Federal Transit Administration (FTA) Transportation Asset Management (TAM) Notice of Proposed Rulemaking (NPRM) Webinar October 29, 2015

Presented by

Mshadoni Smith
TAM Program Manager
Office of Strategic Planning and Analysis
FTA

Candace Key
TAM NPRM Legal Counsel
Office of Strategic Planning and Analysis
FTA

Crystal Fredericks
TAM Program Analyst
Office of Strategic Planning and Analysis
FTA

Jessica Baas
Community Planner
U.S. DOT Volpe Center

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Introduction

Jessica Baas: Good afternoon everyone, and welcome to the FTA Transit Asset Management Notice of Proposed Rulemaking Internal Webinar. My name is Jessica Baas. I'm with the USDOT's Volpe Center in Cambridge, Massachusetts, and I will be moderating today's webinar, as well as facilitating our question-and-answer session and helping to troubleshoot any technical issues you may have. We are transmitting the audio for today's webinar through your computer speakers only. There is no dial-a-number for today's call. Please unsure that your computer speakers are unmuted and that the microphone icon at the top center of your screen is illuminated in green. Just quickly to orient everyone to the layout of the web room, on the top left side of your screen you will find a link to download the TAM factsheet. Below that is a list of attendees. On the bottom left is a chat box that you can use to submit questions throughout the webinar. We encourage you to submit your questions at any time during the webinar and we will address as many questions as we can, time permitting. You will also see two poll questions to the left of the presentation. Please go ahead and respond to these two questions before we begin the presentation. Later in today's webinar we will pause a couple more times to ask additional poll questions. Your answers will help us understand who is attending the webinar and what resources would be helpful. While you answer the poll questions, here are a few more logistical notes about today's webinar. This webinar is being recorded, including chat pod activity and the slide presentation. The presenter for today's webinar is Mshadoni Smith, the TAM program manager in FTA's Office of Strategic Planning and Analysis. All right, let's look at your poll responses. The first question is "Describe your organization." It looks like 73 percent of people said transit provider; 8 percent, state responsible for transit oversight; 7 percent MPO; and 12 percent other. The next poll is, "How familiar is your organization with transit asset management principles?" One being not familiar at all and five being very familiar. It looks like there's a pretty good spread of results for that question, with the majority looking like they answered with a three. And with that, I'd like to turn over the webinar to Mshadoni. Please go ahead.

Mshadoni Smith: Thank you, Jessica, and welcome everyone. We really appreciate you taking your time today to share with us in this webinar and answer those poll questions. So in just a minute we're going to put up the slides for today and get started in our webinar. I see many of you are taking the opportunity to put your questions in the chat pod already. And as Jessica mentioned, we will get to those at the end of the presentation today. And with that, let's get started. So today we're going to talk about the Transit Asset Management background; the NPRM itself, its outline and provisions; some of the tools that are currently available and in production; and then some of the next steps that FTA is taking.

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Mshadoni Smith: So just to start off, this webinar is not the official forum for commenting on the Notice of Proposed Rulemaking. That's the NPRM. The official forum for commenting is regulations.gov. You will hear me say this throughout the presentation and urge you to add your comments, questions, perceptions, feelings and general musings on the proposal to regulations.gov. That is where we officially recognize all of the comments that we receive in the next step of the rulemaking process. This webinar is to provide you clarity on what we have proposed in the NPRM. We're cannot discuss implementation

questions, we cannot discuss very specific scenario-type questions that may influence or effect your property in particular. We can discuss what we proposed in the NPRM and clarify any of those provisions as they have been set forth. Again, please, please, please visit regulations.gov and post your questions and comments there.

Transit Asset Management Background
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Mshadoni Smith: So, what is Transit Asset Management? Transit Asset Management is a business model that uses the condition of assets in a prioritization of funding in order to keep our networks in a state of good repair.

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Mshadoni Smith: Here's a graphic of our current situation. On the left-hand side is the State of Good Repair backlog in 2030 and on the bottom are the annual expenditures for preservation in 2010 dollars. As you can see, there is currently an 86-billion-dollar State of Good Repair backlog in our industry as indicated by the dashed line. The diagonal line indicates the amount of backlog for the amount of annual expenditures. For example, the point that is an arrow in the box there shows that we currently spend 10.3 billion dollars annually on State of Good Repair investment. In order to maintain the backlog at its current levels, we'd need to up that to 12.7 billion dollars, and to eliminate the backlog altogether, we'd need to go 18.5 billion. So as you can see, we have an 8.2-billion-dollar gap and there just isn't going to be a magic wand to make that money come into the industry. So what do we do? That's where Transit Asset Management comes along.

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Mshadoni Smith: So just to provide you a little bit of perspective, MAP-21 has a larger performance management framework. Both FTA and FHWA are developing rulemakings to address this performance management framework. On the left-hand side are the rules and guidance that FTA is working on. There's the National Public Transit Safety Plan, the Public Transportation Agency Safety Plan, and this NPRM we're discussing today, the Transit Asset Management NPRM. On the right-hand side are some of the rules and guidance that Federal Highways is developing, for safety/performance, pavement and bridge conditions, system performance, highway safety improvement, and their highway asset management plan. Along the bottom you can see that there is a coordinated effort by both FTA and FHWA to provide guidance and rulemaking on the statewide and metropolitan planning.

Slide 11

Mshadoni Smith : So let's talk a little bit about the proposed regulations within FTA. As I mentioned, the Public Transportation Agency Safety Program, the Transit Asset Management Program and Transportation Planning are three of the areas that MAP-21 has given us new influence. Some of the areas are highlighted in the colored boxes within each of those categories, and they interact and influence each other. For example, the Asset Inventory and Condition Assessment may impact the SMS hazard identification or a risk assessment. Likewise, the Public Transportation Agency Safety Plan could

impact the Transit Asset Management Plan, and ultimately the metropolitan and statewide plans. Ultimately, all of these interaction and connections lead to coordinated funding decisions.

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Mshadoni Smith: So this is where we are in the process currently, the highlighted box with the NPRM open for comment. Comment deadline is November 30. We started off on the left-hand side in 2012 with MAP-21 passing, and then we provided some informal and formal outreach to the industry to refine some of our provisions that are in the NPRM.

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Mshadoni Smith: For example, in 2012, we conducted an online dialog, and in 2013 we released the Advanced Notice of Proposed Rulemaking. Each of these asked for feedback on certain questions and used those comments from the Advanced Notice of Proposed Rulemaking in developing the NPRM guidance. You'll see a section on the responses to these comments in the NPRM specifically.

NPRM Outline
Slide 14

Mshadoni Smith: So let's get into the actual outline of the Transit Asset Management NPRM. There are five sections, lettered A through E, where the General Provisions are giving kind of the overarching and the general parts of the rule. The National Transit Asset Management System talks more specifically about what the system as-- given to us from MAP-21. Then we talk more in detail about the Transit Asset Management plans, and then we talk about Performance Management, so where the performance measures and targets-- we talk about those more specifically in Part D. And then lastly, we'll go over the recordkeeping and reporting requirements, so how you track and report on your asset management program as well as your state of good repair performance targets. So let's go ahead and get into those in more detail.

Slides 15 -16

Mshadoni Smith: In the General Provisions, we provide the purpose, applicability, and some definitions for use throughout the proposal. The purpose for this Notice of Proposed Rulemaking is to help achieve and maintain a state of good repair for the nation's public transportation systems. The provisions of this proposal are applicable to all recipients or sub-recipients of Federal financial assistance that own, operate or manage capital assets used in the provision of public transportation. For example, planning and research-only funds, that do not own, operate or manage capital assets, are not required to develop asset management plans. This section also provides the definitions that are used throughout the proposal. Definitions such as asset category, asset class, lifecycle cost, and performance targets are provided in this section.

Slides 17 -18

Mshadoni Smith: The next section, National Transit Asset Management System, talks about the system as we got it from MAP-21. There are five pillars of-- these are the five pillars of the National Transit Asset Management System. The first one is to define a state of good repair. The second requires TAM plans for all recipients and sub-recipients. Thirdly, establishing state of good repair performance measures. Fourth, developing reporting requirements to the NTD. And lastly, technical assistance from FTA. These five pillars are the basis for the TAM provisions.

Slide 19

Mshadoni Smith: So let's talk about that first pillar, defining the state of good repair. This definition has been proposed in part based on the feedback we heard from our outreach efforts, both the online dialog and the Advanced Notice of Proposed Rulemaking, requesting that we keep it simple. The definition as proposed is: The condition in which a capital asset is able to operate at a full level of performance. This means the asset, one, is able to perform its designed function; two, does not pose a known unacceptable safety risk; and three, its lifecycle investments have been met or recovered.

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Mshadoni Smith: Some of the potential cost-cutting impacts of this definition, how they have implications throughout FTA programs, are listed here. The first, the State of Good Repair Grants Program 5537, identifies that to maintain transit systems in a state of good repair. Secondly, the National Public Transportation Safety Plan 5329 must also include this definition of state of good repair. Both metropolitan and statewide plans must include Transit state of good repair performance targets. We'll talk about performance targets later when we talk about performance measures. The Core Capacity Projects 5309 must exclude elements designed to maintain a state of good repair. And lastly, expedited project delivery certifies that their system is a state of good repair. As you can see, this definition has far-reaching implications throughout FTA programs, and by defining it within the context of asset management, we are facilitating a standard language amongst providers and funding partners which will help all stakeholders clarify and target their goals.

Slides 21-22

Mshadoni Smith: So now we get to the meat of the provisions, the Transit Asset Management Plan. Another aspect that we heard from our outreach efforts was not to make it a one-size-fits-all requirement. So we have proposed a tiered approach. As you can see on this slide, we've identified two tiers, Tier One on the left, Tier Two on the right, and each tier has various responsibilities for TAM plan development. Now, this applies to all providers who are recipients or sub-recipients of Federal financial assistance under Chapter 53. So a Tier One provider operates rail, or has over 100 vehicles in peak revenue service. So that means if you have fewer than 100 vehicles but you operate rail, you are a Tier One provider. Or, if you don't have rail but you have over 100 vehicles in peak revenue service, you are a Tier One provider. And this is considered the larger provider, or a more complex operating environment. Alternately, on the right-hand side of the slide, are Tier Two providers. They do not operate rail, and they have 100 or fewer vehicles in peak revenue service. So it's the opposite of the Tier One, but also it is any provider that exclusively receives Federal funds from 5310 or 5311. So if you only get 5310 or

5311 funds, you are also a Tier Two provider regardless of the number of vehicles in your peak revenue service. So next we have a poll. I'm going to turn it over to Jessica.

Poll Question

Jessica Baas: Thanks Mshadoni. The poll question reads, "Based on the definition provided, my agency is categorized as Tier One or Two One." And I'll give everybody about 30 seconds to fill this out.

Okay, and it looks like the majority of the people on this call are answering as Tier One. And with that, back to you, Mshadoni.

Slide 22

Mshadoni Smith: Okay, thanks Jessica. So we have mostly Tier One providers on the call today. Great. Thank you. Welcome. We had a Tier Two or small systems presentation on Tuesday, so it makes sense that this would be the larger providers today.

Slide 23

Mshadoni Smith: So let's keep moving and talk a little bit about why being Tier One or Tier Two matters, or how that will have an impact on what you do. So the responsibility for TAM plan development identified here: Each transit provider would identify an accountable executive, where the accountable executive explicitly links TAM and safety decision-making. The accountable executive would have the authority to approve and implement the TAM plan. With regard to plan cooperation, a Tier One, or the larger provider, must develop its own TAM plan. In every scenario, if you're a Tier One provider, you are doing your own TAM plan. A Tier Two provider or a smaller provider may participate in what we call a group plan, or they can do their own Tier Two plan. And lastly, a group plan participant must collaborate with the sponsor in the development of that plan. So you can either-- if you're a Tier One operator, you do a TAM plan for Tier One operators. If you're a Tier Two operator, you can either do a TAM plan for Tier Two operators or you can participate in a group plan. TAM plan development is eligible activity under 5337, 5307, and 5311.

Slide 24

Mshadoni Smith: So I mentioned the term "group plan" a couple of times, so let me go over what that means. So group plans are compiled by a sponsor, who is generally the state DOT or designated 5307 or 5310 recipient. They develop a TAM plan on behalf of their Tier Two providers. Tier Two providers may participate in a single group plan, or they may choose to opt out and develop their own TAM plan. The flexibility and autonomy remains at the transit provider level. Even if you're a smaller provider, you can still choose to do your own TAM plans. You're not required to be a part of a group plan, although you can be a part. A Tier One provider can only participate in a group plan as a sponsor. I do want to point out that a Tier One provider as a group plan sponsor would still have to develop a separate individual TAM plan for their own assets.

Slide 25

Mshadoni Smith: So what is the difference between a Tier One plan and a Tier Two plan. This graphic gives you a sense of the proposed TAM plan elements. These nine elements are what FTA is proposing as a Transit Asset Management Plan. However, because we know the different levels of difficulty for smaller providers, we're proposing that only the first four are required for Tier Two providers. I'll go through each of these in more detail.

Slide 26

Mshadoni Smith: So the first element is an inventory of capital assets. So this is the, "What do I own? What do I have?" It's a listing of all the capital assets that the transit provider owns, operates or manages, and that means all of the capital assets. This includes leased assets and assets operated under contract. It includes all assets that will be included in a program of projects. So your inventory of assets is all of the assets that you use to provide public transportation. FTA is proposing that you can use existing inventories that you've already collected. We're not suggesting that any transit provider would have to go and collect an inventory specifically for this effort. If you already have existing rolling stock and equipment reports, those could be used as part of your Capital Asset Inventory. This inventory also includes any assets that were acquired without FTA funds. So again, back to all assets that are used in the provision of public transportation.

Slide 27

Mshadoni Smith: Here is an example of some of the asset categories and classes. So MAP-21 identified the asset categories for us-- rolling stock, facilities, infrastructure and equipment-- and we provided some examples of asset classes within rolling stock-- railcars, buses, paratransit vehicles, etc. Each transit provider mentioned some discretion as to how they break out their assets. The inventory should be broken down to a level that will be useful to the transit provider. You do not have to limit yourself to the classes, examples that we've provided.

Slide 28

Mshadoni Smith: So the next element of a TAM plan is the Condition Assessment. So this says, "How are we doing?" and it is a rating of those inventoried assets from Step One, or from Element One. The rating could be based on age or a range-- good, fair, or poor-- or a more quantitative approach like percentage of residual life. We have no proposed the rating scale in this proposal, but those ratings should be sufficiently detailed to monitor performance and plan your capital investments. These condition assessments can be collected at the individual or the asset class level.

Slide 29

Mshadoni Smith: The next element in a Transit Asset Management Plan is the Decision Support Tools, and this is how you document how you plan to do asset management. So this is a list of analytical processes that are used to make investment decisions, how you estimate your capital investment needs over time, and can assist you in prioritizing those needs. This tool does not have to be software. You

are not limited to software or customized software here, but you do have to list or identify what type of analytic process you use to make these decisions.

Slide 30

Mshadoni Smith: The next element is the Investment Prioritization, and this is a ranked listing of proposed projects and programs ordered by year of planned implementation. The prioritization methodology is decided locally based on policy and need. It must, however, consider identified unacceptable safety risks and accessibility requirements. It should be financially constrained based on estimated funding levels over the next four years. Again, FTA is not proposing the methodology to be used, but it must consider identified unacceptable safety risks and accessibility requirements. So that was the last element for a Tier Two plan. The next elements are for a Tier One plan.

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Mshadoni Smith: So this fifth element is the TAM and SGR Policy, and this is your vision for Transit Asset Management at a high level. Here is where you provide the vision and executive-level direction to support the goals of the TAM program. You can document your commitments and objectives and assign roles and responsibilities to different departments.

Slide 32

Mshadoni Smith: The next two elements are Implementation Strategy and List of Key Activities. The Implementation Strategy is how you make your vision a reality. It's your operational plan, how you intend to proceed towards implementing TAM. The List of Key Annual Activities is a hierarchy of order of the activities you need to undertake in order to succeed or achieve your vision. For instance, software development may precede coordination between officers, or vice versa, depending on where you are now and where you intend to go.

Slide 33

Mshadoni Smith: The last two elements are Identification and Resources and Evaluation Plan. The Identification and Resources is really what's it going to cost in both money and people, and the Evaluation Plan tracks your program towards your vision. It's the continuous improvement of TAM practices at your agency. Elements Five through Nine assist in institutionalizing of TAM at a provider. Next, we're going to have another poll. I'm going to turn it over to Jessica.

Poll Questions

Jessica Baas: Thanks Mshadoni. The first poll question reads, "My agency already does X percent of the elements that will be required." And then you can select from a variety of percentages. The other question reads, "The development of a TAM plan will change the types of projects my agency will prioritize and program for funding." One equals strongly disagree; five equals strongly agree. I'll give everybody another couple seconds to fill out those polls.

All right. For the first poll question, it looks like there are a variety of answers; with people selecting different percentages of the elements that their agency is already completing that are going to be

required. For the second question, it looks like the majority of people answered 2 and 3, and so they disagree that the TAM plan will change the types of projects that their agency will prioritize and program for funding. Okay, back to you, Mshadoni.

Mshadoni Smith: Thank you. I am not surprised that many of these larger Tier One providers-- Jessica, could you put the-- yeah, thanks. I'm not surprised that the larger agencies already are doing a good amount of these elements. That makes total sense to me. What does surprise me is that most of the participants do not think that a TAM plan will change how they prioritize or program their funds, as that is one of our purposes in doing this. So that does surprise me. Okay, you can flip back to the presentation. Thank you.

Slide 34

Mshadoni Smith: Well, carrying on, some of the TAM plan timeframes. These plans will be updated in their entirety at least every four years. This is to coincide with the relevant statewide and metropolitan transportation improvement programs. The TAM plan should cover at least four years, and it should be amended during the horizon period when there is a significant change that could not have been predicted prior to developing or to completing the plan. The initial TAM plans are being proposed to be completed no later than two years after the effective date of the final rule.

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Mshadoni Smith: So now we're going to get into performance measurement, and this is a little bit more detailed with regard to the different performance measures we're proposing.

Slide 36

Mshadoni Smith: So this slide identifies how we're tracking performance by asset class. Again, these categories on the left-hand side of this slide were provided in MAP-21-- rolling stock, facilities, infrastructure and equipment-- and the classes in the right-hand column relate to the types of classes that we're tracking performance. For instance, rolling stock, we're tracking the performance of all the class types in the provider's inventory, whereas for infrastructure we're only tracking rail track guideway signals and systems, for example.

Slide 37

Mshadoni Smith: So those performance measures-- these are our proposed state of good repair performance measures. These are the measures that you'll need to set targets to. So for the first category, Rolling Stock, it is a measure of age. The performance measure is the percentage of revenue vehicles within a particular asset class that have met or exceeded their useful life benchmark. I will come back to this term "useful life benchmark" in the next slide, but it means the expected lifecycle of a capital asset for a particular transit provider's operating environment. The second performance measure, Facilities, is measuring the condition, and that performance measure is the percentage of facilities with a condition rating below 3.0 on the FTA TERM scale, which is 1 equaling poor to 5 equaling excellent. Third, the Infrastructure category is a measure of performance, and that measure is the percentage of guideway directional route miles with performance restrictions by class. This is also called

Slow Zone. And lastly, for the category Equipment, it is also a measure of age, and it is the percentage of vehicles, non-revenue vehicles, that have met or exceeded their useful life benchmark. Please keep in mind these performance measures are what you're setting your targets for. I'll walk through an example later in this segment, but just to give you a few moments to look at the performance measure and what it actually measures.

Slide 38

Mshadoni Smith: So I said I'd talk more about the Useful Life Benchmark. The Useful Life Benchmark is not the same as the term "useful life" for FTA grant programs. The Useful Life Benchmark is defined as the expected lifecycle 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. This age, we will have a default value provided through TERM for use, but the transit provider can also develop their own Useful Life Benchmark based on their actual operating condition and expectation of service, where the Useful Life Benchmark takes into account the provider's unique operating environment, geography, service frequency, and passenger loads. For example, two vehicles of the same type, one that operates two days a week in a low-volume rural setting would have a different expectation of Useful Life Benchmark than that same vehicle operating in a high-frequency, high-volume inner city environment.

Slide 39

Mshadoni Smith: So the targets for these proposed performance measures are set annually for each asset class and they should be supported by data, the most recent condition data and reasonable financial projections. Targets for group plans apply to the group as a whole, so it's a unified target. If there are five Tier Two providers in a group plan, then all together all five should reach the target or should have-- the target is for all five together. These targets are reported annually to the NTD. I'd also like to note there is no reward and no punishment for reaching or not reaching your targets.

Slide 40

Mshadoni Smith: So the last section of the NPRM Provisions is recordkeeping and reporting requirements, and this includes the role of the NTD. NTD has been proposed as the repository for this information because it is familiar and could reduce the burden for the transit industry.

Slide 41

Mshadoni Smith: So the annual reporting requirements that we've proposed in this NPRM are, one, submit to the NTD two types of reports. The first report is a data report, and this is where you publish your targets, your projected performance targets for the following fiscal year. This data report is also where you provide information on the system condition and performance. The other report that you submit to the NTD is a narrative report, and this is a report that gives each operator or each TAM plan developer the opportunity to describe their change in condition and their progress towards their targets. Group plan sponsors submit consolidated reports on behalf of all of their participants.

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Mshadoni Smith: So with regard to recordkeeping, the proposal suggests that the transit provider or the TAM plan developer maintain the records that support that TAM plan for the duration of its applicability, so that's four years. They would also share with the state and metropolitan planning agencies their TAM plan, their state of good repair performance targets, their investment strategies, and their annual condition assessments. By collaborating, agencies can ensure that the needs identified in the TAM plan and the reasons for prioritizing are understood and addressed by funding partners and stakeholders.

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Mshadoni Smith: This slide shows an illustration of the proposed TAM timelines. On the left-hand side you see a flag at Time Zero, when the final rule goes into effect. Three months after this effective date, initial target projections are set. So this is in regards to those performance measures for the four categories-- rolling stock, infrastructure, equipment, and facilities. The initial targets would be set three months after the effective date of the final rule. One year after the final rule, the first data report would be submitted to the NTD. This would be within four months of the end of the provider's fiscal year. That data report includes the following fiscal year targets as well as reporting on the system condition and performance. At the second year after the effective date, the TAM plan is due, and will be due every four years thereafter. And finally, three years after the effective date the first narrative report will be due, which gives a description of progress towards your targets and the change in condition, which will also be submitted to the NTD on an annual basis.

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Mshadoni Smith: This next slide walks through a TAM workflow example for a 30-foot bus. Starting at the upper left-hand side, we start with an asset inventory. In this example, the transit provider has six 30-foot buses. So we're asking ourselves, "What do we have?" We have six 30-foot buses. The next step would be, "What is our useful life benchmark for the 30-foot bus?" Based on operating conditions and expected service life, we determined it was 15 years, or perhaps that was the default value that was made available through TERM. The next step is, "How are we doing?"-- conducting a condition assessment. Of those six buses in my fleet, one is 17 years old, four are 10 years old, and one is 2 years old. This means that 83.3 percent of my fleet is in a state of good repair. The next question is if it poses a safety risk. For the purpose of this example, we'll say no. Now it is up to the transit provider to set a target. If the transit provider determines they want 100 percent of their buses in a state of good repair, this has a direct impact on how they prioritize their funding. So immediately they would replace the 17-year-old vehicle this fiscal year, and if they wanted to maintain that 100 percent state of good repair target, they may replace the four 10-year-old vehicles in year three. This funding prioritization is then sent forth to the MPO to program in the TIP and STIP. And lastly, it would be reported to the NTD in performance progress. So this is a very high-level, simplified example of how a TAM workflow might occur at a-- well, obviously if they've got six 30-foot buses-- at a Tier Two provider.

Slide 45

Mshadoni Smith: So next I wanted to talk very briefly about certification. TAM plans are self-certified by the accountable executive. That means FTA does not approve your TAM plan. However, FTA will update the certifications and assurances to reflect TAM plan requirements, and we will review plans and progress during triannual and state management reviews as well as during MPO certification reviews.

Tools
Slide 46

Mshadoni Smith: So next I want to talk to you very briefly about some of the tools that we have currently available and are being proposed or are under development.

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Mshadoni Smith:
As you know, one of the five pillars of the National Transit Asset Management System is technical assistance. This slide identifies some of the technical assistance we have currently available as well as some that are under development. The TERM-Lite software is currently available through our State of Good Repair webpage. The URL is listed on the bottom of this slide, and it is a software tool that could be used as a decision support tool. It's available free of charge and is accessible on our webpage. The Asset Management Pilot Project reports and presentations are also available on this webpage. These are the state of good repair pilot projects that have been in progress for several years. It identifies some of their lessons learned as well as the presentations from those providers. We also have our Transit Asset Management Guide, which was developed in 2012, available on our webpage. Other references from TCRP as well as Asset Inventory Development and Integration Guide, as well as training and webinars, can also be accessed through this webpage. There is an effort to continue our TAM News and Noteworthy Practices efforts as well as expand them to more technical assistance topics, and a Facility Condition and Rail Guideway Guidebook is under development and anticipated to be made available in the summer of 2016. At this time I want to turn it over to Jessica for our final poll.

Poll Questions

Jessica Baas: Thanks Mshadoni. The first question reads, "What topics would you like to see covered by Technical Assistance?" If you have topic ideas not listed, please provide them with the prefix TA Subject Area in the chat pod. The second question reads, "What types of training opportunities would you most benefit from. Pick all that apply." I'll give everybody a couple more seconds to fill out these polls.

For the first question, it looks like there's a pretty good spread of technical assistance that people would like to see. And for the second question, "What types of training opportunities would you most benefit from?", it looks like there's also a good spread, but the majority of people answered technical reports and manuals. Back to you, Mshadoni.

Mshadoni Smith: Thank you, Jessica, and I would encourage you to please put your other-- I'm using air quotes here-- your "other" technical assistance topic requests in that chat pod, because even though

this chat pod is not the official forum for commenting on our NPRMs, it is informing how we develop our technical assistance to serve you. So please feel free, don't be shy, about putting in topics or suggestions with regard to technical assistance. Suggestions with regard to the NPRM belong on the docket. However, for technical assistance to better serve you with regard to TAM, we definitely will review what you're requesting.

Next Steps
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Mshadoni Smith: Now, back to the presentation. Now we're talking about next steps in terms of the schedule and timeline. We are currently in the comment period, which ends November 30, only one month from today. So please get your comments into regulations.gov as soon as possible. I cannot stress enough how much and how important your feedback is in developing the final rules. We need to hear from you whether we got it right or even if we got it wrong. We need your feedback. Please put your comments into regulations.gov. So, the comment period ends on November 30, and during this time period FTA will continue to present summary webinars, presentations and clarifying information on our proposal for the TAM system. We ask that you transit providers provide feedback on this NRPM through regulations.gov. Once the comment period has closed, we will use your comments and analyze them in developing the final rule, but we may also conduct and industry readiness assessment, where the industry, or the providers, will continue your asset management planning. Once the final rule is issued, both FTA and the industry will implement the rule, and FTA will continue to provide ongoing technical assistance. So again, with regard to putting your technical assistance requests in the chat pod, it doesn't have to be just technical assistance for now, but technical assistance all the way through implementation and continuing development of this program in the future.

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Mshadoni Smith: So although the Notice of Proposed Rulemaking-- the entire document is a proposal and is open for feedback. There were some areas of specific interest that FTA asked for your feedback on. Some of them related to cost implications. For instance, we asked about cost assumptions and estimates that we provided in our Regulatory Impact Analysis. We asked you for examples from your TAM projects and experiences. We wanted to know if there were, and how much, additional costs for states and MPOs to set targets, and if there is any information that could assist in quantifying these costs and benefits and transfers. We also asked how to estimate benefit, if there are any information sources and methodologies for estimating the benefits of Transit Asset Management, whether they be quantitative or qualitative.

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Mshadoni Smith: We also asked about the non-statutory criteria. Did we provide the appropriate level for Tier One providers? Should we extend it to Tier Two providers as well? Are the proposed plan requirements feasible? What about the deadlines? We also asked about analyzing the benefits and costs of addressing the State of Good Repair backlog. These feedback areas specifically we need your comments, but the entire NPRM is open for feedback.

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Mshadoni Smith: And if I haven't said it enough, I'll say it again: Please submit your comments to regulations.gov, but you can also submit your comments through the mail at this address. You can deliver it in person to this room, W12-140, or you can fax us.

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Mshadoni Smith: If you fax us, please include the docket number or the RIN number. We will be accepting comments until November 30, 2015. If you have clarifying questions or more information, please contact me, Mshadoni Smith, at Mshadoni.Smith@dot.gov.

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Mshadoni Smith: And with that, I have concluded our presentation portion and we will start taking questions.

Q&A

Jessica Baas: Thank you Mshadoni. We'll now start going through some of the questions that have come up during the webinar. Mshadoni will be joined with a few colleagues responding to your questions. She will be joined by Candace Key, the TAM NPRM legal counsel, as well as Crystal Frederick, the TAM program analyst.

Question: Can you give an example of how the performance measure for infrastructure would be used to calculate the percentage of track segments, signals and systems with performance restrictions?
Answer: FTA is currently developing guidance on the infrastructure measure which would assist agencies in being able to set targets to that measure, and we hope for the guidance to be available sometime next year, in advance of publication of a final rule.

Question: Is there a link to download today's presentation?
Answer: In the Notes pod that's at the top right of your screen, you can find our address. It's www.fta.dot.gov/sgr. That is where we're putting everything-- this presentation, there's a link to the docket as well, and also our one-pager that sort of gives a nice quick snapshot of the proposal, can all be found at that location. And also, any of this stuff that we're talking about that will be published in the near- or long-term future will be posted there as soon as it's made available. So bookmark that location and check it frequently.

Question: Are Tier One properties who have 5307 and 5310 sub-recipients held responsible for compliance of their sub-recipients to the SR's TAM plan, whether the SR is part of the group plan or an individual plan developed by the SR?"
Answer: This question must be submitted to the docket.

Question: Are the Tier One properties who have 5307 and 5310 sub-recipients required to provide group plans, or is it just a voluntary option for the Tier One agencies?"

Answer: The group plans are required by state DOTs, they must provide a group plan for their Tier Two sub-recipients. With regard to Tier One operators, if there is no financial or sub-recipient relationship, yeah, we have not proposed that in our rule.

Question: Can you please post the link to the presentation and to the Q&A from the last webinar?
Answer: Just to reiterate what was said before, these items will be made available on the SGR website I believe in a week's time, all of these things should be making their way to the website.

Question: If an agency uses assets it does not own-- e.g. busways, signals on rail right-of-way-- is the agency responsible for reporting on those assets?"
Answer: So yes, the proposal suggests that the reporting or the asset inventory would include all assets that are used in the provision of public transportation. So if the agency is using those assets then yes, they would need to be a part of their asset inventory.

Question: When is the estimated time that this will be implemented?
Answer: After the comment period closes, FTA will review and analyze the comments and develop the final rule, and the final rule will have to go through the intra- and inter-agency review process, all of which is, for the most part, out of FTA's control once it gets to that step. We hope to have a final rule published at some time during the summer of 2016, but again, a lot of the steps in the process are out of our control. But we are working feverishly to try to get a final rule published.

Question: Are vehicles counted in each mode of service, or is it 100 overall modes that are operated?"
Answer: I believe that the proposal was peak revenue service, and it's by category or asset class. It's by asset class. So that would be by mode.

Question: On Slide 19, what does 'an asset's lifecycle investments have been met or recovered' mean?"
Answer: It is talking about the scheduled maintenance, rehabilitation and replacement. So the lifecycle investment needs are more like maintenance needs, and they have-- so there's no deferred maintenance, that you've kept on scheduled maintenance, and if you have fallen off schedule, "recovered" means that you're getting back on schedule.

Question: What does the FTA propose that an agency do after certifying a TAM plan? Does an agency need to send a copy somewhere?"
Answer: So FTA is not proposing to collect Transit Asset Management plans. We are leaving the certification to each agency that develops a plan. However, we do propose in the plan that you share the contents of your plan with your state or metropolitan planning organization to aid in the planning process. So that's the only requirement for submitting or sharing your plan with another entity.

Question: The question is about Appendix A to Part 625. "Please clarify who is to determine the number of asset classes within the TAM plan. Please clarify the detail expected in Appendix A when TAM plan is prepared as part of a group TAM plan by a state or when prepared by the individual transit provider. Additionally, can an MPO prepare the TAM plan?"

Answer: Okay, I think that was a couple of questions all at one time, but I will see if I can parse them out. The first one was about the level of detail in your asset inventory, and that is up to the transit provider. It should be a useful level of detail to make decisions on, but what we have provided in Appendix A as well as in this presentation are examples of asset classes. What makes sense in your environment is up to you. I think there was another question about group plans.

Question: Please clarify the detail expected in Appendix A when TAM plan is prepared as part of a group TAM plan by a state or when prepared by an individual transit provider. And also, can the TAM plan be prepared by the MPO?"
Answer: Yes, a TAM plan can be prepared by an MPO. The middle part of that question, I'm not sure if that was part of the proposal with regard to how you will identify your TAM plan, whether it be group or individual. I think that is a question that you should probably pose to the docket so that we could be sure to address it in the final rule.

Question: Would the asset inventory need to include assets owned by an agency if they are operated by another Tier One agency that has its own TAM plan under this proposal?
Answer: This question will have to be submitted to the docket.

Question: Are we required to follow the FTA's proposed asset categories, or are we able to create our own?"
Answer: So this in the last question, identifying that the categories that we've provided in Appendix A and in these presentations are examples. The categories you are stuck with, as in those are the categories that you will be reporting your targets, so those for rolling stock, infrastructure, facilities, and equipment-- those are the asset categories. The classes within those categories you have discretion, but the categories themselves are set.

Question: Does this proposal mandate physical condition assessments for any asset class? Can they all be age-based?"
Answer: This is a good question and it is determined by the agency how they want to rate their condition assessment. However, the condition assessment must at least have sufficient detail to monitor performance and to plan capital investment. If you use age for everything, I'm not sure if you'd have that much detail. However, I would like to reiterate there are technical assistance reports in development that will help with regard to condition assessments for facilities and performance for track. So perhaps once those documents are available, you may find more information to make a decision with regard to the rating scale that is used for your TAM plan.

Question: Does the SGR definition include technological advances that may render the asset obsolete?
Answer: So if it's obsolete, then it perhaps would not be in use and therefore would not be in an inventory or need to be determined whether it is or is not in a state of good repair. However, the definition as proposed talks about the condition of assets that are actually in use, and that they are operated at their full level of performance with regard to their design function, they're not posing a safety risk, and meeting their lifecycle investment needs for maintenance. If I did not answer that

question in the way that you intended it, please submit that question to the docket and add more detail with regard to specific aspects of that that you did not get answered.

Question: How does a vehicle overhaul program affect the rolling stock performance measure?
Answer: We are developing guidance on each of the measures, and I'm also not really clear on the question, so perhaps you can either resubmit it through the chat pod or submit it to the docket.

Question: Is infrastructure performance proposed to be only measured by Slow Zones only? There are no performance measures on other asset types.
Answer: That is correct. We did a mixture of performance types for our various categories. We have age, we have condition, and we have performance, based on the type of category that it goes with. So we selected age as a measure of performance for rolling stock and equipment; we selected condition as a measure of performance for facilities; and we selected performance as a performance measure for infrastructure.

Question: Is the ranked list of projects by year, or do we need to rank within a year?"
Answer: The investment prioritization is by year. So your ranked list of projects would be ordered by year of planned implementation.
Question: Which part of the NPRM do we focus our comments on? The entire 40 pages, or the pages 589-44 to 589-50 only?"
Answer: We are soliciting comment on the entire proposal, so that does include anything we've outlined in the preamble. In the presentation-- and I pulled up the slide-- I know that the webinar presentation is the small part of the screen-- but we did outline a couple of areas that we specifically would like comment on, including cost implementations and estimating cost-benefit. So if there are reports or studies out there that demonstrate things that you think we haven't considered, we would definitely like you to send those along to us. But yes, to answer your question, we're open to comment on the whole thing, and I know this presentation will be closed, but the items that we're soliciting specific comments are on slides 50 and 51 of the presentation, which can be found on our website after the webinar is over.

Question: Can you provide workflow for infrastructure class of assets?"
Answer: I'm not sure about what you mean by workflow. I think you mean how you should conduct a condition assessment and perhaps set a target. But as I mentioned and as Mish mentioned previously, we are developing guidance on each of-- Mshadoni-- mentioned previously we are developing guidance on each of the performance measures.

Question: We have a unique situation with contract carriers running our trains on some of our lines. How do we handle that when we write our TAM?"
Answer: This question will have to be submitted to the docket.

Question: What will you be reviewing for compliance for MPOs that don't own vehicles?
Answer: We do not make any proposals with regard to MPO compliance in this rule, and the metropolitan/statewide proposal I am not familiar enough with to speak upon what they have

proposed. However, if this is a concern of yours about potential interactions or whatever it is that you maybe are concerned about, I would recommend that you submit that to the docket so that it could be a part of the official record and it could be addressed in the final rule.

Question: Are there any audit implications or requirements?

Answer: So I'm not sure what type of audit we're talking about here, and according to the proposal as written, I don't know if there would be any audit implications. There is no penalty for missing your targets. There is no reward for meeting your targets in the law. So with respect to the impact that the proposal or a final rule would have on our annual, triannual or state management review or any other audit process, as indicated, we have not proposed any changes to that process in the rule. However, please post your comment to the docket if you have any recommendations about what that process should be.

Question: If you are part of a group plan and the cumulative vehicles operated in peak exceeds 100 by multiple providers, does that require a Tier One plan?

Answer: In the proposal, each individual agency is either a Tier One or Tier Two. Tier Twos group together. So you don't become a Tier One by being multiple Tier Twos. You're still Tier Two, and would be required to do a Tier Two plan. There are a couple of things I did want to kind of clarify. So the TAM plan and the performance targets do not impact the apportionments or how much money a transit provider receives. Developing a TAM plan is an approved activity under certain grant program categories. However, it doesn't change how much money you have. The intention of this program is to influence how the transit provider prioritizes their funding, providing a greater connection between condition of the asset and funding, optimizing state of good repair. So some of the questions that have been coming in talking about money and so forth with the targets, again, as we stated previously, there's no penalty and there's no reward for meeting your targets. The targets are there to be used by the transit provider to see if you are on track, and to kind of give you a direction in terms of where you want to go with the condition of your assets. It's all about reducing the State of Good Repair backlog, which ultimately is going to make the transit system operate better for longer. So that is kind of the big picture of this TAM rule, and some of the more specific questions that you have unfortunately-- they're great questions, but unfortunately we don't have answers to because we're not at the implementation stage. So we can't say how this rule or this process would specifically impact certain programs or certain types of applications. Right now, this is the big picture stage, and this is why we're presenting it in this way. This is our proposal.

In addition, a lot of the questions coming in are great questions, but they are leaning a little bit more towards the side of implementations rather than clarifying questions on the proposal that has been laid out, and thus would need to go to the docket.

Question: A vehicle overhaul program enhances performance characteristics of a vehicle periodically throughout its useful life. For buses, the VOH usually occurs at the four-year and the eight-year points. A VOH will, for example, improve the performance profile of the bus from 75 percent of that of a new bus to, say, 90 percent. How does a vehicle overhaul program affect the condition assessment grade of the bus or group of buses?

Answer: In the proposal, FTA has not prescribed a process for condition assessment. That is left up to the individual provider to develop a process by which they will rate the condition of their asset. In addition, the proposed measure for vehicles is based on the percent of assets that have not met their Useful Life Benchmark. The Useful Life Benchmark was discussed in the presentation and it is distinguished from the useful life that you all are probably familiar with from our grant program, which is 12 years for a bus. The Useful Life Benchmark would be decided by each individual transit provider based on their unique operating environment, based off their maintenance programs, their vehicle overhaul program. So if you set a Useful Life Benchmark for a particular vehicle at, let's say, 13 years and then when it was time to redo your TAM plan at four years and at some point during that time you've gone through this vehicle overhaul program process, then it is possible, and this is a hypothetical that we're talking about her, that you would adjust the Useful Life Benchmark of that particular vehicle, extend it. But again, post your comment to the docket for consideration, and for a more formal response in the preamble to the final rule.

Crystal Frederick: I'm looking through a lot of the questions that have come in and they are great questions, but they are leaning a little bit more towards the side of implementations rather than clarifying questions on the proposal that we've laid out, and thus would need to go to the docket.

Jessica Baas: Thanks all. That's all the questions that we're going to take for the moment, and I'm going to turn it back over to Candace.

Candace Key: I'd just like to say again that your comments are very important to us in developing the policy for the final rule. The comments that are most useful are those comments that are supported by data or that provide an analysis and explanation for the reason why you're making a suggestion, one recommendation or another. And again, we accept comments via the regulations.gov website. You can mail your comments in, you can fax them in, and you can also walk them into DOT headquarters, and all of that information is available in the presentation and also in the NPRM.

Crystal Frederick: We are actually just at our ending mark. First of all, I'd like to thank the folks who have put on this presentation-- Jessica, Mshadoni and Candace-- for giving the presentation, facilitating, and providing answers to your very thoughtful questions. To sound like the broken record, please go to regulations.gov to submit your questions that we were not able to get to due to time. I know that you may not think that it gets heard, but the purpose of having this webinar is to generate comments and questions to the docket, so we would greatly appreciate you doing that. Remember, if you want to find a copy of today's presentation, you can find it, along with a host of other great resources, on our website at www.fta.dot.gov/sgr, and with that, I will thank you for joining us for the webinar, and goodbye.