

DEPARTMENT OF TRANSPORTATION
DIVISION OF RAIL AND MASS TRANSPORTATION
P.O. BOX 942873, MS-39
SACRAMENTO, CA 94273-0001
PHONE (916) 654-8811
FAX (916) 654-9366
TTY 711
www.dot.ca.gov



*Serious drought.
Help save water!*

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To: Transit Providers, RTPA's, and MPO's:

The Federal Transit Administration's (FTA) Transit Asset Management (TAM) Final Rule took effect October 1, 2016. *TAM is a new FTA regulation that applies to all Transit Providers that are recipients or subrecipients of federal financial assistance under 49 U.S.C. Chapter 53 and that own, operate, or manage transit capital assets used in the provision of public transportation.* TAM aims to establish a formal administrative system that monitors and manages an agency's public transportation assets (regardless of funds used to purchase the asset) so that they can be operated and maintained in a State of Good Repair. All FTA recipients or subrecipients should familiarize their agency with TAM requirements by reviewing the content of these FTA TAM websites. These websites highlight methodologies for developing Useful Life Benchmarks (ULB's), Targets, TAM Plans, and TAM reporting.

- <https://www.transit.dot.gov/TAM/rulemaking>
- <https://www.transit.dot.gov/TAM>
- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/TAMFactSheet_Final.pdf
- <https://www.transit.dot.gov/TAM/gettingstarted>

It is Caltrans' intent to provide all agencies with the information and support necessary to comply with the FTA TAM target setting, reporting, and developing Agency TAM Plans. If your agency would like to receive regular updates from FTA about TAM, please click on the following link to register:

<https://public.govdelivery.com/accounts/USDOTFTA/subscriber/new>

Getting Started:

STEP #1 Identify Accountable Executive ~ This initial task will be to determine the Accountable Executive for each recipient or subrecipient agency. The Accountable Executive is one person responsible for carrying out asset management practices. This person has control or direction over the human and capital resources needed to develop and maintain the agency's transit asset management plan in accordance with 49 U.S.C. 5326. Asset Management will become an integral part of each agency's safety plan after the FTA publishes the Public Transportation Agency Safety Plan final rule. It is therefore important to keep safety in mind when identifying the Accountable Executive.

To engage TAM, the Accountable Executive will need to decide whether their agency is a Tier I or Tier II provider so that the elements required for target setting and the development of TAM Plans can be determined for their agency. Criteria for each of these "tiers" are:

Tier I

Operates rail

OR

≥ 101 vehicles across all fixed route modes

OR

≥ 100 vehicles in one non-fixed route mode

Tier II

Subrecipient of 5311 funds

OR

≤ 100 vehicles across all fixed route modes

OR

≤ 100 vehicles in one non-fixed route mode

In California it is assumed that Tier I providers will be 5307 recipients, and Tier II providers will be Caltrans 5311 subrecipients. However, there are some 5307 providers that fit the FTA's Tier II criteria and/or receive both 5307 and 5311 funding. In either case, FTA and the Division of Rail and Mass Transportation (DRMT) are encouraging these providers to work directly with the FTA regional office. It is also important to note that both Tier I and Tier II providers that are recipients or subrecipients of the FTA Section 5310 funds are also required to include assets purchased with 5310 resources if the assets are used in the provision of public transportation services.

STEP #2 Setting Targets ~ Targets for TAM must be set so that each agency has an asset baseline from which to develop their TAM Plan. The FTA originally stated that targets needed to be set by January 1, 2017 and then annually thereafter. However, the Final TAM Rule did not specify when initial targets needed to be reported in the National Transit Database (NTD). For this reason, the FTA and the DRMT will not be collecting targets this year, but are requesting that agencies proceed with setting their targets so that proper baseline data can be reported in the NTD by the FTA's **January 1, 2018** deadline. So, in essence, the FTA and the DRMT are asking transit providers to do their homework but won't be collecting this homework for an additional year. More information about establishing targets can be found by reviewing this website:
<https://cms.fta.dot.gov/TAM/resources/targetperformance>

STEP #3 Developing TAM Plans ~ These Plans will require local effort championed by a transit provider or local effort coordinated between transit providers and their TAM Plan Sponsor, which is a State, a designated recipient, a direct recipient or subrecipient that develops a group TAM Plan for at least one Tier II provider. TAM Plans must be in place by **October 1, 2018**.

- Tier I providers must develop and carry out their own TAM plan and report directly to the FTA.
- Tier II providers may develop their own TAM Plan or participate in a single Group TAM Plan that is sponsored, developed, and managed locally. Under this scenario, two or more transit providers would choose a TAM Plan sponsor and then work collaboratively to develop locally/regionally based ULB's for each asset class. This approach will help ensure targets remain relevant to local asset replacement needs. Regional Transportation Planning

Agencies (RTPA's) and Metropolitan Planning Organizations (MPO's) could help facilitate discussions about this point among the transit providers in their region, and are encouraged to do so.

- Or, Tier II providers can utilize a Group TAM Plan that Caltrans DRMT will sponsor. Under this scenario, transit providers will utilize standard ULB's that are set by the DRMT and a TAM Plan Template that FTA has developed. This 'standardized' approach could promote targets for an asset replacement schedule that may not be completely relevant to local asset replacement needs.
- All agencies that are recipients or subrecipients of federal financial assistance and utilize third-party contractors to operate transit service will need to identify the assets utilized by their contractors for local services. This information must be contained in the agencies TAM Plan, Group TAM Plan, or in the Group TAM Plan that Caltrans will be sponsoring.

Required TAM Plan Elements for each tier are:

Tier I & II

- ✓ Inventory of Capital Assets
- ✓ Condition Assessment
- ✓ Decision Support Tools
- ✓ Investment Prioritization

Tier I Only

- ✓ TAM and SGR Policy
- ✓ Implementation Strategy
- ✓ List of Key Annual Activities
- ✓ Identification of Resources
- ✓ Evaluation Plan

All 5311 subrecipients are being asked to complete this Survey Monkey by **November 30, 2016**.

<https://www.surveymonkey.com/r/5RK88LL>

Data collected from this Survey will help the DRMT determine how Tier II transit providers plan to proceed, and what questions still need to be answered.

Coordination with RTPA's and MPO's

The steps identified above for TAM are each transit provider's responsibility – identifying an Accountable Executive, setting ULB's and targets, reporting, and the development of TAM Plans. However, TAM Plans will ultimately be a planning tool that the FTA, Caltrans, the RTPA's, and the MPO's use to help guide transit program funding decisions in the future. The TAM Plans will need to be updated every four years and should coincide with the Statewide, Metropolitan and Nonmetropolitan Transportation Planning, and Programming process so that transportation stakeholders can better define the State Transportation Improvement Program/Federal Transportation Improvement Program priorities and assess investment decisions. For these reasons, transit providers, RTPA's, and MPO's should consider the idea of regionally focused TAM Plans and begin TAM coordination activities over the next two regional planning cycles. Work Elements established in Overall Work Programs for this coordination are eligible planning activities.

Training and Technical Assistance

The Caltrans Federal Transit Grants Office is currently participating in a national dialogue with other states to define best practices. Information from this dialogue will be shared with TAM stakeholders at a later date. This Office is also working with the California Association for Coordination Transportation (CalACT) to develop training and technical assistance for TAM in rural areas. We anticipate:

- A webinar in the fall of 2016 to discuss TAM in more detail with our partners.
- Having a TAM session at the Spring CalACT Conference & EXPO April 24-27, 2017.
- Presenting information about FTA's TAM system and how it can be administered at the next Rural Counties Task Force meeting on November 18, 2016.

In the meantime, the DRMT is asking transit agencies to begin TAM discussions so that ULB's for setting TAM targets can be completed soon in California.

If you have any questions about this letter or FTA's new Transit Asset Management Program, please contact me at (916) 654-8655 or Brian Travis at (916) 654-9842.

Sincerely,

MARK CODEY
Office Chief
Office of Federal Transit Grants

Attachment: FTA Transit Asset Management Final Rule Fact Sheet.

- c: Raymond Sukys, Federal Transit Administration Region IX
Josh Shaw, California Transit Association
Jacklyn Montgomery, California Association for Coordination Transportation
Giles Giovinazzi, Caltrans Federal Liaison
Bruce Roberts, Caltrans, Division of Rail and Mass Transportation
Jacqueline Kahrs, Caltrans Office of Regional and Interagency Planning
James Ogbonna, Caltrans Division of Rail and Mass Transportation
Bruce Plowman, Caltrans Division of Rail and Mass Transportation
Tracy Harrison, Caltrans Division of Rail and Mass Transportation