



Niagara Frontier Transportation Authority
Serving the Niagara Region

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June 16, 2016

Howard A. Zemsky

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Ms. Carmen Maldonado
Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street, 21st Floor
New York, NY 10038

Re: Office of the State Comptroller Audit Report 2015-S-37 – Capital Planning

Dear Ms. Maldonado:

We have received the Office of the State Comptroller Audit Report “2015-S-37 – Capital Planning”. Pursuant to Section 170 of the Executive Law we are required within 90 days after final release of an audit report from the Office of the State Comptroller advising what steps were taken to implement the recommendations contained therein, and where recommendations were not implemented, the reasons why.

The following are the steps taken to implement the recommendations.

Recommendations

1. Require divisions to consistently prioritize projects, submitted for the capital plan, per established NFTA guidance.

The NFTA will ensure that all divisions consistently utilize the established prioritization of projects across all divisions for their respective capital plans. It should be noted that during the budget process, business centers meet regularly within their departments and Engineering to help prioritize and identify those capital projects to fund within the capital plan.

2. Maintain documentation for a reasonable period to support the decisions submitted in the capital plan.

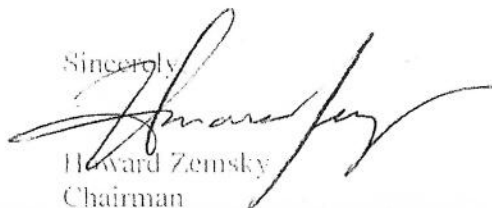
The NFTA will maintain documentation as needed to support the decisions submitted in the capital plan.

3. Complete the Transit Asset Management plan that is currently in progress, keeping in mind potential future regulatory changes.

The NFTA will complete the Transit Asset Management ("TAM") plan that is currently in progress once the FTA's final rule is published. The NFTA is currently reviewing this rule which has been proposed and not made final yet. The Notice of Proposed Rulemaking ("NPRM") requested comments on the FTA's approach to transit asset management by November 30, 2015 in order to issue a final rule in the future. The NPRM proposed to add a new Part 625 entitled "Transit Asset Management" to Title 49 of the Code of Federal Regulations that would establish and implement a National Transit Asset Management System. The NPRM proposed that the core of this system be a requirement that direct recipients (i.e., the NFTA) develop TAM plans. The NPRM proposed that all TAM plans be completed no more than two (2) years after a final rule on the National Transit Asset Management System is published. It is significant to note that between the scope and substance of the final rule may very well be different than the one that has been proposed. In order to best position itself to comply with any final rule issued by the FTA following the public comment period, the NFTA has participated in FTA-run webinars on the Transit Asset Management NPRM. Of course, the NFTA will comply with any final rule issued by the FTA following its publication, but the NFTA cannot be expected to comply with a proposed rule, nor would it be wise for the NFTA to commit limited resources to developing the plans and implementing the processes necessary to comply with a proposed rule when the final rule may be far different. It is worth noting that, during the most recent FTA-run webinar, the FTA did not commit to a timeline for publishing a final rule on the National Transit Asset Management System.

If you have any questions, please don't hesitate to contact Kimberley Minkel, Executive Director (716) 855-7470.

Sincerely,



Howard Zensky

Chairman

Niagara Frontier Transportation Authority

cc: Andrew M. Cuomo, Governor, State of NY
Thomas P. DiNapoli, Comptroller, State of NY
John J. Flanigan, Temporary President and Majority Coalition Leader
Carl E. Heastie, Speaker, New York State Assembly
Catharine M. Young, Chair, New York State Finance Committee
Herman D. Farrell, Jr., Chair, New York State Assembly Ways and Means Committee



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