

Authority Board Meeting - Corrected
August 27, 2001 - Corrected
Orlando, Florida
Minutes:

Call to Order:

Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority to order at 10:08 a.m. Other members in attendance included Norm Mansour, Secretary; Lee Chira, Treasurer; Heidi Eddins; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. "Doc" Dockery; and Skip Fowler. Vice Chairman John Browning arrived at approximately 10:30 a.m. Opening Remarks: Chairman Dudley opened the floor for remarks by the "hosts" of this month's meeting. Mr. Fowler, Mr. Chira, and Ms. Nodarse welcomed the members and the audience to the Orlando area. Mr. Chira encouraged the members to consider Orlando as a central meeting place, with consideration to traveling to various communities to accommodate public participation and comment.

Minutes:

The minutes of the previous meeting, held on August 6, 2001, were reviewed. On motion by Mr. Fowler, seconded by Mr. Chira, the minutes were approved. There were no corrections or omissions.

Other Business:

Chairman Dudley advised that following approval of the Authority's proposed budget at the last meeting, he and Mr. Haddad met with the Governor's Office. Mr. Haddad also provided members with a copy of a letter to DOT Secretary Tom Barry regarding rolling forward to the current fiscal year the \$4.5 million appropriated to the Authority in fiscal year 2000-01. (Copy attached.)

Chairman Dudley explained his understanding that the entire \$4.5 appropriation is available to be spent for capital outlay purposes until February 1, 2002. Mr. Haddad added that any amounts not committed from this fund by the February 1, 2002, deadline will be lost. Any amounts committed but not spend by the same date would require to be certified forward by the Governor's Office. Chairman Dudley further explained his understanding that in order to use any part of the fund for expenses such as travel or the hiring of staff, a budget amendment will be required. He advised that he and Mr. Haddad would be going back to the Governor with a request for \$200,000 to cover travel expenses.

High Speed Rail Technology Panel:

The members received presentations as follows:

Mr. Peter Peyser, representing Alstom, Inc., provided background information about the company, and briefly discussed Alstom technologies. In answer to Chairman Dudley's inquiry regarding the status of federal legislation relating to high speed rail, Mr. Peyser reported that a conference between the House and Senate on the annual transportation spending budget is pending. He added, however, that the prospects for the \$12 billion bond bill are cloudy. When asked by Mr. Chira whether Alstom is interested in being an equity partner in Florida's high

speed rail project, Mr. Peyser advised that Alstom is interested.

Mr. Ray Metz, representing Bombardier Transportation, gave an overview of the company and its products and services. In response to Mr. Chira's inquiry, Mr. Metz advised that Bombardier is interested in acting as a construction and operations partner on the first leg of the project. He also advised, upon Ms. Eddies' inquiry, that the diesel-powered locomotives discussed during his overview operate at 110 miles per hour and can be re-designed to exceed that speed. Further, in response to Mr. Dockery's question regarding coupling and uncoupling in motion, Mr. Metz advised that de-coupling can be accomplished in motion but that, for safety reasons, coupling is done while stopped.

Mr. Frank Guzzo familiarized the members with Siemens, provided background information, and described the company's products and services. Mr. Chira asked how the tilt innovation Mr. Guzzo described works, and Mr. Guzzo advised that sensors detect the tilt of the locomotive. Controls then tilt the car body as necessary to pass through a given curve at the given operating speed. Mr. Guzzo advised that the technology is proven successful at speeds in excess of 250 kilometers per hour and is a comfort, rather than a safety, factor. Tilting does, however, improve trip times, especially in mountainous terrain. Mr. Guzzo advised, in answer to Chairman Dudley, that Siemens is interested in a DBOM (design-build-operate-maintain) arrangement for this project.

Mr. Jean Pierre Ruiz introduced the members to Talgo, provided background information, and briefly described Talgo trains and features. He discussed Talgo's lightweight construction, articulated coupling of cars, tilting system, and lower maintenance costs. Mr. Ruiz noted Talgo's specialization in intercity trains and advised, in response to Chairman Dudley's question, that Talgo is likewise interested in a DBOM arrangement.

Mr. Larry Blow presented Transrapid Maglev and discussed magnetic levitation technology and advantages. In answer to Mr. Brown's inquiry, Mr. Blow advised that Transrapid is interested in a DBOM arrangement but would prefer to provide the technology, operation and maintenance, while looking to the U.S. market for construction of the project. He explained to Mr. Chira that the manufacturing would be based on Transrapid's design, but "Americanized" for the U.S. market. Mr. Blow further advised Mr. Dunn that despite the conclusions of the Coast to Coast Rail Feasibility Study, Transrapid's technology can be built for roughly the same capital cost as steel wheel technology and that operation and maintenance costs are on the range of 30 to 40% less. Mr. Blow expressed his specific disagreement with the studies opposite conclusions and his disagreement with the study in general. He agreed, upon Mr. Dunn's and Mr. Chira's requests, to submit to the members written information regarding costs and what he considers to be the study's fatal flaws.

Mr. Dockery noted the German government's participation in a contract in China, asked why that government is willing to participate, and was advised that the German Ministry of Transport has informally indicated that its government would make sure the project goes forward in the U.S. market. While that government may not contribute the first dollars, it might contribute the last dollars needed to close the project. Ms. Eddies was advised that the service in China is an airport connector approximately 20 miles long with no intervening stops.

Mr. Lew Oliver introduced American Maglev and indicated its interest in being a joint-venture partner in the project. Mr. Oliver invited the members to attend a demonstration project in Edgewater, Florida, this fall that will test the company's system at speeds in excess of 125 miles per hour. He advised Mr. Chira that the track is leased from FEC and is about nine miles long.

The demonstration phase, however, is shorter but sufficient to allow testing at the specified speeds. Mr. Oliver also described a system on the campus of Old Dominion University and indicated that the operating speed of that system is between 40 and 45 miles per hour, but that the technology is capable of speeds in excess of 125 miles per hour. Mr. Oliver opined that the public sector funding role for high speed rail projects is limited due to substantial risks in technology. He advised Mr. Chira that his company is interested in participating in Florida's project without the need for public funding because the cost of their technology is dramatically lower than steel wheel technology, as are operation and maintenance costs.

Mr. Dunn noted the November 2003 construction deadline and asked whether his company could be ready. Mr. Oliver advised that his company is experienced in acting quickly, opined that their technology is simple, and expressed no difficulty in meeting the mandated construction schedule. He suggested that the Authority allow construction of the first leg of Florida's project with private money and then require demonstration of success prior to infusing public funds.

Mr. Charlie Smith presented Maglev 2000 and provided background information on the company's development and its facility in Titusville. He noted the major difference between his company's system and others in the large gap of clearance between vehicles and the guideway and indicated that operating speeds can vary from low to high. He further discussed the capability for off-line loading to accommodate passengers while allowing through-trains at the same time. Mr. Smith advised the members that his company could not meet the mandated construction deadline but did want the members to be aware of their technology. He further noted the FRA's funding of their efforts to propose U.S. technology.

The members then engaged in an open discussion with the panel. The members were advised that, in determining the maximum speed they should be looking at, certain questions will have to be answered prior to that determination; for example, what will be the ultimate track alignment, how many stops are desired, where will the stops be located, will the members choose electric power or fossil fuel, what will further study at the PD&E level indicate about the effect of speed on ridership, etc. The panel participants generally agreed that technology is the solution once these types of factors are identified.

Chairman Dudley inquired about the potential need for some additional right of way to accommodate turns at higher speeds and was advised that the PD&E study should cover a range of speeds up to the maximum required to enable a better assessment. Mr. Oliver indicated that his company's maglev technology can bank better, potentially reducing the need for additional right of way; but he indicated that his company does not expect the Authority to buy their technology, that where the alignment, etc., goes should be left to his company as the project funder. He opined that his company's system would be placed in the existing I-4 corridor, that it is 50% lighter, that it can accelerate and decelerate faster, and that it can be accommodated by the existing bridges, especially crossing Tampa Bay. Mr. Oliver opined that his company's system can reach downtown easily.

In response to a question posed by Chairman Dudley regarding the potential for private sector participation in financing the high speed rail project, all, with the exception of Lew Oliver, indicated that while some private sector funding opportunities may exist, substantial public funding, both state and federal, would be required.

Chairman Dudley noted the attendance of Representative Dennis Ross, sponsor of House Bill 489 creating the Authority, and Senator Jim Sebesta, Chairman of the Senate Transportation Committee, and welcomed them to the meeting.

Ms. Eddins asked the panel participants to comment on the transportation need their systems will respond to and, if the needs are disparate, whether their systems will meet all of those needs. Mr. Smith noted that the services are different, ranging from commuters to tourists. He indicated that having the same technology is nice, but that technologies could be mixed based on factors such as funding, etc. Mr. Oliver noted his company's technology is feasible for both low and high speeds, using off-line stations for stops and through trains with no intermittent stops. He opined that if a system cannot handle local traffic, the system would not be economically feasible. Mr. Blow suggested that initial focus be on short trips, beginning and ending with airports.

Mr. Ruiz noted that existing technologies are capable of more than one speed but questioned the desirability of such a mix. He asked why a system would employ technology capable of 200 plus miles per hour when you have frequent stops. He noted, for example, the fewer amenities needed for intercity rail service and the role of intermodality in driver decision making. While existing technologies can be employed at various speeds, he noted, the question is how well. He further discussed the role of advertising. Mr. Peyser agreed that the challenge is to pick the technology that allows you to do what you need to do given travel characteristics that vary across the state. The question, he indicated, is how to best position the system to catch the best opportunities for serving those needs.

Mr. Gruzzo noted that it seems the constitutional mandate is intended to ease traffic congestion by giving travelers an alternative to automobiles. He indicated that the members must identify what it is that they want the system to do. Mr. Blow agreed that the goal seems to be to provide an alternative to automobiles, as well as air travel. He opined that a place exists for high speed rail in an integrated system including air and automobile travel and indicated that his company can propose answers to implementing such an integrated system.

Ms. Nodarse noted her agreement with Chairman Dudley's previously expressed encouragement that the members not focus on one particular technology type; but, rather, that the focus be on a provider of an entire package that would help prioritize the pertinent variables and help identify the particular needs to be serviced. Chairman Dudley requested that the panel participants submit a "one-pager" relating to technology, speeds, and costs, assuming best construction conditions. Mr. Dunn noted he has already requested and received some such information.

Mr. Mansour noted the Authority's duty to limit public risk and expressed his belief that solutions might best be found in the financial commitments these companies are willing to make. He asked whether anyone could opine as to the best approach to maximize the state's potential for attracting non-state money. Mr. Peyser answered that in order to get federal money, as well as to attract private investment, the Authority needs a completed environmental impact statement as soon as possible to identify environmental costs. Secondly, with respect to private funds, Mr. Peyser suggested that the Authority should give the flexibility to design a system that meets some designated performance standard - perhaps relating to ridership, for example - without dictating a technology or even a speed.

Mr. Oliver noted that if a proposal cannot show that a given system will yield a profit, then the proposer isn't telling the whole story. He expressed his opinion that his company has to fund the system not just because limited public funds are available, but because his company has to bear the risk to demonstrate that it can make a profit. Mr. Blow indicated that his experience is

different, with the public sector providing the infrastructure and the private sector providing the technology. Mr. Ruiz indicated he knows of no system that makes money. He opined that if the Authority wants private enterprise to build the system, the Authority must be willing to let private enterprise decide which technology to choose, how many stops will be employed, where the stops will be located, how and where advertising will be utilized, etc. At the same time, he noted, the state must be prepared to act should a system be built and then fail. Mr. Peyser indicated existing "examples galore" of private sector funding of infrastructure systems that do not make a profit. Mr. Metz agreed that the Authority must consider risks, some of which are within the state's control, such as plans to expand roads in locations where riders would be enticed away from a rail system.

In answer to Mr. Fowler's question regarding the difference between an environmental impact statement and an environmental assessment, Mr. Peyser noted that a period of approximately 18 months is required to complete an environmental impact statement, while an environmental assessment can be accomplished in approximately six to nine months. The cost for each bears a similar relationship. He indicated that the Orlando-Tampa-St. Pete route is "a virtual impossibility" without a full environmental impact statement. The members thanked the panel for their presentations.

(The meeting was recessed at 12:25 p.m. and reconvened at 1:07 p.m.)

Environmental Panel

The members received comments as follows:

Ms. Katie Gill of the Audubon Society of Florida shared with the members "Biodiversity Model Data Layers" maps identifying primary sensitive lands within the state and encouraged the members to utilize existing environmental data. She urged the members to be sure when planning to avoid environmentally sensitive areas in the state and to utilize existing routes.

Ms. Jennifer McMurtray of Defenders of Wildlife (DOW) noted the general incompatibility of wildlife and transportation corridors. She advised that DOW does support high speed rail development in Florida if it is accomplished in an environmentally sensitive manner. Ms. McMurtray further suggested to the members that in order to protect conservation areas, the rail system should be located in existing corridors; new paths should be pursued only if necessary to conserve environmentally sensitive areas; the system should have a limited number of carefully placed stops; and economics should not override environmental concerns. She identified a number of existing tools in Florida that are useful in identifying environmental problems early on and urged the members to consider establishing a technical advisory committee relating to environmental issues.

Mr. Tim Jackson of 1000 Friends of Florida expressed his group's advocacy of good management practices. He noted that high speed rail can be a part of smart growth for Florida and can contribute to building better communities.

Ms. Linda Bremer of the Sierra Club noted the group's campaign against the effects of sprawl promoted by interstate highways and interchanges. She indicated Sierra's desire to participate at an early stage in Florida's high speed rail development. Ms. Bremer noted Sierra's support for high speed rail at the national level, commented on its potential for reducing the impacts of the culture of the automobile, and expressed Sierra's concern that funding for high speed rail not come from environmental sources or from public transportation funding. She urged the

members to consider the organic and biological characteristics of Florida and to utilize the environmental screening analysis criteria developed by the Governor's office as the Authority moves through its work.

Chairman Dudley referenced three elements of the operating plan required by HB 489. He noted that the Authority is required to include in the plan methods to ensure compliance with applicable environmental standards and regulations and opined that this requirement should alleviate some environmental concerns. He also pointed out the bill's authorization of the acquisition of any necessary rights of way and opined that such acquisition should be minimal. Further, he noted required inclusion in the plan of an estimate of the value of assets the state or its political subdivisions may provide as in-kind contributions, including rights of way, and pointed out that neither the Constitution nor the bill requires use of existing right of way. Still, one would probably conclude that use of existing right of way would present the least impact.

Ms. Eddins asked for the panel's thoughts about existing railroad rights of way in Florida, and Ms. Bremer advised of her understanding of the difficulty of using, for example, existing CSX lines. Ms. Bremer indicated that use of existing rights of way is preferable. Assuming that such existing railroad rights of way were made available, asked Ms. Eddins, why would use of highway rights of way be advocated over railroad rights of way? Ms. Bremer responded that her group looked at the route from Tampa to Orlando, which focused on the existing I-4 corridor, and was not prepared to discuss other parts of the state. Mr. Jackson suggested that the members should look at both highway and railroad rights of way. Ms. Bremer also suggested looking at existing utility corridors. Chairman Dudley noted that law's requirement that the Authority look at all rights of way, but that he had thought of such rights of way as public rather than private. Vice Chairman Brown opined that for high speed rail to work, use of present rights of way is necessary. He indicated that creation of new corridors is almost impossible as the money simply isn't available.

Mr. Dunn asked what is meant by "existing rail corridors." Could that phrase be defined as being as much as $\frac{1}{4}$ or $\frac{1}{2}$ mile outside the fence and still be acceptable? Ms. McMurtray responded that the closer to the current boundaries, the better. If a need exists to go outside current boundaries and doing so would not impact sensitive resources, her group would have no objection. If however, going outside the existing boundaries would impact environmentally sensitive areas, DOW would have concerns. Mr. Dunn noted that the worst curves are located in the western half of the Tampa-to-Orlando leg of the project and questioned whether the panel would have concerns if the project is located adjacent to the existing right of way. Ms. Bremer advised of the importance of getting good information as early as possible, utilizing the various tools outlined by Ms. McMurtray, and to make a best choice based on that information. If the expected environmental damage is significant and irreversible, she suggested that the Authority might want to choose another corridor. Ms. Bremer indicated that Sierra would never take the position that the project can never go outside the current right of way. Ms. McMurtray reiterated her lack of concern for going outside of existing rights of way in areas that are not sensitive but noted that in previous efforts to identify a high speed rail corridor, it appeared that the goal was to specifically target the most environmentally sensitive areas. Mr. Dunn further noted that in order to avoid the areas identified as sensitive, the corridor cannot run from Tampa to Orlando, yet I-4 goes through these areas. Ms. Bremer suggested that the choice of the PD&E consultant is critical, along with the Authority's efforts to bring in environmental input early on.

Mr. Chira noted that when moving out of ecological areas, you move into "people areas," into neighborhoods, where people are similarly concerned about their environment. Ms. McMurtray advised that the concept of environmental justice is built into the analysis and is in development

at UF. She urged the Authority to get UF involved early on.

The members thanked the panel for their presentations.

General Consultant (HNTB) Presentation

Chairman Dudley recalled for the members previous discussions indicating that the members probably didn't want the general consultant firm and the PD&E firm to be the same company, although no formal decision had been made. He noted that Parson Transportation Group had previously been ranked the number two candidate for negotiations on the general consultant contract and was slated to make a presentation on the PD&E contract. He indicated his desire to see if negotiations with the number one ranked general consultant firm could be concluded prior to moving to discussion of the PD&E contract and received no objection.

George Cole of DOT's Contractual Services Office advised of his receipt of HNTB's fee proposal. As discussed at the last meeting, he noted that the proposed agreement is a task assignment contract, meaning that quantities cannot be negotiated until each task comes up. Under this scenario, Mr. Cole advised that the contract establishes rates and rules of procedure under which each task will be negotiated. After review of the fee proposals, Mr. Cole recommended a draft contract that uses the standard DOT boilerplate language, setting actual rates that the consultant pays to employees with an audited overhead rate subject to the DOT's current cap of 166%, plus a negotiated operating margin of 10 - 15%. For certain services that do not lend themselves to this type of compensation, costs are set up on a cost-per-unit-of-work basis.

Chairman Dudley inquired of Adrian Share, Vice President of HBTB Corporation, whether the terms of the draft contract are acceptable to HBTB with a 15% across the board reduction; and Mr. Share advised that the rates as discussed with Mr. Cole are acceptable. Mr. Cole advised that the project calls for a wide range of talent, some of which is not typically utilized on a road construction contract, but that the rates are within the market place of hundreds of consultants used by DOT.

Ms. Nodarse moved to approve the draft contract recommended by Mr. Cole, and Mr. Browning seconded the motion. Chairman Dudley opened the floor for discussion. Mr. Chira inquired whether the draft contract is the firm recommendation of DOT, and Mr. Cole advised that it is the recommendation of the DOT Office of Contractual Services. Mr. Cole further advised that he has reviewed the rates and finds them in compliance with DOT standards, and that he has in the past negotiated different rates for different engineering firms. He indicated that once rates are established, negotiation occurs at the time of each task assignment, based on which individual does the work and how many are necessary to accomplish the task. In addition, Mr. Cole advised that standard DOT procedures require 10 - 15 % as the operating margin, which range is negotiated based on the risk of the project, the size of the project, and the technical expertise involved. This figure represents the operating profit, less any non-allowables. The overhead margin of 166% is the result of the most recent annual study for determining the average overhead margin. Mr. Cole advised Mr. Chira that it is the Authority's decision as to whether setting a 10% cap would be appropriate.

Mr. Chira offered a substitute motion to approve the draft contract with a 10% operating margin cap, subject to a recommendation by the DOT and approval by the Authority of any extenuating circumstances warranting a margin in excess of 10% (but not to exceed 15%). Mr. Mansour

seconded the motion. Chairman Dudley opened the floor for discussion. Mr. Dockery asked whether requiring one or more entities to come back to the Authority for such approval would impede the Authority's progress given the legislative report deadline. Mr. Chira suggested viewing the process just like a change order; that is, if the request is for a margin exceeding 10%, the request should be viewed as a change order requiring the Authority's approval. Given that the Authority meets at least once a month, Mr. Chira suggested the process would be workable.

Mr. Mansour questioned whether DOT will negotiate each of the tasks, and Chairman Dudley advised that only the Authority has the power to accept anything. Mr. Fowler noted his understanding, however, that tasks would be discussed with staff as a predicate to being presented to the members. Thus, the opportunity for negotiating a margin in excess of 10% would be available. Chairman Dudley agreed, noting the members' approval today of the basic contract, with discussion of total fees at the appropriate time. Mr. Cole indicated that approval of the basic contract would establish the operating margin that would be used for establishing the fee at the time of negotiating the task work orders. He further noted the draft contract sets forth a 14% margin for HNTB Corporation, and 12% for the remaining team members. Ms. Eddins noted that the majority proposed a 12% margin and suggested that the members should perhaps consider that figure. Ms. Nodarse noted that if those figures were to be changed, Mr. Share would be required to seek consensus from his team members. She further indicated she would not favor recommending an across-the-board 10%.

Mr. Dunn asked for further explanation regarding staff negotiations prior to the meeting; specifically, whether the consultants proposed the margins under discussion. Mr. Cole advised that the prime does have an overhead approximately 14 points below the industry average. He advised that the margins contained in the draft contract were arrived at based on a study of the industry, that the operating margin range was proposed to the consultant, and the consultant concurred. Mr. Browning noted that, at least at the outset, the members must rely on recommendations of staff and the DOT. Mr. Haddad reported that the Public Transportation Office contract includes operating margins comparable to those proposed by HNTB. Mr. Dunn noted the recommendation that the rates are fair for the industry and indicated his opposition to the substitute motion. Mr. Chira noted that the rates in Table 5 are fixed and withdrew his substitute motion.

On Ms. Nodarse's original seconded motion to approve the draft contract recommended by Mr. Cole, with operating margins of 14% for HNTB and 12% for others as shown in Table 5, the members voted unanimous approval. Chairman Dudley announced the Authority's acceptance of the staff-negotiated contract with HNTB Corporation as General Consultant.

Presentations and Selection of PD&E Consultant

The members briefly revisited previous discussions regarding conflicts of interest as a result of certain companies being members on both the general consultant and the PD&E teams. Mr. Fowler noted that the Authority made a decision as to the chosen general consultant based in part on its team members. He expressed his view that the responsibility for removing any member from the general consultant team rests with the general consultant. Chairman Dudley announced that the Authority would inquire of each presenter whether their teams will be restructured to eliminate any duplication of team members.

The members received presentations as follows:

Mr. Eric MacDonald, Program Advisor, assisted by other team members, introduced the members to Parsons Transportation Group (PTG). The speakers focused on what factors set PTG apart from other presenters, the diversity and strength of their team members, specific detail on providing technical support to the general consultant, and other project issues and approach. PTG advised of no difficulties in restructuring their PDE&E team, as three of their members have already been selected as part of the general consultant contract. In answer to Chairman Doodle's question as to whether this project can be accomplished only with significant public investment, Mr. MacDonald indicated that his team comes to the project with no preconceived notions and is ready to assist the Authority in arriving at an answer to the question. Mr. MacDonald advised Mr. Mansour that PTG recognizes Florida's high speed rail project as "not typical" because the PD&E process is typically applied to roads, not rail. Ms. Sharon Phillips added that the sheer size, length, and required coordination efforts render the project unique.

Mr. Dunn noted PTG's mention of a DBOM package meeting the legislative deadline and his concern that the Authority is making commitments for just one leg of the system, rather than for a statewide system. He questioned how the authority can award a DBOM contract on the initial leg of the project and still be in a position to negotiate a reasonable contract for the rest of the system. He expressed concern that the first leg will not be typical of what is needed statewide. Mr. MacDonald acknowledged some concern in doing a PD&E study on one piece that will render decisions for the rest of the system and suggested that the Authority may have to invest in incremental technology. The point, he noted, is to get started in order to meet the legislative deadline and continue to develop a package as needed. Ms. Eddins noted her agreement with Mr. Dunn's concerns, pointed out that major investments in rail are going on across the country, and opined that the chosen technology should be compatible with development outside of Florida. Mr. MacDonald advised that PTG is looking at corridors to the north and the west with those issues in mind.

With regard to the next presenter, Systra Consulting, Mr. Dunn questioned whether DOT would have excluded the company had it not been pre-qualified. Mr. Cole advised that consultants must be qualified with DOT at the time a letter of interest is received. Chairman Dudley noted that the Authority has no such requirement and that, in any event, Mr. Haddad advised that Systra has become qualified with DOT. Mr. Dunn advised that he was making no motion.

Mr. Stanley Feinsod, Project Director, assisted by other team members, presented Systra Consulting. Mr. Feinsod discussed necessary preliminary activities, environmental review, public and agency involvement, project support and finance and implementation plan efforts and qualifications. Mr. Feinsod advised Chairman Dudley that the first segment of the project cannot be built without public funding. Mr. Engel, President and CEO, noted there are certain risks that are not controllable by the private sector, and that the public must assume those risks.

Mr. Feinsod and Mr. Nick Brand, Project Manager, advised Ms. Eddins with regard to a comment about ridership and using existing studies to begin the environmental study that the environmental and financial studies should be accomplished simultaneously, but without starting from scratch. They acknowledged a wide range of conclusions concerning existing financial studies but suggested taking advantage of previous work, recognizing the work will need to be "tweaked." Mr. Dockery questioned whether a 90-mile segment should be considered unique. Mr. Feinsod advised that his team has done projects with very little difference in terms of length, but all have required efforts to maximize speed, minimize impact, and create a family of services that will include commuter, regional, and intercity services.

Mr. Tom Turton, Project Manager, assisted by Mr. Jack Heiss, Deputy Project Manager, introduced URS Corporation. Mr. Turton commented on the challenges faced by the Authority, the PD&E approach suggested by URS, the various tasks to be accomplished, and the team experience on board to accomplish the tasks. Mr. Turton expressed his opinion that the first segment of the project cannot be built without public funding, and Mr. Heiss indicated that further information would be gleaned from the study.

Mr. Dunn expressed his view that ridership figures for the first segment would present an understated view and that consideration of the entire system might triple the estimates. He also suggested that selecting a technology based on the first segment may not be right for the entire system. Mr. Heiss advised that his group would look at the broadest range of technologies to enable the Authority to select from a wide variety of technologies. Further, he noted that the vehicles can be built to serve the particular route. Mr. Ray Ellis agreed with Mr. Dunn that ridership forecasts, considered on a statewide basis, might increase as much as five or six times. He further agreed with Mr. Dunn that study of the first segment alone would not appear to produce a financially feasible picture, while consideration of the project statewide presents a better view.

In response to Mr. Dockery's question as to whether a 90-mile segment is unique, Mr. Turton advised his group accomplished a 500 mile study in 18 months. Mr. Chira asked how much of the work previously accomplished by Mr. Turton's group can be used on this project to save money. Mr. Turton advised that all previous work on the I-4 corridor resides in their database and is available to the DOT and to the public.

The members then undertook the selection process adopted at their August 6, 2001, meeting, omitting the first steps as the pool of presenters numbered only three due to official withdrawal from consideration at the request of other groups. After tallying the votes, Parsons Transportation Group received the total lowest score of 13; URS received a total score of 16; and Systra received a total score of 25. Without objection, the members voted unanimously to rank Parsons Transportation Group as number one, URS as number two, and Systra as number 3.

Other Business:

Future meetings: The members discussed possible future dates for Authority meetings, and Chairman Dudley instructed Mr. Haddad to solicit input from the members.

Amtrak Agreement: Chairman Dudley advised that Amtrak has modified its proposal approved at the prior meeting, reducing the amount for costs from \$110,000 to \$25,000. Amtrak also identified a "short list" of items that Mr. Share had advised could be carved out. Mr. Share advised that HNTB welcomes Amtrak's input, that the software utilized by HNTB is proprietary, and that HNTB would verify Amtrak's input to ensure it in no way favors Amtrak. Mr. Share advised Chairman Dudley that it is his recommendation that the Authority accept Amtrak's modified proposal. He also advised Ms. Eddins that doing so leaves open the possibility of using Amtrak as a resource for issues such as ridership/financial analysis, as well as Amtrak's opinions.

Mr. Dunn moved, and Mr. Chira seconded, to accept Amtrak's modified proposal. Chairman Dudley opened the floor for discussion. Mr. Fowler expressed concerned about allowing Amtrak to help author a report that may or may not be advantageous to them. Mr. Carol advised that Amtrak has models reflecting actual train operations and that Amtrak could do nothing with the

information that provides Amtrak an advantage. Chairman Dudley noted the Authority's opposition to splitting the operator and the builder and indicated he will suggest an assumption in the report that the builder and the operator are the same. Ms. Eddins noted a need to have confidence in the general consultant to evaluate Amtrak's data. Mr. Share expressed HNTB's intent to verify Amtrak's input with its proprietary software, a process in which the ability to influence the results is minimal. Chairman Dudley agreed that Mr. Fowler presents very cogent arguments, but suggested that knowledge cures any potential problems. Mr. Fowler agreed. Without objection, the members voted unanimously to approve Amtrak's modified proposal.

Public Comment:

Mr. David Goodstein, representing various homeowners groups comprising the western portion of southern Palm Beach County asked the members to consider where funding will come from and when is that funding going to be "on the table." He expressed his view that previous ridership studies were optimistic and asked the members to consider other studies, specifically a GAO study. Mr. Goodstein questioned whether federal funding, based on these reports, will be forthcoming. Regarding the \$12 billion federal bonding bill, he expressed his understanding that in order to qualify for federal participation, the project must show an impact on highway and airport congestion. Mr. Goodstein noted that at least two studies have shown only a 2% diversion in automobile usage. Lastly, Mr. Goodstein indicated that Fox proposed to build the Miami to Orlando segment first because more ridership would be generated on that segment than the Orlando-Tampa segment. Mr. Goodstein expressed his views that not enough revenue would be generated on either route to pay for operational expenses and capital costs.

Mr. Steve Parker, member of the Central Florida High Speed Rail Labor Management Coalition expressed his group's "ardent support" of the high speed rail project.

General Consultant (HNTB) Presentation:

Mr. Share discussed HNTB's proposed Task Order 1, involving preparation of the required legislative report and coordination with Amtrak. Mr. Haddad noted that the total number of hours proposed is 4,400 and expressed his opinion that the number seems excessive given existing information. Mr. Share disagreed, stating that the total cost to HNTB will total \$430,000, while HNTB's proposed fee for this task is \$350,000. The members then engaged in discussion relating to various fee proposal forms; e.g., a pure hourly basis, an hourly basis not to exceed a given amount, or a cost-plus basis. Mr. Chira noted his concern that this agenda item comes to the members with some disagreement and asked Mr. Haddad for his recommendation. Mr. Haddad suggested delegating the matter to Chairman Dudley and himself to continue negotiations on a lump-sum basis, thereby eliminating a great deal of bookkeeping effort. The members engaged in further discussion regarding the appropriate fee. Mr. Fowler moved approving HNTB's requested \$350,000 fee, with staff monitoring progress and performance, and Mr. Chira seconded the motion. Without objection, the members approved the fee.

Mr. Share also discussed HNTB's proposed Task Order 2, involving PD&E oversight (review of proposal and negotiation assistance with PD&E, coordination of meetings with PD&E consultant, review of submittals, etc.), to be billed at approved contract hourly rates; and proposed Task Order 3, involving work program development (development of a critical path method master schedule, budget planning, development of RFP documents, etc.), also to be billed at contract hourly rates. Chairman Dudley requested that HNTB provide a report at every Authority meeting.

The members then engaged in discussion of HNTB's schedule of costs for the project, based on indicated assumptions (copy attached), as well as a fourth possibility assuming no federal match and a necessary full environmental impact statement.

The members discussed the unknown consequences of failure to meet the legislative construction deadline, and Chairman Dudley advised that the members should simply stay on track and do their best. Mr. Chira noted his agreement and expressed his view that caution is in order. Chairman Dudley noted that many ways exist to "start construction." Mr. Chira requested that Mr. Share and staff attempt to reach consensus in the future before coming to the Authority with a proposal and that the tasks assigned to HNTB be monitored to be certain all of the work is needed. Mr. Dockery reminded the members of timing issues related to ongoing budget authority. Without objection, the members approved Task Orders 2 and 3 on the contract hourly basis. (Mr. Browning was not present.)

Proposed Advertisement for Authority Staff:

Chairman Dudley advised that he and Mr. Haddad had drafted an advertisement for the hiring of staff and mentioned the possibility of a selection committee. Mr. Chira expressed his comfort with support currently being provided by DOT staff. Chairman Dudley noted that it might not be fair to DOT or to the Authority to continue using DOT staff and also noted that the Legislature authorized the Authority to hire staff. Ms. Eddins, Mr. Dunn, and Mr. Mansour expressed their comfort with the current arrangement and with Mr. Haddad's providing staff services at this time. Mr. Dunn and Mr. Mansour suggested that the issue could be revisited at a later date. Chairman Dudley advised that he holds no preconceived notions and withdrew from consideration the proposed advertisement.

Constitutional Interpretation:

In response to a request by Ms. Eddins, Mr. John Bottcher, Special Counsel for Administrative Law with DOT, presented his August 20, 2001, memo regarding constitutional interpretation in general, and particularly interpretation of the phrase, "consisting of dedicated rails or guideways separated from motor vehicular traffic," contained within the high speed rail mandate. Mr. Bottcher advised the members to identify issues relating to constitutional interpretation, arrive at the interpretation the Authority feels was intended by the constitutional mandate, and incorporate those interpretations into its legislative report.

Following Mr. Bottcher's comments, Chairman Dudley asked the members to be thinking about making some assumptions for purposes of the consultant and the Authority's report. For example, he noted, the members have discussed use of existing right of way for the project, a concept that is not found in the Constitution or in the legislation creating the Authority. Chairman Dudley noted that he would be comfortable making such an assumption and saying to the Authority consultant to consider existing I-4 and the existing CSX line, and then a third option, which is "nothing." He indicated his comfort with making the assumption that existing right of way would be utilized if the system is to be built at all.

Secondly, Chairman Dudley noted his concern with the phrase "grade separation" in the constitutional amendment. He noted his desire for the Authority to ask the Legislature to interpret the phrase to mean a physical, level separation; that you never have a high speed train and a motor vehicle on the same level. He asked the members to think about these two issues and any others the members might want to put in the legislative report. He expressed his view that as the members become experts, that expertise should be passed on to the Legislature in

the Authority's report.

Mr. Chira suggested that the chairpersons of the House and Senate Transportation Committees might be present at subsequent meetings and might be consulted as to legislative meaning at the time the legislation was passed. Chairman Dudley suggested that they may not have the knowledge of the drafter of the amendment but did note that Mr. Dockery had distributed to the members a letter from the attorney who worked on the language.

Ms. Eddins noted that the basic rules of construction are, whatever a rational interpretation is will be made by the Legislature, and if someone wants to challenge that interpretation, it would go to the Supreme Court for a determination as to whether the Legislature acted rationally. Mr. Bottcher agreed. Ms. Eddins suggested that as the members consider substantive issues, they must think about more than just the segment from Tampa to Orlando as they think about a rational answer as to whether they can grade separate any kind of system entirely.

Mr. Dunn noted there is one other alternative, which is to ask the Attorney General to make an interpretation. Chairman Dudley noted that the Attorney General's opinion will conclude with the language, "unless and until a court of competent jurisdiction finds otherwise, it is my opinion." He suggested that the members give their input to the Legislature as part of their report and that the Legislature in fact adopt a given principle. He noted such a given principle might later be found contrary to the constitution, in which case the principle would be thrown out. But, he noted, for purposes of planning, funding, and design, the Legislature would at least have a recommendation from the Authority as to what "grade separation" means, if the members are able to arrive at a consensus.

Mr. Chira asked how the consultants would know how to proceed, and Chairman Dudley noted he didn't think the consultants are at the point of designing grade crossings. Chairman Dudley suggested that the PD&E consultant may be able to assist by having a list of issues/recommendations that the consultant would want the members to address. Ms. Eddins suggested that the members look at it as a short-term outcome and a long-term design goal; that they look at things incrementally when thinking about a rational answer to whether things could be grade separated. She suggested that the members should be thinking about both short and long-term criteria.

Adjournment: The meeting was adjourned at 5:27 p.m.