



September 15, 2010

Section 305 Next Generation Equipment Committee (NGEC) 8/31/2010 Executive Board Meeting Summary

The fourth In-person meeting of the Section 305 Next Generation Equipment Committee was convened by Chairman Bill Bronte at approximately 8:30am, on August 31, 2010 at the Hall of the States, in Washington, DC; and concluded at approximately 5:30 pm that same day. This meeting, while being the fourth time the committee members have met in-person, marked the third official "in-person" meeting of the Executive Board as it was formally constituted on January 14, 2010.

Participants included; representatives of Amtrak, the Federal Railroad Administration (FRA), representatives of State Departments of Transportation (DOTs) 7 in-person: California DOT, Missouri DOT, Washington State DOT, Wisconsin DOT, Georgia DOT, Iowa DOT, and Maryland DOT; 3 by proxy: Oklahoma DOT, NYSDOT, Louisiana DOT, and 1 on the phone for part of the meeting, and by proxy for part of the meeting which was NCDOT; as well as representatives of the American Association of State Highway and Transportation Officials (AASHTO), and the AASHTO Section 305 Committee consultants. Additionally, FRA consultants Larry Salci and Fred Woolsey were also present as participants in the meeting.

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 has truly accomplished a great deal in a short period of time, adhering to an extremely aggressive schedule and short timeline. Bill credited the Committee's forward progress to a strong collaborative effort among; the States, FRA, Amtrak and the industry. He complimented all involved in getting the S305 Committee to the point where its Executive Board is prepared to vote at this meeting for the approval of the first set of PRIIA specifications - Bi-Level Cars.

Bill cited the "next step" challenges that lie ahead for equipment including; "How to pay for it? How to buy it?" Complying with the Buy America provisions and the industry response to procurement were also cited as critical issues lying ahead.

Bill emphasized the need to get long term funding in place to allow for the development of enough demand to truly "re-create" the rail equipment manufacturing industry in this country. He stated that there was a lot of work ahead, "lots of effort" and a need to fund "all of this" in moving forward.

Approval of Summaries/Minutes of the May 26, 2010 in-person meeting; the June 2, 2010 Conference Call Meeting; and the July 21, 2010 Webinar meeting of the S305 Executive Board:

On a motion made by DJ Stadtler, and seconded by Kevin Kesler, the Meeting Summaries/Minutes of the May 26, 2010 meeting; the June 2, 2010 Executive Board Conference Call Meeting; and the July 21, 2010 Webinar meeting of the Executive Board; were unanimously approved without exception.

Review of the status of Executive Board Action Items established at the May 26th meeting of the Board:

Steve Hewitt, Consultant to AASHTO, and Support Services Manager for the S305 NGEC, provided a brief summary of the status of the Action Items that had been established by the Executive Board at its meeting May 26, 2010.

S305 Executive Board Action Items and Timelines – Status as of August 31:

- May 28 – Subcommittees, AASHTO and Administrative Task Force provide revised budget proposals to Ken Uznanski for compilation into one document. – **Task Complete**
- 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. **Task Complete**
- 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. **Task Complete – Exec Board contact info distributed**
- 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. **Task Complete**
- June 2 – Executive Board Conference Call meeting takes place at 1:00pm eastern – for the purpose of approving the overall Committee budget **Task Complete – Call held – vote taken – proposed budget approved without dissent**
- July 7 – Draft of the “requirements” document circulated to the Executive Board and Technical Subcommittee Sub-Group team leaders for review and comment - **The Draft document was distributed to all members of the Executive Board and its support staff and to the leaders of the technical subcommittee subgroups on July 16.**
- July 21 – Executive Board met via webinar to approve the “requirements” document – **Requirements document, as drafted, was approved by the Board without dissent**

- 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. **The meeting was held on July 29th and the Bi-Level Specification was approved by the subcommittee unanimously and delivered to the Chairman of the Executive Board – subsequently, it was submitted to the Review Board.**
- August 20 – The Review Board files its report and submits it to the Executive Board for consideration. **The Review Board completed its review and filed its report with the Executive Board on August 20th in accordance with the established schedule.**
- August 31 – The Executive Board meets in Washington, DC to vote for approval of the Bi-Level Specifications – **This meeting will take place at the Hall of the States on August 31st – it will be a full day meeting, beginning at 8:30am – a final agenda has been circulated to all Board Members.**

Bi-level Specification Review Board Report: Bill Bronte/Larry Salci:

Bill Bronte described the history of the work of the Committee in getting to the point of having a Review Board review the Bi-Level car specification developed by the S305 Technical Subcommittee; and the fact that Management Consultant Larry Salci had been brought on board, by the FRA, to act as an independent consultant to review the specification against the Requirements document; and subsequently draft a report of his findings and recommendations for consideration and review by the Review Board (or panel).

Members of the Review Board are as follows:

Bill Bronte, California DOT
 Mario Bergeron, Amtrak
 Scott Witt, Washington State DOT
 Dale Engelhardt, Amtrak
 Kevin Kesler, FRA
 Management Consultant: Larry Salci

Kevin Kesler, FRA, commented on the fact that the Committee had accomplished a lot and noted that, “we have aligned our process going forward to have a requirements document in advance” of the next sets of specifications. He also introduced, Fred Woolsey, Interfleet, Inc. who will give the Board “background on systems engineering to help us move forward”.

Mr. Salci was then asked to give his presentation on the results of his work with the Review Board and a summary of his report and recommendation approved by the Review Board and submitted to the Executive Board on August 20, 2010.

PRIIA 305 Bi-Level Specification Independent Review: Larry Salci

Scope of Report:

- Section 305 NGECC Technical Subcommittee developed a Technical Specification for a bi-level type passenger railcar(s) on July 29, 2010 for consideration by Executive Board
- Executive Board created Review Panel (stakeholders) to determine:
 - Did Specification meet technical design/performance objectives?
 - Did Technical Subcommittee decision process meet inclusive process requirements of PRIIA?
- Review Panel, through FRA, retained support consultant, Larry Salci, to assist in Review Panel's responsibilities
- It was Mr. Salci's professional opinion that the PRIIA Bi-level Design Objectives and Requirements were met; the rationale for this opinion was summarized in Mr. Salci's Report

Task 1:

DEVELOP SPECIFICATION THAT ADDRESSES SPECIFIC DESIGN OBJECTIVES AND REQUIREMENTS AND CONFIRMS COMPLIANCE WITH ALL PRIIA MANDATES

- Technical Subcommittee recognized that, to serve the entire US intercity and States' corridor market(s), both bi-level and single level vehicles are required
- Decision to develop bi-level vehicle specification first; decision to use Caltrans C21spec as baseline for development
- 85 foot, stainless steel vehicle of four car types:
 - Coach car
 - Cab/baggage car
 - Café/lounge car
 - Business Class car
- 125 mph FRA Tier I requirements
- Allows for new fleet requirements, integration with existing bi-level fleets
- Provides for proven technology to provide reliable, maintainable, and cost effective operations
- Operationally and functionally compatible with wide spectrum of environmental and physical conditions in US
- Incorporates Crash Energy Management (CEM)
- Complies with all Federal regulations and industry standards

Task 2:

SUMMARIZE BI-LEVEL SPECIFICATION AND METHODOLOGY TO VERIFY COMPLIANCE WITH SPECIFICATION

- Areas summarized by tables in the Report:
 - Operational/Performance Requirements
 - Interoperability Requirements
 - Safety Requirements
 - Reliability and Maintainability Requirements
 - Passenger and Amenity Requirements
 - Communication and Electrical Controls

- Vehicle Standardization
- Environmental Initiatives
- Regulatory and Industry Standards
- Testing and Acceptance Requirements

Task 3:

DOCUMENT METHODOLOGY BY WHICH SPECIFICATION WAS DEVELOPED, AND DESCRIBE APPROVAL PROCESS AND SUBCOMMITTEE MAKEUP

- Executive Committee created Technical Subcommittee to develop Specification(s)
- March 2010 - Mr. Bergeron, Amtrak, and Chairman of the Technical Subcommittee, issued industry-wide letter of invitation to participate in Technical Subcommittee Specification(s) development process
- 100 industry professionals (car builders, suppliers, and consultants) participated in Specification development
- Technical Subcommittee formed Sub-Groups for major sections of Specification(s):
 - Locomotive
 - Cars
 - Mechanical
 - Electrical
 - VTI-trucks and bogies
 - Structural
 - Interiors
- Sub-Groups created work plans for ongoing review, compilation of data inputs, and deadlines for proposed written changes
- Telephonic meetings were held and industry workshops held in Chicago April 22-23 and July 29-30; over 150 people attended
- Technical Subcommittee voted to approve Bi-level Specification
- Review Panel, through FRA, retained Larry Salci, independent consultant

Other Comments for Executive Board Consideration:

- Configuration Management - Post contract award – it is imperative Section 305 NGEC establish mechanism for controlling design from configuration (components)
- Management viewpoint. Configuration management will encompass evaluation of lifecycle costs, alternative component evaluation, standardization initiatives, safety critical components and vehicle economics.
- Contractor Proprietary Ownership Issues and Performance Bond Impacts - Customer and Contractor decisions are required on ownership of design and car builder proprietary documents; e.g., as-built drawings, manufacturing process and procedure documentation, special tooling, manuals, etc.
 - Related liability issues, e.g., car shell warranty and potential Contractor contract performance bond issues, could arise in event of contractor default; i.e., rights to designs and documentation for completing work in process and technical documentation issues.
- Does the NGEC intend to have “central ownership” of design through a “NewCo”? How does this relate to the procurement process of PRIIA cars?

Operations/Performance Requirements:

- Bi-level cars can operate without restriction in US, except Eastern US and especially NEC
- Speed and operations issues will be governed by FRA and host railroads
- Spec requires cars capable of negotiating 250 foot radius horizontal curve, 1,000 foot radius vertical curve, and no more than 50% wheel unloading at 7 inch super elevation
- Environmental range for operation -35 to 150 F and relative humidity 5% to 100%
- Design and test for 125mph operation on FRA Class 1 to 7 track
- Conventional pneumatic system with wheel slide control
- Cars fully ADA compliant

Interoperability Requirements:

- Spec requires complete functionality and operation, either as new standalone fleet or intermingled with other bi-level cars
- Design allows for easy passenger walkthrough from an existing car to a new car
- Design allows States/Amtrak to tailor or customize interior layout special purpose cars (food service, business class)
- Customer variables provide for exterior graphics, paint and styling, decals, and interior decor options
- All ADA requirements are included in spec for interoperability

Safety Requirements:

- Design meets all Federal safety regulations, industry standards, mandates, and industry recommended practices
 - Design is advancement in safety for crashworthiness, incorporates Crash Energy Management as overlay on base set of requirements
 - CEM requirements for protected operator cab space will provide design challenge for Contractor
 - Design requires safety standards incorporated for all major components and subcomponents
 - Design specifies each cab car control architecture provides for Positive Train Control (PTC)
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- PTC system shall conform to all applicable Amtrak, AAR, APTA, and FRA standards and regulations

Reliability and Maintainability Requirements:

- Car reliability requirement MDBTD of at least 150,000 miles
- Component reliability requirements MDBF for major subsystems of between 255,000 and 890,000 miles
- Maintainability shall be the primary criterion for design of the underfloor equipment, equipment rooms and access doors
- Ease of access for inspection, maintenance intervals, and repairs is major design consideration
- Specification defines preventative maintenance requirements that mirror all Amtrak maintenance intervals and procedures

In summing up his presentation, Mr. Salci called the specification “outstanding, organized and technically sound” and “extremely well written”. He emphasized that he “unequivocally endorsed” the specification and was giving it a “very strong recommendation”. He found “no real weaknesses at all”, and called it...“an outstanding specification”.

He did remind the Board that “configuration management is essential – once on the street – have a plan - track all changes...” He also pointed out that “an area of weakness is standardization – because of where you started – do the design process”.

Discussion:

Kevin Kesler thanked Mr. Salci for a very coherent analysis and stated that he too was concerned about standardization. He noted that the proprietary issue is a key factor- control of the design is the key. He advised that the Committee would be prudent to follow the freight model more so than the “tower of Babel” model that has hurt the transit market does not reoccur here.

Caitlin Hughes Rayman, MDOT, asked that Larry Salci’s Report to the Board be corrected to reflect Georgia as one of the states serving as an Executive Board member – the current report mistakenly lists North Carolina twice and neglects to list Georgia. It was agreed that this correction would be made.

Caitlin also commented that the bi-level car was something that her state would have no use for because of the infrastructure on the Northeast Corridor (NEC) and also asked if there were to be timely availability of spare parts? This was pointed out to be a “commercial issue”, and not an issue of the specification.

Consultant David Ewing asked Mr. Salci to expand upon the issue of “Buy America”. Mr. Salci commented on the difficulties of complying with the mandate of 100%. He cited that current law (excluding PRIIA) required Amtrak to meet 50.1% and FTA 60% plus US assembly. He noted that there are no American-owned car builders left. Car builders have major facilities in the US – but most are now vacant, “Car builders need orders”. The car builder companies are headquartered in Japan, Europe, etc – they all have business plans – and their decisions are made based on componentry – they are currently meeting 50% and 60% requirements, but 100% does not appear possible.

Mr.Salci expressed the view that there is a need to take a “practical look” – 70-80% American “aggressively pursued” is reachable realistically. The “size of the order” is a key.

It was his opinion that the car building business, today, is not healthy – there are worldwide losses. To establish a car building business in the US – it will be necessary to find money to obtain cars and put orders together – “if we are talking about 40-50-60- cars ... that is a major challenge” for car builders – we need to create a real market.

Dale Engelhardt commented on the “white paper” that had been developed by the Cars Subgroup team as an industry perspective and presented at the May 26th meeting of the Executive Board. In the end, the Board “bowed out” of the issue as it was deemed to be “out of the scope” of the S305 Committee. Dale noted, however, that “Buy America” is an issue if the 100% requirement is not modified.

Larry Salci commented that design ownership is an issue as is sustaining the industry - noting the “reality of the market place”. There needs to be federal and state funding for equipment to create and sustain the market.

Kevin Kesler noted that the Administration understands, and is committed to making a sustained effort; but it will need the continued support of Congress – there are no guarantees – it will take a concerted effort on the part of the states, FRA, Amtrak, and the industry to inform Congress of what is needed to deliver.

Kevin also expressed the view that it is the S305 NGEC’s responsibility to “inform, not solve the problem.”

Mr. Salci stated that “it all comes down to the will to do it”.

The discussion turned to the issue of recommending a procurement process – and that this is a responsibility of the S305 Committee.

Bill Bronte commented that “states do have a role” – this Committee has a role to not have “suicidal bids” – there needs to be protection for the states in the procurement process.

Kevin Kesler asked – “Is there an answer here?” The general response was – money – and the proper way to approach it is to let the private sector respond to a market place.

It was also noted that the car building industry has indicated that a volume of 400-600 cars a year is what is needed to sustain the market.

Kevin suggested that the Committee can advise Congress of the investment required to create the designs/tooling and get production up and running.

Further discussion pertained to specifics in the Specification and in Mr. Salci’s report. Rod Massman asked about platform heights – bike storage space - and recycling capacity. His questions were generally responded to – in most cases (such as bike storage and recycling) there is flexibility to allow for customization. The specification, however, does not accommodate high platforms.

Ron Adams asked a series of questions for clarification pertaining to various sections in the change document that accompanied the technical subcommittee action taken in Chicago in approving the specification at the subcommittee level. Ron was satisfied that his questions were answered.

Caitlin Hughes Rayman asked if the glass used in the cars was UV in order to “cut down on cooling costs” and Mr. Salci responded “yes”

A motion to close the discussion was made by Al Ware, Georgia DOT, and seconded by Caitlin Hughes Rayman, MDOT. The motion passed with no objections.

Scott Witt, Washington State DOT, made a motion to approve the Bi-Level Specification as developed by the Technical subcommittee and in accordance with the recommendation of the Review Board. Mario Bergeron, Amtrak, seconded the motion for approval.

Steve Hewitt confirmed the voting members who were present and those who had provided their proxies. It was agreed that a quorum was met and that all voting members were accounted for.

Upon a calling of the roll, the motion to approve the Bi-Level Specification carried unanimously and it was declared by the Chair that the Executive Board of the S305 NGECC had successfully achieved consensus and had approved the first PRIIA developed Specification - Bi-level cars.

Report from the Technical Subcommittee – Next Steps- Mario Bergeron/Dale Engelhardt:

Status of Progress - Mario Bergeron:

Mario Bergeron, Chair of the Technical subcommittee provided a report from the subcommittee, including a status of its progress. Mario prefaced his remarks by attributing the successes, to date, to the commitment of all participants to an aggressive schedule and timelines.

He noted that the next mandate from the Executive Board is the development of the Single Level car specification, with a goal of completion by mid December, 2010. The Bi-Level Specification document will be used as the base document for the Single Level which will keep the specification current and begin the process of standardization. A requirements document has been drafted and circulated within the subcommittee and will come to the Board for approval shortly.

Along with the Single Level Specification, the subcommittee is also developing a Diesel Locomotive Specification, which also has a goal of completion by mid December, 2010. The Locomotive Specification will work from the California Straw man (posted on the AASHTO website). A requirements document still needs to be completed and submitted to the Executive Board for approval.

- Bi-Level Specification
 - Specification completed
 - Approved by technical subcommittee by July 31st 2010 deadline
 - Accepted by Executive Board today
 - Available on website for industry to view

- Single Level Specification
 - Deadline for completion is December 31st 2010
 - Plan is for completion by mid-December
 - Agreement on utilizing the bi-level specification as a framework for the single level
 - Requirements document:
 - Drafted and circulated for comment
 - Will need approval by the Executive Board shortly

- High Speed Diesel Locomotive specification
 - Deadline for specification December 31st 2010
 - Plan is for completion by mid-December
 - Working group established at the same time as bi-level specification process commenced with over 100 members contributing
 - Significant progress already made on vehicle concepts and requirements
 - Formal requirements document not yet completed but in preparation

- High Speed Diesel Loco (Cont.)
 - Key parameters include 125mph capability, HEP capacity, number of cars to be hauled, control with cab cars
 - Straw man specification provided by California
 - Clearance requirements and track interaction data provided by Amtrak
 - Smaller powerful locomotives a likely outcome at this stage to achieve speed requirements

Configuration Management - Dale Engelhardt:

Dale Engelhardt provided a report on Configuration Management. He noted that Stan Hunter, Caltrans, had developed a straw man document which the Amtrak engineering team is reviewing and which would soon be submitted to Kevin Kesler for FRA review.

- PRIIA Specification Control
 - Repository for Accepted Specifications
 - Process for Revising/Updating Specifications
 - How are Recommendations Received
 - How Will They be Accepted or Rejected
 - What approval is required for updates to specifications?
 - Validation of Purchaser's Compliance to PRIIA Requirement
 - Procedure Recommendation Under Review
- Changes to the PRIIA Specification

Proposal:

Dale proposed the following process for managing and approving changes to the PRIIA Specification:

- Delegate the Technical Subcommittee to manage technical changes to approved specifications
 - Re-approval of the specification will not be required by Executive Committee
 - Reporting of changes will be provided at the Executive Board Meetings for information purposes
- Chairman of the Technical Subcommittee will be responsible for bringing any substantive changes to the Executive Board should they be proposed to determine whether further Executive Board approval is required

Discussion:

The general discussion revolved around the issue of Control Management with numerous questions being raised:

How do we institutionalize ourselves? Who monitors the approved specifications? Who determines compliance? Where is it housed?

Additionally, questions with regard to the 305 Committee structure itself were raised – Is it a permanent entity? Some states may have issues with the legality of being part of a multi-state compact. It was noted that the Administrative Task Force is discussing the issue of the possibility of incorporating and trying to define the legal issues associated with that decision, but is not there yet.

Fred Woolsey of Interfleet cautioned that the problem of configuration management will only “get bigger as more specifications are developed”. It is advisable to determine the definition of minor and major changes.

Dale Engelhardt emphasized that, with his proposal of giving the technical subcommittee the authority to make changes – minor or major – all would be brought to the attention of the Executive Board.

After a long discussion regarding the appropriate level of control management and responsibility over changes; it was generally agreed that there needs to be a rationalization list, developed by the Technical Subcommittee, which will describe what items/types of changes would be required to go to the Executive Board for approval and which ones would only require technical subcommittee approval and Executive Board notification.

It was agreed that at the next meeting of the Executive Board, a process and proposal for managing the changes within the technical subcommittee, would be presented and decided on.

Follow-up on States Equipment Needs Survey – David Ewing:

AASHTO consultant/policy advisor to the S305 Committee, David Ewing, had been tasked by the Board to analyze the equipment needs survey that was put together and distributed to all of the states by AASHTO. Washington State DOT had collected the survey inputs and built a matrix of results. In his analysis, Mr. Ewing was asked to provide context and put “meat on the bones” of the survey.

Overview:

- Initial survey of state of equipment needs conducted by Washington State DOT
- Scan of state equipment needs in a context of federal and state funding
 - Interviews
 - Sample of Grant applications
 - Amtrak Fleet Plan

Pre 2009 Context:

- Five Regional Models:
 - California
 - PNW
 - SEHSR
 - NEC Region
 - Midwest

Regional Models:

- Key to Understanding the models: equipment selection process grew out of state rail planning process

State or Region	Type
California	Bi-Level
PNW	Train sets
SEHSR (North Carolina)	Rebuild-own
NEC System (Virginia)	Rebuild-Pool
Midwest Hub	Performance driven regional plan

Midwest Regional Rail System:

- 63 train sets with spares;
- \$1.1 billion

2008: ARRA:

		ARRA Awarded
California	Bi-levels	-
PNW (Oregon)	Train sets	Order 2
SEHSR (NC)	Rebuild-own	Rebuild
NEC System	Rebuild-pool	-
Midwest Hub	Performance Driven Plan:	
	Chicago-St-Louis	Funding include in grant

	Chicago-Milwaukee	Order 2 train sets (State funds) Order 2 train sets (ARRA funds)
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ARRA funds:

- State Rail Plans
- Projects to
 - enhance reliability
 - OTP
 - Frequency

FY 2010 Applications:

1. Requires 305 Specifications
2. Funds for planning
3. Funding for:
 1. Enhance reliability
 2. OTP
 3. Frequency

Economic Context:

- State budget challenges limit some state participation
- FRA received 20 applications from 10 states totaling \$7.8 billion for high-speed rail corridor development programs.
- FRA also received 57 applications from 18 states totaling \$700 million for smaller, individual projects within rail corridors that are ready to begin construction.

		ARRA-awarded	FY 10-application
California	Bi-levels	-	\$160 m
PNW	Train sets (Oregon)	Order 2	-
SEHSR (NC)	Rebuild-own	\$20.3 m	-
NEC	Rebuild-pool Virginia	-	no

Midwest	Performance Driven Plan:		
	Chicago-St. Louis	\$220 m	
	Chicago-Milwaukee	2 train sets (State Funds) 2 trainsets (ARRA)	
	Chicago –Iowa City		Equipment included

FY 2011 Funds:

- The pool of states expands a states complete environmental documentation and develop service plans.
- The pool of equipment that can be rebuilt is depleted;
- Estimate that the funds will be available June/July 2011 with awards by September 30.
- Probable level \$1.08 billion

FY 2012 Funds:

- FY 2012 funds estimated at \$1.0 billion;
- Creativity around capital charges in section 209 remains a significant issue-state funds used in part to retire a portion of RRIF loan for equipment may also be a possibility.

Discussion:

The general discussion revolved around determining the needs –Kevin Kesler suggested that it would be worthwhile to “look at 25 years out” and go to Congress to say what the long term needs are. A prime example is the Amtrak Fleet Plan.

David Ewing emphasized that much of the market is determined by the Service Development Plans (SDP) of each state and/or passenger rail route.

Caitlin Hughes Rayman spoke of the need to look at other equipment types, and cited electric locomotives as an example.

David reminded the group that NEPA documentation will be an issue.

Policy Discussion – train sets/stand alone cars – tilt - non tilt – Bill Bronte:

At this point, Bill Bronte introduced the policy discussion concerning prioritization of developing specifications for single level train sets and/or single level stand alone cars and tilt and/or non tilt technology; as well as additional equipment types.

At the earlier meetings of the Executive Board, the issues related to developing specifications for train sets and/or tilt – non tilt technology, and additional equipment types; had been set aside pending the results of the states needs survey. With the survey having been completed and analysis done; and with certain states having determined that they were interested in procuring train sets for their service; it was now time to have a policy discussion, at the Board level, to determine the direction and priority the Board wants to take.

Mario Bergeron noted that the mandate from the Executive Board in the development of its work plan in January, 2010; was that the Technical subcommittee would prioritize bi-level specifications as the first set of specifications to be completed by July 30th; (this task has been completed) with single level stand alone cars and diesel locomotives as the next sets of specifications; to be developed concurrently, with completion by the end of December, 2010.

He pointed out that the issue was about prioritization rather than doing one type single level over another. He also noted that stand alone cars were different from train sets and it would not be “doable” to develop specifications for both at the same time; and still adhere to the current December 31st completion timeline.

Dale Engelhardt acknowledged that it was not feasible to develop both stand alone and train sets specifications at the same time – doing two sets of specs right now (diesel locomotive and single level stand alone cars) was already difficult enough – adding a third would not be possible to complete in the time allotted. The determination, therefore, needs to be one or the other now – not both.

Ron Adams, Wisconsin DOT, and Scott Witt, Washington State DOT, explained their states’ interest in procuring train sets and the timelines associated with the federal grant money they had received from their ARRA applications. Both states have secured federal funding for train sets and it is understood that they cannot use ARRA federal grant money for equipment that does not have a PRIIA Specification. With a timeline on spending their ARRA funds, and the fact that their plans call for the procurement of train sets; they need the Board to reconsider its priorities so that they can procure the train sets for which they have received federal funding.

At this point, Rob Edgcumbe, Amtrak, presented a power point of a “white paper” that was prepared for the purpose of providing Board members with a “101” description of the differences between train sets and stand alone cars. The presentation offered no opinion as to which is better and did not express a preference.

Train Set and Standalone Cars Information Paper:

Discussions Impacting Single Level Specification Development Priorities

Single Level Specification Development:

- Existing operators and potential customers have identified preferences for equipment needs
- The target for the single level specification needs to maximize its coverage of those needs
- One specification has to take priority over the other
- Clarity is required swiftly in order to allow development of the specification in the timescales set out.

What Are the Major Issues?

- Train set versus standalone car
- Tilt versus non-tilt
- Who wants what configuration of train?
- What are the driving requirements behind these issues?
- Are these requirements necessarily specific to a given type of equipment?

There is No Right Answer:

- The models of train set operation and standalone car operation are different
- There are costs and benefits to each type of operation
- The location and operating model for a specific operation will determine whether either is beneficial
- There are less tangible issues that also need to be addressed.

What is a Train Set?

- A fixed configuration of car types semi-permanently made into a train
- Vehicles are only separated at specific maintenance intervals
- Capacity is determined at the time of configuration
- Body shells are constructed from a number of material types
- Can utilize traditional truck arrangements or share trucks between cars
- Power can be from a separate locomotive or integrated into the design
- Usually operated in a push-pull mode

What is a standalone car approach?

- Separate individual cars
- Ability to remove cars and replace within a train

- Train length can be varied as required
- Conventional truck locations
- Body shells are constructed from a variety of materials
- Maintenance cycles are determined on an individual car basis
- Powered by a locomotive either in traditional mode or in push-pull operation

Reliability Issues:

- Train sets avoid frequent uncoupling and reliability issues with inter-car connections
- A bad car in a train set takes the entire train set out of service

Structural Issues:

- Both car types can utilize the materials available
- Train sets are eligible for the FRA waiver process for crash energy management, individual cars are not
- Discussion of whether train sets provide a weight advantage?
- If train sets have alternative coupling arrangements, they can have enhanced stability in impacts
- Location of the cars in the train set can sometimes determine their crashworthiness and may impact on future reconfiguration of the train

Operational Issues:

- How many vehicles are required to deliver service?
 - How many cars are required for service and how many spares of each car type are necessary to support maintenance?
 - How many train sets are required and how many spare train sets are necessary to support maintenance?
- Is a train set or standalone car consist longer for a given capacity? Does this impact on station sizing and switching operations?
- How do you choose to deal with surge capacity requirements?
- Can train sets be multiplied?
- Are all train sets the same size and configuration?

Maintenance Requirements:

- Sizing of shops to meet the equipment lengths being brought in
- Utilization of specialist equipment
- Likely labor training issues with alternative skill requirements
- Spares requirements to support the maintenance cycle
- Impact on future maintenance cycles if additional cars are added
- Crash damage takes a train set out of service until repair is complete

Aesthetics:

- Neither type has an advantage for interior configuration
- Neither type of car has an advantage for exterior shaping
- Modern, aerodynamic styling is a requirement both for customer image and reduced drag for 125mph service

- Standalone cars can have an aero cab car

External Appearance:



Train Set



Cars



Train Set



Cars

Interiors:



Train Set



Cars



Cars



Train Set

Discussion:

A lengthy discussion ensued upon the completion of Rob Edgumbe's "101 on Train Sets / Standalone Cars".

Mario Bergeron pointed out that one of the items to be considered is the lack of facilities to accommodate train sets on the conventional side.

Caitlin Hughes Rayman asked Dale Engelhardt – "How do you get a standard specification for train sets?" Dale responded that there are 4 car types – "and you configure the train set. The 1-6-1 specification is aligned for a train set, but blocked in specific cars".

The discussion continued with a focus on immediate needs. The question was posed to Amtrak in regards to the timing of their need to procure single level stand alone cars. When do you need them? How many are called for in the Fleet Plan? The response was that Amtrak's plan calls for 65 single level stand alone cars every year for 20 years. The first delivery of stand alone cars is scheduled for 2014. In summing it up, Amtrak CFO DJ Stadtler, noted that the Amtrak Fleet Plan "anticipates a ton of stand alones and only a few train sets."

Mario Bergeron commented that the stand alone car is part of Amtrak's plan to manage its growth.

DJ added that much of our service is on the NEC and stand alone cars help us in accommodating increased ridership during holiday seasons where we are able to add cars, but do not have enough slots to add train sets.

Some of the states raised concern about whether or not there is a market for train sets and if by reprioritizing train sets in advance of stand alone cars –"we are falling behind".

In the case of the stand alone cars – Amtrak will essentially provide the market.

The general response to the market for train sets was that there is an immediate need for a specific number of train sets for specific states (Wisconsin, Oregon and Washington), that have plans and funding in place. It was also pointed out that there is clearly a market for train sets, as there is a manufacturer making them – but whether or not other manufacturers “dive into the market” is an unknown.

A point of emphasis was that the specification will not be tailored to one manufacturer; and the states that are interested in train sets will adhere to the PRIIA Train Set Specification as it is developed. Mario Bergeron noted that “if we are to go with a train set specification – the spec will not decide the manufacturer.” Both Washington State and Wisconsin agreed – stating that “it will be a competitive RFP”.

Pat Simmons of North Carolina DOT was able to join in the discussion via conference call. In reference to the potential market for train sets, Pat commented that NCDOT found that “if the volume is large there is competition, but there is an incumbent.”

The two states again emphasized the fact that there is a timeline issue – and that the “305 spec is the only way” they can use ARRA funds for the train sets.

Caitlin Hughes Rayman expressed the point of view that there is not enough information to make a decision today. She commented that her concern was the long term market. “Do we know enough about the market place that it will support 2 single level specifications?”

Bill Bronte, commented that there are clearly “multiple sets of competing needs – all of which cannot be addressed – is it feasible?”

Caitlin asked if we are “improving rail car procurement by doing all of these types of specifications?”

Kevin Kesler responded that “even if we come up with 3-4-5 car types we have served the industry well.” Stan Hunter, Caltrans, agreed – stating that there is “a necessity for multiple car types” and that the S305 Committee “is laying the foundation for 10-15-20 years down the road”.

Pat Simmons stated that NCDOT is looking at a variety of solutions long term. “the near term interest of North Carolina is rehab cars” and “our applications for ARRA continues that. We will grow our capacity vertical (bi-level) and we’ll look long term at a variety of equipment types.”

Bill Bronte suggested, “let’s find a pragmatic solution – how do we do this? We need to recognize that certain states have needs – this process shouldn’t penalize states that made decisions pre-ARRA – PRIIA. If we prioritize train sets first what is the implication of funding for Amtrak Stand alone procurements?”

Bill also asked all of the states represented at the meeting, including New York – which had joined the call for this discussion, if they were ready to procure stand alone cars or any equipment at this point. No states, other than Wisconsin and Washington State, expressed the ability to procure new equipment now.

Mario Bergeron, as Chair of the Technical subcommittee made it clear that “we need direction today, one way or the other – not one or the other – but which comes first.” He cited that the inherent risk in developing the train set specification is that the subcommittee “will come out with something that looks like a train set, but not looking like any vehicle out there today...It’s an industry process which means that the sets will be very different than Wisconsin already has ordered. This will be very different than the original train sets if we are to engage the industry” where at this point in time “there is only one manufacturer outside of the arena of PRIIA.”

Kevin Kesler responded on behalf of FRA that this was “not our doing – it’s Congress’.” Kevin went on to ask the question the – “Is there to be a specification designed for Talgo equipment?”

Ron Adams (Wisconsin) and Scott Witt (Washington State) both disagreed with any inference that it must be Talgo equipment. They were emphatic that the spec should be an industry spec and Ron Adams stated that “what it is – it is...there is no guarantee that the spec will come out as we drew it up.”

Kevin Kesler stated that “we have a dilemma...we are trying to match up our past with our future.” There are 2 constants –funding and long term perspective. “Do we focus long term as per PRIIA or do both – pressing immediate needs and then long term?”

Rob Edgcumbe asked – “If we do a spec for train sets now – is that against PRIIA?” The response around the table from the members was – no.

Bill Bronte made a recommendation that “we do the immediate need – train sets – now – strike now with a commitment to live with whatever comes up out of the process” in terms of an industry specification.

Fred Woolsey reminded the Board that “much of what you do for train sets will also be designed for single level stand alone cars.”

Ron Adams stressed that one of the major keys to their original decision to go with train sets was On Time Performance (OTP). “Tilt turned out to be the way it went – we didn’t care one way or the other.”

The discussion turned to the timelines for developing a train set specification. Mario Bergeron stated that there could be a different timeline for train sets than for single level stand alones. The mandate is to have the Locomotive and single level specifications completed by December 31, 2010. He asked Dale Engelhardt – “Can you do train sets by the end of December?” Dale stated that he could do either one – train sets or stand alones by the end of December deadline – but not both. If the train sets were to be done first – he could then do the stand alones by June 30, 2011 – beginning the process in January, 2011.

DJ Stadtler raised the concern that by doing train sets first for completion at the end of December and then stand alones – “there will be about a half a dozen train sets to be ordered on the street” and “we may lose six months.”

Ron Adams responded to a question from Pat Simmons –“would you be looking to grow over 3-5 years?” Ron answered: “Yes – at least 8 in the 3-5 year period.”

After over an hour of discussion, it was suggested by Al Ware that the discussion be closed and that the Board move to a motion on prioritization. The members agreed that it was time to move to a decision.

Chairman Bill Bronte agreed to entertain a motion. Ron Adams, Wisconsin, moved that the S305 Executive Board reprioritize its single level specification development to include the development of train set specifications first; with stand alone cars next.

After additional discussion, the Board was reminded by the Chair that there was a motion before it. Scott Witt, Washington, seconded the motion. Steve Hewitt was asked to read the motion for a second time to ensure that all members were aware of what the motion was. Steve read it back as a motion from Ron Adams, seconded by Scott Witt, to reprioritize single level car specifications to develop train set specifications first; and stand alone cars next. Steve added the clarification of the intended timeline that was being considered – train set completion by the end of December, 2010 (at the same time as the locomotive specifications are to be completed) and stand alone cars completed by June 30, 2011 – beginning as early as January, 2011.

With the motion made, accepted and read twice, Steve was asked to poll the Board members. Steve reminded the Chair that he held the proxy for New York State for the initial vote on the Bi-Level specification approval only; and that New York had specifically granted its proxy to Maryland DOT for “any vote on reprioritization”. Bill agreed that this was the case. Steve also confirmed that Pat Simmons, who had given Bill Bronte his proxy for the earlier vote, was still on the phone and intending to cast North Carolina’s vote for himself. Pat confirmed his presence and intention to vote. The earlier proxies – Missouri for Oklahoma and California for Louisiana, remained as they were.

Steve began to poll each member of the Board – during the process – Kevin Kesler had stepped out of the room for a few minutes – upon his return – he was asked to vote and he cast his vote in favor of the motion. At that point, Caitlin Hughes Rayman, asked for assurance that Kevin had heard the motion. Steve Hewitt was asked by the Chair to repeat the motion for a third time. Kevin concurred with the motion and voted, again, in favor. The final poll of the Board resulted in the following votes being cast:

On the motion to reprioritize the single level specification development to have the train set specification developed first and stand alone cars next:

California voted, Aye; Louisiana (cast by California) voted, Aye; Missouri voted Aye; Oklahoma (cast by Missouri) voted Aye; Georgia voted Aye; Wisconsin, voted Aye; Washington State voted Aye; North Carolina voted, Aye; Iowa voted, Aye; Maryland voted, No; New York (cast by Maryland) voted, No; DJ Stadtler, Amtrak, voted No; Mario Bergeron, Amtrak, voted Aye; and Kevin Kesler, FRA, voted Aye.

With a poll of the voting members of the S305 Executive Board establishing that 11 of 14 voting members were in favor of the motion; Bill Bronte concluded that the motion had carried (consensus being achieved). Train set specifications would be developed (along with the Locomotive specification) first – to be completed by the end of December, 2010 and the single level stand alone cars would be the next specification to be developed.

Report from the Administrative Task Force:

Rod Massman, Chair of the Administrative Task Force, reported on its activities over the ensuing months since the May meeting of the Executive Board. Rod's report included a number of key policy discussions and recommended By-Law changes offered by the Task Force for Executive Board consideration.

NGEC Committee Proposed By-Law Changes as Approved by the Administrative Task Force

- Rod reported that Conference calls were held on this topic on: June 25, 2010, July 16, 2010, and August 20, 2010.

The proposed policies for consideration of the Board are as follows:

- **Indemnification.**

Each member of the Executive Board in his or her capacity as an Executive Board member, officer or both, or in his or her capacity as a Subcommittee/ Task Force member or both, shall be indemnified by the Section 305 Committee against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon him or her in connection with any proceeding in which he or she may become involved by reason of being or having been a member and/or officer of the Executive Board/Subcommittee/Task Force, or any settlement of any such proceeding, whether or not he or she is an Executive Board/Subcommittee/Task Force member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board/Subcommittee/Task Force member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his or her duties or any other standard imposed by federal law; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he or she is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the 305 Committee.

- **Section 305 Committee Policy on Electronic Voting**

Any vote called outside of a face-to-face meeting convened by the Section 305 Executive Board may be conducted electronically by email.

The vote shall be initiated by the Chair or his/her designee and administered by the manager of support services for the Section 305 Committee who shall notify each member by email (and phone if no response is received). The vote will remain open until all members have voted but for not longer than three business days. All members eligible to vote are expected to make their best effort to participate in the vote; if a member is unable to participate, he/she may designate someone to vote by proxy by notifying the Chair or designee in advance. The notification should specify whether this is to be a standing proxy or specific to a particular vote or time period, and should include the name, title, organization, current email address, and phone number for the proxy holder.

At the conclusion of any vote, results will be provided electronically to all members of the voting body.

Any subcommittee or task force of the Section 305 Committee which wishes to conduct electronic voting may adopt either: (1) its own policy on electronic voting, or, (2)

this policy. Once any policy is adopted, the subcommittee or task force is bound by that policy.

Discussion: Procurement Policy Process:

The following spreadsheet was then also presented to the Board for discussion purposes:

	<i>Administrative T.F.</i>	<i>Technical or Finance S/C, as appropriate</i>	<i>Executive Board</i>
<i>New Contracts, Consultants, Procurements, Dues & Subscriptions, any task order either singly or in a group, any other single invoices over \$50,000.00</i>	<i>Full Task Force AND</i>	<i>Full Subcommittee (if related to Technical or Finance matters, as appropriate) AND</i>	<i>Final Approval by Full Board</i>
<i>Invoices by approved contractors, consultants and vendors for items covered in existing contracts, up to the existing limit in the budget for that contract.</i>	<i>Chair of A.T.F.</i>	<i>Chair (or Designated Point Person/Project Manager with chair's permission)</i>	<i>Chair of 305 Committee</i>
<i>Invoices by Sec. 305 members for travel related to Sec. 305 meetings, contractors that are already contractually obligated to AASHTO and are performing duties of the same general nature they do for AASHTO for the 305 Committee, expenses of program accounting and</i>	<i>Amtrak</i>	<i>Amtrak</i>	<i>Amtrak</i>

<i>management, support services for meetings that are not independent contractors</i>			
<i>Invoices for items not under contract, --new items from approved contractors and vendors; -- non-travel expenses by Sec. 305 members --any other miscellaneous expenses not covered by the above</i>	<i>Full Task Force AND</i>	<i>Full Subcommittee (if related to Technical or Finance matters, as appropriate) AND</i>	<i>Final Approval by Full Board</i>

The Proposed By Law changes were submitted to the Board as follows:

1. In 4.6, Voting, change “may vote in person, by telephone or by proxy” to “may vote in person, by telephone **or e-mail**, or by proxy.” to allow the members of the Executive Board to vote by e-mail if they wish
2. In 5.3, Term of office, change “FRA Administrator” to “FRA **Representative**” to be consistent with the rest of the bylaws.
3. In 5.5, Unanimous Consent, rewrite sentence so the unanimous consent is not in future tense by rewriting: “shall be signed by all” to “**is** signed by all”.
4. In 6.1, Standing Subcommittees, to reflect what the preference of the Executive Committee is that both of the subcommittees be chaired by Amtrak, change: “serve as an officer” to “serve as **the Chair**”.
5. In 7.4, to reflect that the administrative task force actually does have a budget of its own and that is permissible, not just suggested, change “or any Subcommittee” to “any Subcommittee **or task force**”.
6. In Part B.1.c, finish the following sentence which currently just ends. “concerning equipment types based upon the.....” to “concerning equipment types based upon the **Board’s sound discretion**.”

The summary of the S305 Committee Proposed Policies/Bylaw changes and items for discussion were as follows:

1. Proposed liability policy;
2. Proposed procurement policy;
3. Proposed electronic voting policy;
4. Increased interaction with the Finance Committee;
5. Compilation of compact language

Discussion:

Throughout the presentation, and at the conclusion – there was substantial discussion in regards to the Administrative Task Force proposals.

A summary of the ensuing discussion:

In regards to the proposed Indemnification Statement – it is the general view that this is at the discussion stage at this point and is not yet ready to be considered for approval by the Board. There are questions that still need to be answered and issues that need to be resolve, such as:

The S305 Committee is not an established entity at this point, if it becomes one – would that have an impact on what has gone on before?

It may be prudent to wait until the Board has resolved the procurement process and has gone to the procurement level before having an indemnification statement.

It was generally agreed that since all of the Board members are authorized by their agencies (states, Amtrak, FRA) to participate on the Board, on behalf of their respective agencies – they should be protected by their indemnification polices of that agency or office.

The issue, however, may need further discussion of this to address the requirement in the Bylaws that the 305 Committee will develop an indemnification statement/policy.

Next, in regards to the procurement approval process matrix as developed and presented to the Board – a number of modifications were discussed including; providing a contact name in the matrix chart associated with each item – to clarify sign off; establishing who is responsible for approving that particular procurement.

The Board agreed that the matrix, as presented, was a good start, but that more work needed to be done. It was decided that the Task Force and the Finance Subcommittee will form a joint Sub set of the two groups to work on refining the process and will then bring a revised proposal forward to for approval of the full task force and Finance subcommittee and then on to the Board for its approval at its next meeting.

In regards to the Bylaw changes proposed – there was some discussion over when Bylaws changes can be adopted by the Board – at the Annual meeting, or at meetings of the Board held throughout the year. The Board determined that it would consider the proposals for bylaw changes as proposed at this meeting, based on the existing language in the Bylaws. It was also pointed out, by Nancy Greene, that there were a number of additional “technical corrections” that needed to be made to the Bylaws; and it was agreed that Nancy would revise the current Bylaws to reflect the changes/amendments agreed to today, and would make the “technical changes” to the document as well, and present it to Bill Bronte for his approval and subsequent posting to the AASHTO web site.

The following actions were taken:

Electronic voting: on the policy for electronic voting, after minor wording changes, the policy was approved on a motion to approve by DJ Stadtler, and a second by Caitlin Hughes Rayman; motion was approved unanimously.

On the technical amendments to the actual Bylaws:

- 5.3 – on a motion by Al Ware and a second by Ron Adams; the Board unanimously approved the change as proposed.
- 5.4 - on a motion by Al Ware and a second by DJ Stadtler; the Board unanimously approved the change as proposed.
- 6.1 – This proposed amendment was withdrawn from consideration.
- 7.4 – On a motion by Caitlin Hughes Rayman and a second by Ron Adams; the Board unanimously approved the change as proposed.
- B.1.c – On a motion by Ron Adams and a second by Amanda Martin; the Board unanimously approved the change as proposed.

In regards to Indemnification: On a motion by Caitlin Hughes Rayman and a second by DJ Stadtler; the Board unanimously agreed to add this issue to the scope of work for future procurement of legal services to address procurements and contracts.

An additional note in regards to the policy on electronic voting: On a motion by Al Ware, and a second by Kevin Kesler; the Board unanimously approved the policy as proposed with a minor revision that provides for a uniform way to notify the Board members that the vote is to take place. The revision will call for a phone call and email notification of each member. (Note: If a member responds by email – there will be no need for a call as well – only if no reply is received to the original email notification) This notification will be made by the Support Services Manager.

Report from the Finance Subcommittee – DJ Stadtler:

Finance Subcommittee Chair, DJ Stadtler provided an update on the key activities of the subcommittee; and an assessment of the proposed procurements approval process matrix.

Update of Key Activities

- Biweekly Conference Calls Continue
- Agreement that Subcommittee should develop list of funding and financing opportunities to consider, as well as exploring partnerships among states, Amtrak and the industry.
 - TIGER grants
 - Appropriations process
 - HSIPR Grants
 - RRIF Loans
- Understanding that some states would not be able to pursue TIGER grants, but that the subcommittee should still look at all possibilities.
- Two primary issues associated with purchasing appear to be match and the size of the orders
- Agreement that that the subcommittee begin to look into partnerships and ways to collaborate both in finding ways to provide match and to develop large enough orders to attract the industry and build a credible and steady production line.
- Extensive discussion surrounding the various opportunities for partnership: states looking to purchase new equipment – manufacturers who may be interested in pursuing the domestic market aggressively and willing to possibly provide the “up front” match.
- Agreement that we should explore possible firms with who to have a P3 discussion - but that we need to be sensitive to the fact that, at this time, the subcommittee cannot agree

to enter into a contract with consultant or legal firms until an approval process has been developed.

- AASHTO tasked with coordinating the development of an options paper for subcommittee to consider.

Approval matrix:

- Administrative Task force developed an approval authority matrix which was subsequently reviewed by Finance.
- It was generally agreed (by ATF and Finance) that the matrix, as presented, was a good first step – work in progress.
- Concerns are raised about the multiple layers of approvals described in the initial draft. The view of the subcommittee is that the process should be simplified in a manner conducive to getting bills in and out quickly, and that the process should reflect the lowest common denominator.
- Agreement that the process should emphasize consistency, clarity, transparency and accountability.
- Proposal to maintain a tracking process similar to the “Action Items” matrix used by Steve Hewitt in keeping a record of agreed to actions at the Board, subcommittee and task force level. This process would ensure that expenses are codified – itemized and managed in a concise and transparent manner.
- The subcommittee expressed the view that Steve Hewitt, who, as Manager of the S305 Support Services, may be best suited to manage contract “to do’s” and status among the Board, subcommittees and task force, as he is involved in all aspects of the S305 Committee, and reports on and monitors all activities/action items. Steve was asked to think about developing a system which would be similar to the running action items matrix used now, but would be for the purpose of codifying and managing contracts and their status with the ability to easily cross walk with Amtrak.
- Need for a mechanism for the subcommittees and/or task force to manage contracts that they may engage in due to a variety of unforeseen occurrences. Primary example – the recent technical subcommittee meeting in Chicago – where the expenses for the meeting space were managed through the subcommittee – rather than as an AASHTO support service. Reimbursement is more complicated as there was no provision in the Budget or grant agreement that addressed this.
- There will need to be flexibility in the process to allow for remedies to be applied to appropriate expenses (such as the Chicago meeting) that are not specifically addressed in the funding grant agreement. A structure will need to be put in place to address changes that may occur which result in the need for a modification of the scope of work or budget with a cross walk to allow for modification of the funding grant agreement, while staying within the confines of the approved budget.
- Since the S305 Committee, as currently structured, is not an entity (corporation) which can hold or manage contracts; there is a sense in the subcommittee that any one of three entities could be the one contract holder on behalf of the S305 Committee – AASHTO, Amtrak or FRA – and that the structure should be established as “one stop shopping” – one contract holder.
- It was also the opinion of the Finance subcommittee that where you have an approved budget and an invoice for costs within the budget and consistent with it, (as with AASHTO’s support services budget) approval levels should not be required. Detailed, clear and concise reports should be documented and available, upon request, but the invoices should be paid in a timely manner consistent with the approved budget.

- New contracts will be a different scenario – if there is, at some point, the need for a single contract at a considerable level (such as \$50,000) multiple layers of approval may be required.
- In all cases – documentation, transparency and codification are the keys to managing procurements and processing expenditures.

Discussion:

As indicated during the Administrative Task Force report, it was agreed that the Matrix was a good start and that there was more work to be done. Again it was determined that there would be a sub group formed of members of the subcommittee and the task force to revise and refine the matrix and present it to the Executive Board at its next meeting.

Steve Hewitt was asked to provide all members of the Board and subcommittee with a copy of the Finance subcommittee power point. (Along with all presentations given during the Board meeting – the Finance subcommittee presentation is included in the Board minutes and will be posted on the AASHTO website: www.highspeed-rail.org)

Report from Amtrak – Stephen Gardner:

Stephen Gardner provided an overview of Amtrak's Appropriations outlook, the Status of the Amtrak Fleet Plan, an update on Authorization, and a congressional outlook. (Full presentation is posted on the AASHTO website: www.highspeed-rail.org.)

Highlights of Stephen's presentation:

FY11 Appropriations Perspective:

- FY11 is a tough year
 - Administration's budget proposed freezing non-security discretionary spending
 - House bill would cut DOT discretionary budget authority (non-ob limit) by over 6% from last year; Senate by 3%
- Rail is faring reasonably well
 - Amtrak aggregate capital amounts exceed FY10, FY11 Administration proposal
 - HSIPR cut but should at least match Administration request; still above authorized levels despite outlay rate challenge
 - PTC grants on target to well exceed FY10, authorized levels
 - There will be a TIGER III

Status of Amtrak Fleet Plan:

- FY10 Appropriations law required Amtrak to submit a comprehensive fleet plan to Congress
- Plan was submitted in February 2010
 - First of its kind for Amtrak
 - Outlines program of procurement and management of fleet through 2040
 - Establishes norms for equipment life expectancy; identifies rolling stock for replacement; sets schedule for domestic construction of new equipment
 - \$23 billion over 30 years
- In March 2010, Amtrak revised its FY11 grant request to include an additional \$446 million for fleet acquisition

- Congressional reaction appears favorable
 - House report recommends \$127.5M
 - Matches fleet plan annual cash flow requirement for 2010
 - Report: plan “is a bold initiative that adds long-term structure to Amtrak’s fleet acquisition process.” Committee believes this type of planning “is critical to the development and support of a domestic manufacturing base for rail.”
 - Senate does not make a specific recommendation, but provides healthy overall capital figure
 - Both reports encourage use of RRIF
- Discussions regarding possible financing ongoing (RRIF, debt, approps, etc)
- Initial procurement: 130 single-level cars for LD service
 - 5 year, \$300m contract with CAF USA
 - Will support 575 jobs in Elmira, NY
 - First year being paid for with \$30m in higher-than-budgeted revenue
- Currently reviewing bids to replace NEC locomotives

Surface Transportation Reauthorization:

- Current extension expires December 31
 - \$34.5b in general revenues transferred to HTF (\$29.7 to highway account) in past 24 months
 - Will future extensions follow ARRA model of rail eligibility?
- Industry pressure for action during lame duck session
 - 20% unemployment in construction sector
 - ARRA winding down
 - HTF projected to become insolvent (again) by 2012
 - DOT principles forthcoming
- No consensus on revenue
 - 1982: Concept of Mass Transit Account helped get 5 cent/gallon tax increase
 - Can HSR play a similar role in the next reauthorization?
 - Must be paired with a clear federal vision, purpose, plan (including a map) so that public knows what’s at stake
- National surface transportation policy should articulate clear strategic objectives
 - Energy/climate security; economic competitiveness; safety; etc.
 - Rail can play a key role in many of the pressing issues of the day
- Investment decisions should be accountable to those objectives
- Provide for a comprehensive and robust planning process
 - Improved data and modeling to accurately measure performance
- Transition to a mode-neutral framework
 - Organize programs by purpose and outcomes; promote transportation choices
- Current need for dedicated intercity passenger rail program
 - “Catch-up” period necessary for ultimate shift to true multi-modal structure
- Eliminate redundancies in environmental review process without affecting quality or integrity of process
 - HSR development will necessarily involve some significant local environmental and property impacts, but there are larger-scale benefits to be gained.
- Consider a diverse portfolio of options to raise substantial and sustainable amounts of new revenue

Amtrak Leadership:

- 3 new board members confirmed in June
 - Anthony Coscia – Board Chairman of Port Authority NY/NJ
 - Bert DiClemente – Extensive commercial real estate experience; former state director for then-Sen. Biden
 - Jeff Moreland – Former Executive VP for BNSF
 - 8 of 9 positions are now filled
- Joe Boardman retained as CEO through 2013
 - Unanimous board decision
 - Will bring stability and consistency

Congressional and Gubernatorial Outlook:

- Washington Post-ABC News poll from July: 47% of generic ballot respondents favor Republicans; 46% Democrats
- August 1994: 49% D; 42% R
- Obama approval rating at 44% in latest Gallup polling
- Clinton approval rating 39% in August 1994
- Intensity gap: Republican base motivated to vote
- Unemployment at 9.5% (only 5.6% in 1994)
- Change in control means new Chairmen, potentially new stances toward Amtrak, HSIPR
- 37 states will elect Governors in 2010; 24 are open contests
 - HSR as a campaign issue in some states
 - Of 15 states with Amtrak partnerships, 11 have open races and 7 are competitive or likely to switch parties
- Agenda likely to be dominated by deficit politics
 - Bowles-Simpson Commission vote by Dec. 1 – need 14/18 to send to Congress
 - Discretionary spending will get tougher and tougher
 - How do we do more with less?
 - Rail investments have many co-benefits
 - Return of gas tax for deficit reduction?
 - Could reduce attractiveness of gas tax as transportation revenue source, but could also inspire more energy-efficient travel decisions

Report from FRA – Kevin Kesler:

Kevin Kesler gave a brief update on FRA activities. He reiterated the Administration's resolve to adhere to Buy America requirements; and reminded all Board members that there is no discussion to waive the 100% Buy America requirement.

Member Comments/Roundtable Discussion –All:

Discussion around the table ensued on a number of topics including:

The NEC Section 212 Committee is hoping to get underway by the end of December.

The requirements documents for the specifications being prepared by the technical subcommittee need to be developed asap.

Level Boarding is back in play – the USDOT response and action will be forthcoming in the near future.

It was suggested that the Committee should be looking at system areas for consistency in regards to train sets and stand alone cars to point out areas that may be different or similar.

The topic of organizational issues in regards to procurement was raised as well. The Board needs to know where it wants to go. It was noted that the charter of the Committee may be longer than originally conceived. Kevin Kesler suggested that a straw man be developed with a long term agenda for the next 5 years. It was agreed that a sub set of the Executive Board should be established to develop the straw man proposal and present it to the Executive Board for approval. There was no action taken to name the sub set members nor was a timeframe determined.

Next Steps/Review of Action Items – Bill Bronte/Steve Hewitt:

Steve will provide a new “action items” list (attached) and circulate it to the Executive Board Members. Steve will also track the action items status, as with the previous “action items” list.

Planning the Annual Meeting of the S305 NGEC: it was agreed that the Board should hold an annual meeting, as per the Bylaws, and that the meeting should be held in Washington, DC in early to mid February. Kevin Kesler will look into the availability of space at the DOT facilities in which to hold the meeting. As members of the industry will also be invited to attend, the meeting space will need to be large enough to accommodate approximately 450 people. Rob Edgumbe and Steve Hewitt will work with the AASHTO staff to plan the logistics for the meeting. The intent is that the business agenda for the meeting will include the approval of the next sets of specifications by the Executive Board. Timeline is to accommodate the Technical Subcommittee approval of the specifications by December 31, 2010 and the subsequent Review Board – review and recommendations – with ample time for the Executive Board to review the recommendation and the specifications in preparation for voting on them at the Annual meeting.

Adjournment: The August 31, 2010 meeting of the S305 NGEC Executive Board adjourned at approximately 5:20pm.

Attachments:



PRIAA Section 305 Next Generation of Equipment Committee

Executive Board Meeting

Agenda

August 31, 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 – 9:00 am	Welcome and Introductions – Bill Bronte	
9:00 - 9:05 am	Approval of the Meeting Summary of the 5/26/2010 Exec Board Meeting and the decisions/action items summaries of the June 2 executive Board Conference Call and the July 21 Executive Board Webinar– Bill Bronte	
9:05 – 9:15 am	Review Exec Board Action Items established May 26 th – Steve Hewitt	
9:15 – 10:00 am	Bi-level Specification Review Board Report	Bill Bronte/ Larry Salci
10:00 – 10:30 am	Bi-Level Specification – discussion/vote	Bill Bronte
10:30 – 10:45 am	Break	
10:45 – 12:00 pm	Report from Technical Subcommittee – Next Steps	Mario Bergeron
	a.) Single Level specification -	Mario Bergeron
	b.) Locomotive Specification -	Mario Bergeron/Dale Engelhardt
	c.) Configuration Management -	Mario Bergeron/Dale Engelhardt
12:00 - 1:00 pm	Lunch (part of this time will be a working lunch)	



12:30 – 1:00 pm	Follow-up on States Equipment Needs Survey -	David Ewing
1:00 – 1:30 pm	Policy Discussion – trainsets/stand alone – Tilt - non tilt	Bill Bronte
1:30 – 2:15 pm	Report from Administrative Task Force -	Rod Massman
	a.) Vote on proposed By-Law Amendments -	Rod Massman
	b.) Policy recommendations: Rod Massman/Caitlin Hughes Rayman	
	1. Discussion of Liability/Indemnification Policy/Statement	
	2. Discussion Procurement Policy/Process	
	3. Proposed Electronic Voting Policy for consideration	
	4. Increased Interaction with the Finance Subcommittee	
	5. Compilation of Compact Language	
2:15 – 3:00 pm	Report from the Finance Subcommittee – DJ Stadtler	
3:00 – 3:30 pm	Budget Report/Status – Bill Bronte	
3:30 – 3:45 pm	Break	
3:45 – 4:15 pm	Report from Amtrak – Stephen Gardner	
4:15 – 4:45 pm	Report from FRA – Kevin Kesler	
4:45 - 5:15 pm	Member Comments/Roundtable Discussion - All	
5:15 – 5:30 pm	Next Steps/Review of new Action Items - Bill Bronte/Steve Hewitt	
5:30 pm	Adjournment	



S 305 Executive Board Action Items – August 31, 2010:

- Technical subcommittee to work with FRA to develop a rationalization list and change and responsibility process for PRIIA specification Control Management – to be presented to the Executive Board at the next meeting – planned for early to mid-February, 2011
- The Administrative Task Force and the Finance Subcommittee will form a joint subgroup for the purpose of refining/revising the proposed procurements approval process matrix and policy statement. The subgroup will present its recommendations to the full Task Force and Subcommittee membership for approval – and will submit to the Executive Board for its consideration at the next (February, 2011) meeting of the Board.
- Nancy Greene, Amtrak, will revise the current version of the S305 Bylaws to add in the changes/amendments as presented by the Administrative Task Force and approved by the Board at the August 31 meeting. Nancy will also make “technical corrections” discussed at the Board meeting and provide the revised document to Bill Bronte for approval. This should be completed as soon as possible.
- Once the revised Bylaws have been approved by Bill Bronte, Steve Hewitt will notify AASHTO staff to replace the current Bylaws document with the revised version on the AASHTO website: www.highspeed-rail.org.
- The Board, through the Chair, is to create a subset of Board members to develop a straw man long term agenda for the S305 Committee for the next five years – this assignment should be made prior to the next Executive Board meeting for development and submission to the Board at the February, 2011 meeting.
- The issue of indemnification is to be included in the “scope of work” for future procurement of legal services to address procurement and contract issues. (No specific timeline – as needed basis)
- The next meeting of the Executive Board will also be its Annual Meeting, as called for in the Bylaws. The intent of the Board is to hold the meeting in early to mid February, 2011 in Washington, DC. Kevin Kesler to look into the availability of meeting space to accommodate up to 450 people at USDOT facilities. Kevin is to notify Steve Hewitt of availability dates by the end of September.
- Steve Hewitt and Rob Edgcumbe will work with Andrea Ryan, AASHTO, on logistical arrangements for the Annual Meeting of the Board and keep Board members apprised.