



Item #5

Regional Planning Partnership

May 17, 2007

Congestion Mitigation and Air Quality Emissions Benefits Required for Obligations

Issue: The Federal Highway Administration (FHWA) and the Caltrans Division of Local Assistance now require that emissions benefits be reported prior to obligation of Congestion Mitigation and Air Quality (CMAQ) funds.

Recommendation: This is for information only.

Discussion: At the February Partnership meeting, Sacramento Area Council of Governments (SACOG) staff presented the Interim CMAQ Program Guidance requirements for emissions benefits reporting. Staff reported that Caltrans and FHWA were considering requiring emissions benefit calculations as a prerequisite for obligation of federal funds. Since that meeting, there has been confirmation that the calculations are now required for initial project authorizations and modifications.

In an increasing effort to verify that FHWA project authorization meets federal aid financing requirements prior to obligation of federal funds, FHWA now requires Caltrans to submit obligation requests, or E-76 authorization forms, with supporting documents as listed in the attached letter from Caltrans. One specific requirement is that agencies submit CMAQ emissions benefits calculations with their obligation request. A letter from Caltrans describing the requirement and an example of the documentation needed are attached. These requirements took effect May 1, 2007.

JLC:ts

Attachments

Key Staff: Pete Hathaway, Director of Transportation Planning, (916) 340-6235
Debra Jones, Project Delivery Manager, (916) 340-6242
Jason Crow, Senior Planner, (916) 340-6219
José Luis Cáceres, Assistant Planner, (916) 340-6218



U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

CALIFORNIA DIVISION

650 Capitol Mall, Suite 4-100

Sacramento, CA. 95814

April 11, 2007

Attachment 1

IN REPLY REFER TO

HDA-CA

Document #: 50289

Mr. Will Kempton, Director
California Department of Transportation
1120 N Street
Sacramento, CA 95814

Dear Mr. Kempton:

SUBJECT: Project Authorization Supporting Documentation Requirements

The Federal Highway Administration (FHWA), California Division, extends our thanks to the California Department of Transportation, Divisions of Accounting, Budgets, Federal Resources, Local Assistance, and Transportation Planning for working in collaboration with us in developing the supporting documentation requirements for initial project authorizations and modifications.

The purpose of these requirements is to establish internal controls that assure compliance with federal statutory and regulatory requirements, in particular, 23 United States Code (U.S.C.), Highways; 49 U.S.C., Transportation, and 31 U.S.C., Money and Finance, which prohibits obligating or expending Federal funds in excess of, or in advance of, an apportionment or agency regulations; or for a purpose unauthorized by an apportionment or agency regulations. Additionally, the FHWA financial statement balance sheet, liability accounts, must reflect reliable, accurate, and timely obligations.

In the course of refining the June 19, 2006 baseline requirements and updates for project authorization/modification supporting documents, we considered whether the proposed documentation would be more appropriately addressed during project and program reviews rather than at the time of the project authorization/modification. We determined that the Regional Transportation Plan (RTP) page number reference and final voucher requirements met this criterion. Therefore, these requirements were eliminated. The RTP requirement will be addressed in the fiscal year 2008 Federal Statewide Transportation Improvement Plan (FSTIP). All change orders, previously reviewed with final vouchers, will be reviewed on sampled project modification requests and during project and program reviews over the life of federal aid projects.

**MOVING THE
AMERICAN
ECONOMY**



Mr. Will Kempton

April 11, 2007

Page 2

In addition, we augmented the requirement for the initial cost estimates (finance letter) to ensure that there is sufficient detail to support the FHWA liability and ensure that the estimate is solely attributable to the Federal aid project. An example of the level of detail that meets these criteria is the Field Review Form, cost estimate breakdown, in the Local Assistance Procedures Manual, Exhibit 7-B.

Since projects proposed for Congestion Mitigation and Air Quality Improvement Program (CMAQ) must demonstrate an emissions reduction, a copy of the emissions benefits calculation or the result (Kg/day) is required with all CMAQ project authorization/modification requests.

Finally, please ensure that all high priority projects' identification numbers and innovative financing approval letters e.g., GARVEE loans, TIFIA loans, flexible and tapered match, are referenced in the E-76 comments.

These new requirements will become effective May 1, 2007. A copy of the final project authorization/modification required documentation is enclosed.

For additional information, please contact Brenda Bryant @ (916)498-5028 or brenda.bryant@fhwa.dot.gov.

Sincerely,

/s/ Gene K. Fong

Gene K. Fong
Division Administrator

Enclosure:

Supporting Document for Project Authorization and Modification



The purpose of this requirement is to verify that the FHWA, California Division, project authorization approvals meet Federal statutory and regulatory requirements prior to obligation of Federal funds; to ensure consistency and efficiency of operating procedures; to provide reasonable assurance of accurate and reliable financial statements, and support the California Division’s annual Financial Integrity Review and Evaluation Program (FIRE) certification.

This may include a review of planning, environmental, right of way, and design, and construction requirements, as well as financial requirements.

The following table lists the required supporting documentation and the corresponding statutory and regulatory requirements.

Table 1
Program Area Review Requirements

Type of E76 Request	Documents				
	* Planning/Programming	Right of Way	Environmental	* Engineering	Finance
Preliminary Engineering (PE) – authorization agreement	1(a,c,)			4(b)	5(a)
Right of Way (R/W) – authorization agreement	1(a,b,c,)	2(a,b,c)	3(a)	4(b)	5(a)
Construction (Con) – authorization agreement	1(a,b,c,)	2(d)	3(a)	4(a,b)	5(a)
PE - modification				4(b)	5(a)
R/W - modification		2(a,b,c)		4(b)	5(a)
Con - modification				4(a,b)	5(a)

- 4(a)(2) and 4(a)(3) only apply to state highway projects until agreement is reached on including local projects

- 1) Planning and Programming 23 U.S.C § 134 &135; 23 C.F.R § 450:
 - a) CTIPS FTIP/FSTIP ID or MPO FTIP ID and page # (on F10 and F21 Screens of E76) and any appropriate grouped project listing
 - b) Only for impacted areas: PM 2.5 conformity determination if NEPA was approved prior to April 2006
 - c) Only for CMAQ projects – Copy of the emissions benefits calculation or the result (Kg/Day)
- 2) Right of Way (R/W) 23 U.S.C § 107; 23 C.F.R § 710:
 - a) Up-to-date R/W Data Sheet (or) Description of R/W parcels and estimate on E76
 - b) Utility Summary Sheet (or) Utility Relocation/Adjustments on E76
 - c) Only if FHWA requests - R/W Maps or Plans (R/W project plans, Appraisal maps, etc)
 - d) R/W Certification
- 3) Environmental 23 C.F.R § 771:
 - a) Valid and current approved NEPA per procedures in SER
- 4) Engineering 23 U.S.C § 113; 23 C.F.R § 635:
 - a) Estimate: Type of estimate will depend on the type of request that matches E76. In addition, provide the following items if applicable:
 - 1) Only for Emergency Relief (ER) projects: Damage Assessment Form (DAF)
 - 2) Only if State/Local Furnished Materials and Expenses are used on State Highway System (SHS): Public Interest Finding (PIF)



3) Only if Supplemental Work Items are used on SHS: Justification Memo/Letter

4) Non-participating items

b) Local Assistance Projects Only: Finance Letter (The finance letter or other cost estimate should provide sufficient detail to support the liability and ensure that the estimate is solely attributable to the Federal aid project. An example of the level of detail that meets these criteria is the Field Review Form, cost estimate breakdown, in the Local Assistance Procedures Manual, Exhibit 7-B.