

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES APRIL 3, 2019 3:00PM EASTERN CONFERENCE CALL

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| FACILITATOR | <i>Tim Ziethen, Chair of the S305 Finance and Administrative Subcommittee (FASC)</i> |
| ATTENDEES | <i>Tim Ziethen, Brent Thompson, Jeff Gordon, Ray Hessinger, Eric Curtit, Amanda Martin, Tim Hoeffner, Arun Rao, Brian Beeler II, Mike Murray, Steve Hewitt, Shayne Gill, Strat Cavros</i> |
| ABSENTEES | <i>Michael Lestingi, Beth Nachreiner, Jason Biggs, John Bell, 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 confirmed the presence of a quorum

3. Approval of Minutes from the 3-6-19 call – Tim Ziethen, Amtrak:

On a motion by Brent Thompson, WSDOT, and a second by Tim Hoeffner, Michigan DOT, the minutes from the last call -3-6-19 were approved as presented.

4. Treasurer’s Update – Balance – Spend rate – Tim Ziethen:

Tim Ziethen reported that the accrued amount (spent) from the initial \$1,250,000 Grant through February 2019 is \$380,685.20. This leaves a significant balance of about \$869, 314.80.

The invoices are coming in very consistent with a monthly spend rate of around \$10-12,000.

Last year the grant agreement was extended (no cost) through 9-30-2020, and there is enough of a balance to easily extend the grant for several years beyond that date at the current spend rate.

5. NGENC – Looking Ahead – Tim Ziethen:

a. Ensuring that the NGENC is reauthorized in the FAST Act successor – steps?

As was agreed on the last FASC call, Tim Ziethen checked in with Joe McHugh and others at Amtrak to ascertain whether Amtrak will play an active role in requesting that the NGENC be reauthorized in the successor to the FAST act. He has not gotten internal communications back yet but will follow up. Tim added that there is an awareness within Amtrak of the importance of the NGENC and its need to be reauthorized.

Eric Curtit commented that he believes that Amtrak and the states (and others) should advocate for the NGENC to be reauthorized and noted that he believes NGENC should be a part of Amtrak’s reauthorization principles.

Tim asked Steve Hewitt to keep this as an agenda item for the next call, and he will try to confirm within Amtrak what their role will be in advocating for the NGENC reauthorization.

Tim Hoeffner asked Shayne Gill if AASHTO has included this in its reauthorization principle.

Shayne responded that it is a part of the AASHTO DRAFT reauthorization policies. He added that those policies are with the AASHTO Policy Forum and once approved there will be presented for AASHTO Board approval at the Annual Meeting in October.

Shayne added, however, that he can continue to present the AASHTO policies, while waiting for final Board approval, as long as he notes that they are DRAFT. He sees no issue with the NGEC reauthorization as a part of the AASHTO policy package.

b. Determining whether another no-cost grant extension is possible and what the steps are

On the last FASC call, Tim Ziethen took on the action of checking with Amtrak grants to determine whether they can apply for another no-cost grant agreement extension. The belief internally is that it is possible to do so. Amtrak grants has submitted the question to FRA asking for confirmation that it is doable and asking whether it can be for two years and what the process is.

Mike Murray, FRA, noted that he will give the FRA grants office a heads up on this, as well.

Tim Ziethen added that the Amtrak grants folks have been going over the language and they do believe it is easily doable and have reached out to FRA to confirm.

c. Looking ahead to long term future funding options – making the case – identifying the needs?

Tim Ziethen opened the floor for discussion on the future of the NGEC and on funding options.

Eric Curtit commented that the NGEC Executive Board had looked at various potential funding options several times over the years and it has always come back to the view that it is a federal interest in having these specifications developed and maintained, and a federal responsibility to fund it.

Eric added that it is a nominal grant and the NGEC is looking for the FRA for investment. He emphasized how careful the NGEC has been with its spending and how much work is done on a voluntary basis – by the states, Amtrak, FRA and the industry. The volunteer time has never been quantified, but it is substantial.

Tim Ziethen commented that it is a nominal amount of money in the scheme of things, and if the NGEC is at the point where it is in the review and maintain mode (which it seems to be approaching) the total spend rate annually is about \$120,000. There is a tremendous amount of value derived for a very small grant amount.

Tim noted that it may be possible to advocate for a longer-term grant covering a few years with such a low grant amount. Tim called it a bargain in the maintaining and review mode.

Tim Hoeffner suggested that bullet points be developed highlighting the value and use them for the reauthorization effort.

Eric Curtit and Tim Ziethen agreed to work together to develop some bullet points by the next FASC call and asked Steve Hewitt to add this as an action item and an agenda item for the next call.

6. Other Issues/Questions – All:

Adjourn:

With no further business forthcoming, Chairman Ziethen adjourned today's meeting at 3:23pm Eastern.

The next call is scheduled for May 1, 2019

The call-in number is:

888 585-9008 passcode 559-120-127#

Decisions - Action Items

Treasurer's Report – 4-3-19:

On 4-3-19, Tim Ziethen reported that the accrued amount (spent) from the initial \$1,250,000 Grant through February 2019 is \$380,685.20. This leaves a significant balance of about \$869,314.80.

The invoices are coming in very consistent with a monthly spend rate of around \$10-12,000.

Last year the grant agreement was extended (no cost) through 9-30-2020, and there is enough of a balance to easily extend the grant for several years beyond that date at the current spend rate.

NGEC Looking Ahead

As of 3-6-19:

The first order of business is to make sure that the NGEC is reauthorized in the successor to the FAST Act. The committee was reauthorized in the FAST act without any additional funds being included and would need to be authorized again – and potentially with funding attached.

Tim Ziethen will follow up with Amtrak's Government affairs office to make that point.

Another important step, one which the FASC should take on, is looking at whether or not it is eligible for another extension of the current grant agreement (no-cost). If the answer is yes, the process should begin soon. If the answer is no, then the effort to get an appropriation for a new grant is crucial.

Tim Ziethen agreed to talk to the grants office at Amtrak to see if it is possible to get another no-cost extension of the grant.

4-3-19:

Ensuring that the NGEC is reauthorized in the FAST Act successor:

As was agreed on the last FASC call (3-6-19), Tim Ziethen checked in with Joe McHugh and others at Amtrak to ascertain whether Amtrak will play an active role in requesting that the NGEC be reauthorized in the successor to the FAST act. He has not gotten internal communications back yet but will follow up. Tim added that there is an awareness within Amtrak of the importance of the NGEC and its need to be reauthorized.

Eric Curtit commented that he believes that Amtrak and the states (and others) should advocate for the NGEC to be reauthorized and noted that he believes NGEC should be a part of Amtrak's reauthorization principles.

Action item: Tim Ziethen asked Steve Hewitt to keep this as an agenda item for the next call (5-1-19), and he will try to confirm within Amtrak what their role will be in advocating for the NGEC reauthorization.

Determining whether another no-cost grant extension is possible and what the steps are

On the last FASC call (3-6-19), Tim Ziethen took on the action of checking with Amtrak grants to determine whether they can apply for another no-cost grant agreement extension. The belief internally (Amtrak) is that it is possible to do so. Amtrak grants has submitted the question to FRA asking for confirmation that it is doable and asking whether it can be for two years and what the process is.

Action Items: Mike Murray, FRA, will give the FRA grants office a heads up that this question is coming. Tim Ziethen asked Steve Hewitt to keep this as an agenda item on the 5-1-19 FASC call as a follow up to confirm if another no-cost extension is possible, and if so, for what length.

Looking ahead to long term future funding options – making the case – identifying the needs?

The NGEC Executive Board has looked at various potential funding options several times over the years and it has always come back to the view that it is a federal interest in having these specifications developed and maintained, and a federal responsibility to fund it.

The NGEC grant is a nominal amount and the committee is looking to FRA for investment. The NGEC has been

good stewards of its funds and frugal with its spending. Much work is done on a voluntary basis – by the states, Amtrak, FRA and the industry. The volunteer time has never been quantified, but it is substantial.

If the NGEC is at the point where it is in the review and maintain mode (which it seems to be approaching) the total spend rate annually would be about \$120,000. There is a tremendous amount of value derived for a very small grant amount.

It was discussed that it may be possible to advocate for a longer-term grant covering a few years with such a low grant amount.

It was agreed that bullet points should be developed highlighting the NGEC value for use in the reauthorization effort.

Action item: Eric Curtit and Tim Ziethen agreed to work together to develop some bullet points by the next FASC call (5-1-19) and asked Steve Hewitt to add this as an action and agenda item for 5-1-19.

Revising/updating the two-page NGEC Educational Document and the NGEC "vision" statement:

The new two-pager was distributed at the NGEC Annual meeting and is available by request through Steve Hewitt. As of 4-3-19, 181 hard copies have been distributed and 350 electronic versions have been distributed.

Overview: Quarterly Grant Progress Report to FRA – submitted 1-31-19:

Tim Ziethen reported that the Quarterly Grant Progress Report to FRA has been submitted. Tim will provide Steve Hewitt with the submittal for distribution to FASC and Executive Board members.

Task Complete – the Quarterly report was distributed to all FASC members and Board members following the last FASC call.

Next report due to FRA April 30, 2019.

888 585-9008 passcode 559-120-127#
Next Call 5-1-19

ATTACHMENTS



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

SECTION 305 NGEC Finance and Administrative Subcommittee (FASC)

Conference call
4-3-19
3:00PM Eastern

888 585-9008 passcode 559-120-127#

AGENDA

1. Welcome/Open
2. Roll Call

Tim Ziethen
Steve Hewitt

- 3. Approval of the Minutes from 3-6-19 Tim Ziethen
- 4. Treasurer's Update - Balance-Spend Rate Tim Ziethen
- 5. NGECC – Looking Ahead Tim Ziethen
 - a. Ensuring that the NGECC is reauthorized in the FAST Act successor – steps?
 - b. Determining whether another no-cost grant extension is possible and what the steps are
 - c. Looking ahead to long term future funding options – making the case – identifying the needs?
- 6. Other Issues/questions All

Next Call May 1, 2019

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