

# THE FTA TRANSIT ASSET MANAGEMENT RULE: WHAT IT MEANS FOR TRIBES

---

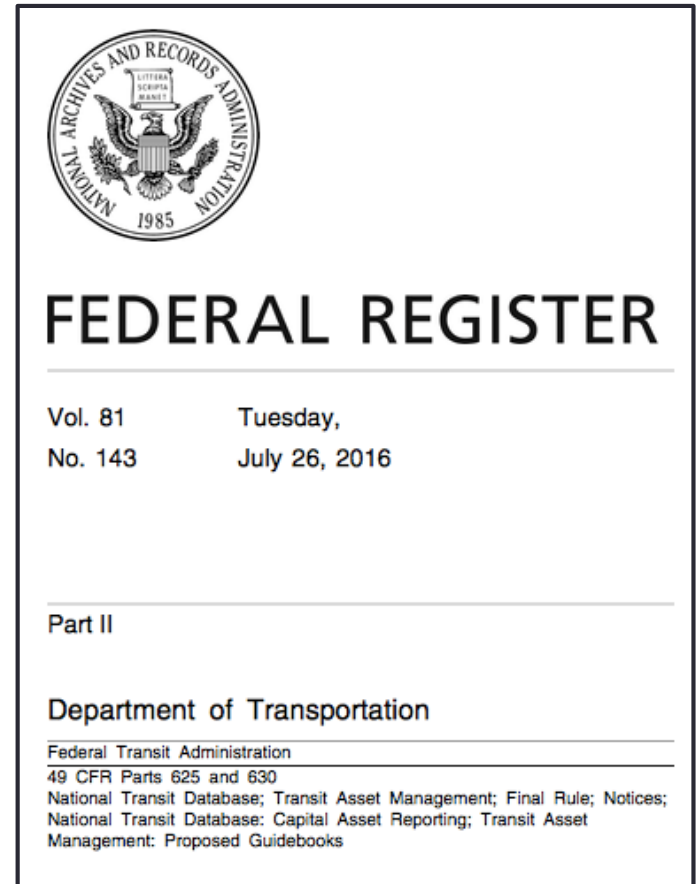
**2017 National Tribal Transportation Conference**  
**Tucson, Ariz.**  
**Tuesday September 26, 2017**

*Chris Zeilinger*  
*Assistant Director*  
*Community Transportation Association of America*  
*Washington DC*

# Overview of Presentation

- MAP-21 requires the development of a transit asset management system for all FTA grantees, including tribal governments. The FAST Act continues this requirement.
- FTA issued final regulations for transit asset management on July 26, 2016. These rules began taking effect October 1, 2016.
- Today's presentation will touch on what's in the FTA rule, how it affects tribal nations, and the resource and guidance materials available from FTA and other sources.

*IMPORTANT NOTE: This is not an official presentation, and the presenter is not with the Federal Transit Administration or any other agency of the United States Government. Questions about specific compliance with the rules referenced in this presentation should be directed to your FTA Regional Office, or to FTA Headquarters staff.*



# What Is Transit Asset Management?

- As defined in FTA's regulations (at 49 CFR 625.5), “*Transit asset management (TAM)* means the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost-effective, and reliable public transportation.”
- Under FTA's rules, the key elements of transit asset management include:
  - A plan that includes an inventory of capital assets, a condition assessment of these assets, and a decision support tool that leads to the prioritization of transit capital investments,
  - A policy that documents the transit provider's commitment to achieving and maintaining a state of good repair (SGR) for all of its capital assets, and
  - A strategy for carrying out this policy that includes SGR objectives and performance targets.

# Who Must Follow FTA's TAM Rule?

The details of compliance may vary, but all public transit providers receiving FTA funding must comply in some way. These include grantees and subrecipients under:

- Section 5307 urban transit formula grants
- Section 5311 rural public transit formula grants
- Section 5311(c) tribal transit grants
- Section 5339 bus and bus facilities grants
- Section 5310 grants for transportation of seniors and persons with disabilities, but only when these assets are part of a system that is open to the general public
- Any other FTA grant program that is used to acquire transit capital assets for the transportation of the general public.

# Four More Important Definitions

- “*State of Good Repair (SGR)* means the condition in which a capital asset is able to operate at a full level of performance.”
- “*Useful Life Benchmark (ULB)* means the expected life cycle or the acceptable period of use in service for a capital asset, as determined by a transit provider, or the default benchmark provided by FTA.”
- “*Performance target* means a quantifiable level of performance or condition, expressed as a value for the measure, to be achieved within a time period required by FTA.”
- “*Performance measure* means an expression based on a quantifiable indicator of performance or condition that is used to establish targets and to assess progress toward meeting the established targets.”

# Tier I? Tier II? Where Do Tribes Fit?

The FTA TAM rule divides the transit universe into “Tier I” and “Tier II” transit agencies.

- Tier I agencies are those with rail transit, as well as all transit agencies with more than 100 vehicles in revenue service
- Tier II agencies are those without rail transit, and having 100 or fewer vehicles in service
- All Section 5311 subrecipients are defined as Tier II agencies under the rule, unless they also receive Section 5307 assistance and also operate 100 or more vehicles in revenue service (or operate a rail transit program)
- **All tribal recipients and subrecipients of FTA funding are defined as Tier II agencies under this rule, regardless of funding or fleet size**

# Tier II Transit Agency TAM Requirements

In the FTA TAM rule, Tier II agencies (which include all tribal transit agencies) must have transit asset management plans that address these four elements:

1. An inventory of the number and type of capital assets (this is to include all transit capital assets, even those that were not acquired with FTA funding)
2. A condition assessment for these assets
3. A description of the decision-making tools or processes that the transit entity uses to estimate capital needs over time and thus to prioritize its future transit investments
4. A prioritization of its future transit investments, over a four-year planning horizon

*Note that capital assets with acquisition values of less than \$50,000 (other than transit service vehicles) do NOT need to be included in the agency's TAM plan.*

# Can Tier II Transit Agencies Team Up on Their TAM Plans?

The FTA TAM rule allows Tier II agencies to participate in “group” TAM plans. Requirements about group TAM plans are found at 49 CFR 625.27, and include:

- A group plan cannot include any Tier I transit agencies
- A group plan must have a sponsor; eligibility for being a group TAM plan sponsor isn't delineated in the rule; FTA expects some state DOTs will sponsor group TAM plans for their subrecipients, but it could also be possible for one FTA recipient (such as a tribal transit provider) to be the sponsor of a group TAM plan that includes other FTA recipients or subrecipients.
- A Tier II transit agency cannot be a member of more than one group TAM plan
- Tier II transit agencies are not required to participate in group TAM plans, but any agency that opts not to be in a group plan must develop its own TAM plan
- In a group TAM plan, the sponsor sets a single set of performance targets for the entire group, and must submit a consolidated annual report for FTA's National Transit Database on the group's progress toward meeting these performance targets.



# Effective Dates & Deadlines

- Each transit agency (or group TAM plan sponsor) must complete its initial TAM plan no later than **October 1, 2018**.
- A provider or sponsor must update its entire TAM plan at least once every four years. TAM plan updates should be conducted on a schedule that coincides with the planning cycles for applicable TIPs or STIPs.
- Each transit agency (or group TAM plan sponsor) was to have set initial performance targets for its capital assets by **January 1, 2017**.
- Performance targets are to be set at least once every fiscal year.
- Each transit agency (or group TAM plan sponsor) must submit an annual data report and an annual narrative report to the National Transit Database that reflects the SGR performance targets, condition information for the provider's public transportation system, and changes or progress in meeting the agency's or group's SGR performance targets. This is done on the same annual schedule as your other NTD submissions.
- TAM plans are not to be submitted to FTA, but are subject to review as part of regularly scheduled triennial or program management reviews, or as part of any relevant special review or examination FTA is conducting of the transit agency.

# The SGR Performance Measures

FTA has established the following four State of Good Repair Performance Measures:

- a) *Equipment: non-revenue service vehicles.* The performance measure for non-revenue, support-service and maintenance vehicles is the percentage of those vehicles that have either met or exceeded their Useful Life Benchmark (ULB).
- b) *Rolling Stock.* The performance measure for rolling stock is the percentage of revenue vehicles within a particular asset class that have either met or exceeded their ULB.
- c) *Infrastructure: rail/fixed-guideway track, signals, and systems.* The performance measure for rail and fixed-guideway track, signals and systems is the percentage of track segments with performance restrictions.
- d) *Facilities.* The performance measure for facilities is the percentage of facilities within an asset class, rated below condition 3 on the TERM scale.

# Examples: Asset Categories & Classes

## Category

## Class

Equipment

- Construction
- Service Vehicles
- Maintenance

Rolling Stock

- Railcars
- Buses
- Other Passenger Vehicles
- Ferries

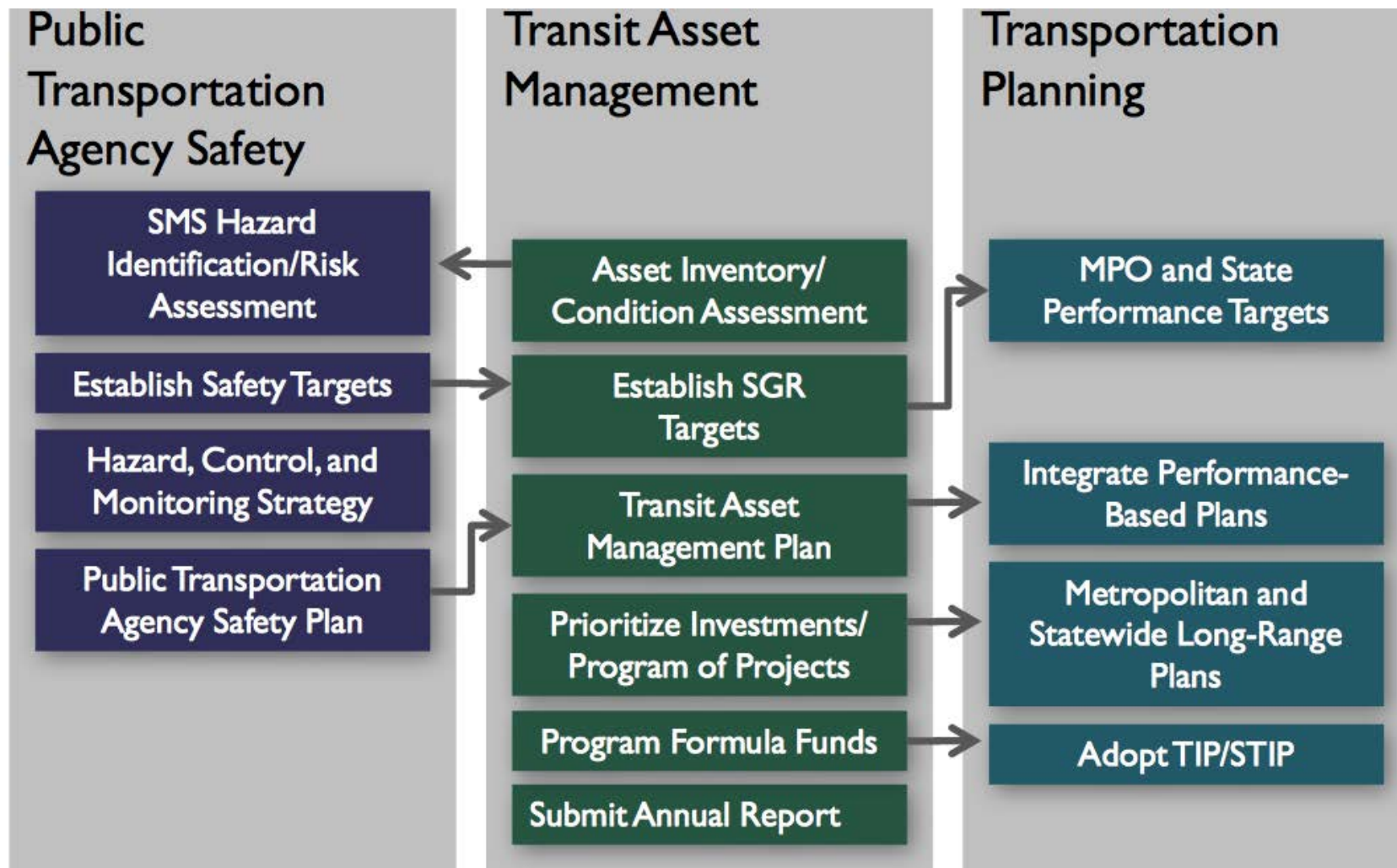
Infrastructure

- Fixed Guideway
- Signal Systems
- Structures
- Power

Facilities

- Support Facilities
- Passenger Facilities
- Parking Facilities

# TAM: Its Links with Other Regulations



# About Those ULBs

In the TAM rule, conditions and performance targets for revenue and non-revenue vehicles are expressed in terms of each vehicle class's Useful Life Benchmark (ULB). Here are some key things to keep in mind:

- ULB is NOT the same as the “useful life” of vehicles in FTA’s grant programs.
- Useful Life Benchmark is defined in this rule as the expected life cycle of a capital asset for a particular transit provider’s operating environment, or the acceptable period of use in service for a particular transit provider’s operating environment.
- ULB takes into account a provider’s unique operating environment (e.g., geography, service frequency).
- FTA has established some default ULB values, but agencies are welcome to develop their own ULBs.

# Who's Responsible for the TAM Plan?

Every FTA recipient agency must designate an individual as the “Accountable Executive” for compliance with this rule. In general, it will make the most sense for the transit agency’s chief executive, such as a CEO or General Manager, to be this Accountable Executive.

In particular, the rule requires the following of the Accountable Executive:

- Ultimate responsibility for carrying out the agency’s safety management system;
- Responsibility for carrying out transit asset management practices at the agency;
- Control and direction over the human and capital resources needed to develop and maintain both the agency’s public transportation safety plan and its asset management plan.

Even in a group TAM plan scenario, each participating agency must have its own Accountable Executive.

# Guidance & Helpful Resources

- FTA's TAM website:  
[www.transit.dot.gov/TAM](http://www.transit.dot.gov/TAM)
- FTA *Asset Management Guide for Small Providers*, which includes Excel-based on-line templates to guide you through the asset management planning process
- **Free Training!** National Transit Institute's four-hour course, "*Transit Asset Management Implementation for Tier II Providers and Sponsors.*" Contact NTI's Myrna Sirleaf ([msirleaf@nti.rutgers.edu](mailto:msirleaf@nti.rutgers.edu)) for details.



## Asset Management Guide for Small Providers

*Focusing on the Management of Our Transit Investments*

MARCH 2016

FTA Report No. 0092  
Federal Transit Administration

PREPARED BY  
WSP | Parsons Brinckerhoff



 U.S. Department of Transportation  
Federal Transit Administration

# The FTA Contacts You Need

If you need to talk to someone at FTA about compliance with the TAM rule, the first stop should be your FTA regional office. Tribal transit managers and stakeholders should start with the designated FTA tribal liaison within their FTA regional office.

- **Region 1:** Sergio Coronado (617-494-2792; [sergio.coronado@dot.gov](mailto:sergio.coronado@dot.gov))
- **Region 2:** James Goveia (212-668-2170; [james.goveia@dot.gov](mailto:james.goveia@dot.gov))
- **Region 4:** Tajsha LaShore (404-865-5606; [Tajsha.Lashore@dot.gov](mailto:Tajsha.Lashore@dot.gov)) & Robert Buckley (404-865-5618; [Robert.Buckley@dot.gov](mailto:Robert.Buckley@dot.gov))
- **Region 5:** Angelica Salgado (312-886-1621; [Angelica.Salgado@dot.gov](mailto:Angelica.Salgado@dot.gov))
- **Region 6:** Luciana Nears (817-978-0550; [Luciana.Nears@dot.gov](mailto:Luciana.Nears@dot.gov)) & Lynn Hayes (817-978-0550; [lynn.hayes@dot.gov](mailto:lynn.hayes@dot.gov))
- **Region 7:** Cathy Monroe (816-329-3927; [cathy.monroe@dot.gov](mailto:cathy.monroe@dot.gov))
- **Region 8:** Jennifer Stewart (303-362-2395; [jennifer.stewart@dot.gov](mailto:jennifer.stewart@dot.gov))
- **Region 9:** Dominique Paukowits (415-734-9490; [dominique.paukowits@dot.gov](mailto:dominique.paukowits@dot.gov))
- **Region 10:** Scot Rastelli (206-220-7954; [scot.rastelli@dot.gov](mailto:scot.rastelli@dot.gov))

If you need to follow up by contacting FTA Headquarters for guidance concerning the TAM rule, your best contact is:

- Mshadoni Smith; 202-366-1651; [mshadoni.smith@dot.gov](mailto:mshadoni.smith@dot.gov)



# Questions? Following Up?

Chris Zeilinger

Assistant Director

Community Transportation Association of America

202-250-4108

[zeilinger@ctaa.org](mailto:zeilinger@ctaa.org)

