deliverables "we'll need to better define."

Bill Bronte commented that "we may want to look at a new RFP at the end of the PB contract that would help us get where we need to go moving forward."

David Ewing reminded the members that the Board's charge to the SFTF, in establishing it, included three basic tasks: Context, Section 6, and then a look at developing a memorandum to the Board on both Context and Section 6.

David added that he understood that the primary focus of PB was to be developing Section 6, and "to the extent that it touches on other things (such as the global aspects) so be it."

Chad Edison pointed out that the Section 6 plan, if developed, asks for a Midwest plan, but also looks at wider use "as to what things will work" in a broader sense. "A lot of the structure needs to be addressed in the Section 6 effort." He added that "Section 6 will help to frame institutional issues".

David Ewing stated that "in framing institutional issues, the focus is on equipment procurement, ownership, and a focus based on going to a larger more global model."

Bill Bronte stated that he agreed with David's view.

Chad Edison said "the institutional discussion happens after most of the work on the Section 6 process is done."

David Ewing added, "I can see that to a degree. My concern is that it gives us an outline for PB and for moving forward. We need to get all we can out of Section 6."

Bill Bronte commented that all of this will lead to a "robust and not short conversation next Wednesday." He then added "I am more concerned about moving forward, new Administration or no".

David Ewing noted "we had a good discussion on the Finance subcommittee call last week about using the budget process to utilize our finances in order to focus as we move into next year...and invest in an orderly transition to the new entity." He characterized it as an "agnostic" effort regardless of the political landscape.

Bill Bronte responded, "Either way, we need to be in position to make the case that we are worth future funding."

David Ewing commented that "September is a good time to do it (the budget process) to avoid the disjointed approach that we had last year."

He added that the Finance subcommittee was also exploring potential funding options such as RRIF loans as well preparing to have Amtrak OIG conduct an NGEC audit. "Slowly but surely the pieces will come together for the Executive Board to look at" moving forward.

Bill Bronte raised the issue of also "moving forward on maintenance issues such as; facility infrastructure for 90 additional cars."

David Ewing agreed, "we need to be sure to see to it that this is not a one-time procurement, but the beginning of a fleet."

Chad Edison responded, "there is lots of good stuff to talk about in Portland."

Bill Bronte agreed, and mentioned we may want to talk about a "son of Section 6". He then asked Eric Curtit if he thought the Midwest is "ready for delivery in 5 years?"

Eric described it as a situation in which "we are in pre-school instead of graduate school."

Eric then weighed in on what David and Bill had been discussing in regards to "answering to our political fathers. We need to also bring our state leaders into this. We need to get them apprised that this is coming, and we will need to know what to do." He elaborated, that it's "important to have the documents in the Section 6 and 'son of Section 6' efforts" to help us make the case".

David Ewing added that Section 6 is a strong document that is "data driven" so "crunching the right numbers" is important "we need to get good metrics."

As the discussion wound down, everyone agreed that the Portland, ME meeting next week will provide a good opportunity for in depth discussion and a look ahead to the future of the NGEC as it evolves.

**Status: Review of the Global aspects/context work plan – Eric Curtit:**

**a. FRA comments on the proposed work plan – Chad Edison**

Chad Edison has provided some comments to Eric on the draft work plan for Global aspects/context. It is assumed that much of this will be part of the Wednesday discussion between FRA and the states.

**Status: Review of the initial SFWG Report – Chad Edison:**

This item remains an open item and will be closed out at a later date.

**Other – All:**

Eric asked that anyone who has any additional items to include in the presentation to the Board to let him know. Also, if any items need revising, please let him know that as well.

**Next call: September 24, 2012 – 2:30pm Eastern**

**Decisions and Action Items**

Eric Curtit, Chad Edison and Ron Pate to discuss the Washington State and Oregon efforts and determine next steps for informing the SFTF members. **(carryover item)**

Chad Edison will re-look at the revised draft of the SFWG report especially in regard to disclaimers and provide FRA input to the task force. Once that input is received the report can be posted as a DRAFT Resource document. **(carryover item)**

A revised draft "global aspects" work plan was circulated to the SFTF members and the Finance subcommittee members through Steve Hewitt. Responses were requested to be submitted to Steve and Eric by May 3, 2012. Discussion is planned for the SFTF call on June 4, 2012. Status: A revised draft was sent out – a few comments have been received -FRA plans to provide written comments. As of today's call (September 10, 2012) this remains an open item. Some comments have been provided by FRA to Eric Curtit, but much of the discussion will ultimately take place in Portland.

Members are asked to provide Eric Curtit with any additional items or changes they would like to see made to the SFTF presentation to the Board on September 20, 2012.

**ATTACHMENTS**



**PRIIA NGEC S305 Structure and Finance Task Force (SFTF)  
Conference Call Meeting  
September 10, 2012  
2:30 – 3:30 pm Eastern  
866 299 7945 passcode 1601544#  
Agenda**

- |   |              |
|---|--------------|
| I. Welcome  | Eric Curtit  |
| II. Roll Call   | Steve Hewitt |
| III. Approval of Prior Minutes  | Eric Curtit  |
| IV. Section 6/Deployment project status   | Eric         |
| a. Execution of the contract with PB  | Leo Penne    |
| b. Next steps   | Eric         |
| V. Discussion: SFTF Report to the Board – September 20, 2012  | Eric Curtit  |
| VI. Status: Review of the Global Aspects/context work plan  | Eric Curtit  |
| a. FRA comments on proposed work plan   | Chad Edison  |
| VII. Status: FRA review of initial SFWG report to ascertain that its' comments have been incorporated | Chad Edison  |
| VIII. Other   | All          |

**Status Update: Decisions and Action Items from August 27, 2012**

Eric Curtit, Chad Edison and Ron Pate to discuss the Washington State and Oregon efforts and determine next steps for informing the SFTF members. **(carryover item)**

Chad Edison will re-look at the revised draft of the SFWG report especially in regard to disclaimers and provide FRA input to the task force. Once that input is received the report can be posted as a DRAFT Resource document. **Status: On August 28, 2012, Steve Hewitt provided Nico Lindenau with FRA's initial comments as well as the revised report which incorporates those comments in it. This item is on today's agenda for a status update.**

A revised draft "global aspects" work plan was circulated to the SFTF members and the Finance subcommittee members through Steve Hewitt. Responses were requested to be submitted to Steve and Eric by May 3, 2012. Discussion is planned for the SFTF call on June 4, 2012. Status: A revised draft was sent out – a few comments have been received -FRA plans to provide written comments. **As of today's call (August 27, 2012) it was agreed that we will try to schedule some time in Portland to work through this action item – Steve Hewitt, on September 6, 2012 provided Nico Lindenau with the latest version of the work plan (Mau 8, 2012) which includes comments received by states and needs to have FRA's comments**

**incorporated in it.**

Members are asked to provide Eric Curtit with any items that they want to see included in the SFTF presentation to the Board on September 20, 2012. **Status – no comments received as of this date, discussion of the items anticipated to be in Eric’s SFTF report is an item for today’s agenda.**