



## Rail Law Alert – FTA Proposes Rule re: Transit Asset Management

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### FTA Introduces Proposed Rule Regarding Transit Asset Management, Request Comments by November 30, 2015

The 2012 Moving Ahead for Progress in the 21st Century Act (MAP-21) requires the Federal Transit Administration (FTA) to create a Transit Asset Management (TAM) System aimed at helping transit agencies better understand the state of their capital assets and the resulting impact on safety. Pursuant to MAP-21, the TAM System would require recipients of FTA funding, including commuter rail operators, to develop their own TAM plans, including an asset inventory, assessment of condition of those assets, and investment prioritization. Recipients would also be required to set performance targets and report their findings and progress to FTA.

On September 30, 2015, FTA issued a Proposed Rule that would establish the TAM System and National Transit Database. The Proposed Rule would add a new part to FTA's regulations, 49 C.F.R. Part 625, which would set out the requirements for the TAM System, and would amend Part 630, regarding the National Transit Database, to include TAM reporting. The requirements under Part 625 are in line with the shift in federal regulation of safety to a less prescriptive, more performance-based model.

The Proposed Rule also includes substantial discussion regarding the cost-benefit analysis for the proposed requirements. FTA estimates that the new regulations will cost a total of \$370 million (undiscounted) over the next 20 years. While FTA could not precisely quantify the benefits, it did compare the costs of the proposed regulations to the current cost of transit vehicle mechanical breakdowns. Notably, the calculated costs of the Proposed Rule include only the additional burdens associated with developing and implementing TAM plans, and do not include the costs of asset replacement or maintenance.

Public comments on the Proposed Rule are due by November 30, 2015. Transit agencies and other recipients of federal transit funding should be certain to comment on the Proposed Rule, particularly regarding the cost-benefit analysis, in order to ensure that FTA appropriately accounts for the full costs of implementation.