



*June 8, 2010*

## **Section 305 Next Generation Equipment Committee (NGEC) 5/26/2010 Executive Board Meeting Summary**

The third meeting of the Section 305 Next Generation Equipment Committee was convened by Chairman Bill Bronte at approximately 8:30am, on May 26, 2010 at the Hall of the States, in Washington, DC; and concluded at approximately 5:45 pm that same day. This meeting, while being the third time the committee members have met, marked the second official meeting of the Executive Board as it was formally constituted on January 14, 2010.

Participants included; representatives of Amtrak, the Federal Railroad Administration (FRA), 8 State Departments of Transportation (DOTs), and rail program staff of the American Association of State Highway and Transportation Officials (AASHTO), as well as the AASHTO Rail Resource Center (ARRC) and Section 305 Committee consultants. ( The Sign up/ attendance sheet is attached)

### **Welcome and Introductions and Opening Remarks – Bill Bronte, Chair, S305 NGEC Executive Board:**

In his opening remarks, Chairman **Bill Bronte** welcomed all meeting attendees and noted that the Committee is accomplishing a lot and moving forward extremely well. The timeline is short and there is much to do to pull the specs together – especially the first specs – bi-level- which has a target completion date of July 31, 2010. Bill credited the Committee's forward progress to a strong collaborative effort among; the States, FRA, Amtrak and the industry. He stated that as a result of the hard work and collaboration, "we will have bi-level specs by the end of July".

Bill also commented on the importance of the work of the Committee and the fact that the two subcommittees, (Technical and Finance) and the Administrative Task Force, were up and running. Bill especially credited the hard work of the technical subcommittee in moving towards the completion of the first set of specification recommendations.

He also noted that, as the work of the Committee – the Executive Board, the two subcommittees, and the Administrative Task Force had gotten underway; the effort to manage and provide support services had grown tremendously over the last six months. Bill informed the Board members that, in light of the increase in activity and the growing challenges of providing the support services necessary to manage, coordinate and communicate the efforts of the Board and its subcommittees and Task Force(s); AASHTO (in its role of providing support services to the Committee) had named consultant, Steve Hewitt, as the Support Services Manager. In this capacity, Steve will continue to manage the day to day support services provided to the Committee, and serve as the nerve center – communications hub – for the Committee (including the Board and the Subcommittees and Task Force).

**Approval of Meeting Summary of the March 10, 2010 meeting of the S 305 Executive Board:**

On a motion made by Caitlin Hughes Rayman, seconded by Kevin Kesler, the Meeting Summary of the March 10, 2010 meeting of the Executive Board was approved without exception.

**Introduction of USDOT Deputy Secretary, John Porcari and FRA Administrator Joseph Szabo – Bill Bronte:**

The Deputy Secretary of Transportation and the FRA Administrator came to the Board meeting to meet with the members and provide some comments on behalf of the Administration. In his introductory remarks, Bill Bronte provided Deputy Secretary Porcari and Administrator Szabo with a brief update of the Committee's activities, goals, and concerns. Bill informed them of the timelines for bi-level spec completion (end of July) and the goal of completing specs for single level and locomotives by December 31, 2010; and commented on how well the efforts have been moving forward. He noted that the Committee recognized the challenges ahead in working to "rebuild" the railroad equipment industry in the US; and to resolve long term funding issues. He expressed the desire of the Committee to meet the challenge of building enough demand to develop and sustain the industry, and emphasized the Committee's need for the Administration's support and guidance. Bill also raised concerns that had been expressed by the industry in regard to "Buy America" requirements, and cited other key issues such as; Crash Energy Management (CEM) and car types.

**Deputy Secretary John Porcari** addressed the Board and thanked its members for doing the "nuts and bolts" work that will make this happen. He emphasized that it was important to not repeat mistakes of the past which occurred when equipment initiatives progressed in light rail and subway systems; where rolling stock had been produced for individual properties, rather than standardized; and resulted in higher costs as the equipment approached mid-life overhauls. He deemed it to be important that the 305 Committee design common standards following the S305 Charter; and stressed the importance of re-creating an industry that "was strong some 50 years ago". In order to be successful, Mr. Porcari said, it is necessary to build a consistent and stable order base – "consistent and predictable". Standardization is critical to that success and "will serve us well into the future".

Deputy Secretary Porcari also emphasized the importance of fulfilling the "Buy America" requirements and the Administration's insistence on complying with the "100% content" requirement. It is a "value proposition – we want the entire value chain, not just assembly." For the long term health of the industry, it is important that we demand a domestic industry that supports this effort. High Speed Rail (HSR) is an opportunity to put a stalled work force back to work – and getting broad support from the American manufacturing base is critical. It is imperative if we are to build a "sustainable and nationwide program", and 305 is "right at the center of this".

**FRA Administrator Joseph Szabo**, in comparing "Buy America" to the "chicken or the egg" said, "we must crack the egg open". By developing a single design – we will create a competitive bid process which will force American manufacturers to be competitive in order to be in this business. It will mean that they "will absorb the pain and get in on the ground floor".

Deputy Secretary Porcari also noted that manufacturers that locate in America will have export opportunities as well.

**Discussion:**

Bill Bronte noted that part of the problem (which came up in discussions at the technical subcommittee meeting with the industry in Chicago – April 22) is that there is no historical perspective – no evidence – historically – of a willingness of the Administration and the states to support a long term effort. The industry reps have stockholders to consider as well as taxpayer issues. (High costs) In response, Deputy Secretary Porcari agreed that in the past there was a boom or bust mentality, “mostly bust”, and that the Administration is aware of the past issues and knows “what we owe the industry”. He went on to stress the importance of economic sustainability and the development of a manufacturers’ base to be viable and successful in the long term.

In response to questions concerning “Buy America” waiver provisions found in PRIIA, Deputy Secretary Porcari responded, “We are not anticipating granting waivers”. He went on to state that the first manufacturer that is able to figure out how to do it, will have a tremendous competitive edge.

Administrator Szabo noted that, although there is no way to know exactly what size is needed to achieve sustainability, the greater the standardization, the broader the market will be.

Mr. Porcari also responded to a question concerning trade agreements – and whether they would pose a problem - stating that PRIIA is consistent with WTO, so that should not be a problem.

As the discussion went on - the question of incentivizing the industry to achieve “100% content” was raised. The current estimates of approximately 100 cars a year from Amtrak and possibly 25-30 per year from the states is simply not enough for the industry – is there a way to get non-financial incentives such as tax credits into the mix to help make it worthwhile for the industry? The Deputy Secretary cited the importance of state and local partnerships as a key and stated that tool kits with tax incentives – training/work force/work force development – and states and regions interested in incentivizing is all “part of the package”.

Both the Deputy Secretary and the Administrator emphasized that, while it may be a difficult task, it will “ramp up” – and that is important to understand – standardization consistency will be a key to success. Administrator Szabo stressed that it is important that “we do not have a slippery slope” – we have set the bar high and must keep it there. It is crucial that there not be a “defeatist attitude” or it won’t happen.

Mr. Porcari also stressed the significance of the fact that there was an \$8 billion program, followed by \$2 billion, which should send a strong signal that this is going to be a long term commitment. He agreed that a dedicated source of funding, beyond this Administration, is important. He implored the Committee to “think of the historical perspective of what you are doing – do not repeat the errors of the past”. He also emphasized the “very strong policy statement” that has been made - that HSR is a national priority of the broader transportation system and the key is – standardization.

In responding to a question regarding the definition of HSR, Mr. Szabo said that the bottom line is – “what we really mean” by HSR is “high quality Intercity Passenger Rail.”

### **“Buy America” - A Perspective from the Industry – Kevin Kesler and Ken Uznanski:**

Kevin Kesler, FRA and Ken Uznanski, Amtrak, introduced a focused discussion regarding “Buy America” and PRIIA Section 305. In introducing the topic and the discussion of a “white paper” presentation of the rail equipment manufacturers’ industry perspective, Kevin noted that this presentation could be described as an industry “state of the state” view; and, as such, it would serve as a discussion piece, but still needs to be “supported with facts” and be specific about plans to move forward. It would also need to have the involvement of additional industry reps from manufacturers that were not in Chicago.

The discussion and presentation (presented by Ken Uznanski, Team leader of the Cars Subgroup of the Technical Subcommittee) focused on comments, concerns, and issues raised by the rail manufacturing industry representatives at the April 22, 2010 Technical Subcommittee meeting held in Chicago.

Highlights of the presentation on the “industry perspective” on “Buy America”: (Power Point can be found @ [www.highspeed-rail.org](http://www.highspeed-rail.org))

- **April 22 S305 Technical Subcommittee meeting with approximately 150 representatives of the rail passenger industry**
- **Vigorous debate and concern about “Buy America” policy**
- **Commercial Concerns:**
  - Thorough understanding of the market is vital
  - Intercity market, including Amtrak’s Fleet Strategy Plan, is small in relative terms
  - Multi-year procurements of sufficient size will be required
  - Funding for equipment is not guaranteed
- **Can the industry deliver 100% “Buy America”?**
  - 100% not achievable, desirable or realistic
  - Little, if any, export potential for a US product
  - “Why take the risk”?
  - Global marketplace
  - Conflicts with international trade agreements?
  - Some components simply not available domestically
  - Most would not bid if 100% required
- **What is achievable today?**
  - Commitment of true (hard) 60% US content for passenger cars
  - Next generation locomotives a separate case
- **What is achievable in the future?**
  - Substantially more than 60% but less than 100%
  - Benefits and Costs must be analyzed – as US content increases; cost per unit will increase dramatically
  - Policy decisions must have clearly understood economic impacts
- **Timing and Transition**
  - Industry is willing to start at a “true” 60% base increase domestic content over time  
Assumes market exists, funding is available and economics make sense

- Concern about demonstrating results now while making transition over time
  - Need to demonstrate success of ARRA and others to keep policy makers interested in programs
  - Balance desire to build domestic industry in a manner that allows for long term viability
  - Keep the industry cost effective, efficient, and competitive

### **Discussion/Conclusion:**

Overall, at the conclusion of the presentation, and after general discussion; the view of the Executive Board was:

Having been apprised by the passenger rail equipment manufacturing industry of the various challenges associated with meeting the “Buy America” requirements in PRIIA, the Section 305 Committee communicated these challenges to the United States Department of Transportation (USDOT) at the Committee Executive Board meeting of May 26, 2010. Notwithstanding these challenges, the Committee reaffirmed its intent to conduct its business in full support of the “Buy America” requirements.

### **Technical Sub-Committee Progress Report, - Mario Bergeron, Chair of the Technical Subcommittee:**

S305 Technical Subcommittee Chair, Mario Bergeron presented the Committee with a progress report on the activities of the technical subcommittee. Introducing his presentation, Mario thanked members of the subcommittee (core team and industry) for ‘lots of effort’ and described the process as, “defining the path as we go” with “lots of learning going on.” It is clear that “we believe in what we are doing.”

Highlights of the presentation: (Power Point can be found on line @ [www.highspeed-rail.org](http://www.highspeed-rail.org))

### **Formation of the Subcommittee Core:**

- Participation solicited from states, FRA and Amtrak
- Core group of participants formed
- Conference Call schedule established
- Break-down of work requirements agreed upon
- Industry workshop set up and run

### **Industry Participation:**

- Workshop for the industry held in Chicago on April 22<sup>nd</sup>, 2010
- Attended by over 150 people
  - many serious attendees, some just there to see what happened
- Briefed all participants on the process
- FRA gave a briefing on their view of what standardization should mean and new car requirements
- Amtrak briefed the attendees on what was required to deliver specifications
- Industry participants were allocated to sub-groups (break out teams)

**Sub-Groups:**

- Sub-groups were created for the major sections of vehicle specification
- Members from the core subcommittee were allocated to lead each group
- Industry participants were, where possible, allocated based on experience
- Preliminary work was undertaken during the Chicago workshop
- Sub-groups created work plans for ongoing review
- Target set for June 16<sup>th</sup>, 2010, for input to the first of the specification updates (bi-level)

**Progress against Executive Board Goals:**

- The three specification goals remain as originally defined:
  - Bi-Level Specification – July, 2010
  - Single Level Specification – December, 2010
  - High Speed Locomotive – December, 2010
- Primary focus for most work is the Bi-Level specification based on the CA C21 specifications
- Standardized data input has been defined from the working groups
- Amtrak team will receive data by June 16<sup>th</sup>, 2010, to allow redrafting of the specification for the end of July, 2010

**Upcoming Milestones:**

- Sub-group conference calls are scheduled
- June 16<sup>th</sup> deadline for data input from sub-groups to Amtrak engineering team
- Compilation of the revised bi-level specification is still on schedule for the end of July
  - July 29-30 final review meeting
  - Voting rules being defined
- Work is underway on the locomotive requirements
- Much of the bi-level work will be carried forward into the single level specification

**Significant Issues To date:**

- What does standardized mean?
  - Different systems in the specifications will have different solutions to standardization
  - There is no one single approach
- How Fixed is a Specification?
- How will crashworthiness be implemented?
- “Buy America” requirements and the impact on cost and competitiveness
- Planned volume of equipment required
- Reliability of funding
- Performance requirements to make 125mph with locomotives
- IPR of designs and specifications
- Is the date for the Bi-Level under threat?
- What equipment types will come next: tilt, train sets, DMU etc.?

**Discussion:**

Mr Bergeron complimented the collaborative effort of those involved and noted that all of the work of the Subcommittee to date has been done by consensus. He stressed an adherence to

the schedule and timelines set previously by the Executive Board and that the meeting to be held July 29-30 in Chicago, will include all members of the Subcommittee – core team and industry – and will be the time for final comments/issues and prioritization – “a way to close the loop.”

A discussion regarding future specs – currently single level and locomotives are scheduled for completion by the end of December, 2010 – resulted in a general agreement that there will need to be a second year to produce specifications for other vehicle types. There was a question of whether or not tilt technology will be part of the consideration – there appeared to be a lack of clarity over what was the intent of the Board in January, 2010, when it approved its work plan. It seems that this is an issue that still needs to be decided.

**Excerpt regarding tilt - non tilt from the Meeting Summary of the January 14 meeting of the Executive Board:**

- i. What types of Equipment are appropriate?
  - a.) Single level Tilt/Non-Tilt – **after a long discussion regarding tilt/non-tilt it was determined that this should also be added to the survey.**

(**Note:** The States Equipment Needs Survey included a question regarding tilt/non-tilt. As the survey results are still being analyzed, no final determination has been made, but it seems clear that there was intent to use the survey to determine future tilt/non tilt for consideration. It is clearly important to some states, specifically an important issue to the State of Wisconsin – which raised the issue at this meeting.)

**Development of Bi-Level Specification – Dale Engelhardt, Vice Chair S305 Technical Subcommittee:**

Dale Engelhardt presented an overview of the status of the Subcommittee’s efforts to develop the Bi-Level Specification with an eye towards completion by the July 31, 2010 deadline. Dale also presented activity reports for each of the seven Sub-Groups.

Highlights of the Presentation: (Power Point can be found on line @ [www.highspeed-rail.org](http://www.highspeed-rail.org))

**Bi-Level Specification Objectives:**

- Identify and specify opportunities for standardization and modularization
- Identify and incorporate new technologies applicable for future vehicles

**Modularization:**

- Definition
  - Minimize vehicle out of service time by allowing failed components to be removed and replaced quickly. Defective equipment is maintained off line while the vehicle is returned to service.

**Standardization Methodologies:**

- Suppliers license their design to be used by all suppliers
- Selection of a particular suppliers product

- Develop a performance specification with defined attachment points  
(All strategies have advantages and disadvantages)

**New Technology:**

- Development and release of quasi developed new technologies into current specifications  
-Opportunities to introduce additional risks

**Specification derived from editing C21:**

- Joint specification from California and Amtrak
- All California references removed
- Break out teams (sub-groups) providing recommended changes

**Recommend Specification Changes:**

- Break Out Teams Provide recommendations to Amtrak staff (Tammy Krause, Greg Gagarin, and Dale Engelhardt) as they occur
- Reasons for change provided with recommendations
- Two recommendation feedback methods are being used as a test for efficiency in looking ahead to process for future spec development

**New Bi-Level Specification:**

- In-process specification is on AASHTO website
- Final proposal to be completed 7/22/10
- Prioritization of recommended changes to Master Specification
- Technical Team review of total Specification in a face to face meeting

**Working Group (Sub-group) Team Reports: Dale Engelhardt (presenting on behalf of the Sub-Group Team Leaders)**

Highlights: (Power point of each team's report found on line @ [www.highspeed-rail.org](http://www.highspeed-rail.org))

**Sub-Group: VTI – Team Lead: John Tunna**

- Activities:
  - Meeting; April 22
  - Conference calls: May 7, 14, 21 (planned weekly to June 16)
- Accomplishments:
  - Review of C21 Chapter 5 is complete
  - 30 paragraphs have been re-worded or deleted
- Design Requirements Introducing New technology:
  - Air secondary suspension and orifice damping allowed
  - Trailing arm primary suspension allowed

**Sub-Group: Locomotive – Team Lead: Steve Fretwell**

- Activities:
  - Two committees have been established. One is to study the performance parameters of the locomotive. The other committee is looking at the environmental characteristics of the locomotive. A third group will be formed (at a later date) to study new technologies available for the locomotive.



-Both committees have been holding weekly calls since the first of May. Even though both committees are working within their respective groups, the team leader participates in both conference calls to keep the group focused and on track. Both committees' studies will be completed by the end of June

- Accomplishments:
  - No major accomplishments to date. The committees are still discussing design parameters, but have decided on an inverter HEP system and AC traction motors.
- Design Requirements Introducing New Technology:
  - The committee is looking at several new technology devices for the locomotive. The use of digital gauges, electronic air brakes, regenerative braking, and Ni-Cad locomotives batteries are being considered. Regenerative braking would use the energy from the dynamic brake operations to operate the HEP function instead of dissipating the generated electricity through grids.

**Sub-Group: Mechanical – Team Lead: Jeff Gordon**

- Activities:
  - Initial meeting – April 22 (Chicago)
  - Teleconferences weekly through June 16 (April 26, May 3, 10, 17, 25)
- Accomplishments:
  - Responsible for brakes, doors, diaphragms, waste and waste water system and relevant Material and Workmanship and testing portions of specification
  - Group comments formulated substantially for brakes and doors
- Design Requirements Introducing New Technology:
  - Sib-group generally in favor of performance-based specification for brake system

**Sub-Group: Interiors – Team Lead: Andrew Wood**

- Activities:
  - Conference Calls: 4/28, 5/5, 5/10, 5/17
  - Frequent emails between subgroup members on topics
- Accomplishments:
  - Assigned interior items from C-21 Chapter 9 specification to subgroup team members to review
  - Developing draft recommendation and reviewing them on conference calls
- Design Requirements Introducing New Technology:
  - LED lighting appears to be an emerging recommendation

**Sub-Group: Electrical – Team Lead: Tammy Krause**

- Activities:
  - Weekly conference calls – Tuesday's at 1:00pm
  - Calls held – 5/11 and 5/18
- Accomplishments:
  - Have reviewed the following chapters; Chapter 8 – Doors, Chapter 11 – Lighting, Chapter 14 – Food Service
- Design Requirements Introducing New Technology:
  - Lighting will be predominately LED
  - Doors may be Plug Doors

**Sub-Group: Cars – Team Lead: Ken Uznanski**

- Activities:
  - April 22 meeting (Chicago) with representatives from most global manufacturers
  - Developed, reviewed and commented on “Buy America” white paper to express industry’s issues and concerns with proposed policy
  - Added element to design change recommendation process to provide integration function for all sub-groups – will involve regular meetings (weekly or as needed)
- Accomplishments:
  - Prepared draft “Buy America” white paper for review and discussion by the Section 305 Executive Board
- Design Requirements Introducing New technology:
  - none to date

**Sub-Group: Structural – Team Lead: Eloy Martinez**

- Activities:
  - Meeting April 22 (Chicago)
  - Conf. calls: 4/28, 5/5, and 5/11 (planned weekly to June 16)
- Accomplishments:
  - Reviewing C-21 Chapters 2, 4, 6, 16, 18, and 19
  - Additionally, using SCRRA/MetroLink CEM specification
  - Introducing CEM on top of fully compliant carbody structures
- Design Requirements Introducing New technology:
  - Push-back Couplers
  - Crush zone energy absorbers

**Discussion:**

Discussion centered on the various components being considered and issues such as amenities and in which subgroup they are being housed (Interiors). The question of whether or not car body material is being specified is being handled by the Structural subgroup. Issues such as wireless internet, etc resides in the Electrical subgroup – in the end these items will be optional for states.

In response to a question regarding environmental (Green) efficiencies – it was clear that the subcommittee is very conscious of environmental issues and efficiencies are being considered. Dale will provide a statement that comments/focuses on the environmental aspects of the spec recommendations.

**Report of the Administrative Task Force – Rod Massman, Chair, Administrative Task Force:**

Rod Massman, Secretary of the S305 Executive Board and Chair of the Administrative Task Force, provided a summary of the activities of the Task Force to date. Rod described the Task Force as being the Administrative arm of the Committee and commented that “flexibility is a key”. The Task Force has developed and approved a basic work plan, but must be ready (flexible) to address additional issues that may arise. He stated that the Board has a lot to say

about the responsibilities of the Task Force and that he fully anticipates that additional issues will arise, “down the road”.

Highlights: (Power Point presentation can be found on line @ [www.highspeed-rail.org](http://www.highspeed-rail.org))

**Work Plan and Budget – Approved during two conference calls:**

- Conference calls – 5/12 and 5/21/2010
- Rodney Massman- Chair
- Ken Uznanski – Vice Chair

**Mission of the Administrative Task Force in relation to the S305 Executive Board as discussed at initial “kickoff” meeting:**

- Oversee budget issues
- Manage the operation of the S305 Committee
- Determine protocols for various issues that may come up such as:
  - Site tours
  - Definition of what the S305 Committee can present to Congress
- Serve as the keeper of the bylaws
- Serve as the policy development arm of the Executive Board
- Serve as the keeper of open records and recommend relevant policies, as appropriate
- Perform other tasks and duties as defined by the Administrative Task Force or that may be assigned by the S305 Executive Board or be requested by the Finance and/or Technical Subcommittees.

**The Administrative Task Force is currently the only established Task Force:**

Since the Task Force was established by the Executive Board, much has taken place and the Committee, as a whole, has moved forward. While some of the areas of responsibility initially cited by the Board remain relevant, there are others that have evolved over time.

**Subjects to be addressed by the Administrative Task Force may include, but are not limited to:**

- Overall management and review of budget issues of the Section 305 Committee
- Recommending policy and/or administrative changes to the Executive Board
- Overseeing and implementing an open records policy
- Pointing out various options, strengths and weaknesses of potential corporation structures and/or procurements
- Assisting in resolving overlap/possible conflicts between the two subcommittees and suggesting or mediating remedies
- The Administrative Task Force will provide input and recommendations to the Executive Board that will complement and enhance the work of the Technical and Finance Subcommittees to allow for their ability to meet the overall objectives and goals of the S305 Next generation Equipment Pool Committee (NGEC)

**Scope of Work and Budget:**

- Conduct periodic reviews of PRIIA requirements, keep executive Board apprised of the two subcommittees adherence to PRIIA guidelines; and be the overall budget caretaker and keeper of the by-laws.

- Evaluate and ask for guidance from the Executive Board and the two subcommittees in regards to direction needed and/or additional tasks to be fulfilled by the Task Force; and serve as the “detail” implementer for the various tasks of the overall S305 Committee.
- Explore the feasibility of establishing a corporation for the funding, procurement, remanufacture, ownership, and management of corridor equipment.
- In-person meetings will be arranged in conjunction with other events of the S305 NGEC Executive Board and subcommittees, in order to keep expenses to a minimum.
- The initial draft budget as submitted by the Administrative Task force included a total amount of \$381,000.00
- A proposal, effective April 1, was submitted in the amount of \$131,900.00; however, the final budget reflects the actual start-up date of the Task force, and the fact that AASHTO support to the Board, the subcommittees and the Task Force, is contained in the AASHTO overall budget, and legal support requirements are still being determined as to whose budget they will come out of.

**On-Going Task Force Schedule:**

- The task force has determined that there will be a conference every three weeks – the next call will be held on Friday, June 11, 2010 at 11:00am Eastern

**Discussion:**

The general discussion revolved around legal issues and the possibility of outside counsel. It was basically agreed that the condition of the funding grant agreement, once in place, will tell the Committee what can occur in regards to legal/professional services. It was also suggested that it would be wise to narrow down a scope of inquiry before determining whether or not to hire out for legal counsel.

The Finance Subcommittee will look at funding sources and structure in regards to opportunities to get additional financing and will work with the Administrative Task force on these matters. The Administrative Task Force will help to preserve the integrity of the process.

**Report of the Finance Subcommittee – DJ Stadtler, Chair, Finance Subcommittee:**

DJ Stadtler, Chair of the Finance Subcommittee and Treasurer of the S305 Executive Board gave an overview summary of the Activities of the Subcommittee to date.

**Highlights:**

- The Subcommittee has scheduled conference call meetings for every other Wednesday at 3:00pm Eastern time. The next call is scheduled for June 9, 2010.
- A draft Scope of Work and Budget has been presented to the Subcommittee and still needs to be approved.
- Spending rules will need to be established – there needs to be an approval process in place
- The Subcommittee will work to identify options to fund new equipment
- Will work with the Administrative Task Force on funding and organizational structure And on determining the feasibility of establishing a corporation (or not)

- Meetings of the Finance Subcommittee will primarily be conference calls, but in the event that in-person meetings need to occur, they will be arranged in conjunction with other meetings as a cost savings practice
- The Finance Subcommittee will arrange for an independent audit of the S305 NGEC at the appropriate time
- A preliminary budget was developed – total amount proposed: \$415,000.00 – there may be some overlap/duplication with Administrative Task force – this will be resolved.
- Brent Thompson, Washington State DOT was elected Vice Chair of the subcommittee and the subcommittee continues to look for additional members and for dedicated staff support.

**Update/ Report on Status of the S305 NGEC Budget – Bill Bronte/Rod Massman:**

Executive Board Chair, Bill Bronte, reported that there was not a budget in place at this point in time. Each of the entities (AASHTO – for support services, the Technical Subcommittee, Finance Subcommittee, and the Administrative Task Force) has submitted budget proposals for consideration. Ken Uznanski compiled the budget requests and submitted an overall budget to the Executive Board Officers for their review.

The Executive Board members were given copies of the document and discussed areas contained within each entity's individual proposal; and made suggestions as to how to reconcile/alleviate possible duplications and overlaps. It was agreed that the budgets should be reconstituted to include recommended revisions, as discussed, and that each entity should submit a budget for the first year of the S305 Committee (January, 2010 through December, 2010) and for the first quarter of 2011. There has been a tremendous amount of work done by the Committee to date, and there was a sense of urgency expressed by Board members that the budget and scope of work must be finalized, approved by the Board, and submitted by Amtrak (as the ultimate pass through entity and grantee) to the FRA as soon as possible so as to get the funding grant agreement in place. The grant agreement would come without preconditions, with actual spending remaining flexible and subject to Board approval, as justified. It was also suggested that there should be a statement provided within the overall budget proposal in regards to the extent of in-kind services that have been and will continue to be provided by all entities involved in the Committee efforts.

In order to accomplish the task, the Board set an aggressive schedule to revise the budget and scope of work in accordance with the discussions and meet via conference call to review and approve for submission to FRA.

The following Schedule was agreed upon:

- Each entity – AASHTO, Finance and Technical Subcommittees, and the Administrative Task Force, to submit revised proposals to Ken Uznanski by COB May 28<sup>th</sup>.
- Ken Uznanski to compile budget proposals into a narrative and a spreadsheet and distribute (via Steve Hewitt) to Executive Board Members by COB June 1.
- June 2, the Executive Board will meet via conference call at 1:00pm Eastern time to review the overall budget document and spreadsheet and vote on approval.
- Steve Hewitt will provide the Conference Call-in number and access code to the Board for the June 2<sup>nd</sup> call.

**Discussion: Criteria for Executive Board consideration of the Technical Subcommittee Specification Submission – Bill Bronte:**

Executive Board Chair, Bill Bronte distributed a discussion paper (below) that he had prepared as a point of departure for considering what documentation the Executive Board should request from the Technical Subcommittee in order to assess and approve a specification.

**PRIIA Section 305 Executive Board – Discussion Document**

**Documentation the Executive Board should request from the technical subcommittee in order to assess and approve a specification:**

- 1) Describe the process by which the specification was developed.
  - a) What was the source of the specification?
    - i) Was it a new development, or revised from existing?
      - (1) How was the decision made to use an existing specification, or go with new development?
      - (2) If new, describe how it encourages standardization
      - (3) If existing, describe how the specification maintains standardization and still advances the technology
    - b) Who was involved?
      - i) Subgroup organization
      - ii) Diversity of skills and representation
      - iii) Describe the roles of the major groups involved – Amtrak, FRA, APTA, States, industry and consultants.
      - iv) What other stakeholder involvement was included?
    - c) What criteria were used to review/evaluate the specification?
      - i) Evaluated against stakeholder criteria?
        - (1) Which stakeholders? What criteria?
      - ii) Compared against standard specifications?
      - iii) Are the designs and technology in use now, or are they untested?
    - d) How did the technical subcommittee finalize the specification for presentation to the Executive Committee?
      - i) What was approval process?
        - (1) Identify the members associated with review/approval.
      - ii) Was the specification approved by consensus or majority vote?
      - iii) Were there any dissenting votes?
        - (1) Describe the nature of the issues.
      - iv) Was there a process for voicing of dissent?
- 2) Does this specification as approved by the technical subcommittee meet the intent of PRIIA and the direction of the Executive Committee?
  - a) The Executive Committee needs to develop/distribute these points.
- 3) Will this specification produce a fleet of railcars that are:
  - a) Operable without restriction in the United States (except locations with restricted clearances and high-level platforms)? Identify locations and/or conditions that restrict, Affect or prevent the operation of these cars.
  - b) Operable either as a new fleet, or can be integrated into an existing fleet of cars? Will there be an impact to an existing fleet when these cars are delivered/commissioned into

- service?
- c) Buildable, operable, maintainable and cost effective, considering intercity rail's current financial and political environment?
  - d) Attractive to passengers? Will these cars increase ridership and revenue?
  - e) An advancement over existing car designs, for the intended services?
  - f) Fully compliant with all regulations? Will waivers of any sort be required in order for these cars to be built as specified?
- 4) Does the specification include and/or address the following criteria:
- a) Technical considerations
    - i) Discussion and evaluation of safety enhancements (for crews and passengers)
      - (1) How was the need for safety enhancements determined?
      - (2) What purpose do the safety enhancements serve? What problem is being resolved?
      - (3) What is the strategy for implementation?
      - (4) How will the effectiveness of the safety enhancements be measured and validated?
    - ii) Incremental improvements
      - (1) What design enhancements are envisioned beyond this generation of specification? If this is an incremental approach, what comes next? How will standardization be maintained if an incremental approach is used?
    - iii) Reliability and maintainability – measurable and obtainable
      - (1) How will this be measured and compared to existing fleets?
    - iv) Operation of the fleet of cars in intercity service
      - (1) Do the cars meet the needs of the States, Amtrak and other potential users?
    - v) Life cycle costs
      - (1) Operation and maintenance of the equipment and components
      - (2) Revenue seating to provide operating income
    - vi) Enhanced passenger and crew amenities
      - (1) How do these cars advance passenger amenities and ensure continued ridership growth?
      - (2) How were the crew amenities developed and vetted?
      - (3) Was there public input?
    - vii) Green initiatives – do the cars promote:
      - (1) Energy efficiency
      - (2) Use of sustainable or recycled materials, and lessen the impact from the manufacturing process
      - (3) Capture of recyclables from the passenger waste stream
      - (4) Environmental sustainability of materials such as refrigerants
    - viii) Will this specification promulgate changes and/or improvements to regulations currently in place?
      - (1) Describe the process that this will take.
  - b) Procurement considerations
    - i) How will this specification promote:
      - (1) Multiple sources of supply
      - (2) Sustainable procurement
      - (3) A competitive manufacturing base
      - (4) Domestic production
      - (5) Joint procurements amongst states, and larger orders to defray non-recurring costs

- (6) Longer-term and ongoing procurements
- 5) Has the FRA approved this specification in its current form?
    - a) Will the FRA support the use of this specification for rolling stock acquisition using federal funds (PRIIA funds, and other potential funding sources)?
  - 6) Is the specification complete at this point? Is it likely that the specification will need some modification or revision after approval?
    - a) How will the specification revision process be managed, if necessary?

**Discussion:**

After reviewing the document, as presented by Bill Bronte, the Executive Board had a lengthy discussion concerning the evaluation of the specifications. It was agreed that it was important to establish criteria or evaluation standards now. Kevin Kesler suggested, and the Board agreed, that a “requirements” document needs to be developed. The “requirements” document would serve to provide the standards against which specifications would be measured.

It was agreed, at the suggestion of Bill Bronte, that Stan Hunter, Caltrans, would be given the assignment of drafting the proposed “requirements” document. Once drafted, it would be distributed to the Board Members via email (by Steve Hewitt) for review.

It was also agreed that a Review Board would be established by the Executive Board for the purpose of reviewing the Specification prior to it being submitted to the Executive Board for consideration and approval. The Review Board members would be a mix of consultants and S305 Committee members. The Review Board members would be invited to attend the July 29-30 meeting of the Technical Subcommittee in Chicago. This meeting will be held with full subcommittee participation (core team and industry members) to finalize the bi-level specifications. Following the meeting, the technical Subcommittee will submit the specification to the Review Board for its consideration and review in accordance with the “requirements” document. Once the Review Board has completed its work, it will file a report with recommendations to the Executive Board. The Executive Board will consider the specifications and the recommendation of the Review Board and meet to vote on approval.

**Members of the Review Board:**

- Bill Bronte
- Mario Bergeron
- Scott Witt
- Kevin Kesler
- Dale Engelhardt
- Consultants ( 1- 2 consultants – Kevin Kesler, FRA to provide names)

**Report from Amtrak – Frances Bourne:**

Frances Bourne presented the Board Members with an overview of the status of Amtrak’s 2011 Appropriations request and presented to the Board copies of Amtrak President and CEO, Joseph Boardman’s, “Statement Before the Senate Appropriations Subcommittee on



Transportation, Housing and Urban Development". (posted on AASHTO's website @ [www.highspeed-rail.org](http://www.highspeed-rail.org)) Amtrak has requested \$2.6 billion and the Administration has proposed \$1.6 billion. The biggest difference is in Capital, not Operations. There are currently three ways for Amtrak to pursue funding: 1) Appropriations, 2) Commercial Loans, 3) Government Loans – in the end, Congress still pays for it no matter which options are pursued.

Another avenue for equipment funding for both Amtrak and Intercity Passenger Rail (the States who have or are planning state-supported routes) is State Infrastructure Banks (SIBS). There is good support for SIBS, but the many questions about equipment-related funding still needs to be resolved in order to move forward.

### **Roundtable Discussion:**

Discussion ensued in regards to the status of future funding for Intercity Passenger Rail. The question of when there may be an ARRA Round 2 was discussed, and the general view is that the Administration will announce the second round in mid to late June.

Leo Penne, AASHTO, commented briefly on action taken by the AASHTO Board of Directors at the annual Spring Meeting of the Board. The action involved language in AASHTO policy on Climate Change. The original policy language called for Climate Change revenues going to the Highway Trust Fund. An amendment was supported by the Board that called for the revenues to go to transportation in the broader sense (meaning all modes), as opposed to the Highway Trust Fund specifically. This is a positive sign that the states are interested in a multi-modal system, including passenger rail, and further supports and strengthens the T in AASHTO.

**Adjournment:** The meeting adjourned at approximately 5:45pm

## **Attachments:**



### **Action Items and Timelines:**

- May 28 – Subcommittees, AASHTO and Administrative Task Force provide revised budget proposals to Ken Uznanski for compilation into one document.
- May 28 – Steve Hewitt sends out the Specification evaluation document to the Executive Board (electronically) and the Technical Subcommittee Sub-Group Leaders asking for comments to go to Bill Bronte. Steve to attach memo from Dale Engelhardt describing intent and purpose of the document and providing guidance/assignment to Sub-Group leaders.
- Week of June 1 – Steve Hewitt to send a note out to all Committee members ( includes Board members, support staff, subcommittees, and task force members) requesting that they provide a contact phone number (cell phone preferred) for inclusion on the member list documents.
- June 1 – Ken Uznanski completes compiling of the budgets into a narrative document and spreadsheet - Steve Hewitt to distribute to the Executive Board members by COB along with Conference Call-in number.
- June 2 – Executive Board Conference Call meeting takes place at 1:00pm eastern – for the purpose of approving the overall Committee budget
- July 7 – Draft of the “requirements” document circulated to the Executive Board and Technical Subcommittee Sub-Group team leaders for review and comment
- July 21 – Executive Board meets via webinar to approve the “requirements” document
- July 29-30 – Technical Subcommittee (core and industry) and the review Board meet in Chicago to review and finalize Bi-Level Specifications for submission to the Review Board.
- August 20 – The Review Board files its report and submits it to the Executive Board for consideration.
- August 30 – The Executive Board meets in Washington, DC to vote for approval of the Bi-Level Specifications



**PRIAA Section 305 Next Generation of Equipment Committee**

**Executive Board Meeting**

**Agenda**

**May 26, 2010**

**Room 333 Hall of the States**

**444 North Capitol Street, NW  
Washington, DC 20001**

8:00 - 8:30 am	Continental Breakfast/Registration
8:30 – 8:55 am	Welcome and Introductions – Bill Bronte
8:55 - 9:00 am	Approval of the Meeting Summary of 3/10/2010 Exec Board Meeting – Bill Bronte
9:00 – 9:05 am	Introduction of USDOT Deputy Secretary John Porcari and FRA Administrator Joseph Szabo – Bill Bronte
9:05 – 10:00 am	Comments from Deputy Secretary Porcari and Administrator Szabo
10:00 – 10:45 am	Buy America – Kevin Kesler/Ken Uznanski
10:45 – 11:00 am	Break
11:00 – 11:45 am	Report from Technical Subcommittee – Mario Bergeron
11:45 - 12:30 pm	Western/C-21 - Bi-level Specs – Mario Bergeron/Dale Engelhardt
12:30 - 1:30 pm	Lunch (part of this time will be a working lunch)



1:00 – 1:45 pm	Report from Administrative Task Force - Rod Massman
1:45 – 2:15 pm	Report from the Finance Subcommittee – DJ Stadtler
2:15 – 3:00 pm	Budget – Overall Report/Status – Bill Bronte/Rod Massman
3:00 – 3:15 pm	Break
3:15 – 3:45 pm	Discussion: Criteria for Executive Board consideration of the Technical subcommittee spec submission - Bill Bronte
3:45 – 4:00 pm	Report from FRA – Kevin Kesler
4:00 – 4:30 pm	Report from Amtrak – France Bourne
4:30 - 5:00 pm	Member Comments/Roundtable Discussion - All
5:00 – 5:30 pm	Next Steps/Action Items - Bill Bronte
5:30 pm	Adjournment