

FTA

FEDERAL TRANSIT ADMINISTRATION



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**Transportation Asset Management
Final Rule and Small Systems Webinars
Questions and Answers**

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Note: The responses in this document may differ from the responses that were provided during the webinars by FTA staff members. FTA revised some responses for clarity.

Definitions

1. By "track" in the infrastructure performance measure, do you mean fixed guideway or rail fixed guideway?

The infrastructure asset category covers all fixed guideway infrastructure, including bus rapid transit, track, ferryboat, and trolleybus. However, the infrastructure performance measure is only for rail fixed guideway, specifically areas of track with performance restrictions (i.e. slow zones).

2. Can you define the term direct capital responsibility?

Direct capital responsibility means that you as a transit operator can influence the condition of the asset with your financial resources. You have financial responsibility for an asset if you have or will have financial resources that can influence the condition of the asset. For example, if the asset is part of a project that is part of your program of capital projects, then you have capital responsibility for that asset. If you are leasing an asset, you *may* have capital responsibility for that asset, depending on the terms of the lease.

3. If public transportation is defined as "open to everyone or a segment of the population," how can you have an exception for an exclusive group? Would only providing transportation to a particular segment of the population be defined as an exclusive group?

The term public transportation is defined in statute at 49 U.S.C. § 5302(14) as "regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by *age, disability or low income*." The statute provides specific categories or segments that are included within the definition of public transportation. For example, if you are categorically providing service to senior citizens or persons with disabilities, then your service is public transportation. However, if you are providing a courtesy shuttle service for patrons of a specific establishment with senior citizen clientele only, then your service is excluded by statute from the definition of public transportation. Similarly, if your service requires dues-based membership to an explicit organization such as a church or hospital, then that would be another example of an exclusive group.

4. Can you provide more detail on or an example of the definition of third party, exclusive-use non-equipment?

If you use the Jiffy Lube in your community to perform maintenance on a vehicle used in the provision of public transportation, you would not need to include the Jiffy Lube facility in your asset inventory because it's not considered exclusive use, as Jiffy Lube services are open and available to other clients and their vehicles.

Applicability

5. Can you confirm that a subrecipient that only provides mobility management services, such as trip brokering and travel training, is not required to develop a TAM Plan or be in a Group TAM Plan because it does not provide "regular, continuing shared-ride surface transportation services?"

A subrecipient providing only travel training is not a public transportation provider, and so is not subject to the TAM Rule. A subrecipient that operates a trip brokerage, including operating some of its own trips either directly or through a contractor operating trips in its name, would likely be subject to the TAM Rule. If the brokerage does not operate any trips, either directly or through a contractor, then the brokerage would not be subject to the TAM Rule.

6. What does the figure \$50,000 refer to? Original cost? Depreciated value? Replacement value?

The \$50,000 amount refers to the threshold for inclusion of equipment assets in the asset inventory. You may exclude from your asset inventory, equipment assets with an acquisition value (original cost) under \$50,000. The \$50,000 threshold does not apply to any other asset categories or service vehicles. Therefore, you must include in your asset inventory all rolling stock, infrastructure, facilities (except bus stops), and service vehicles, regardless of their acquisition cost.

7. Does the \$50,000 threshold mean a cumulative \$50,000 total or per equipment piece? In other words, if the entire asset inventory is worth more than \$50,000 but no one asset is worth \$50,000, do the assets have to be reported on?

If your program of capital projects or capital plan identifies equipment assets as individual units, and each unit is less than \$50,000, then you do not need to include each individual unit in your asset inventory. However, if your program of capital projects identifies equipment assets as one system and its value is greater than \$50,000, then you must include it in your asset inventory. For example, if your capital plan lists projects to purchase solar power equipment (such as panels) for 10 different park and ride lots and they are itemized by the location, each is likely to cost less than \$50,000 and you are not required to include panels in the your inventory. If, however, your capital plan lists the purchase of new solar power system as one project (purchasing 10 panels) it may cost over \$50,000 and would be required to be listed in your TAM asset inventory.

8. Which acquisition cost threshold should we be using to determine which nonrevenue service and support vehicles get included in the TAM inventory, the \$5,000 or \$50,000 threshold?

You must include in your TAM Plan under the equipment category all non-revenue service vehicles, regardless of acquisition cost. The \$50,000 threshold only applies to equipment category assets other than non-revenue service vehicles. [FTA's Circular 5010.1 "Award Management Requirements"](#) uses a definition of equipment that references a \$5,000 acquisition value, which does not apply to the TAM Rule.

9. Is a regional oversight organization that has no assets, required to develop a TAM Plan?

The TAM Rule applies to the oversight organization, and any other organization, if it can answer yes to the following questions:

- 1) Do you receive federal transit assistance under 49 U.S.C. chapter 53?
- 2) Do you own, operate, or manage transit capital assets used to provide public transportation?

Although the regional oversight organization may not have to develop its own TAM Plan, it is required to develop a Group TAM Plan on behalf of its eligible Tier II provider subrecipients, if any.

10. If a subrecipient does not own, operate, or manage any vehicles, is it required to develop a TAM Plan or be in a Group TAM Plan?

Yes, if the subrecipient owns, operates, or manages other transit capital assets, such as facilities or infrastructure, then it must either develop its own TAM Plan or be in a Group Plan.

11. We operate commuter rail over a freight railroad and have partial responsibility for capital and routine maintenance improvements. We pay for this out of our operating budget, not grant capital funds. We understand that we have to list the freight railroad track in our inventory. Do we also have to provide condition assessment of the railroads track?

Yes. Because you contribute financial resources towards capital and routine maintenance, you have direct capital responsibility for the railroad track. The portion of track used for your service must be included in your inventory. You also must satisfy the requirements for condition assessments. You may conduct the condition assessment directly, or enter into an agreement with the owner of should be assessing the condition on the track or otherwise, establish some type of arrangement with whoever you are leasing the track from so that they can conduct the condition assessment for you.

12. Why is FTA requiring that the Final Rule be applicable retroactively, not starting with FTA grants executed after the effective date of October 1, 2016? Some of our "old" subgrantees may argue that they should not be required to comply because their FTA grants were awarded/executed prior to the Rule's effective date. Other subgrantees may argue that they should not be required to comply because their FTA grants were executed prior to MAP-21.

It is not retroactive as the capital assets in use today are part of the \$85.9 billion state of good repair backlog. If those assets are in operation, then the condition of those assets is relevant, regardless of when their grant was funded.

13. Is a rural operator that operates rail, considered a Tier I or Tier II provider?

Any transit provider that operates rail is a Tier I provider.

14. In determining whether my agency is Tier I or Tier II, I'm not sure if you mean number of vehicles used per day or total vehicles in system.

Tier II providers include those transit providers that own, operate, or manage one hundred (100) or fewer vehicles in revenue service during peak regular service across all non-rail fixed route modes or in any one non-fixed route mode.

The NTD glossary defines revenue service as "the time when a vehicle is available to the general public and there is an expectation of carrying passengers...."

Peak regular service refers to a point in the day where you have the highest number of vehicles, across all modes, operating in revenue service.

FTA developed a checklist to determine whether your agency is Tier I or Tier II, available here: <https://www.transit.dot.gov/TAM/gettingstarted>.

TAM Plan Development

15. Does the investment prioritization apply to only FTA funds or is it all investments an agency would make?

The investment prioritization element of your TAM Plan must be based on expected funds from all sources, including FTA funds, State and local funds, any other funds that you may have available for your capital plan.

16. Will the TAM Plan asset inventory require tracking non-FTA funded vehicles? Does this include vehicles purchased by an MPO or a local county not using Federal funds?

Yes. An asset inventory must include all assets used to provide public transportation, regardless of the source of funds used to procure the assets. The purpose of the TAM Rule is to address our industry's growing state of good repair backlog. The \$85.9 billion backlog accounts not only for Federally funded assets, but all transit assets. In order to attain the benefits of TAM and improve the state of good repair of transit assets, we need to look at assets holistically, not just the Federally funded assets.

17. Can you provide any guidance on how you see weather vulnerability being incorporated into condition assessments?

Known weather vulnerabilities, such as an asset being located in a flood zone, would make it more likely that the asset would be taken out of service, and hence could be a higher priority for replacement under the TAM framework. For example, if a facility floods partially once a year after heavy rains, you may lose access to a few of the bus bays, thereby disrupting service. You might address that as part of the condition assessment, even if the underlying asset is in "good" condition. For additional information, please see the presentation FTA developed for the 2016 State of Good Repair Roundtable.

18. How do I predict the replacement cost of a piece of equipment?

You should use your existing forecasting and costing methodologies until such time as FTA issues further guidance. The TAM Rule does not collect asset replacement costs.

19. Are targets supposed to be in the TAM Plan?

Yes, your targets must be included in your TAM Plan.

20. Do IT hardware and software systems need to be included in equipment category?

The final Rule does not include any IT hardware or software. If you want to create a systems category and inventory your IT hardware and software, you can, but the final Rule does not require it.

Group Plan Coordination

21. Do State DOTs and MPOs have to offer a Group TAM Plan to their Tier II providers?

Yes, a State DOT or MPO must offer a Group TAM Plan to its Tier II provider subrecipients, unless that subrecipient opts to develop its own TAM Plan or opts to participate in another Group TAM Plan.

22. Are Tier II agencies or the Sponsors responsible for reporting data to the NTD?

Group Plan Sponsors are responsible for reporting information to the NTD on behalf of their Group Plan participants. If a Tier II provider develops its own TAM Plan, then it would be responsible for reporting its own TAM information and reports to the NTD.

23. Will our State's subrecipients be able to report their own TAM Plans on the NTD website?

Yes, State DOTs will have the option of setting up some or all of their subrecipients for direct reporting.

24. In a Group TAM Plan, can each agency have different targets for the same vehicle type?

Group TAM Plan performance targets are unified targets. You should set one unified target per vehicle type that will apply to the entire group. A Sponsor may develop multiple group TAM Plans in order to group together similar subrecipients, and then multiple useful life benchmarks (ULBs) could be applied.

25. Per FTA's checklist, a Tier II subrecipient involved in an active FTA grant is required to develop a TAM Plan or be part of a Group TAM Plan. However, some active FTA grants may include more than one subrecipient at different stages of project/program implementation. Some of the subrecipients included in such active grants have already completed their projects/programs and the term of the Funding Agreement with the Designated Recipient has expired. Are these type of subrecipients required to develop a TAM Plan or be included in a Group TAM Plan?

Any subrecipient in an open grant is responsible for ensuring it is in compliance with the TAM Rule. Once the requirement for TAM Plans comes into effect (TAM Plan compliance by Oct 2018), the certifications and assurances that must be signed each year for fiscal year 2019 will require you to certify that all subrecipients in the grant for which you are applying either have their own TAM Plans or are participating in a Group Plan.

26. There is a Rule that requires transit providers and Group Plan Sponsors to maintain records supporting their TAM Plan and share them with their state and MPO planning agencies. Is this required if a tribal Section 5311 (c) grantee is not a state recipient, but a direct recipient of FTA Tribal Transit funding?

Yes. If you are a Group Plan participant, then your Group Plan Sponsor will provide this information to the appropriate State or MPO. If you are developing your own individual TAM Plan, you are responsible for submitting that information to the state or MPO.

27. Can you provide an example of how a Group Plan is structured?

At this time, FTA does not have any example of a group TAM Plan. However, FTA has developed some checklists to help identify the types of questions and policies that a sponsor may want to coordinate with its Group Plan participants. The checklists are available at <https://www.transit.dot.gov/TAM/gettingstarted>.

28. Can an MPO/COG that is not a direct recipient of Federal funding act as a Sponsor?

Yes. If the agency is neither a designated recipient nor a direct recipient, that may present a challenge, but it is not an insurmountable challenge if your region is in agreement. One benefit of being part of a Group Plan is that there is an existing financial relationship between Group Plan Sponsors and participants, which streamlines investment prioritization, in particular. If you're not the direct or designated recipient, it makes that relationship a bit more challenging and potentially more confusing for your region. This type of Sponsorship would need to be coordinated with the required Sponsor to eliminate any duplication of efforts.

29. Can a Tier I provider be part of the Tier II inventory and assessment?

No. A Tier I operator must have its own TAM Plan which itemizes the assets they own operate or manage in an inventory. Tier II operators can be part of a Group Plan or have their own plans.

30. If a subrecipient decides to make its own TAM Plan rather than joining the Group Plan, does the TAM Plan have to be approved by the grantee (direct recipient)?

No. However, the grantee (direct recipient) is responsible for grant certifications related to TAM. For example, if you're a Section 5311 subrecipient and your State sponsors a Group TAM Plan, your State will need to certify that your TAM Plan is in compliance with FTA regulation.

31. In a Group Plan, in year one when only 1/3 of facilities condition assessments are due, does that figure refer to 1/3 of each agency's facilities or 1/3 of all the agencies in the Group?

It refers to 1/3 of all of the assets in the group. For example, if there are five agencies in the group-one agency has five facilities, the others each have one facility- with 9 total facilities, you would need to include at least any three of those facilities in the first year condition assessment.

32. If a Section 5311 system also operates within an urban area as a subrecipient of the urban area's designated recipient, does that Section 5311 operator carry out its TAM Plan only through the State DOT? Does the operator or designated recipient need to do anything extra in reporting beyond what the State requires?

If you are a subrecipient under the Urbanized Area Formula program, you need to seek approval from the relevant Sponsor in order to participate in a Group Plan. If you are able to participate in a Group Plan, then the Sponsors would be responsible for TAM reporting on your behalf as part of the group.

33. If an agency is a subrecipient of funds from multiple recipients, do they need to participate in all recipients' plans, just one, or do their own?

A subrecipient may always choose to do their own plan. If they do not do their own plan, they must pick one recipient's plan to participate in. They will need to notify in writing all other direct or designated recipients that provide them with funds that they will not be participating in their group plans.

Small Systems

34. Does each Tier II transit provider participating in a Group Plan have an accountable executive?

Yes. Further, the Group Plan Sponsor does NOT take on an accountable executive role for its subrecipients that are participating in the group TAM Plan.

35. If an agency operates 100 or fewer fixed route buses and has 100 or fewer non-fixed route buses throughout a private contractor but controls that provider through funding and management, is the non-fixed route system excluded from the TAM Plan?

If the non-fixed fleet contracted to a private firm is used in the provision of public transportation, then you must include both the fixed route and non-fixed route vehicles in your TAM Plan because you have direct capital responsibility for both routes. However in determining your tier, which indicates which type of TAM Plan you are required to do, you would sum the fixed and non-fixed fleets separately.

36. Is there a template for our subrecipients to use as guidance?

There is a template for small providers to use. It is part of the TAM Guide Lite for Small Providers available on FTA's TAM website here: <https://www.transit.dot.gov/research-innovation/asset-management-guide-small-providers-fta-report-no0092>.

37. Are all Section 5310 recipients exempt from TAM Plans?

No, all Section 5310 recipients are not exempt.

38. Will Section 5310 providers be required to fully report in NTD or only report assets?

Section 5310 providers are required to report information required by the TAM Rule only. Sponsors will report on behalf of section 5310 providers that participate in a group TAM Plan.

39. Are TAM Plans required for Section 5310 only agencies that do not provide public transportation, such as social service agencies? I have seen wording that TAM Plans are required for all recipients and subrecipients of 49 USC Chapter 53 funding, and in other documents, I have seen it worded as public transit providers who receive Federal capital funding.

The Rule applies to any recipient or subrecipient of Chapter 53 funds who own, operate or manage capital assets used to provide public transportation. A Section 5310 agency is providing public transportation if its service is open to the general public or a segment of the public defined by age, income, or disability. A Section 5310 agency is not providing public transportation if a service is limited to the exclusive use of individuals who are clientele of a specific program or facility.

Targets & Performance Measures

40. Regarding performance measures for infrastructure, how do you account for infrastructure repairs that do not trigger slow zones?

Infrastructure assets that are not part of a slow zone do not need to be accounted for as part of your performance measurement and target setting. However, the asset inventory and condition assessment requirements apply to all infrastructure assets, not only those that are part of the infrastructure performance measure.

41. Would you be able to provide an example of setting a target? What is a target and how will it be used?

An example of a target for equipment is a number between 0 and 100, which would be the percentage of your vehicles that have met or exceeded their useful life benchmark (ULB). Two example targets are zero percent of revenue vehicles exceeding their useful life benchmark, or zero percent of facilities are below condition rating of 3.0. These are the targets that would be set against the performance measures established by the Rule. However, if you're asking what a "good" target is, FTA can't provide insight because that is specific to your individual system. The targets themselves may be more anecdotal than data-based for the January deadline.

42. If condition ratings can be locally defined, but the performance measures are based on ULB, then I don't see an advantage in defining a different condition assessment metric than ULB. Am I understanding the relationship between the condition assessment and performance measure correctly?

What is locally defined is *how* you conduct your condition assessment, not what type of performance measure you can use to assess the condition of different categories of assets. For rolling stock and equipment, the performance measure is ULB, which is an age-based measure (i.e. the percentage of assets that have exceeded their ULB). Your entire condition assessment documented in your TAM Plan is a larger cross-section than the performance measure for one category of asset.

Useful Life Benchmark

43. Is there any consideration for accumulated vehicle miles for revenue vehicles? Not everyone runs a bus, as an example, the same number of miles over a 14 year period.

Yes, and that is why transit agencies have the option of setting their own useful life benchmarks. The defaults are meant to provide a simple option, but the Rule gives you discretion to set your own useful life benchmarks.

44. Can a vehicle asset list have different useful life benchmarks (ULBs) for vehicles that are of the same type?

Yes, in the NTD reporting system, each fleet group will allow you to assign a ULB to the fleet group. So, if you have identical vehicles, which would be all vehicles of the same make and model and year purchase, they would have a single useful life benchmark. However, the TAM final rule target requirement for rolling stock is by asset type thus varying fleet group ULBs would not be useful when the asset type must have a single ULB for the target.

45. What is the process for obtaining approval for a ULB other than the default ULBs established by FTA?

Soon, FTA will formalize the process for ULB approval. In the meantime, please contact [John Giorgis](#) directly.

46. Who decides the ULB, and what are their required abilities?

The [default ULBs](#) are automatically populated in the NTD data collection field. However, your agency can develop its own ULBs based on your operating conditions, warranty information, and any other criteria that would affect your assets' maximum useful life.

47. Is there a way to see the benchmarks in TERM?

TERM-Federal is not accessible, but TERM-lite is accessible and it is based on the same decay curves. If you download the program and input some of your data, it will use those decay curves, but that's not the same thing as the actual useful life benchmark (ULB). There is a table of useful life benchmarks available at <https://www.transit.dot.gov/TAM/ULBcheatsheet>.

48. How do useful life and ULBs relate? Does the FTA no longer distinguish between light/medium/heavy-duty buses (i.e. 7-year, 10-year, and 12-year useful life categories)? How do Altoona testing categories factor in?

The useful life under grant programs was set forth in the 2008 FTA circular 5010.ID and refers to eligibility for replacement of an asset with FTA funds. The useful life benchmark (ULB) used in TAM Plans is about how an asset has been operated and how much more time you think you can get out of it. The existing useful life term that most are familiar with are a minimal useful life for ensuring Federal interest in the asset before you can legally replace it without returning compensation for the fair value of the asset to FTA. The ULB refers to the maximum age of the asset, or the point at which the asset enters the state of good repair backlog. Both concepts have useful life in them but they are very different. The [Grant Award Requirements Circular 5010.I](#) and [Program Circulars](#) are the prevailing guidance for FTA determination of useful life. FTA will publish guidance regarding ULBs. Further the subcategories and asset type for rolling stock indicated in the NTD are not the same as Super Circular subcategories for buses, ferries and trolleys and useful life standards vary by vehicle type, which may provide inconsistency with compared directly.

49. Does setting a longer useful life benchmark (ULB) work against you if you then seek Section 5337 (or other grant) funding before the assets reach the useful life? You mentioned grant and TAM ULB do not have to be the same but it seems there could be issues if they don't match in having the TAM Plan support your funding request.

It could work against you if you set a ULB that is less than the FTA grant program useful life. Which would be interpreted as your vehicle is not expected to remain in a state of good repair (based on agency-specific environmental, operating, and manufacturing information) long enough to replace with federal funding grant. This could implicate a number of issues that your agency may want to consider, such as quality of the product, trade-offs between cost of maintenance versus cost of replacement, need for improved rehabilitation policies that prioritize vehicle maintenance to extend life, etc. However, the setting of a customized ULB does not explicitly impact your grant application for 5337, the requirement is that your project be in a current TAM Plan. You will generally want to set a ULB that is longer than the FTA grant program useful life.

50. If an authority makes an additional capital investment during the life of an asset which was intended to extend the life of this asset beyond its initial ULB, does the Rule allow for the authority to modify the ULB of that asset without falling out of SGR?

FTA does not have guidance on this topic (see response to #47) but explicitly allows agencies to develop customized agency specific ULBs. Extending the life of an asset would, in theory, increase the percentage of assets that are older than the ULB, this does not necessarily indicate "falling out of SGR" the performance measures are an approximation of SGR that are actionable for agencies.

51. I thought the condition of revenue vehicles was based on ULB. So why is there a different criterion in slide No. 53 in the Final Rule Presentation, TAM Plan Example, 3. Decision Support Tools?

Slide 53 is an example of how an agency might weight various criteria, it is only an illustration of potential criterion that impact an Investment Prioritization. In addition, this relates to the relationship between condition assessment and performance measures. The criterion in the example (safety risk, age, reliability and appearance) were identified as part of assessing the condition for each of the rolling stock vehicles. Alternatively, an agency may have utilized the State of Good Repair (SGR) definition objective standards to assess condition. The performance measure is specifically related to the ULB, whereas the condition assessment is based on a local process.

Timeline

52. If you started an inventory and condition assessment in 2015, then is it good for the next four years? Can that inventory and condition assessment be used for the TAM view in October of 2018?

Yes: a condition assessment completed three years prior to October 2018 can be used in the TAM Plan that is due in 2018. However, to the extent that there were significant changes in condition between 2015 and 2018, you may want the most recent and updated information included in your TAM Plan in order to accurately set targets and plan for your investment priorities. There is no requirement that you conduct the condition assessment for this first plan in 2018 or in the preceding year, 2017. You might be doing yourself a disservice, because the Rule requires that the condition assessments be completed every three years, so if your assessment is already three years old when you submit it, then you will have to do two-thirds in the first year versus one-third, which may prove a resource strain.

53. I don't thoroughly understand what is required in October. How much of our information must we have done by then? We are a Tier II provider working on our own TAM Plan.

Nothing is required in October 2016. You must set initial targets by January 1, 2017. You must have a TAM Plan by October 1, 2018. TAM reporting will begin in 2018.

54. What is due in January 2017?

You must set initial performance targets by January 1, 2017. There is no requirement to report initial targets.

Compliance

55. What is the penalty if a recipient or Group Plan Sponsor does not produce a TAM Plan?

Compliance with the rule is a condition of FTA grants. If you do not produce a TAM Plan by the compliance date Oct 2018, you will not be able to complete the required certifications and assurances necessary for an FTA grant application.

56. Will there be any expected oversight of the TAM Plans? Will a State DOT be required to make sure all of its subrecipients have a plan and that they are amending and updating them? How will FTA carry out oversight on TAM Plans in triennial reviews or state management reviews?

The exact details of how oversight will be implemented in the years to come have not all been ironed out at this point. The most important thing is that there are a lot of requirements that are already associated with FTA grants, from civil rights reviews to title VI, to competitive procurement. This is just another one of the requirements that is going to be added to compliance with FTA grants.

57. Is the example of “zero transit deaths” from the presentation a safety goal? Is FTA expecting to implement this goal in the TAM program?

No. The zero transit deaths example was only used to highlight the difference between high-level executive goals and operational goals.

Resources

58. You mentioned that ULBs will be developed and posted by FTA as reference. Do you have a timeframe of when those ULBs would be available for review?

The default Useful Life Benchmarks (default ULB) are on Page 49 of the [NTD's Asset Inventory Module](#), and as a related link on the [TAM webpage](#) under the getting started tab.

59. How do we get TAM help at the region?

You should start by contacting your regular point of contact, if your regular POC cannot answer your question, then he or she can contact the TAM expert in the region and/or contact one of us in HQ to ensure an answer for your question.

60. Can you provide the web address to obtain the checklists?

The web address is www.transit.dot.gov/TAM/gettingstarted. The checklists are on the getting started page and there is also information on that page that could be useful in terms of developing your TAM Plan and understanding the requirements. In addition, FTA has a Rulemaking page which has compliance information and resources. The resource topics range from policy and regulation, to tools and case studies, to asset inventories and condition assessment.