

# NGEC, moving forward

Next Generation Equipment  
Committee

October 24, 2014



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

# NGEC future working group

- FRA, states, AASHTO, Amtrak
- Scope was to determine path forward
- Looked at three basic scenarios
  - NGEC ends
  - NGEC continues
  - NGEC expansion
- Share estimated burn rate of NGEC continues



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# Context

- Original grant funding of \$4M from FRA
- Helped parties meeting PRIIA mandate
- Remaining funds \$1.5M
- Current burn rate is \$513K/yr
- Estimated “Committee Mode” future
  - burn rate is \$460 K/yr
  - could get NGEC through September 2017



# NGEC Results

- \$200M in savings from NGEC support
- NGEC was a \$4M investment
- Addresses long standing issues
- Works in concert with the system instead of state to state



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# NGEC Ends/Short Term

- NGEC management
- Loss of centralized/standardized document control
- Technical expertise still needed
- Loss of unique industry/operator/regulator coalition
- Loss of support for PRIIA 209 CIP
- Regardless, specifications **MUST** be kept current



# NGEC Ends: Mid/Long Term

- Mid Term
  - No standardized oversight
  - No Section 6/NGEC coordination
  - No standardized modification oversight
- Long Term
  - No new 305 equipment purchases
  - Loss of standardization
  - Existing equipment balkanized



# Survival mode

- Executive board
- Technical subcommittee
- Finance subcommittee
- Administrative Task Force
- Joint Procurement Task Force
- Structure and Finance Task Force
- Equipment Capital Working Group
- AASHTO support services



# Committee Mode - 1

- FWG looked at each task force/ subcommittee/working group
- Ensured our mission was served
- Determined essential functions of NGEC
- Looked at ways to combine subcommittees/task forces
- Overall was to lower costs, while maintaining or improving results delivered



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# Committee Mode - 2

- Executive Board
  - Remains and has no real impact on cost for regular meetings
  - Continue with only one annual face-to-face meeting
  - Still deliver decisions in a timely manner
  - Continue to involve key stakeholders
  - Future Working Group function



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# Committee Mode - 3

- Technical subcommittee
  - Continues at same meeting frequency
  - No real impact on cost
  - Continues to be significant information conduit for industry and states
  - Continues to deliver high value results for specifications
  - One face-to-face meeting for FY 2015



# Committee Mode - 4

- Finance & Administrative subcommittee
  - Administrative Task Force functions merged into this renamed subcommittee (*by-law change*)
  - Continues budget and financial planning, audits, grants
  - Adds all ATF functions and meetings may occur monthly or bi-monthly



# Committee Mode - 5

- Equipment Capital subcommittee
  - Convert working group to a subcommittee reporting directly to the Executive Board
  - Continually updates CIP
  - Support and monitor reconciliation process
  - Meetings as needed



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# Committee Mode - 6

- AASHTO support services
  - Continues to help ensure communication and management of NGEN
  - Continues website support
  - All other support continues
  - Policy and Analysis consultant eliminated



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# Committee Mode - 7

- Next three years
  - Have a standing agenda item for each executive board call to “eat the elephant” one bite at a time
  - Future funding options due by October 2015
  - This would allow NGEC to be prepared
  - Continual evolution of functions through the executive board and its subcommittees



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# Expansion Mode

- A number of functions could be accomplished by the NGENC
- Thorough discussion of these ideas took place in the previous working group
- These need to still be vetted
- Previous conclusions were the functions where possible, but the 'location' needed more work



# Recommendation Highlights

- New burn rate of approximately \$460K/year
- Would allow for NGEC to continue in this mode through September 2017
- NGEC take systematic approach to our future
- Decisions about funding could be more in depth and informed
- Funding or the lack thereof





# Recommendation Details

- Adopt COMMITTEE MODE
  - Establish budget with \$460K/yr burn rate
  - Create Finance and Administrative subcommittee
  - Formally create “514 subcommittee”
  - NGENC Future Work Group functions absorbed by EB
- Direct new FAS to:
  - revise SOW for new budget and grant extension
  - recommend By-Laws changes
- Deadline for funding options: October 2015



# Questions?



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