DI SCUSSION/ DECI SI ONS

1. Welcome and Open Meeting:

Ron Pate began the meeting.

2. Roll Call – Bryan Hong:

Bryan Hong called the roll.

3. Action Item Status Review – Bryan Hong:

<table>
<thead>
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<th>Action Items from 5/18</th>
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<tr>
<td>1. Tom Butler will continue investigating equipment cost numbers for Amfleet and Horizon cars related to the updated tables. Tom reported that Amtrak continues to look at the Amfleet cars and has more information back on the Horizon cars. At this point in time, the number the subcommittee has of $11.5 million will decrease by about $2.7 million. This was not yet formalized or included in the budget, however if the budget was submitted today that would be how it is placed.</td>
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<td>2. Darrell Smith will send out revised tables on the CIP, which show the average cost per units used. Amtrak sent out some material, with more planned for distribution prior to the next meeting once the Amfleet/Horizon review is formalized and incorporated. The new version will also reflect an increased number of units used on the Michigan side for the Wolverine service, as Amtrak was off by one set of equipment. Amtrak will also eliminate any units used related to the Hoosier State because it is signing off on final agreements for them to no longer use Amtrak equipment, but third party equipment instead. The overall distribution in the overhaul charges will need to reflect these changes.</td>
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<td>3. The subcommittee will go through AASHTO to formalize a request asking about any additional demand and coupling this with an open question checking if there is any equipment needed on a corridor that is not listed on the 5-year forecast. A follow-up item after receiving results will be figuring out if specific discussions are needed on how certain equipment will impact the future of their use and costs in state corridors. A final question has not been finalized for distribution. Ron Pate will follow up with Jeremy Jewkes for the status.</td>
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<td>4. Jeremy Jewkes and Darrell Smith will look at the process for finalizing the major updates for this year and figuring out a date. Darrell reported that this also needs a follow up with Jeremy when he returns.</td>
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4. Approval of the Minutes from 05-18-15 - Ron Pate/ All:

On a motion by Brian Beeler, and a second from John Bell, the minutes from the May 18, 2015 subcommittee conference call were approved without exception.
5. Amtrak NPCUs as Unique State Corridor Fleets - Darrell Smith/All:

Given the uniqueness of each corridor and that the NPCU's run “captive” (for example, Oregon has certain units dedicated to the state, Amtrak, or Talgo fleets) Tom Butler thought it might be best to separate the NPCUs. Part of the California and Downeaster services have similar setups. A potential change in methodology would be states paying for units as they are overhauled, and each individual state would pay for the unit that comes back to them and the cost associated.

Darrell clarifies that the measurement basis would still be a units-used system, but that it would be dividing the fleet into smaller equipment classes, sub-fleets. For instance, having a Cascades NPCU fleet (would have its own fleet type) versus a Downeaster NPCU fleet. If one was needed on a different route, that units used cost would be split between the two. If the Cascades had two of its NPCU's overhauled in FY16 for $1.5 million, then the states would owe $1.5 million as opposed to if they had no NPCUs overhauled in FY16, they would owe nothing.

Ray Hessinger thought that one potential drawback with the smaller fleets is that the units used statistic would only matter in the year that the overhaul happens, whereas if there is no overhaul happening in a given fiscal year no capital charge occurs. If NNEPRA overhauls one of their units this year and it pay the full cost of that, and the next year the Midwest wrecks one of their units and borrows one from NNEPRA, using 50 percent of it next year, there is no charge because it was just overhauled in the previous year. The Midwest would therefore not contribute to the overhaul of that equipment. Darrell added that Amtrak would not charge a fee to the Midwest for the use of that equipment and use it as a credit for NNEPRA.

Tom will look at units as they stand today, what services they run in, and put together a table that shows where Amtrak is in overhauling each of those units and what the amount of investment is to date. It will also include when each unit scheduled for their next overhaul according to the plan for 2016-2017. The subcommittee will then comment and make a decision. An LCPM program for each of these sub-NPCU types will be created, as well. Amtrak will be sure to include all states involved. Ron will also reach out to those states not currently on the call. The results and definition will be reported out to the 209 governance structure. Ashok Sundararajan received confirmation that this overall idea was not a policy change, but Ron agreed that it warranted further examination. Units used will still be used for charges.

6. Update on Inward Facing Cameras: How do these relate to the capital equipment? - Ron Pate/All:

Ron mentioned this issue emerged after the recent derailment accident and assumes this is capital equipment. He wondered if there will be an ask for FRA money that the states can partner with Amtrak. Tom said that as Amtrak installs PTC in its equipment, that installation cost is not being passed to the states. He thinks these cameras are the same as PTC that will be going to the federal government to cover all the costs.

Since states share some of the other equipment, how can we support each other on this ask for federal funds? Darrell said things are happening faster than committees can respond. Amtrak recently updated Congress on the cost to install these cameras. Amtrak will use $9.8 million of its overall capital allocation to pay for the cameras (This would not be net-new funds, but rather using the money to pay for this instead of whatever was originally planned).

Mario asked that Ron is making sure that states are ensuring that these locomotives have inward facing cameras. Jason Biggs answered yes since they are part of the contract. Currently WSDOT is working with a change order for all 35 locomotives individually between Illinois, California, and Washington for the cameras (ACS64 version).

7. FMCS - Recap/ follow-up for Capital Equipment Items - Ron Pate/All:

Regarding capital equipment at the FMCS meeting, Ron reported that good progress was made on page 86 of the capital plan, which had a table for notification of variances and tolerance. Some discussion was held about how to use this to make states more comfortable with their budgets, in addition to identifying the right percentage of tolerance. There was a commitment to work through these partnership issues as all have common goals of increasing ridership and revenue while reducing cost risk for capital equipment going forward.

The G&A rate of 7.36 percent was also discussed. DJ Stadler agreed not to include that. Ron said he is working on obtaining the exact language and will confirm he has the right version with Tom Butler before sending it to the subcommittee.

On the first day, the states took the opportunity to work through the governance document, and then went through it with Amtrak the next day. Now they have a good version to circulate to the states. All Amtrak and state co-chairs to the three new work groups that came out of the old Operating Cost Work Group were
appointed (Reporting Work Group, Station Costs Work Group, and Marketing-related Costs).

8. Reconciliation Q2 FFY2015 - Recap/ follow-up - Ron Pate/ All:

Tom and Mario's user group meeting went well.

9. FFY2014 - Year-End Reconciliation Updates - Ron Pate/ All:

Darrell and Ron believe everything was distributed. Ron mentioned that Brent sent a request in May for more detail but this is not yet closed out. Different states are in different stages of the process depending on what was reviewed. Brian mentioned NNEPRA received its reconciliation numbers. Moving forward, he suggested more discussion regarding reconciliation at the end of the fiscal year in order to better understand and explain them—given that he observed the process has a steep learning curve. Darrell agreed and pointed out that Amtrak was not given enough resources to support this. It is looking into how it can automate the process so progress is seen through the year rather than waiting until the year-end reconciliation. Right now, such a tool does not exist. Brian said this is also a challenge for states to comprise everything into a concise format.

Ron and Darrell thought that the end goal should be signing off on these as they are worked through, in order to create a record moving forward.

This will be a topic left on the agenda for the next meeting.

10. Other Issues

There were no other issues brought up for discussion.

Next call - June 15, 2015 - 4:00PM Eastern

Adjourn -

With no further business to come before the subcommittee today, Ron Pate adjourned the call at 4:52 PM Eastern.

Next 514 conference call June 29, 2015

Decisions and Action Items

1. Tom Butler will continue investigating equipment cost numbers for Amfleet cars related to the updated tables.

2. Tom Butler will look at units as they stand today, what services they run in, and put together a table that shows where Amtrak is in overhauling each of those units and what the amount of investment is to date. It will also include when each unit scheduled for their next overhaul according to the plan for 2016-2017. The subcommittee will then comment and make a decision. Amtrak will be sure to include all states involved. Ron Pate will also reach out to those states not currently on the call. The results and definition will be reported out to the 209 governance structure.

3. Darrell Smith will distribute revised tables on the CIP prior to the next meeting once the Amfleet/ Horizon review is formalized and incorporated. The new version will also reflect an increased number of units used for the Wolverine service and eliminate any units used related to the Hoosier State.

4. A final survey question on corridor equipment needs has not been finalized for distribution. Ron Pate will follow up with Jeremy Jewkes for the status.

5. Jeremy Jewkes and Darrell Smith will look at the process for finalizing the major updates for this year and figuring out a date.

6. Ron Pate is working on obtaining the exact FMCS Capital Equipment Items language and will confirm he has the right version with Tom Butler before sending it to the subcommittee.

7. FY2014 - Year-End Reconciliation Updates will be included as an agenda item for the next meeting.
SECTION 305/209 – 514 Subcommittee

Conference call
Call in number: 888 585-9008
Access code: 423-006-359
June 15, 2015
4:00pm, Eastern

AGENDA

1. Welcome/Open Ron Pate
2. Roll Call Bryan Hong
3. Action Item Status Review Bryan Hong
4. Approval of the Minutes from Previous Meeting Ron Pate/All
5. Amtrak NPCUs as Unique State Corridor Fleets Darrell Smith
6. Update on Inward Facing Cameras Ron Pate
   - How do these Relate to the Capital Equipment?
7. FMCS – Recap/follow-up for Capital Equipment Items Ron Pate
8. Reconciliation Q2 FFY2015 – Recap/follow-up Ron Pate
9. FFY2014 – Year-end Reconciliation Updates Ron Pate
10. Other Issues All

Next Call: June 29, 2015