



# U.S. Department of Transportation Federal Transit Administration

## Transit Asset Management Newsletter

Introductory Edition - November 2014

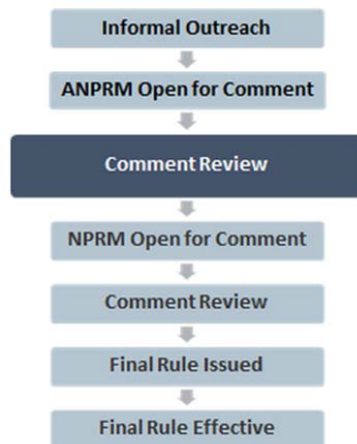


The purpose of FTA's Transit Asset Management newsletter is twofold: to keep you up to date on our office's asset-management initiatives (as a complement to our [web site](#) and [e-mail alerts](#)), and to create a forum for communication for all of us in the industry to share information, so that we can learn from each other.

The topic for the next edition is Noteworthy Practices. Please share any applicable articles or current practices/ lessons learned. Email us:

[TAMNews@dot.gov](mailto:TAMNews@dot.gov)

### FTA Rulemaking Process



The FTA Rulemaking is currently in the Comment Review Phase of the process.

### Introduction

The first edition of the Transit Asset Management Newsletter serves as an introduction to transit asset management and FTA's perspective. In the left-hand column are links to some of the key resources for getting started with transit asset management.

### Background and Need

Transit infrastructure in the United States is aging and in need of continued investment to keep conditions safe for riders and workers. Even though Federal, state, and local funding resources have invested \$165 billion in the preservation and expansion of the nation's transit system since 1991, current investments are insufficient to maintain it.<sup>[1]</sup> Much of the nation's rolling stock and infrastructure is deteriorating; in 2008, roughly one-quarter of the nation's bus and rail assets were in marginal or poor condition.<sup>[2]</sup> This discrepancy between spending and need has created a maintenance backlog in the nation's transit system. Current capital reinvestment rates from all sources are only 60% to 80% of that required to address the existing backlog while still keeping up with normal replacement needs.<sup>[3]</sup>

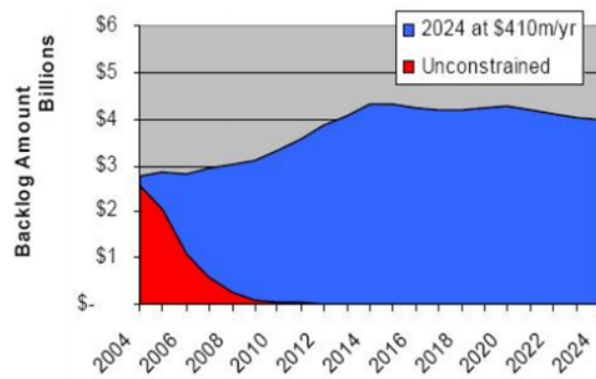


Figure 1: Backlog if current funding levels remain unchanged (\$410M/yr) (Source: [FTA \(2008\) Transit State of Good Repair: Beginning the Dialogue](#))

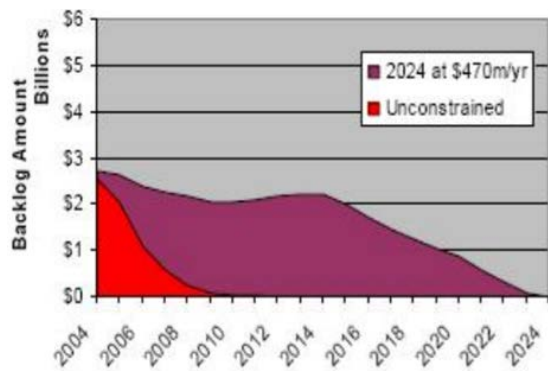


Figure 2: Investment required to eliminate backlog in 20 years (\$620M/yr) (Source: [FTA \(2008\) Transit State of Good Repair: Beginning the Dialogue](#))

Funding is also needed to accommodate future increases in ridership. According to DOT's 2013 Conditions and Performance Report, up to \$24.5 billion is needed annually to both achieve a state of good repair and to accommodate future increases in demand.<sup>[4]</sup>

## Legislative Process

Some of the most important recent changes affecting the transit industry have been those instituted by the 2012 transportation law, Moving Ahead for Progress in the 21st Century (MAP-21). Under MAP-21, FTA is required to establish a National Transit Asset Management System. Specifically, FTA must:

- Define "state of good repair;"
- Set objective standards for measuring the condition of capital assets (including equipment, rolling stock, infrastructure, and facilities); and
- Establish performance measures for state of good repair, under which all FTA grantees will be required to set targets.<sup>[5]</sup>

The FTA is working to develop regulations to implement these MAP-21 requirements, following the process outlined in the figure at the top of the left column entitled FTA Rulemaking Process. Currently, FTA is reviewing over 2,500 pages of comments received in response to its [Advance Notice of Proposed Rulemaking](#) (ANPRM) which was published in the Federal Register in October 2013. These comments will be incorporated into the Notice of Proposed Rulemaking (NPRM). You can stay up-to-date on the rulemaking process by checking the [FTA State of Good Repair and Asset Management website](#) and by [signing up for alerts](#).

## Asset Management Activities

In addition to regulatory activities, FTA is providing practitioner guidance to help agencies most effectively utilize available funds. To achieve this, FTA is focusing on asset management principles to repair and upgrade existing infrastructure to a state of good repair (SGR). The principles of asset management are <sup>[6]</sup>:

- Policy-driven
- Performance-based
- Analysis of options and tradeoffs
- Decisions based on quality information
- Monitoring provides clear accountability and feedback

In Fiscal Year (FY) 2010, FTA solicited projects through a Notice of Funding Availability (NOFA) to support reinvestment in bus fleets and bus facilities for both urbanized and rural areas. In FY 2011, FTA provided almost \$753 million for this effort.<sup>[7]</sup> Recognizing the need for improved information about transit asset management, FTA funded six SGR pilot projects.<sup>[8]</sup> The pilot projects focused on improving each agency's transit asset management process, including consolidating existing systems and upgrading and adding software capabilities that will allow for better analysis and decision making. Software-system user manuals will also be developed, so that information can be shared with other agencies.

In addition to the pilots, FTA continues to fund several other transit asset management projects and research activities. Examples of these efforts include development of the Transit Economic Requirements Model for local agency use (TERM-lite); research on assessing asset condition; improvements to FTA's National Transit Database; and practitioner training and coordination. Just recently, FTA dedicated another \$1 million toward research that includes the identification of performance and service quality indicators of transit asset management.

Beginning in 2013, FTA has been providing over \$2 billion dollars annually through a formula-based SGR program dedicated to repairing and upgrading the nation's rail transit systems and high-intensity motor bus systems, including bus rapid transit. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to

improve mobility, reduce congestion, and encourage economic development. The funds can be used for capital projects to maintain their system in a state of good repair or for development and implementation of Transit Asset Management plans.<sup>[9]</sup>

Thank you for reading this first edition of our newsletter. In our next edition, this winter, we plan to highlight noteworthy practices from the SGR pilot program grants and other case studies. We welcome your feedback on what topics would be of interest in future editions, as well as pointers to resources or case studies you think should be shared with our community. Please send any thoughts or resources to [TAMNews@dot.gov](mailto:TAMNews@dot.gov).

Sincerely,

Robert J. Tuccillo

Associate Administrator for Budget and  
Policy/Chief Financial Officer

Federal Transit Administration

[1] [FTA \(2008\) Transit State of Good Repair: Beginning the Dialogue](#)

[2] Ibid.

[3] Ibid.

[4] [FTA \(2013\) Conditions & Performance Report](#)

[5] [FTA \(2011\) MAP-21 Fact Sheet: Transit Asset Management](#)

[6] [FTA \(2012\) Asset Management Overview](#)

[7] [FTA \(2011\) State of Good Repair Initiative: Report to Congress](#)

[8] [FTA \(2013\) Progress on State of Good Repair Pilot Projects](#)

[9] [FTA \(2011\) Fact Sheet: State of Good Repair Grants](#)

## Resources

- [MAP-21 Fact Sheet: Transit Asset Management](#) (FTA) – This fact sheet explains the section in MAP-21 that establishes new requirements for transit asset management by FTA's grantees as well as new reporting requirements to promote accountability.
- [Fact Sheet: State of Good Repair Grants](#) (FTA) – This fact sheet explains the State of Good Repair Formula Grant program of MAP-21.
- [Defining a Transit Asset Management Framework to Achieve a State of Good Repair](#) (American Public Transportation Association, 2013) – This report is intended as an introduction to the high-level requirements for building a transit asset management framework to achieve a state of good repair, including definitional issues and resources for further study.
- [Asset Management Guide](#) (FTA, 2013) – The guide provides a transit-specific application of asset management concepts, processes, and tools to support an agency's drive to increase the maturity of asset management practice and to provide tools and resources for agency managers and practitioners across the country.
- [Introduction to Transit Asset Management training course](#) (National Transit Institute, NTI) – This is an introductory training course on transit asset management aimed at mid- and senior-level managers who are involved in the day-to-day operation and use transit assets including rolling stock, guideway, and facilities to perform their duties.
- [Using the Transit Economic Requirements Model \(TERM Lite\) training course](#) (NTI) – This course is directed at transit agency asset management staff and managers who are involved in long-term capital reinvestment (SGR) needs analysis (5 to 30 years), investment prioritization and strategic planning
- [Transit State of Good Repair: Beginning the Dialogue](#) (FTA, 2008) – This report discusses FTA's SGR initiative and describes the current conditions in the industry that have led to its development. It is the proceedings for the 2008 FTA State of Good Repair Workshop which covered the state of current asset conditions; defining and measuring SGR; transit asset management; standards for

preventative maintenance; core capacity; alternative approaches to financing; and research needs

- [Rail Modernization Study: Report to Congress](#) (FTA, 2009) – This report assesses the level of capital investment required to attain and maintain a state of good repair for the Nation's seven largest rail transit operators. The study estimates the total value of the existing backlog of over-age assets at these agencies and considers reinvestment needs within the context of past levels of Federal funding support as well as potential changes to the current Federal program.
- [Transit Cooperative Research Program Report 157: State of Good Repair: Prioritizing the Rehabilitation and Replacement of Existing Capital Assets and Evaluating the Implications for Transit](#) (Transportation Research Board, 2012) – This report presents a framework for transit agencies to use for prioritizing capital asset rehabilitation and replacement decisions.
- [Transit Asset Management: Additional Research on Capital Investment Effects Could Help Transit Agencies Optimize Funding](#) (Government Accountability Office, 2013) – This report examines (1) the extent to which selected transit agencies follow leading asset management practices to prioritize capital investments, and challenges in using these practices; (2) the extent to which these agencies measure the effects of capital investments; and (3) FTA initiatives to support transit agencies' use of leading practices.
- [Transportation Asset Management Guide - A Focus on Implementation](#) (American Association of State Highway and Transportation Officials, 2013) – This is a general asset management guide that aims to help transportation agencies address strategic questions they confront in managing the surface transportation system.



U.S. Department of Transportation  
**Federal Transit Administration**