STATE OF GOOD REPAIR: POTENTIAL CONCEPTS

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FTA and State of Good Repair

- State of Good Repair is a work in progress
  - Continuing the dialogue that we initiated with you last year

- Seeking feedback from the industry as we refine our thinking in this critical area
Why should FTA care about State of Good Repair?

Two Fundamental Reasons

- Protect significant past investments of federal dollars in the US transit system
- Provide a RELIABLE and SAFE system for the American Public
Why an FTA Program *Now*?

- Draft DOT Strategic Plan highlights State of Good Repair as National Goal
  - Not only for Transit, but Highways and Airports
- Especially important for FTA because of service to transit dependent communities
  - When transit is the only or major mobility option – due to economic, age-related or physical limitations – a reliable, well maintained system is crucial to everyday life

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Why an FTA Program *Now*?

- Recent studies indicate significant backlog of assets that are in poor or marginal condition
  - $50 billion for seven largest rail transit Operators (2009 Congressional Report)
  - $80 billion estimated for entire US public transit industry (2010 FTA study)
- Senate has expanded the Administration’s proposed transit safety legislation to require asset management programs
Potential Concepts for a Proposed FTA SGR program

- A State of Good Repair program needs to integrate asset management policies and practices with investment decisions
- Identifying and Managing Condition of Assets is cornerstone
- Capital assets contribute to— but do not singularly affect— performance of the system
Potential Concepts for a Proposed FTA SGR Program

Three major components:

- Grantees implement Asset Assessment Program
- Grantees implement Asset Management Strategy
- FTA provides technical and funding assistance to support Capital Assess needs determined by Program and Strategy
Potential Concepts for a Proposed FTA SGR program

Asset Assessment Program

You can’t manage assets unless you know what you’ve got, and what condition they are in
- Elements of the Program
  - Inventory of assets
  - Life cycle of assets
  - Condition of assets
  - Criteria for replacing and/or upgrading asset
Potential Concepts for a Proposed FTA SGR program

Asset Management Strategy

Once you know where you are, decide where you want to go, and how to get there

Key precepts:

• If transit system has an identified backlog of need, make continuous improvement against that backlog
• If transit system does NOT have an identified backlog, take conscious action to avoid one
Potential Concepts for a Proposed FTA Strategy

Asset management strategy would define and forecast capital asset “need” for the agency:

- COST of replacement or rehabilitation of assets—including estimates of any necessary upgrades to the asset
- Projections of available REVENUE for that purpose, from ALL sources (federal, state, local)
- Calculation of difference between (a) and (b) would define the SGR need
- For federal SGR assistance programs (TBD) needs pivots off of backlog position: making progress, OR keeping ahead of the curve
Potential Key Policy Issues

- Need a “federal” definition of SGR, for any national scale program?
  - Proposal: Define “backlog” as a threshold
  - All grantees would need to work with that definition for federal program purposes
  - However, agency specific SGR definitions and goals could be applied for overall management purposes

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Potential Key Policy Issues

- Technical Capacity for Asset Assessment and Management Strategy?
  - All grantees would need to satisfy elements of FTA program for related assistance and funding
  - Large, more complex operators (e.g. multi-modal systems) need more detailed, customized approaches
  - Smaller, less complex operators would likely require something less
  - What assistance can FTA provide to ensure sufficient capacity
Potential Key Policy Issues

What federal funds would be brought to bear to address identified needs?

- Current vs. future authorized programs?
- What’s directed to catching up with backlog?
- What’s directed to maintaining “non”-backlog status over time?

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Potential Key Policy Issues

What federal funds would be brought to bear to address identified needs?

- What expectations are attached to state and local funds to complement federal funds in this effort?

- If we direct funds to agencies with substantial backlogs, how do we avoid rewarding agencies that have underinvested in their system and penalizing those that have invested adequately?
To obtain a copy of this presentation, please visit the FTA Website at

www.fta.dot.gov