

SECTION 305/209 – NGENC – 514 Subcommittee

MINUTES

MAY 04, 2015

4:00PM EASTERN

CONFERENCE CALL

FACILITATOR	<i>Jeremy Jewkes, Subcommittee Co-Chair</i>
ATTENDEES	<i>AASHTO: Shayne Gill, Bryan Hong; Amtrak: Darrell Smith, Tom Butler; FRA: Ashok Sundararajan; Caltrans: Brian Tsukamoto; CTDOT: Marci Petterson; NNEPRA: Brian Beeler; NYSDOT: John Bell; NCDOT: Paul Worley; ODOT: Jennifer Sellers, Mike Jenkins; TXDOT: Quentin Huckaby; WSDOT: Ron Pate, Jeremy Jewkes; WisDOT: Arun Rao</i>
ABSENTEES	<i>CCJPA: David Kutrosky</i>

DISCUSSION/DECISIONS

1. Welcome and Open Meeting:

Jeremy Jewkes began the meeting.

2. Roll Call – Bryan Hong:

Bryan Hong called the roll.

3. Approval of the Minutes from 04-20-15 – Jeremy Jewkes:

On a motion by John Bell, New York, and a second from Brian Beeler, NNEPRA, the minutes from the April 20, 2015 514 Subcommittee conference call were approved without exception.

4. Action Items Review – Jeremy Jewkes:

There were no items requiring review.

5. Overview of Updated Tables - Amtrak:

Darrell Smith provided an overview of the “FY2016 CIP Equipment Overhaul Project Comparison Between Versions” spreadsheet document, which Jeremy sends to the subcommittee (See Attachments section below) for reference. In four sets of columns it includes a summary snapshot for FY16 capturing the number of units overhauled, the total capital costs, and the states’ share. The first set of three columns is from the CIP that was finalized in October. The second and third sets contain “Draft One” with the new tables comprising “Draft Two.” The final three columns compare the FY14 CIP with Draft Two.

The series of six files Jeremy sent prior to the conference call (See Attachments section below) were discussed. “Amtrak Draft Minor CIP Update, FY2016 - FY2020” provides an update on production tables. That gives each overall project, the number of units overhauled per year of the total capital cost, the state share, and the Amtrak general capital share for FY16 through FY20. This provides the basis for explaining where variances are located. The rest of the files hold tables for each year for the units used by state corridors, long distance, and the Northeast Corridor business lines—as well as the total for the Amtrak system.

Within the updated, production set of tables the G&A is completely pulled out at the subcommittee’s request, along with revisions to NPCU overhaul numbers. A new project, C.ME.100653F, was included as an LCPM program for NPCUs. It updates the numbers for the diesel locomotive LCPMs. In the Excel version of the sheet with those adjustments being taken into account, of the programs either completely deployed for state service in terms of equipment or shared in some employment with state service, the difference for FY16 versus where things were with the October CIP is \$9.9 million higher in total capital. As allocated to the states based on the units used share, it is down to \$5 million higher.

Ron Pate confirmed with Darrell that percentage-wise, for the states specifically this is a six to seven percent

difference after the changes with the NPCUs. Ashok Sundararajan confirmed with Darrell that Draft One (Excel sheet columns FGH) includes G&A and Draft Two does not include G&A. Darrell added that Draft Two also incorporates revisions to the LCPM numbers and NPCU numbers. The largest difference is in the LCPMs and NPCUs. This still assumes SOGR activity is ramped up to complete everything through FY17. In two weeks, he said Amtrak anticipates fielding questions about increases in the Amfleet One and Horizons overhauls.

Tom Butler discussed the LCPM and NPCU programs now that the numbers are without the G&A. He provided context to explain where reductions were made from the earlier numbers. Upon evaluating all aspects of the LCPMs and all rebuilt components, the primary driver of the increase in cost involved a component when a set of trucks is overhauled, called the combos or wheel traction motor assembly (4 combos per locomotive). These were neither in the billed materials, nor a part of that truck cost. This leads to a \$5 million increase across all trucks used in the LCPM program. He also looked at the total overage, which was reduced by \$3 million from \$11 million after factoring in a 15 percent credit for items that were returned into inventory.

On the NPCU side, the amount went from three in initial CIP up to seven in order to have all the NPCUs completed by FY17 in terms of having them in a state of good repair (SOGR). This leads to seven in FY16 and nine for FY17 for a total of 16 over two years. Three NPCUs were overhauled in another project for California, and three more are owned by Oregon and leased back to Amtrak. Removing those six from the overall plan shows five for FY16 and five for FY17, which explains the reduction in the NPCUs. Additionally, Amtrak did not include the NPCUs now that they have gone through an overhaul by FY17 and will go into the LCPM program project. This is similar to the process the F59s go through from overhaul (a one-time event) to LCPM. Amtrak is open to changes in the production plan past FY17.

Jeremy added that another possible conversation in this iterative discovery process could be about a "Draft Three" as units used or production are adjusted at the end of the forecast for fleet types that will see less use. He recommended that subcommittee members think about how this will work next year when the timeframe is more compressed.

Tom then reported that the next area needing further study like the NPCUs and LCPMs is the cost on the Amfleet and Horizons (up around \$200,000 per car) that have increased, which will be beginning this week over internal FY16 conversations about capital. Currently it appears most of the cost increases for these overhauls is from materials. The hours in some cases have gone down as far as the plan for FY16 and where they were in FY15. He will come back with an updated figure or explanation for the subcommittee. None of the Horizons equipment has been taken out of Amtrak's five-year capital plan.

Ron asked if an opportunity exists to reduce costs on both sides. Darrell agreed that this is all part of the iterative process.

6. Discuss timing of overhauls for SOGR catch-up work – All:

At some point the states will need to give feedback to Amtrak on whether or not completing everything by FY17 is possible for individual states, as budget implications exist. Amtrak's state breakdown will be sent out soon so states can see the impact on their respective corridors.

Tom will look at Amfleet and Horizon numbers for the next meeting before splitting them into individual corridors. This either will lead to a "Draft Three" or the second part of Draft Two, depending on what he finds. It does not look like Amtrak has the ability to take out any of the car equipment and move that to a future year. Their overhauls regardless of accuracy are based on when the equipment is due for its COT&S, FRA-mandated inspections.

Ron suggested that beyond the COT&S, maybe other cost-saving opportunities exist that would help both sides while making sure things are still operational and running safely. Tom shared that legally the breaks have to have work done every four years, and for safety they overhaul the trucks on all passenger cars based on the mileage placed on the equipment. Darrell mentioned that this creates more to think about regarding how to proceed when it comes to freeing up equipment. Amtrak will not have much willingness to do a lot of state customization things on largely state-shared fleets such as Amfleet One.

Brian Beeler posed continuing the conversation about specific fleets and a longer discussion on their unique details. For smaller fleets run by state service and their partners, Jeremy raised the possibility that these could happen in a special group for that purpose. Brian and Tom agreed this approach would work. Jeremy emphasized that a first tier exists in terms of prioritizing what work has to be done. Beyond this, the timing of anything else needs further discussion. Smaller fleets might be able to figure out these details on a case-by-case basis.

7. Discuss choices and adjustments for FY2017-2020 with the introduction of state-owned equipment – All:

Jeremy began discussion by mentioning the choices that exist after the new equipment comes into service. Right now in places such as California issues emerge about what happens in 2020 versus 2016—an increase in cost per units used due to the same number of units being overhauled (and the costs being flat), but less units used in the system, which leads to significant cost increases per units used.

Darrell focuses on “FY2016_Summary_BL_UU” and “FY2020_Summary_BL_UU” documents (See Attachments section below). From all data from the states, this provides a before-and-after look when all the 305 equipment arrives. Various impacts were mentioned:

- *Diesel for the P42 fleet.* The numbers go from a total system of 149.6 to 122.1 units used, with the difference coming from the state services dropping 27.5 units (from 56.9 to 29.4, mainly driven by everything coming out in the Midwest for Illinois and Michigan)
- *F59 locomotives.* The numbers go from 11.5 to 9 units used on an average-day basis.
- *Horizon coaches.* State-shared drops from 60.4 units used to 14.4 units used. There are 46 units used being freed up of coaches, which indicates an opportunity for something to be done.

These things could be something to think about from the states’ perspective, along with future equipment needs and future growth plans. Amtrak is looking for input from the states about what they can commit to, in order for Amtrak to figure out its approach ahead of developing the next strategic fleet plan.

Some extended discussion continued on this topic as the committee explored hypothetical solutions to gaps identified in the current forecast. Floated ideas included: states expressing interest in underused equipment types, potential approaches for corridors to reserve additional “spare” equipment, and other issues.

The subcommittee resolved to continue the conversation about the path forward, considering different sets of customers in the future will have different sets of needs.

8. Other issues/questions:

There were no other issues raised by the subcommittee.

Next call – May 18, 2015 – 4:00PM Eastern

Adjourn –

With no further business to come before the subcommittee today, Jeremy Jewkes adjourned the call at 5:06 PM Eastern.

Next 514 conference call May 18, 2015

Decisions and Action Items

1. Tom Butler will begin examining Amfleet and Horizon numbers. This will either will result in the creation of a Draft Three or the second part of Draft Two.
2. Jeremy Jewkes is fielding suggestions for the next meeting’s agenda. Members should send any ideas to him.

ATTACHMENTS

- Amtrak Draft Minor CIP Update, FY2016 - FY2020: Overhaul Project Production, Cost Funding Share per Year ([Draft_CIP_FY16-20_EQ_Overhaul_Prod+Costs_v2](#))
- FY2016 Forecast Amtrak Units Used for Amtrak Equipment Types Deployed in State Corridor Service ([FY2016_Summary_BL_UU](#))
- FY2017 Forecast Amtrak Units Used for Amtrak Equipment Types Deployed in State Corridor Service ([FY2017_Summary_BL_UU](#))
- FY2018 Forecast Amtrak Units Used for Amtrak Equipment Types Deployed in State Corridor Service ([FY2018_Summary_BL_UU](#))

- FY2019 Forecast Amtrak Units Used for Amtrak Equipment Types Deployed in State Corridor Service ([FY2019 Summary BL UU](#))
- FY2020 Forecast Amtrak Units Used for Amtrak Equipment Types Deployed in State Corridor Service ([FY2020 Summary BL UU](#))
- FY2016 CIP Equipment Overhaul Project Comparison Between Versions ([FY2016 CIP Project Comparisons 20150501](#))



SECTION 305/209 – 514 Subcommittee

Conference call
Call in number: 866 299-7945
Access code: 1601544
May 04, 2015
4:00pm, Eastern

AGENDA

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| 1. Welcome/Open | Jeremy Jewkes |
| 2. Roll Call | Bryan Hong |
| 3. Approval of the Minutes from the previous call | Jeremy Jewkes/All |
| 4. Action Item Review | Jeremy Jewkes |
| 5. Overview of updated tables | Amtrak |
| 6. Discuss timing of overhauls for SOGR catch-up work | All |
| 7. Discuss choices and adjustments for FFY2017-2020 with the introduction of state-owned equipment | All |