Summary of Caltrans Third Self-Assessment Under the Surface Transportation Project Delivery Pilot Program, December 2008

Introduction

Section 8.2.6 of the Caltrans/Federal Highway Administration (FHWA) Surface Transportation Project Delivery Pilot Program (Pilot Program) Memorandum of Understanding (MOU) requires Caltrans to perform a formal process review or "self-assessment" of its quality control and quality assurance (QC&QA) activities every six months for the first two years of the Pilot Program and no less than annually thereafter. To date, Caltrans has submitted two self-assessment summary reports to FHWA. The first report, covering first quarter (July 1-September 30, 2007) Pilot Program projects, was submitted in December 2007 and preceded FHWA's first audit on January 29-February 1, 2008. The second report, generally covering second and third quarter (October 1, 2007-March 31, 2008) Pilot Program projects, was submitted in June 2008 and preceded FHWA's second audit on July 28-August 1, 2008. This report summarizes the findings of Caltrans' third self-assessment preceding FHWA's third audit, to be conducted from January 26-30, 2009.

Scope of the Self-Assessment

As with the second self-assessment, this self-assessment focuses on reviewing Caltrans QC&QA activities under the Pilot Program to ensure that they are meeting Pilot Program requirements, as well as Caltrans environmental documents and project files to ensure appropriate documentation of compliance with federal environmental laws and regulations. The Pilot Program QC&QA program areas that are assessed include documentation and concurrence on the class of action, proper implementation of environmental QC procedures and use of QC tools, documentation of determinations that environmental documents are ready for signature, legal sufficiency reviews, project file documentation, proper environmental record keeping, and timeliness of environmental decisions. To evaluate compliance with federal environmental regulations, this self-assessment also includes a review of documentation of federal requirements in environmental documents and biological resources-related technical studies. Finally, this third self-assessment evaluates the performance metric related to the effectiveness of communications with the public and includes an assessment of Caltrans' staff understanding of Section 6002 requirements under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

This self-assessment includes the following elements:

- A program-level review that assesses Caltrans' continued progress in implementing the commitments it made in its Pilot Program application and in the Pilot Program MOU.

Caltrans' continued progress in implementing key program-wide Pilot Program tools was also reviewed.

- A District/Region review including staff interviews and reviews of completed environmental document QC tools, project environmental files, National Environmental Policy Act (NEPA) documents, and biological resources technical studies;
- Identification of corrective actions, where this third self-assessment indicates that District/Region implementation of Pilot Program QC procedures and tools are not providing optimal results. Future self-assessments will assess the success of these corrective actions.
- Assessment of the effectiveness of the corrective actions identified in the second self-assessment; and
- An evaluation of Caltrans' progress toward meeting the performance measures identified in the Pilot Program MOU.

This self-assessment also includes a statement by the Caltrans Chief of the Division of Environmental Analysis concerning whether the QC&QA processes are ensuring that the responsibilities Caltrans has assumed under Part 3 of the Pilot Program MOU are being carried out in accordance with the MOU and all applicable federal laws, regulations, and policies.

Program-Level Review

Progress in Meeting Pilot Program Commitments

As identified in the second self-assessment, Caltrans concludes that it has met or is in the process of meeting all Pilot Program commitments specified in the Pilot Program application and MOU. The current status of the following commitments that were in progress during the second self-assessment is summarized below:

- **Performance measure 10.2.1(C)(i), "Assess change in communication among Caltrans, Federal, and State resource agencies and the public":** Early next year, Caltrans will initiate a survey with state and federal resource agencies to assess Caltrans' relationships with them. A metric for assessing communications with the public has been developed and measured as part of this self-assessment. For a discussion of this metric, see the "Progress in Meeting Pilot Program Performance Metrics/Effectiveness of Relationships with Agencies and the General Public" section, below.

- **QC review of technical studies prepared under Section 7 of the federal Endangered Species Act:** Headquarters biologists are currently working on an updated Section 7 QA/QC policy that will build on the general QC guidelines (May 2003) for the review of biological resources technical documents and the use of standardized annotated outlines (October 2005) for the preparation and review of biological technical studies. Caltrans has also engaged with the U.S. Fish and Wildlife Service (USFWS) Region 8 office to assist in resolving QC issues that may occur during Section 7 consultation processes, including the use of a standardized elevation process (November 2006) when perceived issues or quality problems arise.

- **Statewide meeting for District Local Assistance Engineers and environmental staff:** Caltrans District Local Assistance Engineers (DLAEs) and District/Region Local Assistance environmental staff have had a number of opportunities to learn about and discuss Pilot Program requirements including the March 2007 NEPA Delegation Workshop, a statewide Local Assistance environmental staff workshop held on June 2 and 3, 2008, the March 2008 Local Assistance Academy, and monthly DLAE teleconferences. The Division of Local Assistance has concluded that a statewide meeting is not needed since the goals of the meeting have been met through these other measures.

Standard Environmental Reference Update

The SER continues to be updated, as needed, to clarify Pilot Program requirements. These updates are based on observations and input from the Headquarters Environmental Coordinators; NEPA Delegation Manager; Environmental Management Office Chief; Local Programs NEPA Delegation and Environmental Compliance Office Chief; Statewide Audit Coordinator; Legal Division; and District/Region managers and staff.

Maintenance of Adequate Resources

In response to FHWA's second audit finding related to commitment of resources, 25 senior environmental staff were asked how they ensure appropriate and consistent use of WBS codes and the availability of adequate staff resources to support the success of the Pilot Program. The following summarizes their answers:

- Resources needed for Pilot Program activities are routinely estimated and included in Preliminary Environmental Assessment Reports (PEARs) and work plans based on previous charging history and other anticipated factors that will affect project workload.

- Resource information is updated throughout the life of projects.

- Required staffing needs are regularly discussed at staff and management meetings.

- Various tools are used for programming staff resources such as a scoping tool based on the WBS that considers the complexity of projects, data bases to track project hours expended on Pilot Program responsibilities, and work plans.

- Staff are reminded to charge to the appropriate WBS code and special designation for Pilot Program activities.

Accuracy of Quarterly Reports

In response to FHWA's second audit finding related to the accuracy of quarterly reports, a quarterly report protocol was developed and implemented in preparing the fifth quarter report. The protocol includes a number of Headquarters QC checks of the NEPA tracking spreadsheet against previous and current quarterly reports to ensure their consistency, as well as review of draft versions of the quarterly reports by each District prior to their submittal to FHWA. This

protocol is intended to reduce the number of reporting errors given the large number of data items that are tracked and reported statewide.

A comprehensive review of the NEPA tracking spreadsheet and the first five quarterly reports was also recently conducted to ensure that both tools reflected all draft and final environmental document approvals made during the first five quarters of the Pilot Program. This review indicated that one first quarter, two second quarter, one third quarter, two fourth quarter, and one fifth quarter environmental document approvals were erroneously excluded from the quarterly reports. Updated quarterly reports will be submitted to FHWA that include these approvals.

District Review

Through interviews with environmental generalist (environmental assessment staff responsible for environmental document preparation or oversight) and biological resources technical staff, as well as reviews of completed QC tools and project environmental files, NEPA documents, and biological resources technical studies, the District/Region component of the self-assessment evaluated staff adherence to Caltrans' environmental document QC procedures and appropriate documentation of compliance with federal environmental regulations. Specifically, the following areas were reviewed:

- Monitoring of conformance with QC procedures and tools;
- Documentation of concurrence on class of action;
- Proper use of environmental document QC preparation and review tools by Caltrans environmental staff, including the following:
  - Environmental Document Quality Control Review Certification Forms, including completion of each required QC review;[1]
  - Environmental Document Preparation and Review Tool checklist, and
  - Environmental document annotated outlines;
- Ready for signature communications;
- Proper documentation of compliance with federal requirements;
- Legal sufficiency reviews;
- Proper use of environmental record keeping system (Environmental Uniform File System [UFS]);
- Proper use of documentation tools for projects with Categorical Exclusions (CEs);

[1] This review focused on the internal certification form and the QC Checklist (required in Districts 4, 7, and 8) since the purpose of the external certification form, for locally-sponsored projects, is to provide Caltrans staff with a better product to review. It is Caltrans' responsibility to ensure that all environmental documents meet FHWA standards and requirements.

- Timeliness of environmental decisions;
- Effectiveness of the corrective actions implemented after the second self-assessment; and
- Progress in meeting the Pilot Program performance metrics.

Process for Self-Assessment and Areas Reviewed

In general, this self-assessment reviewed 28 NEPA documents (16 draft environmental assessments [EAs], 11 Findings of No Significant Impact [FONSIs], and one draft environmental impact statement [EIS]) for 26 projects, and five CE projects. To accomplish this review, all Caltrans Districts/Regions were visited in early November 2008. These 31 projects included those that had NEPA approvals during the fourth and fifth quarters (April 1-September 30, 2008) of the Pilot Program or that were approved during the second and third quarters in those Caltrans Districts that were not visited during the second self-assessment.[2] These documents/CEs were approved in nine of Caltrans' 12 districts.

The environmental project files for all 31 projects were reviewed based on a checklist of identified parameters. In addition, 63 NEPA document preparers and oversight coordinators were interviewed. These staff worked on the 28 reviewed NEPA documents or were in the process of preparing an EIS under the "Efficient Environmental Review Process" of Section 6002 of SAFETEA-LU. In addition, 23 project biologists were interviewed. Information was obtained from staff members through a series of set questions, as well as through open discussions.

Findings

The results of the staff interviews and project file and environmental document/technical study reviews are summarized below. Corrective actions, where necessary, are identified immediately after the finding.

Monitoring of Conformance with Quality Control Requirements

Caltrans staff are actively monitoring conformance with Pilot Program QC procedures in a number of ways, including the following:

- Ongoing and frequent communication between Senior environmental planners (supervisors of environmental assessment/generalist staff) and environmental assessment staff regarding project QC processes, internal review comments received, and environmental document revisions required in response to comments. Seniors are working most closely with those newer staff that have less experience implementing Pilot Program QC requirements.

- Discussion at staff meetings regarding areas of the QC process that are working well and those that need more attention.

[2] The purpose of including these second and third quarter projects was to conduct a more thorough assessment of the environmental document QC process undertaken for these projects by reviewing their project files and interviewing associated project staff.

- Seniors are working with their environmental assessment staff to establish project schedules that allow adequate time for the QC process.

- Seniors are reviewing environmental documents, systematically checking the QC certification forms and environmental document review checklists, and verbally confirming with their environmental assessment staff that the required QC reviews occurred and that all QC comments have been appropriately addressed before recommending that documents are ready for signature and before signing CEs.

- Environmental Office and Branch Chiefs are working closely with their Seniors and staff to ensure that NEPA documents meet federal requirements and standards and that QC requirements are being met.

- District staff are working closely with Headquarters Environmental Coordinators on complex projects to ensure that QC requirements are being met and that they are aware of the latest statewide QC procedures and tools.

- Headquarters Environmental Coordinators are actively monitoring conformance with QC procedures on the complex EA and EIS projects they review.

Caltrans staff are taking immediate actions on a project-by-project basis, as necessary, to correct unique irregularities that arise on specific projects.

Proper Implementation of Environmental Document Quality Control Requirements

Concurrence on Class of Action. In response to FHWA's second audit findings related to documentation of class of action determinations, the project files for the 26 reviewed projects were reviewed for written evidence of Headquarters Environmental Coordinator concurrence on class of action. Evidence was found in 22 of the 26 reviewed EA and EIS project files. All of the files without written evidence were for projects that had determined class of action prior to initiation of the Pilot Program, as evidenced by "begin environmental studies" dates (the date that the District initiated tasks related to the environmental review process) that range from April 1999 to December 2005.

Proper Use of Environmental Document Checklist. The internal environmental document preparation and review tool (checklist) was fully completed for all 28 (100%) reviewed environmental documents. The use of page number references in these checklists has improved since the second self-assessment as all 28 checklists included page references.

Proper Use of Internal QC Form. The internal QC certification form was fully completed for 25 of the 28 (89%) environmental documents and nearly fully completed for the other three documents (One "complete" final environmental document form lacked a number of technical specialist reviews ["NA" was also not indicated], but District staff indicated that no reviews were needed for these technical areas since no public review comments related to these areas were received and no change to the environmental document was required.). Two forms lacked Environmental Branch Chief signatures, and one form did not have all required technical specialist signatures. District staff indicated the Chief reviews were completed but they forgot to

sign the forms. The technical specialists also reviewed the consultant-prepared document but did not sign the internal form since, per QC requirements, an external form had not been completed. Therefore, in all three cases, the problems relate to inaccuracies in filling out the form rather than to problems with the internal QC review process itself. Three of these four nearly complete certification forms were for environmental documents that were approved prior to FHWA's issuance of its draft findings from the second audit.

Of the 14 Caltrans-prepared environmental documents, all associated internal certification forms had peer reviewer signatures that reflected independent reviews by a Caltrans staff member who had not participated in, supervised or performed technical specialist review of the project.[3]

To respond to FHWA's second audit finding related to the progression of QC reviews, the internal certifications forms were also reviewed to determine if the Environmental Branch Chief was the final signatory. Of the 28 reviewed internal certification forms, 23 indicated that the Chief was the last to review the environmental document. Two of the five non-compliant projects had no Chief signature, as described above. The other three non-compliant projects involved environmental document approvals prior to Caltrans' receipt of FHWA's draft comments on the second audit. Two of the 23 compliant projects had notes in their files that explained the progression of certification signatures. In one case, two technical specialist signatories had inadvertently provided a 2008 date when in fact, the review had occurred one year earlier in 2007. In the other case, the NEPA QC reviewer accidentally recorded the incorrect date.

FHWA's second audit report also included a finding related to the progression of external versus internal certifications. Therefore, the last date on the external certification form was compared with the first date on the internal form for all 14 consultant-prepared documents. It was found that seven of the 14 documents had external certifications that properly preceded the internal reviews. Of the seven that did not, one had no external form at all and the other six had begun their internal environmental document QC reviews prior to Caltrans receipt of FHWA's draft findings on the second audit.

A review of all 28 environmental document approval dates against the internal certifications forms indicates that the internal reviews and certifications were conducted prior to document approval.

Corrective Action. Corrective discussions have occurred with the staff involved with these incomplete certification forms and irregular QC review procedures. These requirements will continue to be discussed at monthly NEPA delegation teleconferences, including the one in early January 2009; these requirements have also been discussed at recent QC update workshops. As has occurred with other Pilot Program QC review requirements, compliance with these particular practices is expected to improve as staff gains more experience and becomes more proficient in implementing these requirements.

[3] Consultant-prepared environmental documents are not included in this count of peer reviews since all Caltrans reviews are considered independent, and therefore, a separate peer review is not required for consultant-prepared documents.

Consistency with the Environmental Document Annotated Outline

Based on an evaluation of the consistency of the 28 reviewed environmental documents with the applicable annotated outline, it was found that 27 of the 28 (96%) generally followed the annotated outlines in terms of chapter and section organization.

Twenty-seven of the 28 (96%) reviewed documents contained the required Pilot Program language on the document cover. The one document that lacked the language on the cover included it on the page immediately after the cover. All eleven FONSIs (100%) included the required Pilot Program language.

Corrective Action: Corrective discussions have occurred with staff involved in the environmental document not following the annotated outline. Staff involved with the environmental document cover irregularity have been reminded about the Pilot Program language that is required to appear on the cover of EAs and EISs. This topic has also been discussed with District staff as part of the QC update workshops delivered throughout State recently and during several recent NEPA delegation teleconferences. It will also be emphasized at the January 2009 teleconference.

Proper Documentation of Compliance with Federal Requirements

The 28 reviewed environmental documents and the project files for the five reviewed CE projects were evaluated to determine if they appropriately documented the required consultations and findings related to the following regulations:

- Section 7 of the federal Endangered Species Act when a letter of concurrence or biological opinion was approved by the USFWS or the National Marine Fisheries Service (NMFS);
- Executive Order (EO) 11990;
- Section 4(f) of the U.S. Department of Transportation Act;
- Section 106 of the National Historic Preservation Act when State Historic Preservation Officer (SHPO) concurrence was required;
- EO11988; and
- Section 176(c) of the federal Clean Air Act through documentation of FHWA's air quality conformity determination.

The findings of this evaluation are summarized below.

Section 7 and Executive Order 11990. Fourteen projects (eight of which were also evaluated as part of the larger self-assessment review) were reviewed by Headquarters' biologists. These projects were selected for review since they had submittals to (biological assessments/evaluations [BA/BEs] or requests for concurrence) or approvals (biological opinions or letters of concurrence) from USFWS or NMFS since initiation of the Pilot Program. The biologists conducted interviews with the project biologists, reviewed the biological resources technical studies and associated biological resources chapters of the project environmental documents, and reviewed project files.

The findings of this review included the following:

- **Use of correct templates for biological resources technical studies.** The Natural Environment Studies (NES), wetland delineations (WDs), and BA/BEs prepared for the 14 reviewed projects were evaluated. With the exception of one BA, all of the technical studies conformed to the appropriate template.
- **Use of appropriate language in the biological resources technical studies regarding the effects analysis.** The NES, WDs, and BA/BEs were reviewed for 11 projects to determine whether they contained the appropriate language for the effects analysis under Section 7, Section 404 of the Clean Water Act, and the Magnuson-Stevens Fishery Conservation and Management Act. It was found that all but one project BA contained the appropriate language. This BA contained a conclusion of "may affect, but not likely to adversely affect", but the effects analysis was not consistent with this conclusion. Despite this inconsistency, USFWS issued a letter of concurrence for this project.
- **Consistency between the biological resources technical studies and the biological resources chapter of the environmental document:** Eight environmental documents were reviewed for consistency with the associated biological resources technical studies. Seven of the eight were found to be consistent. One document's discussion of impacts cited different compensation ratios than the technical study.
- **Use of appropriate language in the environmental document regarding regulatory requirements:** Three final environmental documents were reviewed by Headquarters biologists and all were found to contain the appropriate language documenting compliance with Section 7. In addition, those seven final environmental documents that had Section 7 approvals (letter of concurrences or biological opinions from USFWS and/or NMFS) during this self-assessment period were also reviewed by the self-assessment team to determine if Section 7 compliance was documented. It was determined that all seven documents contained appropriate language documenting Section 7 compliance.
- **Section 7 Species List in the project file:** Eleven of the 14 reviewed project files contained a USFWS species list.
- **QC Review of Biological Resources Technical Studies:** Based on the interviews conducted with District biologists, peer reviews of NESs and BA/BEs are generally occurring in all Districts/Regions. Most Districts have formalized QC review procedures to ensure that peer reviews are conducted. Some District biologists indicated that Caltrans peer review of biological resources technical studies for Local Assistance projects is sometimes less thorough than peer review for State Highway System (SHS) projects.

Section 4(f). One individual Section 4(f) evaluation and one de-minimis finding was approved for the 26 reviewed projects. Appropriate documentation for these approvals was found in the associated environmental document/project file.

Section 106. Three approvals were required by the SHPO for the 26 reviewed projects. Appropriate documentation of the Section 106 process and approvals was found in the associated environmental documents.

EO 11988. None of the reviewed projects required an "only practicable alternative finding" for a significant encroachment in a floodplain.

Air Quality Conformity Determinations. Of the 16 reviewed FONSIs/CEs, 11 required conformity determinations (3 projects were exempt, and two were located in an attainment area). Of the 11 projects, 10 obtained conformity determinations from FHWA prior to NEPA approval. For the project without a conformity determination, the involved District understood that a separate determination from FHWA was not required based on direction it received from FHWA through email communication.

Corrective Action: The training offered to Caltrans biologists related to Section 7 will be refined and augmented, as needed, to address the issues identified in the Section 7 review, including use of appropriate document templates, use of appropriate language in effects analysis and conclusions, ensuring consistent effects analyses in the biological resources technical studies and associated environmental documents, retention of files with complete Section 7 documentation, and generally improving the clarity of Section 7 documentation. Biologists will also be reminded that peer review for Local Assistance projects is required to meet the same standards as that for SHS projects.

Legal Sufficiency Review

Of the 28 reviewed documents, one involved an individual Section 4(f) evaluation. The file for this project contained the legal sufficiency determination for this evaluation. The file for the one reviewed draft EIS also contained legal review comments that pre-dated document approval.

Ready for Signature Communications

Of the 28 reviewed documents, one was a draft EIS requiring Headquarters and Legal review, and three were complex EAs requiring Headquarters review. One FONSI involved an individual Section 4(f) evaluation requiring a legal sufficiency finding. The three files for the complex EAs contained the Headquarters Environmental Coordinator's comments on the draft environmental document and written documentation notifying the Districts that the documents were ready for signature. As noted above, the file for the draft EIS also contained legal review comments; it also contained the Headquarters Environmental Coordinator's comments on the draft EIS and written notification that the document was ready for signature.

Understanding of Section 6002 Requirements

Seven associate and seven senior environmental staff that have worked on EIS projects under Section 6002 of SAFETEA-LU were interviewed to determine their working knowledge of the Section 6002 "Efficient Environmental Review Process" requirements. A series of questions were asked related to the purpose of Section 6002; the process that was used to invite cooperating and participating agencies to participate in the EIS process; the components of and process for preparing the projects' coordination plans; and the processes that were used to develop the projects' purpose and need, range of alternatives, and impact methodologies. Through these interviews, it was found that these staff are generally knowledgeable about Section 6002 requirements. Based on the interviews, the approach for inviting cooperating and participating agencies to participate in the environmental review process followed FHWA's "SAFETEA-LU Environmental Review Process Final Guidance" (November 2006). Coordination plans were developed based on FHWA's template. A number of the projects had

not yet reached the point of providing opportunities for participating agency and public comment on the project purpose and need and range of alternatives, but the project staff had knowledge of this requirement. A couple of projects had held meetings to provide these opportunities and were in the process of making refinements to their purpose and need statements and alternatives based on the input received.

Proper Use of Environmental Record Keeping System

Of the 31 project files reviewed for consistency with the UFS, 29 (94%) were found to be consistent in terms of using the required tabs and appropriately filing materials behind the proper tabs.

The contents of the files were also checked to determine if the appropriate technical studies were present. Of the 29 files that followed the UFS, four did not contain every final technical study that was identified in the environmental document. District staff indicated that these technical studies were likely filed with the technical specialist's records. Finally, the files for the 11 FONSIs and 5 CEs were checked for the presence of an Environmental Commitments Record (ECR). Twelve of the 16 files had an ECR in the environmental file.

In response to FHWA's second audit report finding related to storage of electronic communications, 20 associate environmental planner generalists were asked about the process they used for retaining emails on their reviewed project. All but two stated that they regularly print all important project emails (related to decisions made, coordination with agencies, etc.) and placed copies in the project file and/or archived important emails either in Lotus notes or on a central server. The other two generalists had not established any standard practice for retaining emails.

***Corrective Action**:* Corrective discussions have occurred with staff involved in those projects with incomplete files and those that don't conform to UFS requirements. UFS requirements and retention of electronic communications have also been discussed with District staff as part of the QC update workshops delivered throughout State recently and during several recent NEPA delegation teleconferences. These topics will also be emphasized at the January 2009 teleconference. In addition, Caltrans is currently developing guidance for retention of email in project files.

Proper Use of Categorical Exclusion Documentation Tools

Caltrans requires that a CE checklist be completed for each project that is categorically excluded. Of the five reviewed CE projects, all had completed CE checklists in their project files. In response to FHWA's second audit report finding related to the appropriateness of Section 6005 versus Section 6004 CE determinations, the five reviewed CEs were reviewed to assess their CE determinations. Two of the reviewed CEs that were approved in October and December 2007 could have been approved as Section 6004 CEs; the scope of one of these projects has changed, and it will be evaluated as a Section 6004 CE.

Timeliness of Environmental Decisions

The environmental timeframes for the last 39 SHS and Local Assistance EA and EIS projects approved by FHWA prior to enactment of California's Pilot Program waiver or sovereign immunity and the initiation of the Pilot Program (and that were evaluated pursuant to Section

820.1 of the California Streets and Highways Code) were compared with the timeframes for all SHS and Local Assistance project approvals made by Caltrans since initiation of the Pilot Program. In response to FHWA's second audit findings related to these timeframes, in addition to the two timeframes evaluated in the second self-assessment report, this evaluation was expanded to include two additional, more expansive timeframes: from the initiation of environmental studies to approval of draft and final environmental documents. Also, the timeframes for EAs versus EISs are differentiated.[4]

This comparative analysis showed the following:

EAs/FONSIs

- **Begin Environmental Studies-Draft EA Approval:** For the first five quarters of the Pilot Program, the median timeframe from the date of commencement of field investigations and environmental surveys to the date the draft EA was signed was 34.2 months (for 32 projects), as compared to 40.4 months (for 31 projects) prior to the Pilot Program, a median time savings of 6.2 months.
- **Begin Environmental Studies-FONSI Approval:** For the first five quarters of the Pilot Program, the median timeframe from the date of commencement of field investigations and environmental surveys to the date the FONSI was signed was 39.2 months (for 10 projects), as compared to 52.2 months (for 31 projects) prior to the Pilot Program, a median time savings of 13.0 months.
- **Begin QC of Administrative Draft EA-Draft EA Approval:** For the first five quarters of the Pilot Program, the median timeframe from the date that the administrative draft EA was complete and the QC process began to the date that the draft EA was signed was 2.8 months (for 31 projects), as compared to 5.7 months (for 29 projects) prior to the Pilot Program, a median time savings of 2.9 months.
- **Begin QC of Administrative Final EA-FONSI Approval:** For the first five quarters of the Pilot Program, the median timeframe from the date that the administrative final EA was complete and the QC process began to the date that the FONSI was signed was 0.8 months (for 17 projects), as compared to 2.5 months (for 22 projects) prior to the Pilot Program, a median time savings of 1.7 months.

Draft and Final EISs

- **Notice of Intent-Draft EIS Approval:** For the first five quarters of the Pilot Program, the median timeframe from the date that the Notice of Intent (NOI) was published to the date the draft EIS was signed was 58.9 months (for two projects), as compared to 71.0 months (for eight projects) prior to the Pilot Program, a median time savings of 12.1 months.

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[4] In its findings, FHWA also suggested that timeframes be quantified by variables such as project size, scope and complexity. Because factors such as these are unique to each project and cannot easily be isolated, quantified or controlled for in a comparative analysis, and because the sample size is so small, the timeframe analysis conducted for this self-assessment did not attempt to categorize the reviewed Pilot Program projects by these variables.

- **Notice of Intent-Final EIS Approval:** For the first five quarters of the Pilot Program, only one final EIS was approved. The draft EIS for this project was reviewed and approved by FHWA, so no comparison of the entire EIS process with pre-Pilot Program projects is yet possible.
- **Begin QC review of Administrative Draft EIS-Draft EIS Approval:** For the first five quarters of the Pilot Program, the median review timeframe from the date that the administrative draft EIS was complete and the QC process began to the date that the draft EIS was signed was 6.6 months (for two projects), as compared to 10.0 months (for eight projects) prior to the Pilot Program, a median time savings of 3.4 months**.**
- **Begin QC of Administrative Final EIS-Final EIS Approval:** The one final EIS that was approved during the first five quarters of the Pilot Program required 1.9 months from the date that the administrative final EIS was complete and the QC process began to the date that the final EIS was signed, as compared to a median review time of 9.9 months (for four projects) prior to the Pilot Program, a median time savings of 8.0 months.

Effectiveness of Corrective Actions

The effectiveness of the corrective actions identified in the second self-assessment is summarized below:

- **Evaluate document QC tools and procedures.** In September 2008, revised versions of the internal and external certification forms were posted on the SER to improve their clarity, usability, and effectiveness in ensuring that environmental documents meet federal requirements. In summary, the internal form was revised primarily to clarify that technical specialist certifications are only required if a stand-alone technical study has been prepared for that environmental issue, the definition of peer reviews, the type of Section 4(f) approval/finding that is being reviewed, and the requirement that the Environmental Branch Chief review occurs last. The external form was revised to specify the type of Section 4(f) approval/finding and to clarify the roles of the environmental consultant and lead agency reviews.
- **Develop and require the use of QC checklists in two districts that had irregularities in ready for signature communications.** Eight projects were approved in these two districts after this requirement took effect. All eight projects had checklists completed prior to environmental document approval. The required ready for signature communications for projects in these two districts were also completed, as required (see the "Ready for Signature Communications" section, above).
- **Discuss annotated outline requirements with project staff that failed to follow the outline.** The District that had one document that did not follow the annotated outline during the second self-assessment, approved three documents during this self-assessment period; all complied with the applicable annotated outline. However, another District had one document that did not follow the annotated outline during this self-assessment. Twenty-seven out of 28 documents followed the annotated outline, as compared to 17 out of 18 during the second self-assessment. See the corrective action above in the "Consistency with the Environmental Document Annotated Outline" section related to environmental documents that do not follow the annotated outlines.

- **Discuss air quality conformity determination requirements with project staff that failed to request a determination from FHWA.** The one District that failed to obtain an air quality conformity determination from FHWA prior to NEPA approval during the second self-assessment, obtained an air quality conformity determination from FHWA prior to approval of a draft document approved in June 2008 (This District had no final document approvals during the fourth and fifth quarters.). All other final environmental documents reviewed during this self-assessment also obtained an air quality conformity determination except for the one project that is described in the "Proper Documentation of Compliance with Federal Requirements/Air Quality Conformity Determinations" section, above. As noted in that section, this project received direction from FHWA that no further action for the conformity determination was needed.
- **District 4 Office Chief to implement measures to reinforce the requirement that project files conform to the UFS.** Despite the Office Chief's discussions with staff not meeting this requirement, one District 4 project file did not conform to the UFS requirements. Twenty-nine out of 31 project files conformed to the UFS, as compared to 32 out of 35 during the second self-assessment. To address the District 4 deficiency, District 4 will provide another training session on project filing requirements; senior staff will review project files on a monthly basis; and the Office Chief will review files on a quarterly basis with senior staff. The results of the quarterly reviews will be provided directly to the Deputy District Director (DDD). The DDD will participate in some of the monthly and quarterly reviews of files. See the corrective action described above in the "Proper Use of Environmental Record Keeping System" section related to projects with incomplete files and files that don't conform to the UFS.
- **Discuss the CE checklist requirement with staff not completing the checklist.** All five CE projects had completed CE checklists, including one CE approved in the District without a checklist during the second self-assessment. All five CE projects had completed checklists, as compared to eight out of nine during the second self-assessment.

The majority of corrective actions continue to be in areas related to documentation of the QC review process. Due to the number of staff implementing the QC process and the number of environmental documents that are being reviewed following the QC requirements, it is likely that isolated procedural irregularities will continue to occur. These irregularities have not affected the substantive quality of the NEPA documents approved by Caltrans, as evidenced by Caltrans' finding that the NEPA documentation prepared under the Pilot Program meets federal requirements and standards.

Progress in Meeting Pilot Program Performance Metrics

This self-assessment also evaluated progress toward meeting the performance measures identified in section 10.2 of the Pilot Program MOU. *Attachment 1* presents each performance measure identified in the MOU, components and desired outcomes of the measures, tools for measuring performance, and the performance metrics. *Attachment 1* reflects modifications that Caltrans has made to a few of the metrics in order to more accurately reflect Pilot Program responsibilities, including those addressed in FHWA's second audit report.

For each component of these performance measures, progress toward meeting the associated performance measure metrics is summarized below:

Compliance with NEPA and Other Federal Laws and Regulations

Documented compliance with the environmental procedures and processes set forth in the Pilot Program MOU is measured by the following:

- **Percent of self-assessment reports submitted to FHWA:** 100% of the required self-assessment summary reports have been submitted to FHWA.
- **Percent of identified corrective actions that are implemented:** As discussed above, 100% of the corrective actions identified in the second self-assessment summary report have been implemented.

Documented compliance with the requirements of federal laws and requirements being assumed is measured by:

- **Percent of final environmental documents that contain evidence of compliance with the requirements of Sections 7, 106, and 4(f)**: As discussed above, 100% of the reviewed final environmental documents (or reviewed CE project files, as applicable) contained documentation of Section 7 biological opinions and letters of concurrences, SHPO concurrences under Section 106, and Section 4(f) findings and conclusions.

Attainment of Supportable NEPA Decisions

Legal sufficiency determinations are measured by:

- **Percent of final EIS/Section 4(f)s with legal sufficiency determinations in file that pre-date the environmental document approval**: As discussed above, 100% of projects requiring a legal sufficiency determination contained the required documentation (that pre-dated the environmental document approval) in the file.

Compliance with Caltrans environmental document content standards and QC review procedures is measured by:

- **Percent of internal certification forms in the project file certifying consistency with the applicable annotated outline:** All 28 (100%) projects reviewed had certification forms signed by the environmental document preparer indicating that the document was prepared consistent with the applicable SER annotated outline. However, an independent review of the reviewed environmental documents indicated that one document did not follow the applicable annotated outline.

  Percent of sampled environmental documents that followed applicable annotated outline: Twenty-seven of the 28 reviewed documents (96%) generally followed the annotated outlines in terms of chapter and section organization. Twenty-seven out of 28 documents (96%) also contained the required Pilot Program language on the document cover. All 11 (100%) reviewed FONSIs contained the required Pilot Program language.

- **Percent of draft and final environmental documents with completed and signed internal QC certification forms in file:** As noted above, 25 of the 28 (89%) reviewed environmental documents had complete internal QC certification forms. All 28 (100%) reviewed project files contained an internal certification form.

- **Percent of draft and final environmental documents with completed environmental document checklists in file:** As noted above, all 28 (100%) reviewed environmental documents had complete checklists in the project files.

Documentation of project records for projects under the Pilot Program is measured by:

- **Percent of sampled EA/EIS project files organized according to the established UFS:** Twenty-four of the 26 (92%) reviewed EA/EIS files were consistent with the UFS.

Effectiveness of Relationships with Agencies and the General Public

The change in communications among Caltrans, federal and state resource agencies, and the public is measured by:

- **Compare average evaluation ratings from agency surveys for each period and cumulatively over time:** Early next year, a survey of relationships with federal and state resource agencies will be undertaken. This survey will result in ratings that can be compared over time. The results of this survey will be reported in the next self-assessment.
- **Compare average evaluation ratings from public meeting surveys for each period and cumulatively over time:** A survey rating the quality of public meetings (includes formal public hearings) was undertaken for 27 projects for which public meetings were held since initiation of the Pilot Program. For each project, public meeting materials, including public notices and displays used at the public meetings, as well as other factors related to the effectiveness of communications with the public (such as technical specialist attendance and public meeting accessibility) were reviewed and evaluated based on a five-point scale. The five-point scale included the following ratings:
    - 1: Disagree strongly
    - 2: Disagree somewhat
    - 3: Neutral
    - 4: Agree somewhat
    - 5: Agree strongly

  The following summarizes the factors that were rated, the rationale for the ratings (in parentheses), and the rating results (note that in some cases, information was not available for all 27 projects):

    - Public meeting notice or notice of opportunity for a public meeting meets Caltrans' public notice requirements, including noticing requirements related to the air quality conformity analysis, wetlands impacts, floodplain impacts, Cortese List, and historic property impacts, as applicable. (If all requirements were met, the project received a "5". The only requirement that was missing on some projects was noticing the air quality conformity analysis; these projects received a "4"): **4.3 rating for 26 projects.**
    - Public meeting provided adequate opportunity for the public to register written and oral comments via court reporter, tape recorder, comments cards, and/or formal

public testimony. (If three or more methods for registering comments were used, the project received a "5". If two methods were used, the project received a "4". If one method was used (comment cards were used for all reviewed projects), the project received a "3".): **4.0 rating for 25 projects.**

- Caltrans/consultant project manager and design engineer(s) were available at the public meeting to discuss the project, its purpose and need, and the alternatives to the project. (If both the project manager and design engineer(s) attended the meeting, the project received a "5". If the project manager or the design engineer was available, the project received a "4".) **4.7 rating for 22 projects.**
- Caltrans/consultant specialty staff, such as the environmental senior, environmental generalist/project manager, biologist, cultural resources specialist, environmental engineer, and right-of-way agent were available at the meeting to discuss project impacts. (If the senior and/or generalist and more than two specialists attended the meeting, the project received a "5". If the senior and/or generalist and one or two specialists attended, the project received a "4". If only the senior and/or generalist attended the meeting, the project received a "3".): **4.5 rating for 22 projects.**
- Displays/audio-visuals depicting the project and project alternatives were easily understandable to the lay public. (If displays or Power Point presentations included graphics of the project and alternatives, the project was given a rating of "2", "3", "4" or "5" depending on the quality of the displays/presentations and whether they were easily understandable by the public.): **4.3 rating for 14 projects.**
- Displays depicting project impacts were easily understandable to the lay public. (If displays, handouts, or Power Point presentations contained information describing project impacts, the project was given a "2", "3", "4" or "5" depending on the quality of the information and whether it was easily understandable to the public.): **3.8 rating for 13 projects.**
- Public meeting was accessible to the pubic considering meeting location relative to the project site, day and time of the meeting, accessibility of the facility for people with disabilities, availability of convenient parking, and public meeting information and presentation in other languages, if needed. (If the meeting was considered accessible with regard to three or more of above-identified factors, including being accessible to the disabled, the project was given a "5". If the meeting was considered accessible with regard to three or more of the above-identified factors, but it could not be determined if the facility was accessible to the disabled, the project was given a "3". If the meeting was considered accessible to fewer than three factors, and it could not be determined if the facility was accessible to the disabled, the project was given a "2".): **4.0 rating for 15 projects.**

Caltrans' responsiveness to substantive comments received from public and interest groups on NEPA documents is measured by:

- **Percentage of signed final document internal QC forms with public review comments box checked:** All 11 reviewed final environmental documents (100%) approved had certification forms that indicated that public review comments had been appropriately addressed.

Caltrans' ability to effectively resolve external conflicts is measured by:

- **Date that formal conflict resolution process began to date resolution reached:** This metric cannot be measured since a formal conflict resolution process was not initiated on any of the reviewed projects. This metric will be evaluated, as appropriate, in future self-assessments.

Timely Completion of NEPA Process

Timely NEPA document approvals under the Pilot Program are measured by:

- **For State Highway System and Local Assistance projects, compare median time from begin QC of administrative draft environmental document to draft environmental document approval before and after delegation:** As indicated above, a time savings of 2.9 months has been achieved for the QC review and approval of draft EAs (5.7 months for pre-Pilot Program projects versus 2.8 months for Pilot Program projects) and a time savings of 3.4 months for the QC review and approval of draft EISs (10.0 months for pre-Pilot Program projects versus 6.6 months for two Pilot Program projects with approved draft EISs).
- **For State Highway System and Local Assistance projects, compare median time from begin QC of administrative final environmental document to final environmental document approval before and after delegation:** As indicated above, a time savings of 1.7 months has been achieved for the QC review and approval of FONSIs (2.5 months for pre-Pilot Program projects versus 0.8 months for Pilot Program projects) and a time savings of 8.0 months for the QC review and approval of EISs (9.9 months for pre-Pilot Program projects versus 1.9 months for the one Pilot Program project with an approved final EIS).
- **For State Highway System and Local Assistance projects, compare median time from begin environmental studies/Notice of Intent to draft environmental document approval before and after delegation:** As indicated above, a time savings of 6.2 months has been achieved from begin environmental studies to the date the draft EA was signed (40.4 months for pre-Pilot Program project versus 34.2 for Pilot Program projects), and a time savings of 12.1 months for the corresponding timeframe for draft EISs (71.0 months for pre-Pilot Program projects versus 58.9 months for two Pilot Program projects with approved draft EISs).
- **For State Highway System and Local Assistance projects, compare median time from begin environmental studies/Notice of Intent to final environmental document approval before and after delegation**: As indicated above, a time savings of 13.0 months has been achieved from begin environmental studies to the date the FONSI was signed (52.2 months for pre-Pilot Program projects versus 39.2 for Pilot Program projects). A comparison of this timeframe for EIS projects is not possible since the draft EIS for the one final EIS approved under the Pilot Program was approved by FHWA.

Timely completion of interagency consultations under the Pilot Program is measured by:

- **For State Highway System and Local Assistance projects, compare median time from submittal of biological evaluations/biological assessments to receipt of biological opinions before and after delegation:** Eleven biological opinions, that had consultations without FHWA involvement, have been approved by the USFWS or NMFS under Section 7

opinions before and after delegation: Eleven biological opinions, that had consultations without FHWA involvement, have been approved by the USFWS or NMFS under Section 7 of the federal Endangered Species Act, since initiation of the Pilot Program. The median time that was required for these approvals was 6.5 months from the submittal of the Section 7 documentation to the resource agency, as compared to a median time of 11.0 months for the 25 formal Section 7 consultations completed immediately prior to the Pilot Program, a time savings of 4.5 months.

The second self-assessment period acceptable performance goal of 90% was met for all percentage-based performance metrics, with the exception of the percent of projects with completed internal QC certification forms (1% below goal set for this self-assessment period).

Statement by Chief, Division of Environmental Analysis

Based on this third self-assessment of Caltrans QC&QA processes under the Pilot Program, I find that Caltrans processes are working to ensure that the responsibilities Caltrans has assumed under part 3 of the Pilot Program MOU are being carried out in accordance with the Pilot Program MOU and all applicable federal laws and policies. This self-assessment indicates that, although Caltrans Pilot Program QA&QC processes are not yet being implemented as intended 100% of the time, Caltrans' NEPA documents and decisions meet all applicable federal laws, requirements, policies, and standards.

Signed: _____

Jay Norvell, Chief, Division of Environmental Analysis
California Department of Transportation

Date: December 24, 2008

Attachment 1. Pilot Program Performance Measures (December 2008)

Performance Measure	Components of Measure	Desired Outcome	Tool/ Indicator to Measure Outcome	Metric
Compliance with NEPA and other Federal laws and regulations	Maintain documented compliance with procedures and processes set forth in the Pilot Program MOU for the environmental responsibilities assumed under the Pilot Program.	Caltrans performs self assessments as required by the MOU	Self assessment report submitted to FHWA	Percent of self assessment reports submitted to FHWA
		Caltrans implements corrective actions as necessary	List of corrective actions identified in self assessment and in response to FHWA audit deficient findings	Percent of identified corrective actions that are implemented
	Maintain documented compliance with requirements of all Federal laws and regulations being assumed (Section 106, Section 7, etc).	100% of final environmental documents contain evidence of compliance with requirements of Section 7, Section 106, and Section 4(f)	Self assessment review to determine if final environmental documents contain evidence of compliance with Section 7, Section 106, and Section 4(f)	Percent of final environmental documents that contain evidence of compliance with requirements of Section 7, Section 106, and Section 4(f)
Attainment of supportable NEPA decisions	Legal sufficiency determinations made by counsel on FEISs and individual Section 4(f) determinations	100% of FEISs and individual Section 4(f)s determined to be legally sufficient	Legal sufficiency determination in file pre-dating environmental document approval	Percent of FEISs and individual Section 4(f) determinations with legal sufficiency determinations in file that pre-date environmental document approval
	Compliance with Caltrans environmental document content standards and procedures	<u>Content Standards: Annotated Outline</u> *State Highway System (SHS):* 100% of NEPA documents follow applicable annotated outline *Local Assistance*: 100% of NEPA documents started after publication of LAPM Chapter 6 follow the applicable annotated outline	<u>Annotated Outline</u> Environmental document preparer signature on internal QC certification form certifying consistency with annotated outline	<u>Annotated Outline</u> Percent of internal QC certification forms in file certifying consistency with annotated outline

Performance Measure	Components of Measure	Desired Outcome	Tool/ Indicator to Measure Outcome	Metric
			Self assessment team evaluation of a random sample of District/Region environmental documents	Percent of sampled environmental documents that followed applicable annotated outline
		Procedures: QA/QC 100% of EAs and EISs follow environmental document review QA/QC procedures	QA/QC Internal QC certification form is complete and filed appropriately	QA/QC Percent of DEDs and FEDs with completed and signed Internal QC certification form in file
		Procedures: ED Checklist 100% of draft and final environmental documents have completed environmental document review checklists	ED Checklist Completed environmental document review checklists in file for DEDs and FEDs	ED Checklist Percent of DEDs and FEDs with completed checklists in file
	Documentation of project records for projects under the Pilot Program	100% of EA and EIS projects follow the established Environmental Uniform Filing System	Self assessment team evaluation of a random sample of District/Region EA/EIS files	Percent of sampled EA/EIS project files organized according to the established filing system
Monitor relationships with agencies and the general public (Effectiveness of relationships with agencies and the general public)	Assess change in communication among Caltrans, Federal and State resource agencies, and the public	Communications remain consistent or improve over time	Agency Resource agency poll Public Self assessment evaluation of public meeting material evaluation	Agency Compare average evaluation ratings for each period and cumulatively over time Public Compare average evaluation ratings for each self assessment period and cumulatively over time
	Maintain effective responsiveness to substantive comments received from the public, agencies, and interest groups on NEPA documents	100% of final environmental document QC certification forms certify that all public review comments have been appropriately addressed	NEPA QC reviewer signature on final document QC certification form and public review comments box checked	Percent of signed final document internal QC certification forms in file with public review comments box checked

Performance Measure	Components of Measure	Desired Outcome	Tool/ Indicator to Measure Outcome	Metric
	Maintain effective NEPA conflict resolution processes whenever appropriate	Formal conflict resolution processes lead to timely conflict resolution	Length of time in formal conflict resolution process for: - NEPA/404 - Section 7	Date that formal conflict resolution process began to date resolution reached
Timely completion of NEPA process	Compare time to completion for environmental document approvals before and after July 1, 2007	Timely document approvals	Time taken to review and approve draft and final documents for: - SHS projects - Local Assistance projects	For SHS and Local Assistance projects: Compare median time from begin Admin. DED QC process to DED approval before and after delegation Compare median time from begin Admin. FED QC process to FED approval before and after delegation
			Time taken to prepare draft and final documents for: - SHS projects - Local Assistance projects	Compare median time from begin environmental studies/NOI to DED approval before and after delegation Compare median time from begin environmental studies/NOI to FED approval before and after delegation
	Compare time to completion for key interagency consultations formerly requiring FHWA participation before and after July 1, 2007	Timely agency consultation	Time taken for Section 7 consultation	Compare median time from submittal of biological assessments to receipt of biological opinions before and after delegation