



U.S. Department
of Transportation

**Federal Transit
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

November 2, 2022

Dear Colleague:

I am writing to inform you of a temporary 24-month waiver of the Federal Transit Administration's (FTA's) minimum four (4)-year useful life extension requirement for medium size, light-duty transit buses ("cutaways") and smaller vehicle rebuilds when using FTA funds. For these types and sizes of rolling stock assets, this waiver is granted to allow a shorter minimum useful life extension of two (2) years, or 50,000 miles. Recipients of FTA financial assistance will be eligible to use this waiver for rebuilds that are initiated between November 1, 2022 and October 31, 2024.

This waiver is granted in response to FTA recipients' inability to procure new light-duty buses within reasonable timeframes as a result of persistent supply chain challenges. Shortening the duration of minimum useful life extension requirements for these types of vehicles, which are typically not rebuilt, will allow rebuilds to serve as an alternative to pursuing the purchase of replacement vehicles by allowing recipients to keep existing vehicles in a state of good repair until market disruptions resolve.

This temporary minimum useful life extension waiver from four (4) years to two (2) years only applies to rebuilds for light-duty transit buses or smaller public transportation-related vehicles having an original minimum useful life of five (5) or fewer years (or 150,000 or fewer miles). It does not apply to medium- or heavy-duty transit buses with an original minimum useful life of greater than five (5) years. Rebuilds for medium- or heavy-duty transit buses must continue to extend the useful life of these types and sizes of vehicles by a minimum of four (4) years.

FTA defines a rebuild as "a capital activity associated with rolling stock that occurs at, or near, the end of a unit of rolling stock's useful life, and that results in an extended useful life for the unit of rolling stock consistent with the extent of the rebuilding." Rebuilds may involve the replacement or rehabilitation of a variety of vehicle systems or other elements, including, but not limited to, engines and propulsion systems, suspension and steering systems, vehicle electrical systems, etc.

FTA may extend this waiver or propose permanent changes to FTA's Award Management Requirements Circular 50101.1E should conditions warrant.

Should you have any questions or require additional information regarding this waiver, please contact your FTA regional office.

Sincerely,

Nuria I. Fernandez

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.