



coupled with demand management to reduce SOV use in a corridor might best be analyzed together. Other examples include linked signalization projects, transit improvements, marketing and outreach programs, and ridesharing programs that affect an entire region or corridor.

4. Tradeoffs

As noted above, emissions benefits should be calculated for all pollutants for which an area is in nonattainment or maintenance status. Some potential projects may lead to benefits for one pollutant and increased emissions for another, especially when the balance involves precursors such as NO_x and VOC. States and MPOs should consult with relevant air agencies to weigh the net benefits of the project.

IX. PROGRAM ADMINISTRATION

A. Project Selection—MPO and State Responsibilities

CMAQ projects are selected by the State or the MPO. MPOs, State DOTs, and transit agencies should develop CMAQ project selection processes in accordance with the metropolitan and/or statewide planning process. The selection process should involve State and/or local transportation and air quality agencies. This selection process provides an opportunity for States and/or local agencies to present a case for the selection of eligible projects that will best use CMAQ funding to meet the requirements and advance the goals of the Clean Air Act.

The CMAQ project selection process should be transparent, in writing, and publicly available. The process should identify the agencies involved in rating proposed projects, clarify how projects are rated, and name the committee or group responsible for making the final recommendation to the MPO board or other approving body. The selection process should also clearly identify the basis for rating projects, including emissions benefits, cost effectiveness, and any other ancillary selection factors such as congestion relief, greenhouse gas reductions, safety, system preservation, access to opportunity, sustainable development and freight, reduced SOV reliance, multi-modal benefits, and others. At a minimum, projects should be identified by year and proposed funding source.

Close coordination is encouraged between the State and MPO to ensure that CMAQ funds are used appropriately and to maximize their effectiveness in meeting the CAA requirements. While the program of projects is being developed, the State or MPO should consult with FHWA and FTA to resolve any questions about eligibility. This will ensure that the projects programmed for CMAQ funding in the TIP are all eligible.

States and MPOs should fulfill this responsibility so that nonattainment and maintenance areas are able to make good-faith efforts to attain and maintain the NAAQS by the prescribed deadlines. State DOTs and MPOs should consult with State and local air quality agencies to develop an appropriate project list of CMAQ programming priorities that will have the greatest impact on air quality. In developing this list, MPOs and States should evaluate the cost-effectiveness of the projects and give priority consideration to those that will create the greatest emissions reductions for the least cost. The SAFETEA-LU calls out diesel retrofits as one type of cost-effective project to which priority consideration shall be given. The EPA has conducted



a study of the cost-effectiveness of diesel retrofits in reducing PM, NO_x, and VOC emissions.⁵³ In addition, the National Academy of Science's Transportation Research Board has evaluated the cost-effectiveness of other CMAQ eligible projects, with a focus on NO_x and HC reductions. This study can be found at <http://www.fhwa.dot.gov/environment/cmaqpgs/index.htm>. Information on the cost-effectiveness of CMAQ-eligible projects can be used as a guidepost in evaluating the different types of projects under consideration by an MPO or State. However, cost-effectiveness ultimately will depend on local conditions and project specific factors that affect emission reductions and costs.

B. Federal Agency Responsibilities and Coordination

1. Eligibility Determinations

The FTA determines the eligibility of transit projects, and the FHWA determines the eligibility of all other projects. The FHWA, FTA, and EPA field offices should establish and maintain a consultation and coordination process to review CMAQ funding proposals as needed. While the eligibility determination is not made jointly, every effort should be made to satisfy the concerns raised by the agencies' field offices. The FHWA or FTA field offices may request additional information from the State or MPO to help determine eligibility. The consultation process should provide for timely review and handling of CMAQ funding proposals. The FHWA and FTA headquarters offices are available to consult with their field offices on eligibility determinations.

2. Program Administration

The FHWA Division offices and the FTA Regional offices are responsible for administering the CMAQ program. In general, the FHWA transfers funds to the FTA to administer CMAQ-funded transit projects. In cases where the FTA lacks statutory authority (e.g., school bus fleets), the FHWA will administer the transit project. For projects that involve transit and non-transit elements, such as park-and-ride lots and intermodal passenger projects, the administering agency is decided on a case-by-case basis. All other projects are administered by the FHWA.

3. Tracking Mandatory/Flexible Funds

The FHWA Division office is responsible for tracking obligation of mandatory and flexible CMAQ funds in appropriate areas (See Section V.B.).

C. Annual Reports

States should prepare annual reports detailing how CMAQ funds have been invested. CMAQ reporting is not only useful for the FHWA, the FTA, and the general public, but maintenance of a cumulative database of all CMAQ projects is required by SAFETEA-LU. In addition, the annual reports will be key in developing the CMAQ Evaluation and Assessment, a major research effort designed to gauge the impact of the program, and also required by the statute.⁵⁴

⁵³ More information is available at <http://www.epa.gov/cleandiesel/publications.htm>.

⁵⁴ 23 U.S.C. §149(h) (SAFETEA-LU §1808(f))



CMAQ annual reports should be submitted through the web-based CMAQ Tracking System. More information on the CMAQ system is available at: <http://www.fhwa.dot.gov/environment/cmaqpgs/usersguidemail.htm>.

The FHWA Division offices, State DOTs, and MPOs should develop a process for entering and approving the data in a timely manner. This report should be approved by the FHWA Division office by the first day of March following the end of the previous Federal fiscal year (September 30) and cover all CMAQ obligations for that fiscal year. Thus, State DOTs and MPOs should report the data early enough that the Division office has time to review and comment on the report. The report as entered into the CMAQ Tracking System should include:

1. A list of projects funded under CMAQ, in seven main project categories:
 - *Transit*: facilities, vehicles, and equipment, operating assistance for new transit service, etc. Include all transit projects whether administered by the FTA or the FHWA
 - *Shared Ride*: vanpool and carpool programs and parking for shared-ride services
 - *Traffic Flow Improvements*: traffic management and control services, signalization projects, ITS projects, intersection improvements, and construction or dedication of HOV lanes
 - *Demand Management*: trip reduction programs, transportation management plans, flexible work schedule programs, vehicle restriction programs
 - *Pedestrian/Bicycle*: bikeways, storage facilities, promotional activities
 - *I/M and other TCMs*: projects not covered by the above categories
 - *STP/CMAQ*: projects funded with flexible funds

For reporting purposes, obligations for all CMAQ-eligible phases (beginning with the NEPA process) should be reported for the project they support.

2. The amount of CMAQ funds obligated or deobligated for each project during the Federal fiscal year. Enter deobligations as a negative number. (Do not include Advance Construct funds, as these are not obligations of federal CMAQ funds. Such projects should be reported later when converted to CMAQ funds.)
3. Emissions benefits (and disbenefits) for each project developed from project-level analyses. Report *projected* emissions benefits expected to occur in the first year that a project is fully operational, in kilograms reduced per day. Benefits should be reported the first time a project is entered into the system, and only then to avoid double counting of benefits. (Because funds may be obligated for a project over several years, an individual CMAQ project may show up in reports for multiple years.) Additionally, address all pollutants for which the area is in nonattainment or maintenance status. Do not enter emissions benefits for deobligations or projects funded with flexible funds (STP/CMAQ).
4. Public-private partnerships and experimental pilot projects should be identified in the system. Transmit electronic versions of completed before-and-after studies for experimental pilot projects to the Division offices (See Section VII.D.16., Experimental Pilot Projects).



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5. Other required information: MPO, nonattainment/maintenance area, project description.
6. Optional information: TIP, State and/or FMIS project numbers—highly recommended. Other optional information includes: greenhouse gas emission reductions, cost effectiveness, safety, congestion relief, and other ancillary benefits.