available NCPD and CBI program funding in a given year would be expected to be subject to extra scrutiny to determine whether the likely consequences would be commensurate with that level of funding).

3. Clarity and conciseness of the grant application in submission of the required information, especially regarding the work to be accomplished and the source and amount of the non federal share of funds.

4. State priorities and endorsement of, or opposition to, projects by other States, MPOs, and other public and private agencies or organizations, as well as the status of the project on the State transportation improvement program (STIP) and the metropolitan transportation improvement program (TIP).

5. The extent to which the project may be eligible under both the NCPD and the CBI program.

6. Other quantitative information that relates to the strategic goals of the FHWA, the other DOT modal agencies and the DOT as a whole at the time of the full solicitation. At the time of this notice, the FHWA anticipates that a goal(s) related to the safety of commercial vehicles in the region near the U.S. border with Mexico will be important at the time full applications are evaluated and selected.

Section III—Request for Comments on Program Implementation in FY 2002, FY 2003.

The FHWA is specifically requesting comments NCPD/CBI program implementation. In addition, agencies that wish to reconsider their previous comment(s) or make additional comments on other aspects of program implementation are invited to do so. Commenters should reference the docket number noted in the beginning of this notice.

Section IV—Solicitation of Intent to submit Applications for FY 2002 Grants

As explained earlier, the FHWA is requesting only statements of intent to submit grant applications at this time. Send such statements of intent to submit applications for grants to the division office in the State where the applicant is located. If a project is located in more than one State, send the application to the division office in the lead State. The FHWA will not penalize a State or MPO that, subsequent to the Appropriations Act and subsequent solicitation for full applications, chooses not to apply for funding or submits an application that is close to but not the same as the submittal of intent or where priorities are reestablished between the submittal of intent and the submittal of the application. In fact, the FHWA expects project definitions and priorities to evolve in complex and/or multistate projects. Future applications will not be precluded if the State or MPO did not submit their intent in response to this request. However, those States or MPOs must demonstrate a reasonable basis for failing to submit their intent as requested. The FHWA anticipates that the actual format for full applications will be very similar to that of FY 2001 with a decrease in the amount of narrative requested on some points and some additional clarification of financial information. However, the suggested format for the intent to submit is as follows:

Format for Intention to Submit an Application for NCPD or CBI Discretionary Funds

1. State (if a multistate or multi MPO project, list the lead State/MPO and participating States/MPO);

2. Work to be funded and location of work to be funded.

3. Amount of federal funds to be requested.

4. State priority, as of time the intent is established.

Note 1: Please provide 2 copies of intention to submit a grant application.

Note 2: Assuming that funds are available for discretionary allocation, the FHWA would solicit full applications for such funds. Awards for the funds available for discretionary allocation should be expected to be announced by late spring calendar 2002.

(Authority: 23 U.S.C. 315; secs. 1118 and 1119, Pub. L. 105–178, 112 Stat. 107, at 161 (1998); and 49 CFR 1.48)

Issued on: April 27, 2001.

Vincent F. Schimmoller,

Deputy Executive Director, Federal Highway Administration.

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DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

[FHWA Docket FHWA–98–4300]

Transportation Equity Act for the 21st Century; Implementation for Participation in the Value Pricing Pilot Program

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice; solicitation for participation.

SUMMARY: This notice invites State or local governments or other public authorities to make applications for participation in the Value Pricing Pilot Program (Pilot Program) authorized by section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (Public Law 102–240, 105 Stat. 1914), as amended by 1216(a) of the Transportation Equity Act for the 21st Century (TEA–21) (Public Law No. 105–178, 112 Stat. 107 (1998)) and presents guidelines for program applications. This notice updates an October 5, 1998, notice by providing revised procedures, processes and timelines. This document also describes the statutory basis for the Pilot Program and procedures that will be used to implement the program. The FHWA will accept comments on these administrative guidelines throughout the life of the Pilot Program and, as necessary, will issue additional guidance in response to public comments and program experience.

DATES: The solicitation for participation in the Pilot Program will continue to be held open until further notice. To ensure that all projects receive fair consideration, the FHWA encourages all potential grant applicants to submit their proposals no later than October 1, 2001, for fiscal year (FY) 2002 funds and October 1, 2002, for FY 2003 funds.

FOR FURTHER INFORMATION CONTACT: Mr. Patrick DeCorla-Souza, Highway Pricing and System Analysis Team (202) 366–4076; or Mr. Steven Rochlis, Office of the Chief Counsel, (202) 366–1395; FHWA, 400 Seventh Street, SW., Washington, DC 20590. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION:

Electronic Access

You may submit or retrieve comments online through the Document Management System (DMS) at: *http://dms.dot.gov/submit.* Acceptable formats include: MS Word (versions 95 to 97), MS Word for Mac (versions 6 to 8), Rich Text File (RTF), American Standard Code Information Interchange (ASCII)(TXT), Portable Document Format (PDF), and WordPerfect (versions 7 to 8). The DMS is available 24 hours each day, 365 days each year. Electronic submission and retrieval help and guidelines are available under the help section of the web site.

An electronic copy of this document may be downloaded using a modem and suitable communications software from the Government Printing Office's Electronic Bulletin Board Service at (202) 512–1661. Internet users may reach the **Federal Register**'s home page at: *http://www.nara.gov/fedreg* and the

Government Printing Office's database at: *http://www.access.gpo.gov/nara.*

Background

Section 1012(b) of the ISTEA, as amended by section 1216(a) of the TEA–21, authorizes the Secretary of Transportation (the Secretary) to create a Pilot Program by entering into cooperative agreements with up to 15 State or local governments or other public authorities, to establish, maintain, and monitor local value pricing pilot programs. The statute provides that any value pricing project included under these programs may involve the use of tolls on the Interstate system. This is an exception to the general provisions concerning tolls on the Interstate system as contained in 23 U.S.C. 129 and 301. A maximum of $11 million is authorized for each of the fiscal years 2000 through 2003 to be made available to carry out Pilot Program requirements. The Federal share payable under the program is 80 percent of the cost of the project. Funds allocated by the Secretary to a State under this section shall remain available for obligation by the State for a period of three years after the last day of the fiscal year for which funds are authorized. If, on September 30 of any year, the amount of funds made available for the Pilot Program, but not allocated, exceeds $8 million, the excess amount will be apportioned to all States for purposes of the Surface Transportation Program.

Funds available for the Pilot Program can be used to support pre-project study activities and to pay for implementation costs of value pricing projects.

Section 1216(a)(5) of the TEA–21 amends section 1012(b) of the ISTEA by adding subsection (6) which provides that a State may permit vehicles with fewer than two occupants to operate in high occupancy vehicle (HOV) lanes if the vehicles are part of a local value pricing pilot program under this section. This is an exception to the general provision contained in 23 U.S.C. 102, that no fewer than two occupants per vehicle are allowed on HOV lanes. Potential financial effects of value pricing projects on low-income drivers shall be considered and, where such effects are expected to be significant, possible mitigation measures should be identified, such as providing new or expanded transit service as an integral part of the value pricing project. The costs of such mitigation measures can be included as part of the value pricing project implementation cost. The Secretary is required to report to Congress every two years on the effects of local value pricing pilot programs.

The Value Pricing Pilot Program is a continuation of the Congestion Pricing Pilot Program authorized by section 1012(b) of the ISTEA. Under this program, pricing projects have reached the implementation stage in San Diego, California; Lee County, Florida; Houston, Texas; and San Francisco, California. In addition, pre-program planning activities have been completed or are on-going in the following States: Oregon, California, Colorado, Minnesota, Washington, Florida, Maryland, Texas, and New York. Funds were also used to support the California DOT's monitoring and evaluation study of the private, variable-priced toll lanes along State Route 91 in Orange County, California.

Discussion of Comments

The FHWA received three comments to our previous notice published on October 5, 1998, at 63 FR 53487. One was a comment from a private citizen, one from a metropolitan planning organization, and one from a national trade association. Two of the comments were favorable. The third commenter, a national trade association expressed support for the value pricing concept. However, as a matter of policy, the association opposes new or increased peak period tolls on Interstate highways because it does not consider such tolls to be efficient and truckers do not have the same flexibility with regard to their schedules as motorists engaged in personal travel. However, based on the pilot projects to date that have implemented pricing programs on Interstates, tolling has only been implemented on special-use lanes, and has actually improved traffic flow slightly in the regular unrestricted use lanes by shifting some traffic from them to the tolled lanes.

Purpose

The purpose of this notice is to provide general information about the Pilot Program and the FWHA's plans for implementing the program, and to invite State or local governments or other public authorities to make applications for participation in the Pilot Program.

Definitions

''Value pricing,'' ''congestion pricing,'' ''peak-period pricing,'' ''variable pricing,'' or ''variable tolling,'' are all terms used to refer to direct time-of-travel charges for road use, possibly varying by location, time of day, severity of congestion, vehicle occupancy, or type of facility. By shifting some trips to off-peak periods, to mass transit or other higher-occupancy vehicles, or to routes away from congested facilities, or by encouraging consolidation of trips, value pricing charges are intended to promote economic efficiency both generally and within the commercial freight sector. They also reduce congestion, improve air quality, conserve energy, and meet transit productivity goals.

A ''value pricing project'' means any implementation of value pricing concepts or techniques meeting the definitions contained in this notice and included under a ''local value pricing pilot program'' under this section, where a local value pricing pilot program includes one or more value pricing projects serving a single geographic area, such as a metropolitan area. ''Cooperative agreement'' means the agreement signed between the FHWA and a State or local government, or other public authority to implement local value pricing pilot programs under this section (See 49 CFR part 18).

Program Objective

The overall objective of the Pilot Program is to support efforts by State and local governments or other public authorities to establish local value pricing pilot programs, to provide for the monitoring and evaluation of value pricing projects included in such programs, and to report on their effects. While the Pilot Program's primary focus is on value pricing on roads, consideration will also be given to the use of other market-based approaches to congestion relief, such as parking pricing, freight access pricing, electronic payment services linked to value pricing, or pay-as-you-drive services, such as usage based auto insurance, provided the project incorporates significant price variations by time, location, and/or level of congestion.

Potential Project Types

The FHWA is seeking proposals to use value pricing projects to reduce congestion, improve system performance, and promote mobility. Value pricing charges are expected to accomplish this purpose by encouraging the use of alternative times, modes, routes, or trip patterns. To increase the likelihood of generating information on a variety of useful value pricing strategies, proposed projects having as many of the following characteristics as possible will receive highest priority for Federal support. Projects of interest include:

1. Applications of value pricing which are comprehensive, such as area wide pricing, pricing of multiple facilities or corridors, and/or

combinations of road pricing and parking pricing.

2. Pricing may be available at key traffic bottlenecks, single traffic corridors, or pricing on single highway facilities, including bridges and tunnels. Proposals to shift from a fixed to a variable toll schedule on existing toll facilities are encouraged (*i.e.,* combinations of peak-period surcharges and off-peak discounts). Pricing of queue jumps is also eligible. A queue jump is defined as a facility that can be used by certain types of traffic to bypass points on the transportation network where congestion is particularly severe and occurs in a predictable pattern (colloquially called ''bottlenecks''). Queue jumps can be as elaborate as an elevated facility or as simple as an at-grade lane addition.

3. There are other applications of value pricing that are also acceptable, including pricing on lanes otherwise reserved for high occupancy vehicles, known as high occupancy toll (HOT) lanes, or pricing on newly constructed lanes. Highest priority will be given to lane pricing proposals that cover multiple facilities and/or offer innovative pricing, enforcement, or operational technologies. In order to protect the integrity of HOV programs, the FHWA will give priority to those HOT lane proposals where it is clear that an HOV lane is underutilized and where local officials can demonstrate that the pilot project would not undermine a long term regional strategy to increase ridesharing. In addition, areas proposing HOT lane projects are encouraged to use revenues from the project to promote improved transit service or other programs that will encourage transit use and ridesharing.

4. Innovative time-of-day parking pricing strategies, provided the level and coverage of proposed parking charges, is sufficient to reduce congestion. Parking pricing strategies that are integrated with other market-based pricing strategies (*e.g.,* value pricing) are encouraged. Parking pricing strategies should be designed to influence trip-making behavior, and might include peak-period parking surcharges, or policies such as parking cash-out, where cash is offered to employees in lieu of subsidized parking. Pricing of a single parking facility, coverage of a few employee spaces, or pricing of parking spaces in a small area, for example, are unlikely to receive priority treatment, unless they incorporate a truly unique element which might facilitate broader applications of value pricing across local areas and States.

5. Projects with anticipated value pricing charges that have as the key characteristic that they are targeted at vehicles causing congestion, and are set at levels significant enough to encourage drivers to use alternative times, routes, modes, or trip patterns during congested periods, are likely to receive favorable consideration. Proposed projects that contemplate value pricing charges that are not significant enough to influence demand, such as minor increases in fees during peak-periods, or moderate toll increases instituted primarily for financing purposes, will be given low priority.

6. Projects that are likely to add to the base of knowledge about the various design, implementation, effectiveness, operational, and acceptability dimensions of value pricing are eligible for consideration under the Pilot Program. The FHWA is seeking information related to the impacts of value pricing on the following: travel behavior (mode use, time-of-travel, trip destinations, trip generation, etc., by private and commercial trips); on traffic conditions (trip lengths, speeds, level of service); on implementation issues (technology, innovative pricing techniques, public acceptance, administration, operation, enforcement, legality, institutional issues, etc.); on revenues, their uses and financial plans; on different types of users and businesses; and on measures designed to mitigate possible adverse impacts and their effectiveness. These diverse information needs mean that the FHWA may fund different types of value pricing applications in different local contexts to maximize the potential of the pilot program.

7. Projects that do not have adverse effects on alternative routes or modes, or on low-income or other transportation disadvantaged groups, are encouraged under the Pilot Program. If such effects are anticipated, proposed pricing programs should incorporate measures to mitigate any major adverse impacts, including enhancement of transportation alternatives for peak-period travelers, services such as ''life-line'' toll rates aimed at low income travelers, and toll credits earned by motorists in regular lanes which can be used to pay tolls on priced lanes.

While the FHWA is seeking proposals that incorporate some or all of these project characteristics, these guidelines are intended only to illustrate selection priorities, not to limit potential program participants from proposing new and innovative pricing approaches for incorporation in the program.

Pre-Project Studies

A small amount of Pilot Program funds will be used to assist State and local governments in carrying out pre-project study activities designed to lead to implementation of a value pricing project, including activities such as pre-project planning, public participation, consensus building, modeling, impact assessment, financial planning studies, and work necessary to meet any Federal or State environmental or other planning requirements that assist in establishing value pricing projects and programs. The intent of the pre-project study phase of the Pilot Program is to support efforts to identify and evaluate value pricing project alternatives, and to prepare the necessary groundwork for possible future implementation. Purely academic studies of value pricing (not designed to lead to possible project implementation), or broad, area-wide planning studies which incorporate value pricing as an option, will not be funded under this program. Broad planning studies can be funded with regular Federal-aid highway or transit planning funds. Proposals for pre-project studies will be selected based on the likelihood that they will lead to implementation of pilot tests of value pricing meeting the characteristics described in the previous section.

Eligible Costs

Funds available for the Pilot Program can be used to support pre-project study activities and to pay for implementation costs of value pricing projects. Costs eligible for reimbursement include costs of planning for, setting up, managing, operating, monitoring, evaluating, and reporting on local value pricing pilot projects. Examples of specific costs eligible for reimbursement include the following:

1. *Pre-Project Study Costs*—Pre-project study activity costs allowed include: pre-project planning, public participation, consensus building, marketing, impact assessment, modeling, financial planning, technology assessments and specifications, and other pre-implementation work that relate to the establishment of the value pricing project. Costs of pre-project study activities cannot be reimbursed for longer than three years.

2. *Implementation Costs*—Implementation costs are costs necessary for implementation of specific value pricing projects such as costs for setting up, managing, operating, evaluating, and reporting on a value pricing project, including:

a. Costs associated with implementation of a value pricing project, including necessary salaries and expenses or other administrative and operational costs, such as installation of equipment necessary for operation of a pilot project (*e.g.,* AVI technology, video equipment for traffic monitoring, other instrumentation), enforcement costs, costs of monitoring and evaluating project operations, and costs of continuing public relations activities during the period of implementation.

b. Costs of providing transportation alternatives, such as new or expanded transit service provided as an integral part of the value pricing project. Funds are not available to replace existing sources of support for transit services.

c. Depending on the availability of funds, a limited amount of funds may be made available to toll authorities to purchase an insurance policy that will cover unanticipated lost revenue resulting from a pilot test of value pricing. This may be necessary to avoid jeopardizing a toll authority's bond covenants. If an agency decides to purchase an insurance policy to cover anticipated loss of revenue, federal participation would be no more than 50 percent of the total cost or a dollar cap. For example, a toll authority might propose a revenue-neutral pricing strategy with peak-period surcharges and off-peak discounts designed to shift demand patterns and improve customer service, or to reduce the need for future capacity expansion. Even though no reduction in toll revenues is intended, the FHWA recognizes that forecasting traffic and revenue changes is inherently uncertain, and that an insurance policy to offset any unintended toll revenue losses would be designed to help overcome institutional barriers to the testing and use of value pricing by existing toll authorities.

Project implementation costs can be supported for a period of at least one year, and thereafter until such time that the project generates sufficient revenues to fund its implementation costs without Federal support, except that implementation costs for a pilot project cannot be reimbursed for longer than three years. Each implementation project included in a local value pricing pilot program will be considered separately for this purpose. Funds may not be used to pay for activities conducted prior to approval of Pilot Program participation. Funds may not be used to construct new highway through lanes, bridges, etc., even if those facilities are to be priced, but toll ramps or minor pavement additions needed to facilitate toll collection or enforcement are eligible.

Complementary actions such as construction of HOV lanes, the implementation of traffic control systems or transit projects can be funded through other highway and transit programs eligible under TEA–21 and from new revenues raised as a result of a pilot. Those interested in participating in the Pilot Program are encouraged to explore opportunities for combining funds from these other programs with Pilot Program funds. This is not meant to imply that Federal funds may be used to match Pilot Program funds unless specific statutory authority permits such matching.

Eligible Uses of Revenue

The FHWA will provide up to the legislatively allowable 80 percent share of the estimated costs of an approved project. Any revenues generated by a pilot project must be applied first to pay for pilot project implementation costs. Any project revenues in excess of pilot project implementation expenses may be used for any programs eligible under title 23, U.S. Code. Uses of revenue are encouraged which will support the goals of the value pricing program, particularly uses designed to provide benefits to those traveling in the corridor where the project is being implemented.

Applying for Program Participation

Qualified applicants include local, regional and State government agencies, as well as public tolling authorities. Although project agreements must be with public authorities, a local value pricing program partnership may also include private tolling authorities and non-profit organizations. To streamline the process of applying for program participation as much as possible, it is suggested that, prior to submitting a formal application for program participation, potential applicants contact their State FHWA Division Office and/or the FHWA Highway Pricing and Systems Analysis Team in the Office of Transportation Policy Studies to discuss their interest in the Pilot Program and the general nature of the proposed local value pricing Pilot Program or pre-project study. The FHWA will then be able to provide materials and technical support to assist in the development of the application. Following this initial contact, potential applicants should submit a sketch plan for the proposed pricing program before developing a full-scale proposal. To facilitate a streamlined application process, the sketch plan need not exceed 15 pages. The sketch plan should provide a brief description of the following:

1. Congestion problem to be addressed.

2. Nature of proposed or potential pricing projects to respond to that problem, including overall project goals, potential facilities to be included, time line for study and possible implementation of value pricing projects.

3. Parties proposed as being signatories to the cooperative agreement with the FHWA. At a minimum, by the time the refined proposal is submitted, the local Metropolitan Planning Organization (MPO) and the owner/operator of the facility or facilities to be priced should express support for the program. Indications of support from affected parties, including representatives of business, labor, industry, transportation users, and/or local residents, or plans for obtaining such support should be included.

4. Extent of public participation in the development of the proposal, or of plans for future public participation activities. Potential equity consequences of any proposed projects should be portrayed in general terms, and if adverse impacts are anticipated, preliminary plans for responding to such problems should be identified.

5. Legal and administrative authority needed to carry out a value pricing project, extent to which these have been obtained, and further steps needed to obtain necessary authority.

6. Plans for pre-project study, or findings from complete pre-project studies. The sketch plan should be submitted through the State Department of Transportation to the appropriate FHWA Division Administrator, who will forward the plan to FHWA's Director, Office of Transportation Policy Studies. To expedite the review, the applicant should concurrently send a copy directly to the FHWA Highway Pricing and System Analysis Team at 400 Seventh Street, SW., Washington, D.C. 20590.

Based on initial review of the sketch plan, the FHWA will work with the proposing authority to develop a refined proposal for review by the Federal Interagency Review Group which provides support to the FHWA in evaluating program applications (see the caption ''Review Process,'' in this preamble below). Ideally, the refined proposal will include:

1. A description of the congestion problem being addressed (current and projected);

2. A description of the proposed pricing program and its goals, including description of facilities included, and, for implementation projects, expected

pricing schedules, technology to be used, enforcement programs, and so on;

3. Preliminary estimates of the social and economic effects of the pricing program, including potential equity impacts, and a plan or methodology for further refining these estimates for all pricing project(s) included in the program;

4. The role of alternative transportation modes in the project, and anticipated enhancements proposed to be included in the pricing program;

5. A time line for the pre-project study and implementation phases of the project (proposals indicating early implementation of pricing projects that will allow evaluation during the life of TEA–21 will receive priority);

6. A description of tasks to be carried out as part of each phase of the project, and an estimate of costs associated with each;

7. Plans for monitoring and evaluating value pricing implementation projects, including plans for data collection and analysis, before and after assessment, and long term monitoring and documenting of project effects;

8. A detailed finance and revenue plan, including for implementation projects a budget for capital and operating costs; a description of all funding sources, planned expenditures, proposed uses of revenues, and a plan for projects to become financially self-sustaining (without Federal support) within three years of implementation;

9. Plans for involving key affected parties, coalition building, media relations, etc., including either demonstration of previous public involvement in the development of the proposed pricing program, or plans to ensure adequate public involvement prior to implementation;

10. Plans for meeting all Federal, State and local legal and administrative requirements for project implementation, including necessary Federal-aid planning and environmental requirements. The FHWA will give priority to proposals where projects are included as a part of (or are consistent with) a broad program addressing congestion, mobility, air quality and energy conservation, where an area has congestion management systems (CMS) for Transportation Management Areas (urbanized areas over 200,000 population or those designated by the Secretary) and the congestion mitigation and air quality (CMAQ) program.

If some of these items are not available or fully developed at the time the proposal is submitted, proposals will still be considered for support if they meet some of the priority interests of the FHWA as described in this preamble under the caption ''Potential Project Types,'' and include some of the proposal characteristics described in this section, and there is a strong indication that these items will be completed within a short time.

Review Process

Upon receipt of the detailed proposal, the FHWA's Highway Pricing and Systems Analysis Team will arrange for a review of the proposal by the Federal Interagency Review Group established to assist the FHWA in assessing the likelihood that proposed local value pricing programs will provide valid and useful tests of value pricing concepts. The Review Group is composed of representatives of several concerned offices in the U.S. DOT, including offices in the FHWA, the Federal Transit Administration, the Office of the Secretary of Transportation, and the Office of Intermodalism. The U.S. Environmental Protection Agency and the U.S. Department of Energy are also represented on the Review Group. To facilitate review, applicants should submit an electronic copy of their application, plus an unbound reproducible hard copy of the proposal. As with the sketch plan, detailed proposals should be submitted through the MPO and/or State DOT to the appropriate FHWA Division Administrator, who will forward the plan to the FHWA's Director, Office of Transportation Policy Studies. The FHWA will review applications received and make program participant selections based on the criteria contained in this notice.

To ensure that all projects receive fair consideration, the FHWA encourages all potential grant applicants to submit their proposals no later than October 1, 2001, for FY 2002 funds and October 1, 2002, for FY 2003 funds. This timeline will allow for a fair comparison among proposals received and will also allow the FHWA to make timely recommendations to the Secretary regarding how to expend available funds in accordance with the criteria discussed in this preamble.

Cooperative Agreement

Based on the recommendations of the Review Group, the FHWA will identify those Pilot Program proposals which have the greatest potential for promoting the objectives of the Pilot Program, including demonstrating the effects of value pricing on driver behavior, traffic volume, ridesharing, transit ridership, air quality, availability of funds for transportation programs, and other measures of the effects of value pricing. Those Pilot Program candidates will then be invited to enter into negotiations with the FHWA to develop a cooperative agreement to define the scope of work for the value pricing program. The cooperative agreement will be governed by the Federal statutes and regulations cited in the agreement and 49 CFR part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as they relate to the acceptance and use of Federal funds for this program.

Prior to the FHWA approval of pricing project implementation, value pricing programs must be shown to be consistent with Federal metropolitan and statewide planning requirements.

Implementation projects outside metropolitan areas must be included in the approved statewide transportation improvement program and be selected in accordance with the requirements set forth in section 1204(f)(3) of the TEA–21.

Implementation projects in metropolitan areas must be: (a) Included in, or consistent with, the approved metropolitan transportation plan (if the area is in nonattainment for a transportation related pollutant, the metropolitan plan must be in conformance with the State air quality implementation plan); (b) included in the approved metropolitan and statewide transportation improvement programs (if the metropolitan area is in a nonattainment area for a transportation related pollutant, the metropolitan transportation improvement program must be in conformance with the State air quality implementation plan); (c) selected in accordance with the requirements in Public Law No. 105–178, section 1203(h)(5) or (i)(2); and (d) consistent with any existing congestion management system in transportation management areas, developed pursuant to 23 U.S.C. 134(i)(3).

Authority: 23 U.S.C. 315; sec. 1216(a), Pub. L. 105–178, 112 Stat. 107; 49 CFR 1.48

Issued on: April 27, 2001.

Vincent F. Schimmoller,

Deputy Executive Director.

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