

SECTION 305/209 – NGENC – 514 Subcommittee

MINUTES

APRIL 10, 2017

4:00 PM EASTERN

CONFERENCE CALL

FACILITATOR	<i>Brian Beeler II, NNEPRA</i>
ATTENDEES	<i>AASHTO: Bryan Hong; Amtrak: Tim Ziethen, Max Johnson, Mario Bergeron; FRA: Ashok Sundararajan; CCJPA: Dean Shepherd; MDOT: Jeff Martin; NYSDOT: John Bell; NNEPRA: Brian Beeler II; WSDOT: Jason Biggs</i>
ABSENTEES	<i>CDOT: Marci Petterson; Caltrans: John Pagano; NCDOT: Allan Paul; ODOT: Mike Jenkins; TXDOT: Gil Wilson; WisDOT: Arun Rao</i>

DISCUSSION / DECISIONS

1. Welcome and Open Meeting – Brian Beeler, II:

Brian Beeler, II began the meeting at 4:02 PM.

2. Roll Call – Bryan Hong:

Bryan Hong called the roll.

3. Approval of Old Minutes – All:

Dean Shepherd motioned for the approval of the minutes from March 27, with a second from John Bell. The minutes were approved without modification.

4. Discuss CIP Update – Amtrak & All:

a) Any follow-up questions on Amtrak documents discussed on March 27

Brian reiterated that the updated values of programs by State and project were only changes done to the units used differences, not the actual budget numbers. Any future questions should be brought to Darrell Smith's attention.

The Amtrak budgeting process for the next stage will not be done by the end of this month, according to Tim Ziethen, which is the same as in previous years. Staff have continued to work on estimates. It will be prepared to discuss where it is at the end of April. Tim thinks current trends will continue and anticipates the rolling stock engineers to review the scopes of work (Amtrak does not anticipate any major changes), meet with the shops to go over any proposed changes, and accordingly make minor adjustments.

b) Determine CIP document priorities

The Subcommittee heard opinions on the three options previously identified through the survey the States completed (reconciliation process improvement, cost transparency improvement, and end-of-life equipment plan/new equipment coming online plan).

- WSDOT: cost transparency. Jason Biggs also mentioned performance is another issue, specifically to be able to see where things were under the first edition of the CIP and where they are now in comparison to observe what that gap currently looks like. This was meant to better understand how the delta between actuals and estimates (units and costs) has changed between CIP editions and over time since the first CIP. It is a good news story that the 5-year estimates are stabilizing with each edition as Amtrak has an improved identification of the fleet needs and more diligent estimating has occurred over time. The states can have confidence in the estimates for their budgeting purposes and it would be beneficial to show that process improvement.
- NYSDOT: end-of-life equipment. John Bell explained that there have been improvements regarding the first two options. The third is important because as equipment ceases to become useable it will adversely impact the ability to sustain current operations as well as any potential to expand service.
- CCJPA: end-of-life equipment. Dean Shepherd shared that this is Capitol Corridor's main priority.
- FRA reiterated its priorities as cost transparency and definition of the scope of work.

Due to a lack of attendance from other States, no final decision was made but the conversation will continue in future meetings.

Brian and Mario Bergeron agreed on continuing to explore the idea of having the Subcommittee work together to further elaborate on program elements within the CIP without revealing too many details that Amtrak considers important to its business operations. Also cost overruns were mentioned as an area where the Subcommittee could develop recommendations for a policy to address over-budget overhaul work and recommend how SAIPRC should respond.

5. Amfleet I Update – Amtrak:

Max Johnson went through the "Amfleet I Refresh Overview v3" presentation for the Subcommittee. He discussed how the funding became available from unspent funds from other capital projects, the proposed scope of work, the potential risks, and where Amtrak is in the decision making process. The funds need to be spent in FY17, with Mario adding that some of the work may continue into FY18. The various projects would occur during the preventive maintenance (PM) cycle of the equipment, not during the overhaul. Once Amtrak has the materials it expects to have all cars going through PM to have the work done. Because the goal is to accomplish the work within FY17, the overall cycle is too far apart (four years), so the work will be performed primarily in the field. When asked if the work would be charged to the States' equipment capital agreements or their operating agreements where preventative maintenance is currently covered, Amtrak answered it has begun discussing the accounting process for this work so it will know where to look for the various components regardless of what happens. Max Johnson stated the Board may not have understood or considered 209 capital cost sharing when approving the project.

The States asked whether they would be expected to share these costs under the Section 209 cost sharing formula. Is this a one-way ask from Amtrak, and if it is and it includes cost sharing is there a determination on that? If so, Amtrak will need to present that to the States, otherwise things will remain uncertain. Max Johnson agreed that this was a significant open issue, and shared that the goal was for everyone to first have a sufficient understanding of the proposed scope of work, with the hope that by the next Subcommittee meeting Amtrak will have scheduled a meeting for Amfleet users and everyone interested in the process and policy implications.

How the issue was presented and made was also questioned because it was unclear how Amtrak decided this project was a top priority without input from the States. Jason Biggs mentioned this could set a worrisome precedent in future scenarios dealing with other kinds of equipment as it could create situations where States are pressured to make a decision under a compressed timeframe before the opportunity for improvements passes. There was also uncertainty about how this project will be handled:

- 1) Amtrak can move forward with these beneficial improvements given they are federal funds.
- 2) Amtrak moves forward with the improvements and asks the States for a funding contribution under 209 policies, to which some may have and not others even though they agree the upgrades would be good.

Where does this leave this project, given the short time needed to make a policy decision? Amtrak responded that the overall decision was made at the Board level, which is not fully aware of the extent of the work others have been doing to work through the process. The States replied that such decisions stemmed from staff recommendations that were presented to the Board, with an unknown amount of consultation with the States beforehand.

Moving forward, Max will update the SAIPRC Executive Committee on this conversation at the April 11 meeting with these minutes and agreed that the policy question is one that is significant in how it drives future actions and decisions. Amtrak will discuss internally and report back to the group, in order to figure out next steps. The States mentioned their willingness to participate in a separate call to further discuss the issue, as they see the value in the project.

6. Other Issues – All:

There was agreement that States are interested in bicycle racks. Amtrak's pilot initiative is promising, which it will discuss as the Amfleet conversation continues as the Superliner issue was easier to resolve.

7. Adjourn – Brian Beeler, II:

With no further business to come before the Subcommittee today, Brian Beeler II adjourned the call at 5:11 PM Eastern.

Next 514 conference call May 8, 2017 – 4:00PM Eastern

Decisions and Action Items

FRA Actions

1. None

Amtrak Actions

2. Max Johnson will update the Executive Committee on the Amfleet I conversation. Amtrak will continue to have internal discussions and report back to the Subcommittee.

State Actions

3. States will continue to think about the three options (see agenda item #4b) and how to prioritize them in this update of the CIP.
4. Bryan Hong will send the draft minutes from the call to Max Johnson so he can update the SAIPRC Executive Committee on its April 11 call.

Attachments [1]

- Amfleet I Refresh Overview v3 (PPTX)

**SECTION 305/209 – 514 Subcommittee**

**Conference call
April 10, 2017
4:00pm, Eastern**

AGENDA

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| 1. Welcome/Open | Brian Beeler II |
| 2. Roll Call | Bryan Hong |
| 3. Approval of Old Minutes (March 27) | All |
| 4. Discuss CIP Update | All |
| a. Any follow-up questions on Amtrak documents discussed on March 27 | Amtrak & All |
| b. Determine CIP document priorities | All |
| 5. Amfleet 1 Update | Amtrak |
| 6. Other Issues | All |
| 7. Adjourn | Brian Beeler II |

**Next 514 Conference Call
May 08, 2017**