

PRIIA 209 Equipment Capital Working Group

Ron Pate, Director

Cascades Rail Corridor and
Washington State Department of
Transportation Rail Division



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

Presentation Outline

- Working group objectives and charter
- Key findings to date
- Outline for final plan
- Next steps and milestones



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

What is the purpose of the working group?

- Address “parking lot” issue from FFY14 agreements
- States and Amtrak to work collaboratively
- Implement 209 policy in a way that provides:
 - Predictability for state budgets
 - Appropriate handling of Amtrak’s proprietary data
 - Transparent and reasonable allocation of costs



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

Process

- Developed charge statement and scope of work
- Informational presentations by Amtrak:
 - Capital Equipment maintenance and overhaul programs
 - Units used methodology
- Smaller group of “non-disclosure agreement” states review Amtrak’s 5-year budget



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

Working Group Charge Statement

- Understand and agree to the capital equipment work to be performed
- Identify all work elements and associated costs included within the agreed to work
- Identify the state of repair of equipment before and after it is overhauled
- Identify quality control procedures, associated costs and warranty processes for rework, if needed



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

Working Group Charge Statement

- Assure budgeted work is performed and establish a reconciliation process for budgeted work not performed but funded
- Understand cost allocation and develop reconciliation processes for the capital plan and capital charges for equipment shared among states or states and national/long-distance or North East Corridor fleets
- Identify and track costs of each element pursuant to standard accounting principles



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

Key Findings

Based on what we have accomplished, we understand the following:

- Amtrak's maintenance philosophy for maintaining state corridor fleet. Generally speaking, it is:
 - Level I, II, and III for cars deployed in state corridor service
 - LCPM for locomotives (e.g., P-42) that are already in cycle or required overhauls for other locomotives (e.g., F59, P32 ED)
- High level description and frequency of the car overhauls and list of proposed LCPM events for locomotives



Key Findings

- Amtrak's proposed maintenance plan - By maintenance facility location how many cars and locomotives by type to be overhauled by overhaul type for FY14 to 18
- Estimate of fully loaded unit costs for labor and materials by equipment type and overhaul type; Inflation factor applied to estimate year of expenditure costs
- Total capital maintenance budget, including PTC installation costs, for entire state corridor fleet for each year by equipment type for FY14 to 18



Key Findings

- How Units Used, the allocation statistic, used to allocate maintenance costs to routes is computed
- Size of Amtrak's Active Revenue Service Fleet by equipment type and protect/shop margin to deliver current service levels
- Summary capital maintenance budget by route by equipment type by overhaul type for FY14 to FY18



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

Remaining Questions

States and Amtrak have to work through clarifications and questions. Sample questions are:

- States are still reviewing the approach that Amtrak used to estimate the unit costs and the 5-year capital maintenance budget
- More detailed description of the overhauls (e.g., a check list format) so states understand what are typical activities performed during each overhaul
- States' plan to utilize Amtrak owned equipment once new bi-levels and next generation locomotives are introduced in revenue service



Remaining Questions

- State of Good Repair of Equipment
- Reconciliation between Plan and Actuals
- Plan update
- States are proposing to develop a Capital Investment Program (CIP) document the assumptions and good information presented by Amtrak that can be updated periodically



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

Outline for Equipment Capital Plan

- Purpose of the 5-Year Capital Investment Program (CIP) Plan
- Roles and Responsibilities
- CIP Plan Period
- Baseline Year Service and Equipment (Baseline Scenario)
- Forecast Period Service and Equipment Assumptions During CIP Plan Period (Forecast Scenario)
- Proposed Equipment Maintenance Scope and Activities
- Capital Costs
- Finance Plan and Budgeting
- Equipment Performance Assurance
- Project Management
- Monitoring and Oversight
- Reconciliation (Plan vs. Actuals)



Next Steps

Deliverables and actions	Timing
Complete Plan Outline	March 1, 2014
Finalize remaining state needs	March 10, 2014
Prioritize plan areas and begin by priority	March 30, 2014
Consultant services to lead development of the plan	April 15, 2014
Coordination with performance and operations groups	Ongoing
Final Plan – Timing based on priority completions	
<i>(Goal is to have as many high priority items possible solved prior to FY15 agreement time)</i>	



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

Contact Information

Ron Pate

**Rail Director, Washington State Department of Transportation and
Cascades Corridor Director**

360.705.7900 or paterd@wsdot.wa.gov



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