



DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No. FTA-2014-0006 and FTA-2015-0029]

National Transit Database: Capital Asset Reporting

AGENCY: Federal Transit Administration, DOT.

ACTION: Notice; Response to comments

SUMMARY: This notice finalizes the expansion of the Federal Transit Administration's (FTA) National Transit Database (NTD) Asset Inventory reporting requirements.

DATES: The reporting requirements will be optional in report year 2017 with full implementation required in report year 2018.

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A. Background

On August 19, 2014, FTA published a **Federal Register** notice (initial notice) (Docket No. FTA-2014-0006, 79 FR 49146) for comment on proposed revisions to the NTD Reporting Manual. The notice described various proposed changes to the NTD annual module, including a revised capital asset inventory reporting module for urban

reporters. In response to the initial notice, commenters requested that FTA postpone the implementation of the expanded asset inventory until after the publication of the Transit Asset Management Notice of Proposed Rulemaking. FTA agreed with this request and a second **Federal Register** noticed was published on November 18, 2015 (Docket No. FTA-2015-0029, 80 FR 72137). The second notice responded to comments received in response to proposals in the initial notice. In addition, in response to comments, the second notice proposed changes to FTA's initial proposed reporting requirements, and requested comment on these proposed changes. The comment period for this second notice closed on January 19, 2016.

The proposed changes to the NTD Reporting Manual stem from amendments to Federal transit law made by the Moving Ahead for Progress in the 21st Century Act (MAP-21) (Pub. L. 112-141, July 6, 2012), which require recipients of chapter 53 funds to report to the NTD any information relating to a transit asset inventory or condition assessment conducted by the recipient. (49 U.S.C. 5335(c)). Currently, the NTD only collects asset inventory information on revenue vehicles and summary counts for other asset categories, such as maintenance facilities and fixed guideway. There are some assets, such as signal or communications systems, for which NTD collects no data. In the both the initial and second notice, FTA proposed to collect additional asset inventory data to meet the asset inventory and condition reporting requirements at 49 U.S.C. 5335(c).

In accordance with the Paperwork Reduction Act, FTA included in the second notice a summary of the burden hours and costs for this enhanced reporting requirement. FTA estimated that the initial year burden nationally would be 18,636 hours for urban reporters and 13,097 hours for state and rural reporters, or 31,097 hours in total. This

represents a 10.5% increase to the total NTD reporting requirement in the first year. FTA estimated the burden in subsequent years at 9,318 hours for urban reporters and 6,549 for state and rural reporters, for a total of 15,867 hours, representing a 5.2% increase to the total NTD reporting requirement.

B. Response to Comments on Expansion of Capital Asset Reporting

The comment period for the second notice closed on January 19, 2016. FTA received 25 comments. Following is a summary of the comments received with FTA responses.

Comment: FTA received a number of comments expressing concern over the additional burden imposed by expanding the asset inventory. Twenty commenters stated that the proposal was too burdensome. Thirteen commenters expressed concern that the additional reporting burden may divert resources away from transit service provision. Eight commenters felt the burden estimates provided by FTA were ‘understated’.

Response: The final Transit Asset Management (TAM) rule, also published in today’s **Federal Register**, requires all agencies to (1) create and maintain an asset inventory along with condition assessments, and (2) develop performance targets. FTA calculated a paperwork burden estimate for those tasks and included that estimate in the TAM rulemaking process. The NTD burden estimate provided in the second NTD notice assumes that an agency will already have an asset inventory in place as part of its compliance with the TAM rule and, therefore, only includes the time and costs estimated to enter existing asset inventory information into the NTD reporting system. In some cases, modifications to existing data may be necessary to enter this information into the NTD. The burden estimates provided in the second notice take into account small

modifications of existing information in the asset inventories required by the TAM rule for reporting in the standard formats established by the NTD.

In calculating the burden estimate for NTD reporting, FTA asked several agencies to enter their existing asset inventory information into the proposed format and report the time necessary to complete this task. Three agencies completed an entire report and their experience with the new reporting requirements served as the foundation for the final estimates. A 'per field' reporting time was calculated and then multiplied out over the estimated data fields expected nationally to create a final burden estimate.

FTA remains committed to implementing reasonable data reporting requirements, while also meeting the requirements in the law for reporting asset condition information. In response to the initial round of comments on the asset inventory, FTA made several modifications to reduce the overall reporting burden, including removing replacement cost information for all asset types. FTA believes that this asset inventory fulfills the MAP-21 update to 49 U.S.C. 5335(c) that recipients report asset inventory and condition assessment information to the NTD and allows meaningful data analysis on the national capital needs of the transit industry. While FTA recognizes that the proposed changes would result in an increase over the current reporting requirements, the highest burden would exist in the first year of start-up reporting. Once an asset has been entered into the inventory module, the information would be pre-populated for each subsequent year. Reporters only would be responsible for providing annual updates to new or retired asset inventory items in subsequent years.

Comment: An additional area of concern was related to the new reporting requirements for recipients of funding under 49 U.S.C. 5310 (section 5310). Nine commenters stated

that reporting for section 5310 recipients should be limited or eliminated entirely. Ten commenters felt that any reporting done on behalf of section 5310 recipients should be done at the designated recipient or State level rather than the subrecipient level to minimize the burden of this new reporting. This same group of commenters suggested that only vehicles used in public transit and, preferably only vehicles purchased with federal money, should be reported. Five commenters requested that performance targets and reporting should be removed for section 5310 recipients.

Response: FTA is committed to developing requirements that are mindful of the burden for small transit providers. FTA understands that direct reporting may prove too difficult for small section 5310 recipients. In order to minimize this burden, FTA concurs with the comment that reporting on the assets for section 5310 recipients should be performed at the designated recipient or State level. The reporting guidance will be updated to reflect this change.

In response to the applicability of reporting for section 5310 reporters: the NTD asset inventory requirements will mirror the reporting requirements established by the Transit Asset Management rule. The final reporting requirements for the National TAM System apply to all chapter 53 recipients or subrecipients who own, operate, or manage public transportation capital assets. FTA currently requires NTD reports from recipients of funds under the Urbanized Area Formula Program (49 U.S.C. 5307 or section 5307) and the Rural Area Formula Program (49 U.S.C. 5311 or section 5311). As such, this new rule replaces references to section 5307 and section 5311 recipients with references to recipients and subrecipients of chapter 53 funds. This change will require recipients and subrecipients of other FTA grant programs, such as the section 5310 formula

program for the enhanced mobility of seniors and individuals with disabilities, who are not also receiving funds under section 5307 or section 5311, to start reporting to the NTD. FTA will not apply existing NTD reporting requirements to all recipients of chapter 53 funds. FTA will apply only the reporting requirements proposed under the National TAM System to those transit providers that do not currently report.

Comment: Eleven commenters requested a reduced set of reporting requirements for section 5311 recipients. This group of commenters asked to have required reporting reduced below current NTD reporting levels for revenue vehicles.

Response: The revenue vehicle inventory required for section 5311 recipients is already a greatly reduced version of vehicle inventory required for urban reporters. In the expanded asset inventory, FTA is only requesting one additional data element for revenue vehicles from section 5311 recipients: a useful life benchmark for each fleet, which is necessary for calculating the performance measures under the TAM rule. Additionally, FTA's research indicates that no exclusively rural subrecipients provide rail fixed guideway service, so rural subrecipients will not need to report the slow zones metric. For the other two performance measures, facility conditions and service vehicles, FTA is proposing to collect only the minimum data required for these measures.

Comment: Fifteen commenters stated that the proposed inventory should not include contractor assets. One transit agency specifically stated that condition assessments and replacement cost information should not be required for any contractor-owned assets.

Response: FTA understands the difficulty of providing detailed information on contractor assets. However, the NTD plans to follow the decision codified in the final TAM rule that a TAM Plan should, to a certain extent, take into account third party assets

used in the provision of public transportation service. The final rule requires that all assets used in the provision of transit service be included in a transit providers' asset inventory, including those assets that are owned, operated, or maintained by a third party or were procured jointly. However, agencies would only be responsible for conducting condition assessments, establishing performance targets, and reporting these condition assessments and performance targets to the NTD for capital assets for which it has direct capital responsibility. A transit provider has direct capital responsibility for an asset if that asset has been or currently is included in its program of capital projects. A transit provider also has direct capital responsibility for an asset if it can reasonably anticipate that the asset will be included in its program of capital projects during the TAM plan horizon period. Once an asset becomes a part of a transit provider's capital program, the transit provider must comply with the final rule's condition assessment, target setting, and investment prioritization requirements.

NTD reporters currently are required to report a limited amount of information on non-dedicated or contractor-owned fleets. In the case of non-dedicated contractor-owned vehicle fleets, the NTD asks reporters to provide information on a 'representative vehicle' to the current revenue vehicle inventory. The NTD asset inventory would contain the same requirement moving forward.

FTA also requires that agencies provide basic information for all passenger stations that they use for transit service regardless of ownership or capital responsibility. Additionally, basic inventory information is required for all track and guideway regardless of ownership or capital responsibility. Inventory information for maintenance

and administrative facilities are only reportable if the agency has full or partial capital replacement responsibility for the facility.

Comment: Twelve commenters requested the removal of service equipment from the NTD Asset Inventory.

Response: In order to best align the NTD asset inventory with the TAM rule reporting requirements, FTA believes it is appropriate to keep an inventory of ‘service equipment’ in the NTD. This information will provide verification of the TAM performance targets and performance against those targets. In addition, non-revenue service vehicles and equipment represent a large capital expense for some agencies. Including a basic inventory of these vehicles and equipment in the NTD will provide additional clarity on the state of good repair backlog for the transit industry.

The final TAM rule requires transit providers to report the percentage of non-revenue, support-service and maintenance vehicles that have met or exceeded their useful life benchmark. This is the identified SGR performance measure for equipment. Non-revenue service vehicles are an easily understood and readily identifiable category of equipment, and the age-based performance measure is the most simple and straightforward performance measure available.

Comment: A number of comments related to consistency between the NTD’s proposed asset inventory and other FTA reporting requirements and/or requests. Three commenters suggested that the requirements and organization of data in the NTD asset inventory should mirror those of the Transit Economic Requirement Model (TERM). Five commenters stated that the assets reported to the NTD should not necessarily be subject to the Transit Asset Management rule requirements.

Response: FTA developed the proposed asset inventory with the TERM requirements in mind. While the requirements are not identical, the proposed NTD inventory is intended to supplement the data currently available through annual surveys for TERM. In some cases, the data collected through this NTD inventory will replace estimated data in TERM to provide a more accurate picture of the state of the nation's transit assets.

FTA expects that the assets collected through this NTD inventory will often only be a subset of the assets a transit provider will collect to create their TAM plan. This inventory is intended to provide high level information on major asset classes. While an agency may find this level of granularity to be sufficient, FTA does not intend to limit an agency's ability to create a more detailed inventory to inform its TAM plan.

Comment: A number of commenters expressed concern over the implementation timeline. Ten commenters asked that the final implementation be postponed. The suggested timelines ranged from 'after the final Transit Asset Management (TAM) rule' to up to two years after the TAM rule was finalized.

Response: FTA shares the concern that reporters may need additional time to complete these new reporting requirements. Taking into consideration the feedback from commenters, FTA will postpone final implementation of the majority of asset inventory reporting requirements until report year 2018, beginning in September 2018. FTA will allow for optional reporting in report year 2017 (beginning in September 2017). The NTD asset inventory will auto-populate information each year based on the assets entered in the previous year's report. The optional reporting year in report year 2017 will give agencies two reporting cycles to enter all reportable assets into the NTD system. FTA will also consider additional requests from individual transit systems for an extension of

the reporting requirements beyond 2018 on a case-by-case basis, in accordance with the existing NTD policies for such requests.

While asset reporting will be postponed, FTA will require agencies to provide their performance targets for the four performance measures required by the Transit Asset Management rule. The TAM rule requires agencies to report their performance targets three months after the effective date of the final rule. The NTD system will be the reporting tool used to capture these targets. The NTD system will allow reporting of these targets by October 2016. FTA understands that the targets provided in October 2016, and in the first few years of reporting, will necessarily be preliminary targets. However, FTA is bound by the statutory provision requiring targets within three months of the final rule.

Comment: Three commenters requested FTA to engage in additional collaboration with the industry to develop asset inventory reporting requirements.

Response: FTA engaged a number of industry professionals and transit agencies during the development of these reporting requirements. Considerable research was conducted on the current state of asset inventory practices across the industry. FTA contracted with a major engineering firm, AECOM, which has been involved in developing asset inventories at numerous transit systems, to assist FTA in organizing the development of the proposed NTD asset inventory requirements. Additionally, nine (9) transit agencies were engaged to provide direct testing and feedback of the proposed data collection requirements, and FTA made significant revisions to the proposed data collection requirements in response to that feedback. FTA has also provided two opportunities for the transit industry to comment on these requirements through the **Federal Register**

notice and comment process, and has continued to revise and refine the data collection requirements in response to these comments. Finally, FTA held two informational webinars as well as several presentations of this proposal at industry conferences and events, where FTA also received useful feedback to improve the proposed data collection. Based on these efforts, FTA believes it has refined the data collection requirements to collect the minimum data necessary in the least-burdensome way, while also satisfying the mandatory statutory requirements for improved asset inventory and asset condition information.

Comment: FTA received a number of comments related to the dollar thresholds for reportable assets. Several commenters asked for clarity on the \$10,000 threshold for reportable assets. Eleven commenters suggested that assets should only be reportable if they have an initial value of \$50,000 or more.

Response: FTA did not provide any dollar thresholds in the asset inventory reporting requirements and does not intend to set a threshold for reportable assets in this inventory. In most cases, the assets requested in the asset inventory are in excess of \$50,000 in value. In a few cases some assets may fall below this threshold, such as vehicles or sedans used by transit agencies for their staff or demand response services. In all cases, however, the reporting requirements are clear as to which assets must be included – i.e., to include all buildings, or to include all road-worthy revenue service vehicles – making a dollar threshold unnecessary.

Comment: Five commenters requested a bulk upload feature to facilitate the reporting of this information.

Response: FTA intends to develop bulk upload capabilities for the NTD reporting system. FTA hopes to have this feature in place in time for optional reporting in the fall of 2017.

Comment: One commenter asked FTA to clarify that reporting will not be uniform across modes, specifically that some fields may be left blank if they do not apply to a mode.

Response: FTA concurs that there will be instances where some data requested will not apply to a specific mode. FTA will ensure that there is additional clarity in the reporting guidance to address this request.

Comment: A number of commenters asked FTA to clarify that the receipt of funds pursuant to 49 U.S.C. 5339 (section 5339) would not impact the NTD asset inventory reporting requirements.

Response: FTA believes this problem was resolved by the implementation of the FAST Act. In any event, FTA clarifies that if a State is a direct recipient of section 5339 funds and passes those funds through to subrecipients, this does not create an obligation for the State to report to FTA on behalf of those subrecipients of section 5339 funds if those subrecipients are already directly reporting to the NTD as direct recipients of section 5307 funds.

Comment: One commenter requested guidance on calculating a useful life benchmark (ULB) that is not based on accounting depreciation standards.

Response: The calculation of a useful life benchmark may vary considerably between transit operators based on original equipment specifications, operating environment and maintenance or capital replacement schedules. Due to these variations, FTA intends to

leave the calculation of such a metric up to the individual providers. To facilitate reporting, FTA will provide a ULB estimate based on the Transit Economic Requirements Model (TERM) depreciation curves in the NTD reporting system. These estimates will also be available in the reporting manual. The ULB estimate provided by NTD will be the point at which a vehicle reaches 2.5 in TERM.

Comment: One commenter requested clarification on the relationship between the A-50 and A-55 forms in the new asset inventory.

Response: The A-50 and A-55 forms collect information on the guideway and track elements, respectively. The A-50 contains information about guideway elements including guideway type (at-grade ballast, elevated/concrete etc.) and power/signal elements including substations and third rail. The A-55 collects information on the track including linear feet of tangent and curve track as well as crossovers and turnouts.

Comment: A number of commenters submitted feedback on the requirements for the TAM Notice of Proposed Rulemaking under this notice. In general, the comments related to the proposed TAM Plan elements or granularity of data required for the TAM plan.

Response: As these comments are not directly applicable to the NTD Asset Inventory requirements they have not been further summarized or addressed in this notice.

C. Final Reporting Requirements

The finalized reporting requirements can be found on the NTD website at:

www.transit.dot.gov/ntd.

The reporting requirements will be optional in report year 2017 with full implementation required in report year 2018. An overview of these requirements is as follows:

1. Administrative and Maintenance Facilities. Reported for all facilities for which an agency has a capital responsibility. Collects information on administrative and maintenance facilities used to supply transit service, including facility name, street address, square footage, year built or substantially reconstructed, and primary transit mode supported. Also includes a condition assessment at least once every three years for facilities for which an agency has capital replacement responsibility.
2. Passenger and Parking Facilities. Reported for all passenger and parking facilities used in transit service. Collects information on passenger facilities and passenger parking facilities used in the provision of transit service, including facility name, street address, square footage and number of parking spaces, year built or substantially reconstructed, primary mode and percent of capital responsibility. Also includes a condition assessment at least once every three years for facilities for which an agency has capital replacement responsibility.
3. Fixed Guideway. Reported for all fixed guideway used in transit service. Collects data on linear guideway assets and power and signal equipment, including the length of specific types of guideway and corresponding equipment, reported as network totals by mode and operating agreement. The data includes quantity, expected service years, date of construction or major rehabilitation (within a ten year window) and percent of capital responsibility.

4. Track. Reported for all track used in transit service. Collects data on track assets, including length and total number of track special work, reported as network totals by rail mode and operating agreement. The data includes expected service years, date of construction or major rehabilitation and percent of capital responsibility.

5. Revenue Vehicles. Reporting requirements remain the same for urban/full and rural/reduced reporters with the addition of a useful life benchmark for each vehicle fleet. Section 5310 recipients now report according to the rural/reduced requirements.

6. Service Vehicles. Reported for all non-revenue service vehicles for which an agency has capital replacement responsibility. Collects data on service vehicles that support transit service delivery, maintain revenue vehicles, and perform administrative activities. The data includes quantity, expected service life, and year of manufacture. Also includes a useful life benchmark for each vehicle type.

7. Transit Asset Management Performance Metrics. The metrics included in the Transit Asset Management rule are reported annually to the NTD:
 - a) Equipment-Service Vehicles. The performance measure for non-revenue, support and maintenance vehicles is the percentage of vehicles that have met or exceeded their useful life benchmark (ULB). To determine the ULB, a Transit Provider may either use the default ULB established by FTA or a ULB established by the Transit Provider in consideration of local

conditions and usage and approved by FTA. The NTD system will calculate annual performance based on the manufacturer's age information that is entered into the vehicle inventory. Reporters are required to provide one target for the percentage of classification of non-revenue vehicle that have met or exceeded their useful life benchmark for each service vehicle category.

- b) Rolling Stock. The performance measure for rolling stock is the percentage of revenue vehicles within a particular asset class that have either met or exceeded their useful life benchmark (ULB). To determine the ULB, a recipient may either use the default ULB established by FTA or a ULB established by the recipient in consideration of local conditions and usage and approved by FTA. Recipients will report one target and useful life benchmark for each revenue vehicle classification. The NTD system will calculate annual performance based on the date of manufacture information entered into the vehicle inventory.
- c) Rail fixed Guideway Infrastructure (track, signals, and systems). The performance measure for rail fixed guideway infrastructure is the percentage of track segments, signals, and systems with performance restrictions. Recipients will report a target and performance of this metric for each rail mode. FTA will provide additional technical assistance and guidance on how to measure a performance restriction.

d) Facilities. The performance measure for facilities is the percentage of all facilities rated below condition 3 on the condition scale used by FTA's Transit Economic Requirements Model (TERM). Reporters must provide a condition rating for each facility at least once every three years. The system will automatically calculate performance based on these reports. Reporters are also required to provide an annual target for each facility type. FTA will provide additional technical assistance and guidance on to measure a facility condition rating on the TERM scale.

Issued this 14th day of July, 2016, in Washington, DC.

Carolyn Flowers
Acting Administrator

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