State Asset Management Plan NPRM Summary

This document provides a summary of FHWA’s Notice of Proposed Rulemaking (NPRM) regarding 23 CFR Part 515. It’s purpose is provide a summary of the proposed rule to assist local and regional stakeholders in understanding the contents of the NPRM and provide a foundation for discussion and comment.

Processes to Support Development of State Asset Management Plan

To support the development of the state asset management plan, DOTs will be required to establish processes to develop:

1. A performance gap analysis that identifies issues that inhibit improving and preserving the NHS and achieving desired state of good repair. Required to include:
   - Interstate non-interstate NHS pavement condition targets
   - NHS bridge condition targets
   - Gaps between current conditions and performance targets
   - Areas where physical condition of assets is constricting mobility
   - Strategies to address the two issues identified above

2. A network-level lifecycle cost-analysis for each asset class (e.g. arterials, signs, bridges etc.). Analysis should reflect future expectations of demand, environmental information (including seismic activity), and other factors that could impact the lifecycle costs of the asset class. Analysis required to include:
   - Desired future conditions
   - Deterioration models for each asset class
   - Potential work types and unit costs
   - A strategy for minimizing lifecycle costs that achieves performance targets

3. A risk management plan that produces the following information:
   - Identifies risks that would affect the condition of the NHS and how that deteriorated condition would affect mobility
   - Likelihood and impact of identified risk events
   - Evaluation and prioritization of risk events
   - Mitigation strategies
   - Risk monitoring approaches

4. A 10-year asset management financial strategy that identifies annual funding levels, funding sources, and investments. The plan shall also include an approach to estimate the value of pavements and bridges, and the annual investment level necessary to maintain their value.

5. Investment strategies to achieve the desired state of repair. Analysis should also describe how the strategies are influenced by the gap analyses and financial strategy.
Pavement and Bridge Management Systems
States will be required to use pavement and bridge management systems to analyze the condition of NHS assets. The systems are required to include procedures to:

- Collect, process, store, and update inventory and condition data for NHS bridge and pavement assets
- Forecast deterioration for all NHS bridge and pavement assets
- Determine lifecycle benefit-cost analysis of alternative investment strategies
- Identify short- and long-term budget needs
- Determine optimal strategies for identifying potential projects

Asset Management Plan Requirements and Penalties
State will develop a 10-year asset management plan to improve and preserve the NHS. State may include other roads, but all requirements will apply. The plan is due within one year of rule effective date and is required to include:

- Inventory of interstate pavements, non-interstate NHS pavements, and NHS bridges
- Asset management objectives
- Performance-measures and targets (must be consistent with achieving desired state of repair)
- Existing conditions by asset class
- Results of performance gap analysis – see above
- Results of lifecycle cost analysis – see above
- Results of risk management analysis – see above
- Financial strategy – see above
- Investment strategies that achieve desired state of repair – see above
- Discussion of how the processes identified above support the DOT’s strategies

Final submittal and approval of the plan will satisfy FHWA certification requirement under MAP-21. The state asset management plan is required to be updated and processes re-certified every four years. If a state asset management plan has not been submitted within two fiscal years after the effective date of this rule the state’s NHPP funding is reduced to 65% for that fiscal year, and every year after in which a plan is has not been submitted and certified.

Asset Management Plan Phase-In
States have an option of exercising a phase-in option in which the state may submit to FHWA a scaled-back version of the required asset management plan. These interim plans may be based on the best available information to the state and have a number of required elements, including an outline of how the state will meet the requirements of the full rule. If a state chooses to exercise this option, an amended plan is due to FHWA 6 months after the original deadline however FHWA may extend deadline on a state-by-state basis.