

SUPPORTING STATEMENT
National Transit Asset Management (TAM) System
OMB CONTROL NO. 2132-XXXX (NEW ICR Request)

A. JUSTIFICATION

The purpose of this request is to seek the Office of Management and Budget's (OMB) approval for a new information collection that is associated with a Notice of Proposed Rulemaking. The supporting statement below includes the requirements pertaining to the transit asset management requirements of the proposed rule. It does not cover amendments to regulations for FTA's National Transit Database (NTD) at 49 CFR part 630, to conform with the proposed reporting requirements for transit asset management. The proposed amendments to NTD will be covered under the existing NTD information collection Paperwork Reduction Act supporting statement. (National Transit Database Asset Inventory Module 49 U.S.C. Section 5335(c)).

FTA funding recipients currently report asset inventory data to NTD, including data on the number of vehicles and the date of purchase. The current asset inventory collection is covered by an existing and previously approved PRA for NTD (National Transit Database PRA OMB#2132-0008). Accordingly, although the rule proposes that a TAM Plan include an asset inventory, this PRA only includes the cost of the new data collection requirements under the TAM NPRM.

1. Explain the circumstances that make the collection of information necessary.

Critical to the safety and performance of a public transportation system is the condition of its capital assets—most notably, a system's equipment, rolling stock, infrastructure, and facilities. When transit systems are not in a state of good repair, the consequences include increased safety risks, decreased system reliability, higher maintenance costs, and overall lower system performance. Insufficient funding combined with inadequate asset management practices have contributed to an estimated \$86.9 billion transit state of good repair (SGR) backlog—a value derived from FTA's Transit Economic Requirements Model (TERM) Scale and representative of the reinvestment cost to improve transit asset conditions to the midpoint of its 1(poor) to 5 (excellent) scale. Furthermore, FTA estimates that an additional \$2.5 billion per year above current funding levels from all levels of government is needed just to prevent the SGR backlog from growing; a figure that poses a significant challenge during these fiscally constrained times.

Calendar year 2013 marked the highest ridership level for transit since 1957—with the number of trips exceeding 10 billion for the 7th year in a row. Moreover, factors such as the migration of people to urban areas, an aging

population that will rely heavily on public transportation and a retiring transit maintenance workforce will further increase demands on existing public transportation systems. Given existing fiscal constraints, it is unlikely that the Nation's state of good repair (SGR) backlog can be addressed through increased spending alone. Rather, a systematic approach is needed to ensure that existing funding resources are strategically managed to target the SGR backlog.

This NPRM proposes to establish a National Transit Asset Management (TAM) System in accordance with section 20019 of the Moving Ahead for Progress in the 21st Century Act (MAP-21; Pub. L. 112-141 (2012), codified at 49 U.S.C.5326 (section 5326). A transit asset management system is defined as "a strategic and systematic process of operating, maintaining, and improving public transportation capital assets effectively through the life cycle of such assets." 49 U.S.C. 5326(a)(3). The National TAM System must include the following: a definition of the term "state of good repair"; a requirement that all recipients and sub-recipients under Chapter 53 develop a TAM Plan, which would include an asset inventory, an assessment of the condition of those assets, decision support tools, and investment prioritization; annual reporting requirements; and technical assistance provided by FTA to recipients, including an analytical process or decision support tool that allows for the estimation of capital asset needs and assists with investment prioritization. 49 U.S.C. 5326(b). In addition, section 5326 requires the Secretary to establish SGR performance measures, and recipients are required to set performance targets based on the measures. 49 U.S.C. 5326(c)(1) and (2). Furthermore, each designated recipient is required to submit an annual report to the Secretary on both the condition of their recipients' public transportation systems and include a description of any change in condition since the last report (49 U.S.C. 5326 (b)(3), and its recipients' progress towards meeting performance targets established during that fiscal year and a description of the recipients' performance targets for the subsequent fiscal year. (49 U.S.C. 5326(c)(3)).¹

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

¹ The term "designated recipient" is defined in statute as "(A) an entity designated, in accordance with the planning process under sections 5303 and 5304, by the Governor of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under section 5336 to urbanized areas of \$200,000 or more in population; or (B) a State or regional authority, if the authority is responsible under the laws of a State for a capital project and for financing and directly providing public transportation." 49 U.S.C. 5302(4).

The primary users of the information will be FTA and the transit providers (FTA grant recipients and sub-recipients). There are two groups of transit providers that will be providing information; Tier I recipients—large transit providers with more than one hundred vehicles in revenue service or that operate a rail fixed guideway system, and Tier II recipients—smaller transit providers with one hundred or fewer vehicles and that do not operate a rail fixed guideway system. The information developed will be used in decision support tools that will assist transit providers to evaluate the current condition of their assets, project future asset condition, and prioritize investment in order to meet targets and improve the state of good repair of their capital assets.

Once developed, the TAM Plan, which must be updated every four years, will help agencies to identify and prioritize investments to efficiently manage their assets, as well as assess risks that may impact safety and operational performance. The annual data progress report will help each transit provider assess the progress made towards achieving the target set previously, and identify factors which may have contributed towards their failure to achieve the target. This also will help them to identify factors that contribute to achieving the performance targets, resulting in an improved understanding of the actions and outcomes. In addition, the TAM Plan and the narrative reports can be used by transit providers to inform the public and State legislators of the providers' plans and progress towards the performance targets. This will increase transparency and accountability of the use of public funds. The annual narrative report will inform FTA and contribute to the five year report to Congress on the outcomes of implementing a TAM System and provide insights into what issues still need to be addressed to achieve a state of good repair for the Nation's transit assets.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

TAM Plans could be produced by using computing software, such as Microsoft word or excel, and graphical software. FTA will verify compliance with the TAM Plan requirements during the Triennial or State Management review process, which are FTA's existing audit processes. The annual narrative report, performance targets, and the asset condition report will be submitted electronically to the National Transit Database (NTD) every year. The performance targets will be included in the narrative report. The cost to FTA

of collecting this information will be included in another PRA submission for NTD (National Transit Database Asset Inventory Module 49 U.S.C. Section 5335(c)).

TAM Plans are required to include analytical tools to analyze the data to develop project priority lists, and performance measures and targets. Analytical tools can be developed with readily available off-the shelf software such as Microsoft Excel. Transit providers may also choose to purchase software depending on the provider's needs. In addition, transit providers may also use FTA's TERM-Lite model free of charge.

4. Describe efforts to identify duplication.

An Advanced Notice of Proposed Rulemaking (ANPRM) was issued in October 2013 to collect information from the industry to develop the NPRM. The ANPRM posed 123 questions regarding the current processes and procedures for conducting asset management and safety analysis at transit agencies; in addition the ANPRM sought recommendations from the industry on their preferences on implementation of the new safety and TAM requirements. Any potential duplication may have been identified during the process. However, in general, the proposed rule does not prescribe how a transit provide must comply with the proposed requirements. For example, FTA is not proposing that transit providers use a particular data source, what decisions support tools to use, or how to format the narrative report. FTA does not expect transit providers to duplicate existing process they may have in order to satisfy the requirements in the proposed rule.

In addition to the ANPRM responses, during the development of the NPRM development, FTA reviewed existing research and practitioner resources that surveyed the existing state-of-the-practice for transit agencies with regard to TAM approaches and data collection methodologies. Some of these resources included, pilot project reports, National and international assessments, and responses to an FTA's online dialogues. The data identified by the industry align with the data that the NPRM requires to be collected.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

To minimize burden on small transit service providers, the Federal transit grant recipients are categorized into two tiers with fewer requirements for the smaller transit service providers. The smaller entities are classified as Tier II providers that have one hundred or fewer vehicles and no rail fixed guideway. These recipients have the option of participating in a Group TAM Plan that is developed by a direct recipient such as a State or other

designated recipient. Tier II providers may choose develop a less burdensome TAM Plan by excluding the requirements for identifying policies and strategies to achieve transit asset management; strategies for implementation of the TAM Plan; a list of key activities to achieve asset goals; identification of financial resources to meet the asset management goals; and a plan for continuous improvement.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

A less than annual reporting of this information would not be sufficient to know the condition of transit revenue vehicle fleet. This information is used for estimating the future transit investment needs reported in the congressionally mandated biennial Condition and Performance Report produced by U.S.DOT. For some assets, such as stations and facilities, the condition data will be collected every three years. If asset condition reporting occurred less frequently, the value derived from a better understanding of changes in asset condition would be compromised by limiting the ability to understand trends overtime. FTA would use annual reporting of SGR performance targets to identify what each transit provider is planning to achieve each year and measure an individual transit provider's progress towards meeting targets.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The information collection fully applies with 5 CFR 1320.6

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

FTA issued an ANPRM to solicit comment from the public on how to implement MAP-21 legislation for the Public Transportation Safety Program codified at 49 U.S.C. 5329 and transit asset management. Of the 123 questions asked, 67 related specifically to transit asset management. Public

comments to the ANPRM, and FTA's responses, are summarized on pages 20 to page 39 of the NPRM: Transit Asset Management; National Database (Docket No. FTA-2014-0020). The categories of questions are listed below.

1. Transit asset management overview and considerations for small operators
2. Defining state of good repair
3. Transit asset management plans
 - a. Applicability
 - b. Asset inventory
 - c. Condition assessments
 - d. Investment prioritization
4. State of good repair performance measures and targets
 - a. Performance measures
 - b. Performance targets and reporting
5. Technical assistance and tools
6. Certification of transit asset management plans
 - a. Certification process
 - b. Sub-recipient certification
 - c. Role of transit provider's officials
7. Coordination with metropolitan, statewide and non-statewide planning requirements
8. Costs and benefits

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

No payment or gift is made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

Respondents are not provided any assurance of confidentiality. The data is used for determining eligibility for receipt of grant funds and compliance with statutory requirements.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

The documents do not require any information of a sensitive nature such as sexual behavior or attitudes, religious beliefs, or other matters that are commonly considered private. None of the information required is of a personal nature.

12. Provide an estimate in hours of the burden of the collection of information.

Total Annual Respondents: 3,998 (284 Tier I + 3,714 Tier II)

Total Annual Responses: 1,038 (284 Tier I + 754 Tier II)

Total Annual Burden Hours: 493,589 (196,268 Tier I + 297,321 Tier II)

Total Annual Burden Cost: \$19,296,685 (\$10,370,057 Tier I + \$8,926,628 Tier II)

The initial costs for establishing new processes for collecting asset condition data, developing analytical processes, performance measures and targets, and reporting will be higher than the subsequent annual, triennial and quadrennial updates and will be incurred over a period of two years.

Estimated Total Annual Number of Respondents and Responses:

Tier I:

There are 284 Tier I providers. These are direct/individual transit providers that submit one Transit Asset Management Plan for a total of 284 plans/responses on an annual basis.

Tier II:

There are 3,714 Tier II providers. Of the 3,714 transit providers, only 754 TAM Plans/responses are actually developed on an annual basis [490 (Individual Plans) + 264 (Group Plans)] because FTA anticipates that many designated recipients will develop Group TAM Plans for their subrecipients which includes data for all of its subrecipients. Accordingly, a Group TAM Plan Sponsor (designated recipient) would submit one data report and one narrative report on behalf of all of the Group TAM Plan participants (sub-recipients).

Estimated Total Annual Burden Hours and Cost:

Tier I:

FTA estimates that the initial hours of burden for Tier I providers during the first two years is 404,552 hours. Once a TAM Plan has been developed and implemented, the hours of burden in Year 3 and all subsequent years would decline to approximately 184,252 annual hours. Therefore, the total annual burden hours associated with this information collection for Tier I providers is 196,268 hours [404,552 (Year 1&2) + 184,252 (Year 3+) = 588,804/3].

FTA estimates that the initial cost of this information collection during the first two years is \$21,922,226. Once a TAM Plan has been developed and implemented, the cost of this

information collection in Year 3 and all subsequent years would decline to approximately \$9,197,944. Therefore, the total annual burden cost associated with this information collection for Tier I providers is \$10,370,056 [$\$21,992,226$ (Year 1&2) + $\$9,187,944$ (Year 3) = $\$31,110,170/3$].

Tier II

FTA estimates that the initial hours of burden for Tier II providers during the first two years is 672,122 hours. Once a Tam Plan has been developed and implemented, the hours of burden in Year 3 and all subsequent years would decline to approximately 219,840 hours. Therefore, the total annual burden hours associated with this information collection for Tier II providers is 297,321 hours [$672,122$ (Year 1&2) + $219,840$ (Year 3+) = $891,962/3$].

FTA estimates that the initial cost of this information collection during the first two years is \$19,590,512. Once a TAM Plan has been developed and implemented, the cost of this information collection in Year 3 and all subsequent years would decline to approximately \$7,189,371. Therefore, the total annual burden cost associated with this information collection for Tier II providers is \$8,926,628 [$\$19,590,512$ (Year 1&2) + $\$7,189,371$ (Year 3+) = $\$26,779,883/3$].

Tables 1 and 2 below show the initial hours of burden and the dollar cost to the Tier I and Tier II incurred to transit providers in the first two years of implementing the TAM Rule, and the recurring annual average costs, thereafter. The tables below show the assumptions made for the level of effort and the loaded wage rates (wage rate adjusted to account for employer cost of fringe benefits)² used for estimating the hours of burden and the cost of implementing the Rule.

Table 1: Tier I Operators (More Than 100 Vehicles and Rail Fixed Guideway)

Item	Labor Rate (\$/hr) Urban	Initial (Two years) Costs	Average Annual Recurring Costs	Initial Hours of Burden (Two years)	Average Annual Recurring Hours of Burden
	(May)				

² BLS data show wages as 64.1% of total compensation, with benefits at 35.9%. Therefore, employees' wages are factored by 1.56 (100 / 64.1) to account for employer provided benefits.

	2013 BLS Statistic) ¹				
Vehicle Condition Assessment	\$43.40	\$2,527,442	\$2,527,442	58,236	58,236
Station Condition Assessment	\$62.81	\$2,107,904	\$702,635	33,560	11,187
Maintenance Facilities Condition Assessment	\$62.81	\$1,073,297	\$357,766	17,088	5,696
Way Miles (open) Condition Assessment	\$67.02	\$427,118	\$427,118	6,373	6,373
Tunnel, Bridge and Transitions Condition Assessment	\$67.02	\$171,772	\$171,772	2,563	2,563
Analytical Processes	\$43.40	\$6,409,312	\$2,563,725	147,680	59,072
Prioritized Project List	\$43.40	\$1,183,258	\$443,722	27,264	10,224
Plan Strategy	\$78.36	\$2,136,407	\$445,085	27,264	5,680
Performance Measures and Targets	\$78.36	\$4,628,882	\$801,153	59,072	10,224
NTD Reporting	\$48.72	\$907,923	\$453,961	18,636	9,318
Narrative Report Writing	\$48.72	\$304,403	\$249,057	6,248	5,112
Narrative Report Review	\$78.36	\$44,508	\$44,508	568	568
Total Annual Dollar Cost and Hours of Burden		\$21,922,226	\$9,187,944	404,552	184,252

Table 2: Tier II Operators (100 Vehicles or Less and No Rail Fixed Guideway)

Item	Labor Rate (\$/hr) Urban	Initial Costs (Two years)	Average Annual Recurring Cost	Initial Hours of Burden (Two years)	Average Annual Recurring Hours of Burden
	(May 2013 BLS Statistic) ¹				

Vehicle Condition Assessment	\$23.04	\$943,004	\$943,004	40929	40929
Station Condition Assessment	\$34.24	\$225,162	\$75,054	6576	2192
Maintenance Facilities Condition Assessment	\$34.24	\$748,897	\$249,632	21872	7291
Analytical Processes	\$23.04	\$9,033,523	\$1,806,705	392080	78416
Prioritized Project List	\$23.04	\$1,667,727	\$416,932	82944	18096
Performance Measures and Targets	\$65.55	\$3,953,976	\$1,186,193	60320	18096
NTD Reporting	\$40.25	\$527,166	\$263,583	13097	6549
Narrative Report writing	\$40.25	\$424,879	\$182,091	10556	4524
Narrative Report Review	\$65.55	\$98,849	\$98,849	1508	1508
Group Plan Coordination	\$40.25	\$1,275,120	\$1,275,120	31680	31680
Group Plan Coordination	\$65.55	\$692,208	\$692,208	10560	10560
Total Initial and Recurring Average Annual Dollar Cost and Hours of Burden		\$19,590,512	\$7,189,371	672,122	219,840

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

Agencies are required to keep records of plan development for at least one cycle of plan development; that is once every four years. It is assumed that the Tier I agencies may spend approximately 80 hours every four years to coordinate the collection and formatting of the data for record keeping purposes. Using the business operations specialists loaded wage rate, the cost of recordkeeping for Tier I providers will be \$1.1 million every four years. For the Tier II

providers, it is assumed that the group plan developers will retain the records on behalf of the small transit agencies. The level of effort for record keeping will be lower at 40 hours per plan cycle, since the coordination cost of gathering the relevant cost is already accounted for, using the business operations specialist loaded wage rate \$40.25, the total cost for recordkeeping for Tier II will be \$1.2 million for every plan cycle. The total cost for recordkeeping will therefore be \$2.3 million.

14. Provide estimates of annualized cost to the Federal government.

Total Annual Cost to the Federal Government: \$2 million

To support the proposed rule, FTA will provide technical assistance to the transit industry to implement the new requirements, and training for FTA employees to implement the new TAM system. It is estimated that FTA could incur an annual cost of \$2 million to cover the cost to implement the TAM Rule. This will cover the costs to develop guidance and training materials; provide training and to pay for FTA program management staff. This is based on current FTA cost for research, stakeholder outreach and staffing costs since the MAP-21 Reauthorization Act. It is likely that the FTA costs will decline over time as the program matures and asset management becomes an integral part of transit agencies' project prioritization practice. It is assumed that after the first five years, the costs will fall to \$1.5 million, then \$1 million after 10 years and to \$0.5 million after fifteen years.

There will be additional costs to the Federal government to collect, analyze and publish the new data requested under this Rule. Since the tool to collect this information is already an an existing OMB approved information collection, that cost will be included in an updated ICR for the National Transit Database (OMB #2132-0008).

15. Explain the reasons for any program changes or adjustments.

This is a new program, therefore there are no changes or adjustments. The adjustments necessary for NTD will be covered in a separate PRA under development (National Transit Database Asset Inventory Module 49 U.S.C. Section 5335(c)).

16. For collections whose results will be published, outline the plans for tabulation and publication.

FTA would tabulate the data and make it available to the public through the National Transit Database website. FTA has not identified the exact details of

this effort. Tabulation and publication will be covered in the PRA for NTD (National Transit Database Asset Inventory Module 49 U.S.C. Section 5335(c)).

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

FTA is not seeking approval to the exception.

18. Explain each exception to the certification statement.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not employ statistical methods.