

SECTION 305 FINANCE and ADMINISTRATIVE SUB COMMITTEE

MINUTES AUGUST 17, 2015 3:00PM EASTERN CONFERENCE CALL

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

Establishing a Legislative Outreach Task Force: The kick off meeting of the task force took place on August 13th – a report from Chairman Curtit will be provided under **agenda item 7.**

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 – August 17, 2015.

Agenda item 5

Review of and comment on the NGEC Future Concept document: Eric Curtit prepared the draft document and it was sent to all FASC members on Friday, 8-14-15 for discussion on today’s call under **Agenda item 6.**

Proposal to assess a membership fee: Darrell Smith will develop a spreadsheet for a potential NGEC/209 membership fee. Darrell will present his concept in more detail on the next call.

The spread sheet was sent out to all FASC members by Darrell Smith earlier today for discussion on this call under **Agenda item 8.**

Assessing Specification use fees: Shayne Gill agreed to talk to AASHTO’s publication department to get a sense of how it collects fees for documents and specs, and how it charges different fees based on being a member or non-member etc. Shayne will report back on his findings on the next call.

Agenda item 9

4. Approval of Minutes from the July 29, 2015 FASC conference call – Darrell Smith:

On a motion by Jeff Gordon, FRA, and a second by Tammy Nicholson, Iowa DOT, the minutes from the July 29, 2015 FASC call were approved without exception.

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

Neither Nico nor Brent was available for today's call. Chairman Smith asked Beth Nachreiner, FRA, to check with Nico on the status from his perspective and Jason Biggs, WSDOT, agreed to check with Brent Thompson as well. The hope is to have a status report ready for the next call (September 16th).

6. Status: DRAFT White paper on NGEC Future Concept Document - Eric Curtit:

Eric Curtit was unavailable for today's call. Darrell Smith provided a brief overview of the DRAFT paper.

Members are asked to provide comments on it to Steve Hewitt by COB on September 10th.

A revised version will then be sent out in advance of the September 16th call.

The paper, as it stands, seems to reflect the general sense of the subcommittee, and is consistent with its thinking.

Along with some of the other action items being considered, the paper can be used as a basis for the FASC report to the Executive Board.

7. Status: Establishing a Legislative Outreach Task Force - Eric Curtit/Darrell Smith:

In Eric's absence, Steve Hewitt provided an overview of the activities of the newly established Legislative Outreach Task Force.

The Task Force is looking at developing a message and strategy for educating the Hill on the accomplishments and benefits derived from the activities of the NGEC, and on the need for continued federal funding to, at the very least, supplement funding for the Committee.

The Task Force agreed that it needs to get data from FRA on the two ongoing procurements to show job numbers, and a picture (through a map presentation) of where the manufacturers and suppliers are located throughout the country to help make the case that the benefits are derived well beyond the procuring states.

Jeff Gordon, on today's call, agreed to assist in an effort to see if the jobs numbers and suppliers can be obtained from the lead states (IDOT and Caltrans). While FRA has the data – the states would need to agree to provide the numbers as it is their contract.

Steve also reported that the task force members will be reaching out to FRA on this matter as well.

Eric Curtit, chair of the task force, agreed to develop a draft presentation with graphs and charts for task force member review and reaction. He will provide this draft presentation prior to the next task force call.

The task force will hold its next call on 9-3-15.

Task Force members:

Eric Curtit, Missouri DOT – Chair

Jay Wunderlich, Missouri DOT

Mariah Morales, Amtrak

Andy Dentamaro, Maryland DOT

Giles Giovinazzi, California DOT

Allison Camden, Washington State DOT

Karen Songhurst, Vermont AOT

Shayne Gill, AASHTO

Steve Hewitt, NGEC Manager

**8.
Membership Fee Proposal - Darrell Smith:**

Darrell Smith provided a brief overview of a draft spreadsheet for a potential membership fee for the NGEC/209.

Three conceptual charges are identified in the draft spreadsheet including; a flat fee per route; % of turnaround and car and locomotive maintenance; and % of PRIIA 209 Total Route Costs.

Darrell's assumption established a formula for fees based on the NGEC's current (and historical) burn rate of about \$500,000 per year.

Darrell noted that this was only a draft to start the discussion, that similar models are used by other organizations such as APTA. In certain cases different membership categories are established – ie: business members vs operators.

Ray Hessinger suggested that it may make sense to "split it up by units used."

Darrell agreed to revise the draft to include units used in total as a potential charge.

Tammy Nicholson, Iowa DOT, noted that with new cars being delivered in the mid-west – it would be better to "stay away from 209 and the middle column" (% of turnaround and car and locomotive maintenance) because the charges would be drastically different as the new equipment comes on line. She suggested that a flat fee would be more reasonable.

Ultimately, it was agreed that Darrell will add the units used charge and send out a revised spreadsheet. All members are asked to review and comment before the next call.

**9.
Assessing a fee for obtaining NGEC specifications/documents - Shayne Gill:**

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.

AASHTO would need the documents in protected PDF form (which they currently are) and uniform with the NGEC logo etc.

There would be security protocols.

Users would register as they currently do for AASHTO products, and become affiliates.

A base price would need to be determined.

The customer gets a customer code and the money would go into an NGEC account.

If the NGEC agrees that this is the way it wants to go, AASHTO would need to know the number of documents to go on line, and the deadline for implementation.

Members on the call today were of the opinion that this is a workable concept, and would be doable under the current NGEC structure which is consistent with the DRAFT white paper prepared by Eric Curtit.

The intent of this proposal is that it be one tool in the toolbox to help provide supplemental funding for the NGEC.

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.

Adjourn:

With no further business forthcoming, Darrell Smith adjourned today's conference call meeting at approximately 3:45 PM Eastern.

Next Finance and Administrative subcommittee conference call September 16, 2015
866 209 1307 access code: 9786620#

Decisions and Action Items

Establishing a Legislative Outreach Task Force: The newly formed task force met on August 13th. The next call is scheduled for September 3, 2015.

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.

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**.

Proposal to assess a membership fee: Darrell Smith developed a spreadsheet for a potential NGEN/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.

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 NGEN 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.

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

ATTACHMENTS

Next Generation
Equipment Committee



The NGEN will provide national leadership in standardization, acquisition, financing and management of passenger rail equipment.

SECTION 305 Finance and Administrative Subcommittee (FASC)

Conference call
August 17, 2015
3:00pm. Eastern

866 209 1307 pass code 9786620#

MEETING AGENDA

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|---|------------------------------|
| 1. Welcome/Open | Darrell Smith |
| 2. Roll Call | Steve Hewitt |
| 3. Action Item Review | Steve Hewitt |
| 4. Approval of the Minutes from 7-29-15 | Darrell Smith |
| 5. Status: Follow up on obtaining data on potential/future acquisition needs: | Brent Thompson/Nico Lindenau |
| 6. Status: DRAFT White paper on NGEC Future Concept Document | Eric Curtit |
| 7. Report: Legislative Outreach Task Force - kick off meeting - 8-13-15 | Eric Curtit |
| 8. Membership Fee Proposal: | Darrell Smith |
| 9. Assessing a fee for obtaining NGEC specifications/documents | Shayne Gill |
| 10. Other Issues/questions | All |

Next Call September 16, 2015

Call in # 866 209 1307 passcode 9786620#