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# SECTION 305 NGENC Executive Board

MINUTES

DECEMBER 7, 2015

11:30 EASTERN

CONFERENCE CALL

<b>FACILITATOR</b>	<i>Eric Curtit, Chair, S305 NGENC Executive Board</i>
<b>ATTENDEES</b>	<b>Board Members:</b> <i>Eric Curtit, Mario Bergeron, Ray Hessinger, Michael Lestingi, Darrell Smith, Jason Biggs for Ron Pate, Bruce Roberts, Arun Rao, Arun Rao also as proxy for John Oimoen, Allan Paul for Paul Worley, Michael Jenkins, Brian Beeler II</i> <b>Support Staff:</b> <i>Jonathan Dees, Steve Hewitt, Shayne Gill, Bryan Hong, Larry Salci, Lynn Everett Dale Engelhardt, Jeff Gordon</i>
<b>ABSENTEES</b>	<b>Board Members,</b> <i>Tammy Nicholson, Paul Worley, John Rosacker, Ron Pate, Tim Hoeffner,</i> <b>Support:</b> <i>Dave "Emeritus" Warner, Momo Tamaoki, Nico Lindenau, Beth Nachreiner, Patrick Centolanzi, Sal DeAngelo, Vincent Brotski, Tammy Krause</i>

## DECISIONS MADE

**1. Welcome –Eric Curtit, Chair, S305 NGENC Executive Board:**

Chairman Curtit, opened today's meeting and asked Steve Hewitt to call the roll.

**2. Roll Call –Steve Hewitt, Manager, S305 NGENC Support Services:**

Steve Hewitt called the roll and confirmed the presence of a quorum.

**3. Review of Action Items – Steve Hewitt:**

All action items are covered under today's agenda with the exception of the last one - noted below – preparation of a draft agenda for the Annual Meeting.

Ray Hessinger reminded Steve Hewitt that states will, again, need the invite letter (template prepared last year) to assist in obtaining travel approval.

## Action Items Status Update

**Mid-West States – Section 6 progress report:** The states are in the final stages of finalizing a multi-state ownership agreement. Attorneys for the states are meeting today (11-10-15) and it is anticipated that a final draft will go to the states over the next week or week and a half. The next major issue to be resolved is that of insurance. The two RFPs (fleet manager and fleet maintainer) have not yet been finalized for release.

### Agenda item 5

**514 Subcommittee update:** The 514 subcommittee has begun work on minor updates; continues to work through policy issues with the SAIPRC. The next call is scheduled for 11-16-15.

### Agenda item 11

**The Finance and Administrative subcommittee continues to look at potential funding options and strategies for the future of the NGENC:** (ongoing) The subcommittee is finalizing its report and recommendations on future funding options, and will meet on 11-18-15 to consider approval and submittal to the Executive Board. Board consideration is anticipated to occur on 12-7-15.

**Status: The report was distributed to all Board Members on 11-19-15 for review with consideration of acceptance anticipated to take place on today" Executive Board call (12-7-15)**

### Agenda items 6 and 7

**Dual Mode Locomotive (DC 3<sup>rd</sup> Rail) specification Approval:** Larry Salci has begun his review of the Dual Mode (DC 3<sup>rd</sup> Rail) Locomotive specification. Due to schedule conflicts, the report will not be before the Review

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Panel until early December, with Board approval to follow by mid to late December.

**Agenda item 10**

**NGEC Annual Meeting – 2016:** The NGEC's 2016 Annual Meeting will take place on 2-19-16 at the Hyatt Regency Washington Capitol Hill. Steve Hewitt will send an appointment notice to all NGEC members to hold the date. The meeting will be held in conjunction with the AASHTO SCORT Washington DC meeting taking place on 2-17-18-2016.

**Status: Board members were provided all reservation information following the 11-10-15 Board call. Industry members received the reservation information two weeks later.**

**Steve Hewitt and Eric Curtit will formulate a DRAFT meeting agenda for Board member review and input.**

**Steve Hewitt will provide the invite letter to states for purposes of obtaining travel approval.**

**4.**

**Approval of the Minutes from the 11-10-15 conference call – Eric Curtit:**

On a motion made by Mike Jenkins, Oregon DOT, and a second by Brian Beeler II NNEPRA/Maine DOT, the minutes from the 11-10-15 Executive Board conference call were approved without exception.

Note:

Eric Curtit mentioned the FAST Act that has just been signed into law by the President. There are some relatively minor changes to the section pertaining to the NGEC – one being the inclusion of Labor as a participant. A review of FAST will be made, and Eric will report back to the Board with regard to impacts if any from changes contained in the Act.

**5.**

**Progress Report: Mid-West States – Arun Rao, Wisconsin DOT for Tim Hoeffner, IDOT:**

Arun Rao, Wisconsin DOT, reported that the group continues to work on cost and ownership sharing. They are close to having a final draft. Expectations are that the final draft will be ready next week (week of 12-14-15) and the agreement could be executed by all participating states by mid to late January (2016).

**6.**

**Review Report/Recommendations from the Finance and Administrative subcommittee FASC) – Darrell Smith:**

FASC Chairman Darrell Smith reviewed and summarized the FASC memo sent to the Executive Board on 11-19-15 on behalf of the full subcommittee. The memo provides background and context on the efforts of the FASC explore potential funding options for the NGEC beyond the current grant agreement expiration of 9-30-17 and reports its findings and recommendations to the Executive Board.

Darrell noted that, although the FASC had been exploring options for the past year, the activity had been ongoing for well over two years within various task forces and working groups, and all of the past information was provided to FASC members as background and context.

Ultimately, the FASC identified three funding alternatives (reprinted from the memo below):

**FUNDING ALTERNATIVES**

*As noted previously, the NGEC's current funding, provided by the FRA through a grant to Amtrak, expires September 30, 2017. The FASC researched three potential funding sources to continue the NGEC beginning October 1, 2017. While each of these potential sources is presented here independently of one another, in reality the NGEC can, and likely should, consider a blended approach using a mix of funding from each of these sources.*

A. Assessing Specification Use Fees

*The FASC worked with AASHTO and determined that the NGEC specifications can be offered for sale through the AASHTO on-line bookstore. In AASHTO and Amtrak's existing contractual relationship, AASHTO can apply a credit against its invoiced costs to Amtrak for any specification use fees collected through the AASHTO bookstore.*

*There are a number of policy issues related to this type of fee. The most significant is who will be charged, and how much will the specifications cost? Since implementing the Specification Utilization restricted access on the NGEC website, the majority of the requests have come from industry parts*

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suppliers, with some requests from specific rail operators (VIA Rail Canada) and equipment manufacturers, as well as numerous requests from those involved in the ongoing procurements.

The future need for the NGEC's specifications is significant for United States intercity passenger rail, as illustrated by the following two tables from Amtrak's Fleet Strategy, Version 3.1, providing the current number of passenger cars and locomotives in service and their respective ages. The generally accepted useful life for intercity passenger rolling stock is 30 years.

**B. Federal Grant**

The NGEC's federal grant will fund the NGEC's activities through September 30, 2017. There is no ability for FRA to provide additional grant funding without Congressional action.

The FASC established a Legislative Outreach Task Force to develop a message and strategy to request future federal funding. The Task Force has determined that the NGEC must present a case that the NGEC has efficiently and effectively used its existing funds and that it has specific actions to take to warrant future federal funding. Ideally, federal funds would continue at a rate of \$500,000 annually, with a provision for inflationary increases.

**C. PRIIA 209-Based Membership Fee**

The FASC considered several approaches to establish a membership fee for those state agencies funding intercity passenger rail service through PRIIA Section 209. Through this effort, the FASC evaluated the impact on each existing PRIIA 209 state corridor if the entire \$500,000 annual NGEC cost was distributed to each corridor based on:

- a. Flat fee per corridor
- b. Fee per number of units used, regardless of rolling stock ownership
- c. Percent fee of PRIIA 209 Turnaround and Car and Locomotive Maintenance Costs
- d. Percent fee of PRIIA 209 Total Route Costs

A table displaying these amounts is attached at the end of this memorandum.

Darrell emphasized that the FASC explored each option independently, but with an awareness that it is likely that a blend of all three is the most reasonable. Inconsistencies in demand and available funds make it unlikely that the NGEC could sustain itself by charging specification user fees; thus making it necessary to continue to request federal grants to, at least, supplement any fees received; and to potentially explore a membership fee such as the 209 type fee proposed.

Darrell also noted that the FASC had established a Legislative Outreach Task Force to develop a message and strategy for educating the Hill on the accomplishments of the NGEC and the value it has added by developing and maintaining standardized specifications.

**RECOMMENDATIONS TO THE NGEC EXECUTIVE BOARD**

Having completed its examination of potential funding sources, and having come to the conclusion that it would be most effective and efficient for the NGEC to conduct its activities as currently organized the FASC recommends the following actions for the NGEC Executive Board's consideration:

1. Consider a Specification Use Fee as a supplement to funding provided through a continuing federal grant and/or a PRIIA 209 support fee. Narrow the scope of a Specification Use Fee to the following two components:
  - a. Parts Suppliers, being the primary requestors of the specifications, charged a nominal fee to be recommended by the FASC by March 31, 2016.
  - b. Non-NGEC Members using a full specification for purchasing rolling stock charged a significant fee, on the order of \$250,000 per equipment-type specification, mechanics of which are to be recommended by the FASC by March 31, 2016. The mechanics include but are not limited to determining who is considered a NGEC Member for this purpose, developing the method of fee collection, and establishing the specification use rights of the purchaser.
2. Direct the FASC's Legislative Outreach Task Force to present a complete Congressional Outreach Implementation Plan by March 31, 2016, including draft educational materials for consideration for AASHTO's

*production, and specific next steps for members to request continuing NGEC funds.*

3. *Present the concept of a new annual PRIIA 209 support fee to the State Amtrak Intercity Passenger Rail Committee (SAIPRC) to determine the level of interest of the Amtrak state funding agencies. If SAIPRC expresses an interest, then the NGEC will direct either the FASC or a new task force to coordinate with SAIPRC a recommended methodology.*

*The FASC limits its recommendations to funding options only. Through its discussions, it is clear that the members have a number of concerns of the legal and organizational structure of the NGEC, especially if it collects specification use fees.*

Discussion:

Bruce Roberts, Caltrans, commented that for California and some of the other states like Illinois and New York, the 209 like membership fee would work better if it was based on the flat fee option.

Bruce also noted that he supports the NGEC and its ongoing activities as well as the value it adds, but would want to be careful when assessing fees in a manner that would burden states. He would be concerned about the fee level under some of the formulas presented, and recognizes that the NGEC will need sustained ongoing funding.

Darrell Smith emphasized that this was why the subcommittee came to the conclusion that a blended approach was needed to fully fund the NGEC. Specification use is inconsistent and the pipeline beyond the two current procurements is non-existent without funding.

Bruce, commented that he understood and agreed that a comprehensive approach is needed and reiterated that such a blended approach would be a more palatable way to move forward.

With no other discussion forthcoming, Eric Curtit called for a motion to accept the FASC report and its recommendations.

#### **7.**

##### **Consider Acceptance of the FASC report and Recommendations – Eric Curtit:**

A motion to accept the report and recommendations as submitted by the FASC was offered by Bruce Roberts, Caltrans, and seconded by Mike Jenkins, Oregon DOT.

With no further discussion, Chairman Curtit asked Steve Hewitt to poll the voting members of the Board:

Eric Curtit, MODOT – aye  
Mario Bergeron, Amtrak – aye  
Ray Hessinger, NYSDOT – aye  
Darrell Smith, Amtrak – aye  
Michael Lestingi, FRA – aye  
Arun Rao, Wisconsin DOT – aye  
Arun Rao for John Oimoen, IDOT – aye  
Allan Paul for Paul Worley, NCDOT – aye  
Jason Biggs for Ron Pate, WSDOT – aye  
Bruce Roberts, Caltrans – aye  
Michael Jenkins, Oregon DOT – aye  
Brian Beeler II, NNEPR for Maine DOT – aye

With a quorum having been established and all votes cast in the affirmative, Chairman Curtit determined that consensus has been achieved and the motion is approved.

#### **8.**

##### **Status Update: Bi-Level Car Procurement – Bruce Roberts, Caltrans:**

Bruce Roberts, Caltrans, reported that meetings with Sumitomo/Nippon Sharyo and the states and FRA have been ongoing.

Nippon Sharyo is finalizing a model car shell to demonstrate and address the compression test failures. It is anticipated that the model will be finalized in mid-January 2016 with counter measures completed by April.

The company continues to look at the work force and is likely to reduce it by 50 more, along with a 4-week holiday shutdown during the redesign and correction of the product. They are trying to retain the core of skilled employees and keep them engaged at all times.

#### **9.**

**Status Update: Diesel-Electric Locomotive Procurement – Arun Rao for John Oimoen, IDOT:**

In the absence of John Oimoen, IDOT, Arun Rao, Wisconsin DOT, read into the record the following update from IDOT:

"Locomotive Update

- *The FAI for the Diesel Exhaust after treatment and Diesel Engine cooling tower are planned for the week of December 7th.*
- *The FAI for the electrical panels and lockers are planned December 15 & 16, at Siemens Sacramento factory.*
- *The kick-off for monthly QA reviews was held in Sacramento on 11/18 and the next meeting is planned for mid-January in Sacramento.*
- *A planning meeting to review the compression test process was held on 12/1 in Sacramento.*
- *We anticipate two more draft DCRs has will processed by the JPEs. The total will be Seventeen draft DCRs, and are being prepared and Rich Stegner has contacted Tammy Krause, to send a list re-capping the DCRs and will begin drafting DCRs. Camren Cordell will assist.*
- *Follow up Technical Advisory Groups (TAG) continue working on an on-going basis for the action items from the AAR Standard vehicle qualification testing and acceptance. AAR's David Cackovic is the facilitator.*
- *The Diesel Exhaust Fluid (DEF) planning team is reviewing logistics for fueling locations.*
- *The locomotive weight was reported last month at 271,684 lbs (+/-), due to actual component weights coming in a bit better than expected. The calculated P2 force is within specified limits. Weight is being closely monitored, each month."*

**10.**

**Status: Dual Mode (DC 3<sup>rd</sup> Rail) Locomotive Specification Review Panel Report – Larry Salci:**

Larry Salci reported that he is about 50% complete in his review of the specification and is targeting a Review Panel review in Mid-December with Board consideration on its next call – 12-22-15.

Larry will inform Steve Hewitt of his progress so that Steve can schedule a Review panel call.

**11.**

**Status Update: 514 Subcommittee – Jason Biggs, WSDOT:**

Jason Biggs, Washington State DOT, provided a brief update on the activities of the NGEC 514 subcommittee:

A mid-November Amtrak user meeting was held with lower attendance than usual due to schedule conflicts. Amtrak, during the meeting, provided a presentation on Life extension and development initiatives – it was a good presentation.

The next 514 meeting is scheduled for 12-14-15, and the meetings will begin to be scheduled on a monthly basis rather than every two weeks.

A memo is being drafted to go from Chairman Ron Pate to the SAIPRC describing the CIP approval process and the flow down through the NGEC with policy issues being within the purview of the SAIPRC.

The memo will be sent to Eric Curtit and Steve Hewitt in advance - in it Ron Pate will identify work flow and policies.

The subcommittee is developing its by-laws and modeling them after that of the Technical subcommittee. Once complete it will be sent to Steve Hewitt for his review and input to ensure consistency with the NGEC By-Laws.

When asked, Steve Hewitt, explained the process for approving the subcommittee's procedures and incorporating them into the NGEC By-Laws and Operating Procedures. The FASC is the body that oversees such changes and would need to approve them first (Ray Hessinger heads up a By-Law review effort for the FASC) Once the FASC has approved the changes – they must be submitted in writing to the Executive Board one month prior to consideration. The intent is to approve any NGEC By-Law changes at the Annual Meeting on 2-19-16.

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**12.**

**Update: GAO study – Steve Hewitt:**

Steve Hewitt provided a status of the GAO study of the NGEC with regard to FRA grant oversight.

Maria Wallace, GAO, provided a status update on its activities on the Technical subcommittee call held last week – 12-3-15.

The team is continuing with its interviews with key members of the Technical subcommittee. They have met with quite a few to date including Jeff Gordon and Sal DeAngelo, FRA, and others. They have reached out, via email, with a short questionnaire to industry members of the Technical subcommittee working groups. Responses have been coming in, and have been helpful.

There is no set timeline for completion of the project, but it is expected that it could be completed by sometime in early summer 2016.

An update will be provided again to the Technical subcommittee on 1-14-16.

**11.**

**Other Issues – All:**

Eric noted that the next meeting – scheduled for 12-22-15 will take place, but in deference to busy schedule and holiday plans, it will be kept short.

With no other issues forthcoming for today’s meeting, Chairman Curtit adjourned the call at 12:14PM Eastern.

**The next call is December 22, 2015**

**Decisions/Action Items**

**Mid-West States – Section 6 progress report:** the group continues to work on cost and ownership sharing. They are close to having a final draft. Expectations are that the final draft will be ready next week (week of 12-14-15) and the agreement could be executed by all participating states by mid to late January (2016).

**514 Subcommittee update:** The 514 subcommittee has begun work on its By-Laws and procedures for inclusion in the NGEC By-laws document. The subcommittee also continues to work with the SAIPRC to clarify roles. The next call is scheduled for 12-14-15.

**The Finance and Administrative subcommittee –funding options report with recommendations:** Today (12-7-15) the NGEC Executive Board accepted the FASC report and recommendations and directed the FASC to initiate the next steps as described in those recommendations.

**Dual Mode Locomotive (DC 3<sup>rd</sup> Rail) specification Approval:** Larry Salci is about 50% complete in his review of the specification and is targeting a Review Panel review in Mid-December with Board consideration on its next call – 12-22-15. Larry will inform Steve Hewitt of his progress so that Steve can schedule a Review Panel call.

**Technical subcommittee approval of 305-912 Revision B:** The subcommittee approved Revision B on 9-24-15. 305-912 Revision B was distributed to the NGEC Executive Board on 10-13-15, having previously been approved by the Technical subcommittee. Tammy Krause, Amtrak, will put the document in final form with the release date included and send to Steve Hewitt. (ongoing)

**NGEC Annual Meeting – 2016:** The NGEC’s 2016 Annual Meeting will take place on 2-19-16 at the Hyatt Regency Washington Capitol Hill. Steve Hewitt will send an appointment notice to all NGEC members to hold the date. The meeting will be held in conjunction with the AASHTO SCORT Washington DC meeting taking place on 2-17-18-2016.

All members have received the room block information and are advised to reserve a room at the Hyatt asap. (cut-off date is in January)

Steve Hewitt will send out the “formal” invite letter to all NGEC states to assist in obtaining travel approval.

Eric Curtit and Steve Hewitt have developed and distributed (to all NGEC members) a draft agenda for the meeting over the next few weeks.

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On the NGEC Board call scheduled for 1-6-16 the agenda will be reviewed and discussed.

**GAO/NGEC Study** – Ongoing. The GAO is interviewing Technical subcommittee members and continues to gather information. A team member provides an update to the subcommittee once a month and Steve Hewitt keeps the Executive Board informed. Next update from GAO to the subcommittee is scheduled for 1-14-16.

**ATTACHMENTS**

Next Generation  
Equipment Committee



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

**S305 NGEC Executive Board Conference Call**

**December 7, 2015**

**11:30 AM – 12:30 PM Eastern**

**Call in number: 888 585-9008 conference access: 559-120-127**

**Agenda**

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|-------------------------------------------------------------------------------------------|---------------|
| 1. Welcome and Open the Meeting                                                           | Eric Curtit   |
| 2. Roll Call                                                                              | Steve Hewitt  |
| 3. Action Items Status Review                                                             | Steve Hewitt  |
| 4. Approval of Minutes from the November 10, 2015 Call                                    | Eric Curtit   |
| 5. Progress Report: Mid-West States – Section 6                                           | Arun Rao      |
| 6. Review Report/Recommendations from Finance and Administrative subcommittee (FASC)      | Darrell Smith |
| 7. Consider acceptance of the FASC Report and Recommendations                             | Eric Curtit   |
| 8. Status Update: Bi-Level Car Procurement                                                | Bruce Roberts |
| 9. Status Update: Diesel-Electric Locomotive Procurement                                  | John Oimoen   |
| 10. Status: Dual Mode (Dc 3 <sup>rd</sup> Rail) Locomotive Review Panel Report - Timeline | Larry Salci   |
| 11. Status Update: 514 subcommittee                                                       | Jason Biggs   |
| 12. Update: GAO study                                                                     | Steve Hewitt  |
| 13. Other                                                                                 | All           |

**Next Call: December 22, 2015**

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