

# SECTION 305 FINANCE SUB COMM

MINUTES

JAN. 26, 2011

3:00 PM EST

CONFERENCE CALL

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| <b>FACILITATOR</b> | <i>DJ Stadtler, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>             |
| <b>ATTENDEES</b>   | <i>DJ Stadtler, Steve Hewitt, Scott Witt, Rob Edgcumbe, David Ewing,</i>  |
| <b>ABSENTEES</b>   | <i>Paul Nissenbaum, Chad Edison, Amy Arnis, Juli Salvi, Ken Uznanski, Jim Donlin, Leo Penne, Bill Bronte, Shayne Gill</i> |

## DECISIONS MADE

DJ Stadtler called the meeting of the Finance subcommittee to order and noted that there were two items of business on today's agenda.

1. Approval of the minutes of the January 26, 2011 conference call meeting of the Finance Subcommittee.
2. Hold a discussion on how to implement the Finance subcommittee work plan – primarily the development of an options paper focusing on funding and structure.

### **Item 1- Approval of Minutes:**

It was agreed that, in the absence of a quorum, the approval of the minutes of the January 26, 2011 conference call will be deferred until the next call (March 9, 2011)

### **Item 2 – Implementing the Finance subcommittee work plan – developing an options paper focusing on funding and structure:**

A discussion ensued in regards to implementing the piece of the Finance subcommittee work plan which calls for developing an options paper. The intent is to move forward as quickly as possible to develop a paper that focuses on funding and how to procure for states. (Funding and structure).

Rob Edgcumbe had done some initial assessment of the needs of the states (the needs/objectives poll) and feels that there is enough information to begin to develop a paper that could layout options – visually – which may trigger further discussion.

David Ewing joined the call and described a meeting that he, Rob, Shayne Gill and Leo Penne had at AASHTO last week. Shayne had an earlier action item that called for him to work with the AASHTO Standing Committee on Finance and Administration, and the AASHTO Center for Finance.

David reported that Shayne had been talking with Jack Basso, AASHTO, about assistance from the standing committee or Center for Finance and, working with David Ewing, he has begun preparing a Scope of work and an outline. During the meeting, Rob had reminded the participants of earlier pieces that had been put together previously (Briefing paper on Options for an Entity, States Needs/objectives for the NGEC poll, etc.). Rob was pointing these items out to ensure that work already done does not get duplicated.

David noted that the effort should be bifurcated:

- Needs and concerns of the states – developing a tool for states to use for financing
- Financing requirements of vendors

David believed that AASHTO could assist in developing the states tools for financing piece, and that David would work with Rob to look at the vendor side.

In general, David felt that the effort has begun to move and it is important to keep it moving forward with an eye towards establishing practical considerations for what states can do and which states are ready to go now. David commented that "we need a pilot procurement or two out there along with Amtrak."

DJ asked who (states) did David feel was ready to go now?

David's view was that for the bi-level specification, California and Illinois are the two most likely states ready to procure in the near term. For trainsets, he believed the states most likely to procure are Washington, Oregon and Wisconsin. He did not believe too many, if any, right now were ready for procurement of standalone single level cars, but feels that Amtrak's intentions to procure 40 cars for the Acela Fleet will help states "Doing - things

learned can migrate to states.”

Rob noted that the Mid-West Regional Rail Association is meeting next week in Chicago and he will be talking to the group; and will discuss their needs and provide feedback to this subcommittee. David noted that he also plans to attend the meeting in Chicago.

DJ asked the question of who has the lead to move the options paper forward. Is it Shayne? What are the costs?

It was unclear as to who has the lead at this point, but it was agreed that David, Shayne and Rob should talk and come up with a plan and cost estimates. David and Rob will work on a scope and cost estimate while in Chicago, and will reach out to Shayne.

It was agreed that they will present a proposed scope of work and cost estimate for developing an options paper on the next Finance subcommittee conference call March 9, 2011. If the subcommittee approves the plan, DJ will submit it for approval through the procurements process adopted by the Executive Board in January, 2011.

**Other items for discussion:**

Rob Edgcumbe gave a brief update on the Rolling Stock 101 effort. Rob, David, Shayne and Leo met last week to begin developing a plan for moving this item forward as well. The intent is to begin to develop an outline of a curriculum. Rob, at Shayne’s request, has agreed to give a presentation on this topic to the AASHTO Standing Committee on Rail Transportation (SCORT) at its March 14-15 Business meeting in Washington, DC.

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| Next Finance subcommittee conference call meeting is scheduled for: March 9, 2011 at 3:00pm Eastern |
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**Action Items Update (New and Current)**

**New Action item:** Rob Edgcumbe, David Ewing and Shayne Gill will prepare a proposed Scope of Work and cost estimates for developing an options paper focusing on funding and structure and will present it for subcommittee consideration on the March 9, 2011 conference call.

**Carryover and New Action Item:** Leo Penne to prepare a “rough ” estimate of costs and a plan for conducting the proposed “Rolling Stock 101” webinars. Leo, Shayne, Rob and David Ewing are developing an outline of a curriculum for the 101 webinar series – Rob to present the topic at SCORT in March.

**Carryover and new Action:** Leo Penne, AASHTO, has sent out a request for states to provide contact information of state attorneys who work with their state’s rail program. Purpose is to establish a states legal pool as a resource to the Committee. Leo will provide a list of the 20 states that have responded and send it to Steve Hewitt for distribution.

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**ATTACHMENTS**

**PRIIA Section 305 Finance Sub Committee Conf. Call Meeting**

**February 23, 2011**

**Agenda Items**

1. Approval of the minutes of the January 26, 2011 conference call meeting of the Finance Subcommittee.
2. Hold a discussion on how to implement the Finance subcommittee work plan – primarily the development of an options paper funding and structure.
3. Other items for discussion

**NEXT MEETING / CONFERENCE CALL: March 9, 2011 - 3:00-4:00 pm EST**

**Call in number: 1 866-209-1307 Access code: 8597804#**