

S305 Structure and Finance Task Force

MINUTES

MAY 20, 2013

2:30PM EDT

CONFERENCE CALL

FACILITATOR	<i>Eric Curtit, Missouri DOT, Chair, Structure and Finance Task Force</i>
ATTENDEES	<i>Eric Curtit, Ron Pate, Michael Burshtin, David Ewing, Nico Lindenau, Larry Salci, Vincent Brotski, Steve Hewitt</i>
ABSENTEES	<i>Bill Bronte, Al Ware, Tim Hoeffner, Chad Edison, Kevin Kesler, Jeff Gordon, Darrell Smith, Leo Penne, Ryan Swick, Ashok Sundararajan, Shayne Gill</i>

DISCUSSION/DECISIONS MADE

1.

Welcome – Eric Curtit:

Eric Curtit welcomed all to this SFTF conference call meeting and asked Steve Hewitt to call the roll.

2.

Roll Call – Steve Hewitt:

Steve Hewitt called the roll and determined that a quorum was not present. It was agreed to cover the agenda, but not to approve prior minutes or have any formal votes.

3.

Action Items Review and Update:

The context effort assigned to David Ewing and Steve Hewitt will be suspended in anticipation of a number of upcoming activities that will provide additional information. David and Steve will have a follow-up call with Eric Curtit. (possibly next week – week of April 29, 2013) **Status: Nothing new to report.**

Eric Curtit, Chad Edison, Nico Lindenau, and Ashok Sundararajan will review the outline from the contractor when received and the 50% task 1 report when it is received. On May 20, 2013 (the next SFTF call) these items will be discussed and/or actions necessary to correct the situation if they have not been received. **Status: A 50% draft of task 1 was received. Members of the Executive Board Strategic planning task force had the opportunity to review the draft in preparation for their meetings held in DC. A number of comments on the draft were sent to Eric Curtit. Agenda item VI. will provide an update on the Section 6/Fleet deployment effort.**

4.

Approval of the Minutes from April 22, 2013 – Eric Curtit:

Due to the lack of a quorum, the minutes from the April 22, 2013 call will be approved at a later date, but will remain posted on the web site as draft.

5.

Progress Report – Executive Board Strategic Goals Task Force – Eric Curtit:

Eric Curtit provided a brief summary of progress made thus far by the task force that is developing strategic goals for the future of the NGEN. In his report, Eric focused on the progress made at the May 7-8 facilitated meetings held in Washington, DC.

Attendees were: Eric Curtit, Bill Bronte, Ray Hessinger, Darrell Smith, Dave Warner, Paul Nissenbaum, Nico Lindenau and Steve Hewitt. The facilitator was Paul Cooper of Face to Face Strategies.

Eric described the meetings as focusing on “where we (NGEC) are headed, and what we want to be when we grow up”. Eric noted that the group talked about the future in the context of funding – “build, no build” in terms of passenger rail equipment.

The first day was primarily spent on reviewing what we have now, with the second day centering on what we

want it to look like in the future. Eric felt that the group "hit its stride on day 2 – and got a lot of stuff down on paper." Some of the ideas will be harder to implement than others, but the group members all took their hats off and thought outside of the box.

Along with looking at current functions versus functions a new entity would be responsible for, the task force looked at what steps need to be taken both in the short term and the long term.

Overall, very good progress was made, and there will be more to come as the task force moves forward in further developing its concept for Board consideration.

**6.
Status Update: Section 6/Fleet Deployment project - Eric Curtit:**

Eric Curtit reported that the contractor on the Section 6/Fleet deployment plan project has submitted a draft of 50% of task 1. Eric shared the early draft with the members of the Strategic Goals task force in preparation for their meetings on May 7-8. Task force members provided comments on the draft, and those comments have been sent to the contractor.

100% of task 1 should be submitted by the end of this week. Once Eric has received it, he will distribute it (through Steve Hewitt) to all SFTF members along with instructions/description of what he (Eric) is looking for in the way of comments.

Task 1, which focuses on Best Practices, will play directly into Task 2 which looks at how it will work in the mid-west and ultimately develop a user guide for other corridors.

Eric also pointed out that he had received an invoice from the contractor for 25% of task 1 and had agreed to pay it. At this point, Eric commented on the procedures that govern invoice approval, and asked Steve Hewitt to elaborate on what those procedures are.

Steve provided a brief overview of the matrix for approvals established in the adopted NGEN contract procedures. Basically, the Administrative task force Chair (Al Ware), as the "contract managing" entity within the NGEN, must sign off as well as the project manager who is generally the Chair of the task force for which the contract is executed. Eric, as the chair of the SFTF, serves this role, and has the right to ask other members of the SFTF to review the invoices as well. In this case, Eric has asked Chad Edison, FRA, to assist him in the review of invoices in addition to Al Ware and Eric.

All three have reviewed the invoice submitted thus far, and it has been approved. AASHTO, as the contracting agent, is responsible for sending the payment once all approvals have been given.

Ron Pate asked for a sense of what to expect from task 1 when it is submitted. His state (Washington) is developing a Fleet management plan and is hoping the work being done for the SFTF will be helpful.

Ron asked if the 100% of task 1 is to be what it is or, "is it all on the table?"

Eric responded that "it is all on the table, but I think the basics will be there." Eric continued, "I think task 1 (best practices) will help you." He added for all those who are commenting on the draft – "keep in mind the budget" when suggesting changes or commenting on the task.

Ron Pate emphasized that his interest is to be able to make the case in his state "here are some best practices."

Eric believes that, although task 1 could "go a lot deeper" it should "strike the right level for Ron's use."

At this point a discussion in regard to Section 209's impact on the Washington State Fleet Management Plan ensued, with David Ewing asking Ron Pate about it.

Ron responded that he did not see 209 "as a huge driver on the fleet management plan...it may influence or inform the discussion, but is not the driver."

David Ewing commented "209 doesn't drive the plan, the plan drives 209".

Eric (and Ron) responded "good point".

David Ewing also asked Eric if the task 1 effort "gets into the metrics of life cycle costs."

Eric's response was "not so much...we'll see...we're working on it."

7.

Other:

Eric raised a new action item by asking Steve Hewitt and David Ewing to plan on having a conference call with Eric after June 2, 2013, to discuss the context document – Phase 1 effort. Steve and David agreed.

David raised the issue of looking at economic signals in regard to economic development, noting the fact that the recent announcement of the unveiling of the new Amtrak Locomotives being manufactured by Siemens has involved some 69 suppliers over 23 states. David suggested that it would be a good idea to look further at this as a part of Phase 1.

David asked Larry Salci what his reaction was to the announcement in regard to component suppliers from across the country. "Is it worth documenting?"

Larry responded that it is worth documenting, "but be careful about your conclusions, with the U.S. dollar weakening." Decisions being made by the manufacturers are "long term". The announcement information is a positive, "but be careful about how much emphasis you place on the equipment itself." Larry also suggested that "you look at the industry as a whole, including light rail and heavy rail." He cited some of the large orders being generated in Chicago and New York and elsewhere in these segments of the market adding "these are long term commitments."

8.

Adjourn:

With nothing further to come before the SFTF today, the May 20, 2013 conference call meeting was adjourned at approximately 2:50pm EDT.

Decisions and Action Items

The context effort assigned to David Ewing and Steve Hewitt remains suspended in anticipation of a number of upcoming activities that will provide additional information. Eric Curtit has asked for a conference call with Steve Hewitt and David Ewing on this topic after June 2nd to discuss advancing the effort.

The Section 6/Fleet Management Plan contractor is expected to submit 100% of task 1 to Eric Curtit by the end of this week (week of May 20, 2013). When it is received, it will be distributed to all SFTF members for review and comment.

Next call: June 17, 2013

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ATTACHMENTS



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

**PRIIA NGEC S305 Structure and Finance Task Force (SFTF) Conf. Call Meeting
May 20, 2013
2:30 - 3:30 pm Eastern
866 299 7945 passcode 1601544#
Agenda**

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| I. | Welcome | Eric Curtit |
| II. | Roll Call | Steve Hewitt |
| III. | Review of Action items | Steve Hewitt |
| IV. | Approval of Minutes from April 22, 2013 | Eric Curtit |
| V. | Progress report: Executive Board Strategic Goals Task force | Eric Curtit |
| VI. | Status Update: Section6/Fleet Deployment project | Eric Curtit |
| VII. | Other: | All |

Next Call – June 17, 2013 – 2:30pm EDT