

# SECTION 305 NGEC Executive Board

MINUTES

MARCH 16, 2011

8:30AM EST

MEETING

<b>FACILITATOR</b>	<i>Bill Bronte, Chair, S305 NGEC Executive Board</i>
<b>ATTENDEES</b>	<b>Board Members:</b> <i>Bill Bronte, Mario Bergeron, Rod Massman, Kevin Kesler, for Mark Yachmetz, Alan Ware, Ron Adams, (via conference call) Caitlin Hughes Rayman, Ray Hessinger, Scott Witt, Pat Simmons, (Note: Rod Massman the proxy from Joe Kyle and Tammy Nicholson; Mario Bergeron had the proxy for DJ Stadler; and Bill Bronte had the proxy for Kevin Lawson)</i> <b>Support Staff/Observers/ Guests:</b> <i>Leo Penne, Shayne Gill, Steve Hewitt, David Ewing, Ken Uznanski, Nancy Greene, Rob Edgcumbe, Andrea Ryan, Andy House, Larry Salci, Steve Patterson, Dave Warner</i>
<b>ABSENTEES</b>	<b>Board Members:</b> <i>Kevin Lawson (proxy to Bill Bronte) Tammy Nicholson (proxy to Rod Massman) Mark Yachmetz (proxy to Kevin Kesler) Joe Kyle (proxy to Rod Massman) DJ Stadler (proxy to Mario Bergeron)</i> <b>Support Staff/Observers:</b> <i>Paul Nissenbaum, John Tunna, Marvin Winston, Stephen Gardner, Drew Galloway, John Bennett, Robin McCarthy, Rich Slattery</i>

## DECISIONS MADE

### **Welcome/Chairman’s Report – Bill Bronte, Chair, NGEC Executive Board:**

Chairman Bronte welcomed the Board Members, support staff, and observers in attendance, and called this meeting significant in that it brings the Committee closer to “concluding its first stage of efforts – developing specifications”. Mr. Bronte did acknowledge that the development of the trainset specification is currently underway in the Technical subcommittee; and noted that there will likely be others identified for development (A process to do so is also underway in the Technical subcommittee); but that completing the Diesel-electric locomotive specification concludes the development of the first three critical specifications. This should now move the Board to begin looking at “what we want to be when we grow up.” Once the Diesel-electric locomotive specification is approved; the Board will move (this afternoon) into a “kick off” session of what will prove to be an even more significant effort than specification development. “We, as the Executive Board of the NGEC, have a huge responsibility for the caring and feeding of the specs.” We will need to determine who will and how we will, monitor changes to specs and requirement documents and will need to further define standardization and life cycle costs. The NGEC will need to answer the questions of; “Who owns the specs? What are we going to be – as an entity?”

Continuing his focus on the afternoon session, Mr. Bronte described it as a “brainstorming” session to begin looking at what this Committee is responsible for and how to move it forward. One size does not fit all...what works for California, may not work for other states”. He commented on the fact that “we have a new Congress” with a new agenda – “how do we pay for equipment? And what do the states really want out of 305?”

These are all burning questions and/or issues to be resolved as “we move into the next phase of the work of the NGEC – we have a new and different type of workload moving forward.”

### **Roll Call – Steve Hewitt, Manager, S305 NGEC Support Services:**

After calling for self introductions by all meeting attendees, Chairman Bronte asked Steve Hewitt, the NGEC Support Services Manager, to call the roll of the Executive Board to ensure the presence of a quorum. The roll was called, with all members either present or accounted for via proxy (see list of attendees and proxies noted above). It was determined that a quorum was established, with **all** voting members present or represented.

### **Approval of the Meeting summary/Minutes of the February 15, 2011 Annual Meeting and Executive Board Business Meeting – Bill Bronte:**

**Decision:** On a motion by Caitlin Hughes Rayman, Maryland, and a second by Pat Simmons, North Carolina, the minutes of the February 15, 2011 NGEC meeting were approved without exception.

### **Diesel-Electric Locomotive Review Panel Report – Bill Bronte/Larry Salci:**

Larry Salci, consultant to the Committee provided an overview of the Review Panel report and recommendations. (Mr. Salci’s presentation and the Review Panel Report will be made available on the AASHTO website at

[www.highspeed-rail.org](http://www.highspeed-rail.org).)

In general, Mr. Salci described the Diesel-electric locomotive specification, which has been revised to reflect the input and recommendations provided at the February 15, 2011 Board meeting; was now "as good as the two previously approved specifications" (the single level standalone cars and bi-level cars). The recommendations provided earlier in reviewing the original spec have been followed. Areas that had been considered lacking in that first version have been addressed to the satisfaction of Mr. Salci and the Review Panel. Mr. Salci complimented members of Amtrak, and Steve Fretwell of CALTRANS for doing "yeoman's work" in making the changes and additions in a short and aggressive time frame.

Mr. Salci added that there were issues cited in the report with regards to confirming/verifying reliability requirements. "Where did they come from? Are they realistic? The Review Panel recommends that the Technical subcommittee continue to review and evaluate these areas, along with input from the FRA; but did not feel these were issues that should preclude approving the specification. The action to address the reliability requirements has been taken on by the Technical subcommittee, and Steve Fretwell and Dave Warner (Amtrak), have already begun to work on it.

In concluding his presentation, Mr. Salci reported that the recommendation of the Review Panel is that the Board approve the Diesel-electric locomotive specification, as revised.

A period of discussion took place. Some of the questions/comments/responses were:

- Do you know what the costs of PTC will be? Unknown at this point – developing it is one thing – implementing it is another. (Bill Bronte noted that for California/Amtrak the costs were \$50,000 per unit)
- The question of New York City was raised – due to emissions issues – diesel cannot be operated in the NY Penn station tunnels. The Technical subcommittee is looking into the possibility of developing dual mode variant locomotive specifications and/or new technology to address this issue. More on this will come up later in the meeting.
- Are these new diesel-electric locomotives going to be usable on the Northeast Corridor when they can't go into the tunnels at Penn Station? - Yes. It was pointed out that the issue is not clearance – they will fit in the tunnels – the issue is emissions as the tunnels reside under the station. The locomotives will be usable on the NEC, except in the Penn Station tunnels. Amtrak will need to change locomotives as they get into NYC. This occurs now and takes about 20-30 minutes. The time is factored into the train schedule. These locomotives are not designed for dual mode, but, again, that discussion is taking place in the Technical subcommittee. The subcommittee will be looking at the development of future dual mode variant locomotives or other technology such as; storing energy. It is possible the subcommittee will be able to develop a next phase that can accommodate New York and be more modern.
- Is there a market for dual mode variant locomotives? Yes. We have it now. Ray Hessinger, New York, pointed out, "we have no choice – we need it – Long Island Railroad and Metro North also need it. They also go into the tunnels and use the same locomotives as we do. There is a market".
- Rob Edgcumbe pointed out that, In looking at advancing technology – Technical subcommittee task force, "will look at technology beyond just this – we will look at other energy issues, etc."
- Environmentally – is this better than what is out there today? – Much better – improved emissions – cleaner, more modern – the challenge will be for the manufacturers to meet the technological advances.
- Do they meet the 2015 Tier 4 requirements – nothing out there does at this point – these will.
- Kevin Kesler noted that "there is a substantial reduction in efficiency going from Tier 3 to Tier 4. FRA, Research and Development, is conducting a study; what are the tradeoffs?" (emissions reduction can impact efficiency). "It will be 9 months before the study is complete, but hopefully we will then have something to bring to the NREGC to consider".
- Larry Salci emphasized that it is a huge lift for the industry – "We can get to Tier 4, but reducing the efficiency and performance is difficult".
- Is there an end cycle issue? Are we reducing waste going in to landfills? Much of it is recyclable – the steel, copper etc. Old locomotives are not going to end up in landfills – those days are behind us.
- Bill Bronte raised questions regarding testing certification and document controls for both the cars and locomotives – is there to be a repository? Kevin Kesler responded that there is a systems engineering effort underway, and out of that broader effort the working group has "cut out a control piece" This is on the agenda later today, at which point the Board will be asked to approve a pilot change control process. The larger effort for developing systems engineering is still underway and" will address testing requirements, procedures etc". Mr. Bergeron noted that "we will align it with how 305 is structured – as an entity – or not." Bill Bronte urged the subcommittee to "make it easier for all customers."
- The issue of fleshing out PTC was raised – is it vague because there are so many choices or is it simply not clear yet? Mr. Salci responded that this "is a huge issue" PTC is not fully developed yet. "About 80% of the system is not signalized yet. Congress has mandated PTC, but it is still in the developmental stage. Tier 4 has benefits that are external to our mission, but we do not have control over it because it has been mandated by Congress." In terms of this specification there will be an issue

of what type of PTC. Mr. Bergeron pointed out that this "will be handled with the procurement". The NGENC cannot control those things that are outside of its jurisdiction.

Mr. Bronte noted that in his memo transmitting the Report of the Diesel-electric locomotive Review Panel to the Executive Board, he had cited that:

*The Review Panel further recommends that the Executive Board charge the Technical Sub-committee with conducting a review of the reliability requirements related to times or distances between failures contained in the specification. It has been noted that these locomotives will be subject to a wide variety of operational environments. The Panel wishes to ensure that the adoption of the reliability standards contained in this specification does not lead to a degraded performance level.*

Mr. Bronte asked that any motion to approve the Diesel-electric locomotive specification references the comments contained in this paragraph as a part of the motion to approve.

Caitlin Hughes Rayman asked if we will also include in the motion the language in regards to intellectual property/copyright as included in approving the single level standalone car specification. It was agreed that the same language would be used – stating that:

*Copyright is an open question, and that, the Committee will go back and revisit the issue of copyrights in this specification, and in the bi-level specification, (and the single level standalone car specification) as well as all ancillary specifications.*

**Decision:** A motion was made by Kevin Kesler and seconded by Scott Witt to approve the Diesel-electric locomotive specification with the inclusion of the paragraph cited in Chairman Bronte's transmittal letter (noted above) and the note pertaining to the issue of copyrights as agreed. (Cited above).

Mr. Hewitt polled the voting members of the Board and all replied in the affirmative to the motion to approve. With no objections being offered, the Chairman determined that consensus had been achieved and the motion to adopt the Diesel-electric locomotive specification was approved.

Mr. Bronte gave special thanks to Larry Salci and the Technical subcommittee for its hard work in accomplishing the task.

Mario Bergeron emphasized that this is "another milestone for 305". Further, "when we deferred the approval of the Locomotive spec in February – a lot of work was needed to be done in a short time in order to meet the Executive Board's schedule for approving the spec at this meeting. My compliments to all who worked so hard to get it done – especially Steve Fretwell and Dave Warner and the Review Panel. We need to recognize all the effort that has taken place."

#### **Report from the Technical Subcommittee – Mario Bergeron:**

##### **Progress Report:**

- This is an incremental update from the annual meeting
- Diesel locomotive specification
- Trainset specification development
- Systems engineering process progress
- Standardization process implementation

##### **Diesel-Electric Locomotive Specification:**

- Diesel specification updated based on the review panel review of the previous version
  - Specification improved where appropriate and circulated to subcommittee
  - Revised version voted on and accepted at subcommittee call of February 24<sup>th</sup>
  - Voted on by Executive Board today
  - Follow up actions identified on reliability figures and document cross reference checks

Mr. Bergeron, in concluding this part of his presentation, reiterated that "the process is working, the sequence of events and reviews which resulted in the decision to defer the approval of the Diesel-electric locomotive specification" at the February 15, 2011 meeting, and the fact that the "missing elements were added, and the spec has been approved "with those additions, "shows that approval is not automatic – the process works!"

Kevin Kesler commented that "we should recognize Amtrak's efforts – and the great support they have provided to the 305 effort and we hope you continue that level of support."

Mr. Bergeron responded, "we are here for 305."

**Trainset Specification Development:**

- industry involvement in specification development requires a longer timescale for specification creation particularly given the integrated nature of the specification
- Timescales agreed with all parties
- Specification expected to be approved by Technical Subcommittee in June 2011
- Specification will be a performance specification
  - Manufacturer solutions vary significantly and are uniquely configured
  - There is no current standard for Tier I trainsets
  - Desire to include all interested suppliers, current or potential

Mr. Bergeron commented that trainset specification development is interesting because there is no spec out there. There are great "varieties of trainsets", OEM solutions, integrated nature of the vehicles all add up to "major variances in systems and subsystems out there." As a result, proceeding forward, "we will have a trainset specification developed as a performance specification...coupled with standardized equipment."

Mr. Bergeron advised that, with a late June timeline for final technical subcommittee approval of the specification, the Board should consider its next meeting as it relates to the trainset approval schedule.

**Systems Engineering:**

- Working group is making progress
- Change control is the first target to be addressed
- Separate report is being made by Kevin Kesler

Mr. Bergeron noted that systems engineering is needed to update documents in need of minor and/or major changes. "We have a good process and way forward to offer which will keep the specs current."

**Standardization implementation:**

- Working group is underway with the implementation process of the approved policy from the annual meeting
  - Creation of a process and positions for delivering the standardization goals
  - Allocation of resources to the positions and commence delivering the task
- The group will work to ensure our approach is consistent with the policy goals of the FRA

**Formation of a Locomotive Technology Task Force – Mario Bergeron:**

As mentioned earlier in the day's discussion, the Technical Subcommittee is forming a Locomotive Technology task force. A formalized group will be established within the Technical subcommittee to formalize an approach and milestones and report back to the subcommittee and then on to the Board. The establishment of this task force was generally agreed to at the February 15, 2011 Board meeting, but a formal motion to establish it and locate it within the Technical subcommittee has not yet occurred.

The task force intends to go beyond just the issue of dual mode variant locomotives. Some of the items that may also be addressed are:

- PTC
- Emissions
- Other types of fuel – bio-diesel etc.

Rob Edgcumbe noted that the task force, generally has a "rolling series of goals- Dual mode and technical issues" to take on. It will establish an agenda and priorities. It will need further input from Board Members or others. Any suggestions should be submitted in regards to items/issues to be looked at by the task force. In developing its priorities it will also be important to "think through the makeup of the team" which has yet to be determined.

Kevin Kesler commented that technological solutions for locomotives is a benefit for both passenger and freight rail and that the FRA welcomes input from the Technical subcommittee.

**Decision:** On a motion by Ray Hessinger and a second by Caitlin Hughes Rayman, the Board unanimously approved the establishment of a Technology Task Force within the Technical subcommittee.

## **Document Management System (Change Control) – Kevin Kesler:**

### **Proposal for Document Control Management:**

- **Establish NGEN Document Control Board** to maintain and revise Technical Documents as necessary
- Proposed Process Developed with all Stakeholders
- Amtrak, States, FRA and suppliers are represented in the same manner as for the technical subcommittee.
- Each Document will have a Manager assigned
- Focus first on addressing proposed revisions to Bi-Level Spec.
- Amtrak to continue to hold Copyright on behalf of the Committee.
- Evaluate process and recommend revisions to Board
- Board approval sought for Pilot
- Continued support required from all participants

### **Next Steps:**

- Board Approval of Pilot (?)
- Core Group – States, Amtrak and FRA
- With Board Approval - will begin work next week

Kevin Kesler reported that the Systems Engineering working group was progressing well and had developed a pilot program for change control. He described the process and presented a change control form as well as process matrix. The pilot, if approved, would "launch next week" and would report back to the Executive Board in June with its results and, at that time, ask for approval on a permanent basis.

A discussion ensued:

- How does the process impact procurement? The intent is to have an "urgent" category (not currently in the proposal).
- Wouldn't a timeline need to be developed for consideration of urgent requests – followed by an emergency meeting of the Board to approve it? There could well be cause issues – conflicts etc.
- Much will depend on how 305 evolves as an entity. It (systems engineering/change control) will align itself. Eventually there will be a procurement and we will need to know how to integrate decision points.
- Mr. Bronte raised the possibility that States may have an opportunity to procure with Amtrak using the Florida redistribution money. He sees this as an opportunity to start the procurement process so we do not lose the industry. They have been so engaged in the process, but need to see a procurement to make it all real.
- We need a process to keep us moving – there will be conflicts – a process is necessary.
- Many issues need to be resolved – including review time for changes, potential conflicts of interest throughout the procurement process, etc. Much of this leads to the afternoon brainstorming session which will delve into the NGEN as an entity.
- It is important to set how to get this managed as quickly as possible – even if there are "bumps in the road". We owe it to the industry to get things moving.
- Once procurements start – will they be a series of individual ones or will they be multistate? – Both.
- Adding on to an order (either a state's order or Amtrak's) can occur with standardization in place. – It becomes a benefit. Economies of scale in larger orders will help – adding on to an order brings that result.
- Does the first contractor awarded out of the gate gain an advantage? Yes – because it is easier to add on to an order.
- Do we foresee one manufacturer for each spec or multiple manufacturers competing for specs? It depends on the volume – volume creates competition.
- Amtrak can drive a more compelling environment because of the volume of its order. The smaller the quantity, the less competitors there are. The greater the volume, the greater interest in getting in.
- This will be an evolving process – lessons learned – growth of the NGEN. It's important to get it moving.
- Mr. Bronte again raised the issue of a multi-partner procurement using the redistribution of Florida's funds. He invited states to join California and Amtrak. He believes the Capital Corridor and Illinois will participate as well in the joint application. It is a chance to score a big win for 305 and for the Administration.
- Kevin Kesler noted that "standing up the supply industry is a key priority. The more we can do to produce results in the procurement process the better."

Kevin, wrapped up his presentation by citing three priorities/actions:

1. Approval by the Board of the Pilot Change Control Process
2. Maintain a core group of members
3. Begin work next week (there is a call scheduled already – pending/assuming the Board’s acceptance of the Pilot proposal)

Additional discussion ensued:

- There needs to be a definition of major/minor/urgent. What goes to the Board, what doesn’t
- Suggestions were made that urgent be added to the change form (currently has minor and major only) Minor changes do not go to the Board, major changes do. All changes are reported to the Board – but not brought to the Board. There is a need to have any Board action established in a way that it does not hold up the process.
- Mario Bergeron stressed the point that the “need for a process is not an option – we must have it. This pilot will be a test and it will provide experience”
- Leo Penne emphasized the need to report all actions of the Document Control Board whether accepted or not.
- Kevin Kesler stated that “the history will be there”. Actions taken will be reported and reflected in the Technical subcommittee and Executive Board minutes.
- Amtrak and AASHTO will be the repositories – for now.
- It was requested (by Mario Bergeron) that the acronym RCM be changed – as it has other meanings. Kevin agreed.

**Decision:** On a motion by Mario Bergeron and a second by Caitlin Hughes Rayman, the Document Control Management Pilot was approved unanimously, without objection. Items suggested today will be addressed and additional comments or suggestions should be provided to Kevin.

**Report from the Finance subcommittee – Rob Edgcumbe on behalf of DJ Stadtler:**

**Progress Report:**

- This is an incremental update from the annual meeting
- Main Issue of change is the work plan for structuring and funding options

**Funding and Structuring Options:**

- A proposal is being prepared for a detailed work plan.
- The proposal will include the costs of delivery and will be discussed with the Administrative Taskforce before proceeding
- Present timeline is:
  - Draft scope of work to be available to subcommittee by March 18<sup>th</sup>
  - Discussed within group at the following subcommittee call
  - Finalized scope and budget available to subcommittee first week of April
  - Proposed to brief Executive Board during mid-April conference call

Rob Edgcumbe summarized the Finance subcommittee’s activities since the Board meeting in February, 2011. The primary effort is aimed at implementing the work plan which calls for developing a plan for structuring and funding options. A working group comprised of Rob Edgcumbe, Shayne Gill and David Ewing are developing a scope and budget which will be taken to the Finance subcommittee for discussion on its next call March 23, 2011 and finalized on the following call. It is then anticipated that it will be taken to the Board for consideration during its April 12, 2011 conference call. Once approved, the Administrative Task Force will need to be included in the process in regards to the procurement approval process that has been adopted.

**Report from the Administrative Task Force – Rod Massman:**

Rod Massman reported that the By-laws had been updated reflecting the amendments approved at the February 15, 2011 Annual meeting. The Liability policy was also approved.

The next step has been to develop a Disclaimer statement, to address the issue of “what is our relationship, as a Committee, to the specification itself when used by a 3<sup>rd</sup> party?”

Approximately 8 versions of possible disclaimer statements were developed and considered by the task force. On its last conference call the task force approved the following statement:

**Disclaimer of Warranties and Limitation of Liability**

- (A) *User assumes all risk and liability for all loss, damage or injury to persons or property resulting from the use of the Specifications, including in manufacturing processes or in combination with other specifications or otherwise.*

(B) *The Section 305 Next Generation Corridor Equipment Pool Committee (NGEC) makes no warranties of any kind, expressed or implied, in relation to this Specification, including but not limited to, any implied warranties of merchantability and fitness for any particular purpose.*

(C) *In no event will the NGEC or any members thereof be liable for any damages, lost savings, or other actual, direct, incidental, or consequential damages, including, but not limited to, damages arising from the use, loss of use, or performance of any equipment constructed pursuant thereto, even if the NGEC or any members thereof have been advised of the possibility of such damages, or any claim against any other party arising hereunder.*

"A key issue, if approved", Mr. Massman noted, "is where does the disclaimer go? On the website? In advance of clicking on the specification document so that a 3<sup>rd</sup> party must click agree to the disclaimer in order to access the spec"?

Some discussion took place concerning the use of disclaimers on other specs. Does Amtrak issue them?

It was generally agreed that this is a protection and should be considered. Essentially this is a process that means we (the 3<sup>rd</sup> party) accept the agreement when using any specs developed by the 305 NGEC.

It was suggested that AASHTO post it on its website as the first page seen when someone is accessing a spec.

It was also suggested that it be a part of specification document for all specs. It was agreed that it would be included inside the cover page of each specification.

It was agreed that AASHTO will establish a link (as described). AASHTO's web site experts will be asked to assist in getting this accomplished.

**Decision:** On a motion by Rod Massman and seconded by Al Ware, the disclaimer statement as presented, was approved unanimously by the Board. Included in the approval was the agreement of placing it on the website with the link described and in all specs inside the cover page.

#### **Rolling Stock 101 Webinar Series Outline/update – Al Ware/Rob Edgcumbe/David Ewing/Leo Penne:**

Leo Penne reported that a working group comprised of Al Ware, Leo Penne, Rob Edgcumbe, and David Ewing had met on February 16, 2011. The working group is developing an outline for structuring 5 or 6 webinars to be delivered over a 6 month period, archived and accessible. Each will also be developed in a manner conducive to a self based instructional program.

The general notion is to take the outline originally developed by Rob Edgcumbe; and "break it into 6 or so pieces". (to comprise the webinar series) The intent is to retain expertise for instructional knowledge to make the webinars into learning opportunities. There is money set aside in the Finance subcommittee budget for this effort. "The money", Mr. Penne said, "should be devoted to making sure we get professional involvement in organizing and structuring each webinar; ahead of it; delivering it; and after it – archiving it."

The concept was "pitched" to the states, by Rob Edgcumbe during the AASHTO Standing Committee on Rail Transportation (SCORT) meeting on Tuesday, March 15, 2011, and, according to Mr. Penne, "there was a lot of interest in it".

The topics of discussion under consideration have grown wider than simply Rolling Stock 101. This is due to the fact that there is so much more to know to even begin to procure or maintain rolling stock.

A substantial discussion ensued in regards to topics and time line. This led to a discussion of the AASHTO Rail Resource Center (ARRC). The ARRC prospectus, prepared in 2009-10 envisioned a wide ranging series of webinars to assist interested parties (states, Amtrak, FRA, etc.) in developing or improving their rail programs. The ARRC also focuses attention on workforce development and training.

Leo Penne agreed to provide all Board members with the ARRC prospectus (and did) before the end of the meeting.

It was agreed that a timeline for the development of the Rolling Stock 101 work plan will be brought forward to

the Executive Board members. (While no due date was determined, "in the near future" was inferred)

**Report From FRA – Kevin Kesler:**

**Funding:**

HSIPR Program appropriations total \$10.6 billion.

FY 2012 Budget envisions large-scale, multi-year support for HSIPR, with a total of \$53 billion over the next six years (\$8 billion in FY 2012) to fund promising and transformative projects.

**First Round Selections:**

January 28, 2010, 82 applications from 31 States and DC -> \$8 billion

**Second Round Selections: On**

October 28, 2010, 54 HSR projects / 23 states -> \$2.4 billion

**Redistributions:** Resources were redistributed away from States that ceased to pursue high-speed rail projects, to States actively implementing high-speed rail.



Kevin Kesler provided a summary of funding for HSIPR, to date, and emphasized the Administrator’s message of Standardization. Mr. Kesler reiterated that the specifications, as approved, still need to further address standardization. He asked that the Committee clarify how standardization is moving forward.

The Board approved the Standardization process, as presented, at the Annual Meeting and assigned its implementation to the Technical subcommittee. The Standardization working group within the subcommittee is comprised of states, Amtrak, and FRA, and is developing a work plan for progressing standardization.

Kevin stressed the need to show a timeline for results and a commitment to “use procurement to drive some of it.”

The bottom line, according to Mr. Kesler, is that the Administration is primarily looking to accomplish two things:

1. Provide HSIPR for the US
2. Establish an industry that currently does not exist.

In the discussion that followed Mr. Kesler’s report, the point was raised that the suppliers were concerned about the implications of what the Administrator had said in regards to federal funding and standardization as a requirement for receiving it. Suppliers are looking for clarification.



Mr. Kesler explained that he could not speak for FRA leadership, but there needs to be a balance and it may be well advised, in the near term, to pick a few "no brainers" for standardization – such as wheelsets.

The question was asked - Are we ok with the specifications as written? Or is there not enough on standardization in them? Mr. Kesler responded that there is an "opportunity to do it in the procurement process, more than in the specification." He expressed the view that he specification doesn't do enough in the area of standardization.

Do we have a problem with the specs? Mr. Kesler's response was "No but we should pick some items off the list and see if they will work".

#### **Status of Grant agreement Modification – Bill Bronte/Ken Uznanski:**

Ken Uznanski reported that he had drafted two letters for revising the grant agreement:

1. Requesting a no cost extension of the NGEC
2. To modify the scope of work and budget.

The letters have been sent to Beverly Thorpe – Amtrak's grant manager. Once finalized they will go to DJ Stadler, Amtrak, and Mark Yachmetz, FRA, for signatures.

Ken reminded the members of the Board that it is imperative that all receipts and supporting documentation accompany any requests for travel cost reimbursement. Receipts are required for meals, even if the individual state rules do not call for it.

#### **Developing a NGEC "Business Plan" – "Brainstorming" session – Bill Bronte:**

Bill Bronte opened the "brainstorming" session by asking a series of questions and offering some comments:

- What do we want to be when we grow up?
- What kind of an organization do we want to be?"
- We need to address: Financing; Leasing; Procurement; Equipment ownership.
- It's not the unknowns that you know; it's the unknowns that you don't know about.
- Should we aggregate states together to get procurements? Should it be through Amtrak? What is it 305 wants?
- What works for one may not necessarily work for another.
- What do we need to do to move 305 forward to become the entity that was envisioned and fulfills the needs?

Steve Patterson, of Hunton and Williams, who had previously prepared a presentation for the Finance subcommittee and the Administrative Task Force, on issues of incorporation of the NGEC commented that the issues raised by Mr. Bronte were quite consistent with those contained in his presentation.

"You can have a corporation or you don't have to," Mr. Patterson stated. Coming out of the discussion, it is necessary to decide on the objectives.

The main objectives as summarized by Mr. Patterson were:

1. Establishing a vehicle for funding
2. Establishing a vehicle for acquiring equipment and creating economies of scale.
3. Having an entity to manage equipment or leasing it out.

The general thought is that if you get the answers to these 3 questions then you will know what kind of entity you need or if an entity is needed.

There are legal aspects that must also be considered. New York's Ray Hessinger noted that "states like New York **can't** be a part of a corporation, but could buy from it."

Mr. Patterson commented that, in looking at the responses from the needs/objectives for the NGEC poll of the states, the "short term responses did not call out for it." If we need to do an entity – we need to know why.

Shayne Gill, AASHTO, pointed out that in the FRA FY 2012 budget request it seemed to indicate that the source of

funding goes to an entity for equipment?"

Mr. Kesler responded that he did not believe there was a strong push within the Administration for the creation of an entity. The push in the Administration is to create an industry that currently does not exist. "If the entity facilitates that, then all the better," said Mr. Kesler.

Pat Simmons, North Carolina, asked, "if the funding goes into this entity – is that how procurement is done? What is the minimum criteria for FRA to provide money to an entity?"

Mr. Kesler commented that it "makes it simpler if there is an entity to reach out and touch – it becomes a known." He reiterated, "there is no strong feeling at FRA other than whatever it takes to get the industry rolling out."

Pat Simmons asked, "then doesn't it mean that it's necessary to create an entity?" The response from Kevin was, "No. Coalescence would still be of value."

The discussion shifted to the tenuous nature of the 305 NGEC. While it is "politically" neutral and pre-dates this Administration, the fact that the President has a goal of Passenger Rail reaching 80% of the population, there is a strong emphasis on the work of 305. The question was asked, "Does 305 advance this Administration's policies, which could change with a new Administration?" Mr. Kesler responded, "there is no certainty, but if we do nothing, we won't be able to ride the horse – we need to be ready."

Mr. Bronte asked, "Why do we exist?" Responses around the room varied:

- We are a clearinghouse
- We asked for it or it wouldn't get done
- There is a general recognition that passenger rail will play a sustained part of the transportation solution in this country.
- We are a new forum – Amtrak alone can't get the funding to do what it needs.
- Standards are necessary, a collective effort is needed. The TTX model was a part of the thought process in forming the NGEC – to help in getting creative funding into the passenger rail industry.
- Passenger rail now plays a greater role in transportation in the US; that's why 305 exists.

How we move forward, as an entity or not? Does an entity resolve some of the procurement road blocks identified earlier?

Rob Edgcumbe noted that it will be interesting to see the results of the April 4, 2011 applications for equipment. If a multi partner effort to file a joint application (as mentioned earlier by Bill Bronte) works does it ultimately mean that there is no need for an entity or "overseer of procuring equipment?"

Additional questions were raised:

- Are there things we can't do without a corporation or entity?
- What is the goal, ultimately? 305 exists as a recognition of a common need for rolling stock.
- What about ownership? Is it ownership of the Committee? Of the equipment?
- Should the equipment just sit in the Committee which is really a group of people?
- For defensive purposes, shouldn't intellectual property reside somewhere? Either with Amtrak or 305 as an entity?
- Don't we need to figure out what our mission is before we decide on our structure?

Mr. Bronte called on the need to define the functions of the NGEC for the next 10-20 years. If we do that we can then determine what structure is needed. He noted that certain states, including California, will need authorizing legislation to even be able to join an entity.

The discussion of function and form of the committee resulted in the following outline description:

Function:	Form(s)
Finance	Corporation
Procure	LLC
Manage	other – volunteer - non-profit.

In between the functions and form(s) lie additional issues such as state laws, and the issues of political climate –

who (even among the 305 members) is here now, may not be here later.

Mr. Salci suggested creating a matrix that considers the statute description of what Congress had as objectives for 305. To achieve the goals, what are the objectives? Begin to check off boxes defining goals, objectives – pros and cons. Creating this matrix would ultimately define the entity.

Nancy Greene pointed out that the Statute (Section 305 of PRIIA) describes the mission and functions of the NGECC:

*“...Amtrak shall establish a Next Generation Corridor Equipment Pool Committee, comprised of representatives of Amtrak, the Federal Railroad Administration, host freight railroad companies, passenger railroad equipment manufacturers, interested States, and, as appropriate, other passenger railroad operators. **The purpose of the Committee shall be to design, develop specifications for, and procure standardized next-generation corridor equipment.**”*

*(b) Functions -- The Committee may—*

- 1. determine the number of different types of equipment required, taking into account variations in operational needs and corridor infrastructure;*
- 2. establish a pool of equipment to be used on corridor routes funded by participating States; and*
- 3. subject to agreements between Amtrak and States, utilize services provided by Amtrak to design, maintain and remanufacture equipment.”*

Discussion then moved to the fact that there needs to be a Vision. Scott Witt, Washington State described that vision as “Build an industry”. In order to carry out the vision to build an industry it is necessary to fully identify road blocks and establish a critical path. For example – “Washington State cannot be a party to a corporation unless it’s a government entity.”

Ron Adams, Wisconsin suggested a compact may be an option as it is “already approved by Congress”. Other states in the room noted that, even with a compact, some would still need legislation to allow them to participate.

Rob Edgcumbe returned to the basic issue – “we need to define why you need an entity in the first place. So far we are doing what we can as we are. If we don’t need pooling and funding (as described in the responses to the needs/objectives poll) then why do we need an entity?” Is the only issue intellectual property? Amtrak can provide that protection. “We must identify a goal – do it for a good reason – not just to do it.”

Mr. Bergeron expressed the view that the “driver for going forward has to come with what is the best way to get funding – nothing happens without money – that’s why we don’t have a procurement yet. Anything we do has to be what helps us get funding.”

The discussion then centered on what entity is the right one to help get funding. Leo Penne asked “How do we sell our message to Congress? How do we present a case to Congress to open its purse?”

The general thought was that Amtrak is capable of doing everything “we are doing”, but there is a perception issue with Congress when it comes to Amtrak. Politically 11 or 13 states without the NGECC or Amtrak may be more effective than an entity in getting funding.

The question was raised – Can Congress fund an entity once it has been created? Mr. Penne responded – “yes it can”. Will it? “Come up with a good horse for them to ride and they will ride it.”

Consultant David Ewing commented, “there is no immaculate perception”. Amtrak’s perception, at times, does make it difficult. He then went on to explain that the original goal when the idea of an equipment pool was first being developed, was to “aggregate demand – create an entity, it’s easier to do one stop shopping through an entity, and have that entity go to Congress, rather than just Amtrak as Amtrak.” This was seen as a benefit to resolving the perception issue.

Mr. Kesler noted that “AASHTO has the states – if securing funding is the key – AASHTO is important.”

Mr. Ewing emphasized that “funding is the key, but long term. There are a number of ways to execute this. If you go to Congress and say – Amtrak will manage it – some members will see it as the same old thing.” He went on to state, “It is important to establish continuity over a 20-30 year period. An ad hoc group will not work. It is necessary to have an organized entity to get it done – long term.” Again, he emphasized – “continuity is the key – grow the business”.

Mr. Simmons asked, “How about AASHTO? Is there an umbrella under AASHTO that could do it?”

Mr. Penne responded – “Yes. One example is AASHTO Ware...there is no prohibition to having a subset of

AASHTO doing it – can it be the vehicle – yes”.

It was suggested that it would be beneficial to have AASHTO’s Jack Basso meet with the Board (possibly on its next conference call – March 29, 2011). Mr. Basso has extensive knowledge of AASHTO and of issues related to funding.

Mr. Kesler noted that “the reception of the states is different than that of Amtrak or FRA which depends on who is in the White House” to be effective.

Mr. Penne said, “this would mean that AASHTO could be the vehicle to help fulfill ...it can carry out the functions previously identified. It would not be called an AASHTO something or other”... it would simply be the vehicle.

The question was raised, “Do you see Congress being willing to fund AASHTO millions of dollars?”

Mr. Penne responded – “AASHTO serves as a forum because it is the states.” The key is that AASHTO is the states. If the states came to AASHTO and asked them to facilitate an entity – not AASHTO – but an independent subsidiary – facilitating – not running the entity – it is plausible.

Mr. Bergeron reiterated that “we need something. Maybe AASHTO is the vehicle, but we also need Amtrak in it because Amtrak is getting the most equipment.” He went on to say, “we’re all here because we play a role. What is the organization that works best to get funding? Whatever it is – is what we should do.”

In discussing some of the complications for creating an entity, it was noted that AASHTO, as the vehicle, resolves states problems with being a part of an entity – states are ok if the vehicle is AASHTO.

A possibility would be to establish the entity through AASHTO, and set up a set of dues for AASHTO members for administering the entity’s responsibilities. The bulk of what AASHTO does is specifications and standards, so this would not be outside of its realm.

Shayne Gill suggested inviting Jack Basso, and possibly the head of AASHTO Ware as well, to the next call of the Board to give an overview of how it started. Shayne described AASHTO Ware as “a pooled fund that develops software licensed back to the states.”

Mr. Edgcumbe asked, “If this is the way it is done – (using AASHTO as the vehicle) what does it achieve over and above what we do now? What is the step forward?” The general response was that it creates an entity the states can belong to and helps in the effort for requesting funding. It amplifies and strengthens the voice on the Hill.

Mr. Penne stated that his personal view was to “constitute it by AASHTO to get the states in it, but do not call it AASHTO”. He then reiterated, “you don’t need the funding to go to AASHTO to do this – the funding goes to the states and Amtrak, just as it does now.”

**Decision/Actions:**

It was agreed to invite Jack Basso to the March 29, 2011 NGEC Executive Board conference call to help members more fully understand the concept of AASHTO Ware and/or AASHTO as the vehicle for the 305 Committee forming an entity.

It was agreed that, since the Finance subcommittee has already established a working group comprised of David Ewing, Shayne Gill and Rob Edgcumbe to develop a scope of work and budget for the development of proposed options for structure and funding for the NGEC, it is important to listen to the Finance subcommittee’s recommendations and then determine a course of action. The subcommittee working group will present a draft proposal to the subcommittee on its March 23, 2011 conference call. DJ and/or the working group members will report on March 29, 2011 on the Board call, on the status of their efforts.

Larry Salci was asked to develop the matrix he had suggested and work with the Finance subcommittee working group to integrate it into their efforts. Larry Salci and Steve Patterson will be invited to the March 29<sup>th</sup> Board call. Their input was deemed to be of great value.

Bill Bronte will draft an outline of the AASHTO as a vehicle concept and Steve Hewitt will circulate it to Board members and staff. It will serve as the basis of the discussion for March 29<sup>th</sup> and the topic will primarily be the only agenda item for this call.



8:45 – 8:50 am	Roll Call of Voting Members – establish a quorum – Steve Hewitt
8:50 - 8:55 am	Approval of the Meeting Summary/Minutes of the February 15, 2011 Annual Meeting and Executive Board Business Meeting
8:55 – 9:25 am	Diesel–Electric Locomotive Review Panel Report –Bill Bronte/ Larry Salci
9:25 – 9:55 am	Diesel-Electric Locomotive Specification – discussion/vote - Bill Bronte
9:55 – 10:10 am	Break
10:10 – 10:40 am	Report from the Technical Subcommittee – Mario Bergeron
10:40– 10:50 am	Formation of a Locomotive Technology Task Force – Mario Bergeron
10:50 - 11:20 am	Document Management System-(Change Control) – Kevin Kesler
11:20 – 11:30 am	Report from the Finance Subcommittee – Rob Edgcumbe for DJ Stadtler
11:30 – 12:00 pm	Report from the Administrative Task Force – Rod Massman
12:00 - 12:20 pm	Rolling Stock 101 Webinar Series Outline/update – Al Ware/Rob Edgcumbe/David Ewing
12:20 – 1:30 pm	Lunch at the America Restaurant – Union Station
1:30 – 1:45 pm	Report From Amtrak – John Bennett
1:45 – 2:00 pm	Report from FRA – Kevin Kesler
2:00 – 2:15 pm	Status Grant Agreement Modification – Bill Bronte/Ken Uznanski
2:15 – 3:00 pm	Developing a NGEC “Business Plan” outline - Bill Bronte
3:00 – 3:10 pm	Break
3:10 – 3:45 pm	Developing a NGEC “Business Plan” continued – Bill Bronte
3:45 – 4:00 pm	Wrap up/Next Steps – Bill Bronte
4:00pm	Adjournment