



G4910-9X

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation

[Docket No. DOT-OST-2012-0012]

Notice of Funding Availability for the Department of Transportation's National Infrastructure Investments under the Full-Year Continuing Appropriations, 2012; and Request for Comments

AGENCY: Office of the Secretary of Transportation, DOT

ACTION: Notice of Funding Availability, Request for Comments

SUMMARY:

This notice announces the availability of funding and requests proposals for the Department of Transportation's National Infrastructure Investments. In addition, this notice announces selection criteria and pre-application and application requirements for the National Infrastructure Investments.

The Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. 112-055, Nov. 18, 2011) ("FY 2012 Appropriations Act") appropriated \$500 million to be awarded by the Department of Transportation ("DOT") for National Infrastructure Investments. This appropriation is similar, but not identical to the appropriation for the Transportation Investment Generating Economic Recovery, or "TIGER Discretionary Grant", program authorized and implemented pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Because of the similarity in program structure, DOT will continue to refer to the program as "TIGER Discretionary Grants." As with previous rounds of TIGER, funds for the FY 2012 TIGER program are to be

awarded on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area or a region.

Through this notice, DOT is soliciting applications for TIGER Discretionary Grants. In the event that this solicitation does not result in the award and obligation of all available funds, DOT may decide to publish an additional solicitation(s).

DATES: Pre-applications must be submitted by February 20, 2012, at 5:00 p.m. EST (the “Pre-Application Deadline”). Final applications must be submitted through Grants.gov by March 19, 2012, at 5:00 p.m. EDT (the “Application Deadline”). The DOT pre-application system will open on or before February 13, 2012, to allow prospective applicants to submit pre-applications. Subsequently, the Grants.gov “Apply” function will open on February 22, 2012, allowing applicants to submit applications. Applicants are encouraged to submit pre-applications and applications in advance of the deadlines.

ADDRESSES: Pre-applications must be submitted electronically to DOT and applications must be submitted electronically through Grants.gov. Only pre-applications received by DOT and applications received electronically through Grants.gov will be deemed properly filed. Instructions for submitting pre-applications to DOT and applications through Grants.gov are included in Section VII (*Pre-Application and Application Cycle*).

FOR FURTHER INFORMATION: For further information concerning this notice please contact the TIGER Discretionary Grant program staff via e-mail at TIGERGrants@dot.gov, or call Howard Hill at 202-366-0301. A TDD is available for

individuals who are deaf or hard of hearing at 202-366-3993. In addition, DOT will regularly post answers to questions and requests for clarifications on DOT's website at www.dot.gov/TIGER. Applicants are encouraged to contact DOT directly and rather than rely on third parties to receive information about TIGER Discretionary Grants.

SUPPLEMENTARY INFORMATION:

This notice is substantially similar to the Final notice published for the TIGER Discretionary Grant program in the Federal Register on August 12, 2011. However, there are a few significant differences:

1. To ensure applicants receive the most accurate information possible, Eligible Applicants must contact DOT directly, rather than through intermediaries, to get questions answered, set up briefings on the TIGER Discretionary Grants selection and award process, or receive other assistance.
2. As in previous rounds of TIGER, high speed and intercity passenger rail projects remain eligible for funding under this program and a high priority of this Administration. DOT would like to encourage those seeking funding for passenger rail projects to consider TIGER and will, therefore, make up to \$100 million in TIGER funds available to high speed and intercity passenger rail projects.
3. Applications must include a detailed statement of work, detailed project schedule, and detailed project budget in the project narrative. Due to the shorter timeframe allowed for the obligation of TIGER Discretionary Grant funds in this round of funding in comparison to previous rounds, applicants must include this detailed

information in their application in order to demonstrate that their projects are ready to proceed within this shortened timeframe.

4. The discussion on Benefit-Cost Analysis (*Appendix A: Additional Information on Benefit-Cost Analysis*) has been streamlined and includes tools to aid applicants in preparing their analyses.

Other than these differences, and minor edits for clarification and those made to conform the notice to the statutory circumstances of this round of TIGER Discretionary Grants funding, there have been no material changes made to the notice. Each section of this notice contains information and instructions relevant to the application process for these TIGER Discretionary Grants and prospective applicants should read this notice in its entirety so that they have the information they need to submit eligible and competitive applications.

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I. Background

On November 18, 2011, the President signed the FY 2012 Appropriations Act. This Act appropriated \$500 million to DOT for National Infrastructure Investments, using language that is similar, but not identical to the language in appropriations bills from FY 2010 and FY 2011 and the Recovery Act.

This program was first created in the 2009 Recovery Act, since which time DOT has referred to these grants as Transportation Investment Generating Economic Recovery or “TIGER Discretionary Grants.” Through the Recovery Act and continuing through the FY 2010 and 2011 appropriations processes, Congress has provided DOT with three rounds of competitive grants totaling just over \$2.6 billion for capital investments in surface transportation infrastructure. See DOT’s website at <http://www.dot.gov/tiger/index.html> for further background on the disbursement of past rounds of TIGER Discretionary Grants.

DOT’s most recent solicitation for TIGER Discretionary Grants occurred through a notice of funding availability published in the Federal Register on August 12, 2011 (an interim notice was published on July 1, 2011). Applications for TIGER Discretionary Grants were due on October 31, 2011 and 848 applications were received with funding requests totaling approximately \$14.29 billion. Awards for 46 capital projects totaling \$511 million were announced on December 15, 2011. Grant awards ranged from \$1 million to \$13.5 million for projects in rural areas and \$10 million to \$20 million for projects in urban areas. Projects were selected for funding based on their alignment with the selection criteria specified in the August 12, 2011, Federal Register notice.

FY 2012 TIGER Discretionary Grants

Like the previous rounds, this year’s TIGER Discretionary Grants are for capital investments in surface transportation infrastructure and are to be awarded on a

competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region.

“Eligible Applicants” for TIGER Discretionary Grants are State, local, and tribal governments, including U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multi-jurisdictional groups applying through a single lead applicant (for multi-jurisdictional groups, each member of the group, including the lead applicant, must be an otherwise Eligible Applicant as defined in this paragraph).

To ensure applicants receive the most accurate information possible, Eligible Applicants must contact DOT directly, rather than through intermediaries, to get questions answered, set up briefings on the TIGER Discretionary Grants selection and award process, or receive other assistance. Assistance can be obtained by simply calling or emailing the TIGER Discretionary Grant program staff via e-mail at TIGERGrants@dot.gov, or by calling Howard Hill at 202-366-0301.

Projects that are eligible for TIGER Discretionary Grants (“Eligible Projects”) include, but are not limited to: (1) highway or bridge projects eligible under title 23, United States Code; (2) public transportation projects eligible under chapter 53 of title 49, United States Code; (3) passenger and freight rail transportation projects; and (4) marine port infrastructure investments. Federal wage rate requirements included in subchapter IV of chapter 31 of title 40, United States Code, apply to all projects receiving funds, and apply to all parts of the project, whether funded with TIGER Discretionary Grant funds, other federal funds, or non-federal funds. This description of Eligible Projects is identical

to the description of eligible projects under earlier rounds of the TIGER Discretionary Grant program.¹

As was the case in earlier rounds of the TIGER Discretionary Grant program, Eligible Projects do not include research, demonstration, or pilot projects that do not result in publically accessible surface transportation infrastructure. To be funded, projects or elements of a project must demonstrate independent utility, which means that the project provides transportation benefits and is ready for broad public use upon completion of project construction.

Each applicant may submit no more than three applications for consideration to the TIGER Discretionary Grant Program to focus submissions on those applications that are most likely to align well with DOT's selection criteria. While applications may include requests to fund more than one project, applicants may not bundle together unrelated projects in the same application for purposes of avoiding the three application limit that applies to each applicant. Please note that the three application limit applies only to applications where the applicant is the lead applicant, and there is no limit on applications for which an applicant can be listed as a partnering agency. Also, DOT will not count any application for a multistate project against the three application limit to the extent multiple states are partnering to submit the application. Furthermore, jurisdictions that collaborate with regional partners on a priority application are more likely to be successful than those that choose separate priorities and apply separately because DOT

¹ Consistent with the FY 2012 Appropriations Act, DOT will apply the following principles in determining whether a project is eligible as a capital investment in surface transportation: (1) surface transportation facilities generally include roads, highways and bridges, marine ports, freight and passenger railroads, transit systems, and projects that connect transportation facilities to other modes of transportation; and (2) surface transportation facilities also include any highway or bridge project eligible under title 23, U.S.C., or public transportation project eligible under chapter 53 of title 49, U.S.C. Please note that the Department may use a TIGER Discretionary Grant to pay for the surface transportation components of a broader project that has non-surface transportation components, and applicants are encouraged to apply for TIGER Discretionary Grants to pay for the surface transportation components of these projects.

will give priority to applications that demonstrate a high degree of Jurisdictional & Stakeholder Collaboration (see *Section II. Selection Criteria and Guidance on Application of Selection Criteria*). If any lead applicant submits more than three applications, only the first three received will be considered.

The FY 2012 Appropriations Act requires a new solicitation of applications and, therefore, any unsuccessful applicant for earlier rounds of TIGER Discretionary Grants that wishes to be considered for a TIGER Discretionary Grant this year must reapply according to the procedures in this notice.

The FY 2012 Appropriations Act specifies that TIGER Discretionary Grants may be not less than \$10 million (except in rural areas) and not greater than \$200 million. The FY 2012 Appropriations Act does not provide authority to waive the minimum \$10 million grant size for projects located in urbanized areas. For projects located in rural areas (as defined in Section V (*Projects in Rural Areas*)), the minimum TIGER Discretionary Grant size is \$1 million. The term “grant” in the provision of the FY 2012 Appropriations Act specifying a minimum grant size does not include TIGER TIFIA Payments, as described below.

DOT reserves the right to award funds for a part of the project, not the full project, if a part of the project has independent utility and aligns well with the selection criteria specified in this notice.

Pursuant to the FY 2012 Appropriations Act, no more than 25 percent of the funds made available for TIGER Discretionary Grants (or \$125 million) may be awarded to projects in a single State.

The FY 2012 Appropriations Act directs that not less than \$120 million of the funds provided for TIGER Discretionary Grants be used for projects located in rural areas.

Further, in awarding TIGER Discretionary Grants pursuant to the FY 2012 Appropriations Act, DOT must take measures to ensure an equitable geographic distribution of grant funds, an appropriate balance in addressing the needs of urban and rural areas and the investment in a variety of transportation modes. As in previous rounds of TIGER, high speed and intercity passenger rail projects remain eligible for funding under this program and a high priority of this Administration. DOT would like to encourage those seeking funding for passenger rail projects to consider TIGER and will, therefore, make up to \$100 million in TIGER funds available to high speed and intercity passenger rail projects.

TIGER Discretionary Grants may be used for up to 80 percent of the costs of a project, but priority must be given to projects for which Federal funding is required to complete an overall financing package and projects can increase their competitiveness by demonstrating significant non-Federal contributions. DOT may increase the Federal share above 80 percent only for projects located in rural areas, in which case DOT may fund up to 100 percent of the costs of a project. Therefore, for projects located in urban areas, based on the statutory requirements of at least 20 percent non-Federal cost share and a minimum grant size of \$10 million, the minimum total project size for an eligible project is \$12.5 million (where the minimum \$10 million TIGER Discretionary Grant request represents 80 percent of the total project cost). The minimum total project size for an eligible project in a rural area is \$1 million (where the entire project cost is funded with a TIGER Discretionary Grant). However, the statutory requirement to give priority to projects that use Federal funds to complete an overall financing package applies to projects located in rural areas as well, and projects located in rural areas can increase their competitiveness for purposes of the TIGER program by demonstrating significant

non-Federal financial contributions. In the FY2011 competition, on average, urban projects pledged 65% non-Federal funds while rural projects featured more than 46% non-Federal funds. Three TIGER-TIFIA projects will use only 2% TIGER funds but leverage more than \$1.8 billion in non-Federal investment. DOT will consider any non-Federal funds as well as funds from the Indian Reservation Roads Program as a local match for purposes of this program, whether such funds are contributed by the public sector (State or local) or the private sector. However, DOT cannot consider funds already expended as a local match.

The 2012 Appropriations Act requires that TIGER funds are only available for obligation through September 30, 2013. The limited amount of time for which the funds will be made available means that DOT will focus on the extent to which a project is ready to proceed with obligation of grant funds when evaluating applications, and give priority to those projects that are ready to proceed sooner than other competitive projects.

The FY 2012 Appropriations Act allows for an amount not to exceed \$175 million of the \$500 million to be used to pay the subsidy and administrative costs for a project receiving credit assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (“TIFIA”) program, if it would further the purposes of the TIGER Discretionary Grant program. DOT is referring to these payments as “TIGER TIFIA Payments.” The amount of budget authority required to support TIFIA credit assistance is calculated on a project-by-project basis. Applicants for TIGER TIFIA Payments should submit an application pursuant to this notice and a separate TIFIA letter of interest, as described below in Section VI (*TIGER TIFIA Payments*). Unless otherwise noted, or the context requires otherwise, references in this notice to TIGER Discretionary Grants include TIGER TIFIA Payments.

Due to the limited funding available under this program, applicants that require a substantial amount of funds to complete a financing package should consider whether a TIGER TIFIA Payment may provide more value for their project than a comparable award of grant funds. DOT reserves the right to offer a TIGER TIFIA Payment to an applicant that applied for a TIGER Discretionary Grant even if DOT does not choose to fund the requested TIGER Discretionary Grant and the applicant did not specifically request a TIGER TIFIA Payment.

While TIFIA support has most often been sought for road and bridge projects (including multiple TIGER TIFIA payments for managed lanes projects), TIFIA is a multimodal program. DOT encourages applicants seeking support for large multimodal projects that meet TIFIA eligibility criteria, including major transit projects, to consider TIGER TIFIA Payments as a means for federal support of these projects. In the past two rounds of TIGER Discretionary Grants, two TIGER TIFIA Payments were awarded to transit agencies for the expansion of fixed guideway transit systems.

TIGER grant recipients may apply for funding to support additional phases of a project awarded funds in earlier rounds of this program. However, to be competitive, any phase awarded funding in the past should be at or near completion, and the applicant should provide data about how the project is performing based on the benefits expected in the original application.

The FY 2012 Appropriations Act provides that the Secretary of Transportation may retain up to \$20 million of the \$500 million to fund the award and oversight of TIGER Discretionary Grants. Portions of the \$20 million may be transferred for these purposes to the Administrators of the Federal Highway Administration, the Federal Transit

Administration, the Federal Railroad Administration, and the Federal Maritime Administration.

The purpose of this notice is to solicit applications for TIGER Discretionary Grants. This is a final notice.

TIGER DISCRETIONARY GRANTS

II. Selection Criteria and Guidance on Application of Selection Criteria

This section specifies the criteria that DOT will use to evaluate applications for TIGER Discretionary Grants. The criteria incorporate the statutory eligibility requirements for this program, which are specified in this notice as relevant. This section is divided into two parts. Part A (*Selection Criteria*) specifies the criteria that DOT will use to rate projects. Additional guidance about how DOT will apply these criteria, including illustrative metrics and examples, is provided in Part B (*Additional Guidance on Selection Criteria*).

A. Selection Criteria

TIGER Discretionary Grants will be awarded based on the selection criteria as outlined below. There are two categories of selection criteria, “Primary Selection Criteria” and “Secondary Selection Criteria.”

1. Primary Selection Criteria:

(a) Long-Term Outcomes

DOT will give priority to projects that have a significant impact on desirable long-term outcomes for the Nation, a metropolitan area, or a region. Applications that do not demonstrate a likelihood of significant long-term benefits in this criterion will not proceed in the evaluation process. The following types of long-term outcomes will be given priority:

- (i) State of Good Repair:** Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
- (ii) Economic Competitiveness:** Contributing to the economic competitiveness of the United States over the medium- to long-term.
- (iii) Livability:** Fostering livable communities through policies and investments that increase transportation choices and access to transportation services for people in communities across the United States.
- (iv) Environmental Sustainability:** Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.
- (v) Safety:** Improving the safety of U.S. transportation facilities and systems.

(b) Job Creation & Near-Term Economic Activity

Job creation and near-term economic activity remain a top priority of this Administration; therefore, DOT will give priority to projects that are expected to quickly create and preserve jobs and promote rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161) (“Economically Distressed Areas”)².

² While Economically Distressed Areas are typically identified under the Public Works and Economic Development Act at the county level, for the purposes of this program DOT will consider regions, municipalities, smaller areas within larger communities, or other geographic areas to be Economically

2. Secondary Selection Criteria

(a) Innovation

DOT will give priority to projects that use innovative strategies to pursue the long-term outcomes outlined above.

(b) Partnership

DOT will give priority to projects that demonstrate strong collaboration among a broad range of participants, integration of transportation with other public service efforts, and/or are the product of a robust planning process.

B. Additional Guidance on Selection Criteria

The following additional guidance explains how DOT will evaluate each of the selection criteria identified above in Section II(A) (*Selection Criteria*). Applicants are encouraged to demonstrate the responsiveness of a project to any and all of the selection criteria with the most relevant information that applicants can provide, regardless of whether such information has been specifically requested, or identified, in this notice. Any such information shall be considered part of the application, not supplemental, for purposes of the application size limits specified below in Section VII(D) (*Length of Application*).

1. Primary Selection Criteria:

(a) Long-Term Outcomes

In order to measure a project's alignment with this criterion, DOT will assess the public benefits generated by the project, as measured by the extent to which a project produces one or more of the following outcomes.

Distressed Areas if an applicant can demonstrate that any such area otherwise meets the requirements of an Economically Distressed Area as defined in section 301 of the Public Works and Economic Development Act of 1965.

(i) State of Good Repair: In order to determine whether the project will improve the condition of existing transportation facilities or systems, including whether life-cycle costs will be minimized, DOT will assess (i) whether the project is part of, or consistent with, relevant State, local or regional efforts and plans to maintain transportation facilities or systems in a state of good repair, (ii) whether an important aim of the project is to rehabilitate, reconstruct or upgrade surface transportation assets that, if left unimproved, threaten future transportation network efficiency, mobility of goods or accessibility of people, or economic growth due to their poor condition, (iii) whether the project is appropriately capitalized up front and uses asset management approaches that optimize its long-term cost structure, and (iv) the extent to which a sustainable source of revenue is available for long-term operations and maintenance of the project. The application should include any quantifiable metrics of the facility or system's current condition and performance and, to the extent possible, projected condition and performance, with an explanation of how the project will improve the facility or system's condition, performance and/or long-term cost structure, including calculations of avoided operations and maintenance costs and associated delays.

(ii) Economic Competitiveness: In order to determine whether a project promotes the economic competitiveness of the United States, DOT will assess whether the project will measurably contribute over the long term to growth in the productivity of the American economy. For

purposes of aligning a project with this outcome, applicants should provide evidence of how improvements in transportation outcomes (such as time savings and operating cost savings) translate into long-term economic productivity benefits. These long-term economic benefits that are provided by the completed project are different from the near-term economic benefits of construction that are captured in the Job Creation & Near-Term Economic Activity criterion. In weighing long-term economic competitiveness benefits, applicants should describe how the project supports increased long-term efficiency and productivity.

Priority consideration will be given to projects that: (i) improve long-term efficiency, reliability or cost-competitiveness in the movement of workers or goods, with a particular focus on projects that have a significant effect on reducing the costs of transporting export cargoes, or (ii) make improvements that increase the economic productivity of land, capital or labor at specific locations, particularly Economically Distressed Areas. Applicants may propose other methods of demonstrating a project's contribution to the economic competitiveness of the country and such methods will be reviewed on a case-by-case basis.

Economic competitiveness may be demonstrated by the project's ability to increase the efficiency and effectiveness of the transportation system through integration or better use of all existing transportation infrastructure. This may be evidenced by the project's involvement

with or benefits to more than one mode and/or its compatibility with and its connection to other modes and facilities. Applications that demonstrate increases in efficiency for exports will be given priority in the evaluation process.

For purposes of demonstrating economic benefits, applicants should estimate National-level or region-wide economic benefits on productivity and production (e.g., reduced shipping costs or travel times for U.S. exports originating both inside and outside of the region), and should take care not to include economic benefits that are being shifted from one location in the United States to another location. Highly localized benefits will receive the most consideration under circumstances where such benefits are most likely to improve an Economically Distressed Area (as defined herein) or otherwise improve access to more productive employment opportunities for under-employed and disadvantaged populations.

(iii) Livability: Livability investments are projects that not only deliver transportation benefits, but are also designed and planned in such a way that they have a positive impact on qualitative measures of community life. This element of long-term outcomes delivers benefits that are inherently difficult to measure. However, it is implicit to livability that its benefits are shared and therefore magnified by the number of potential users in the affected community. Therefore, descriptions of how projects enhance livability should include a description of the affected community and the scale of the project's

impact as measured in person-miles traveled or number of trips affected. In order to determine whether a project improves the quality of the living and working environment of a community, DOT will consider whether the project furthers the six livability principles developed by DOT with the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) as part of the Partnership for Sustainable Communities, which are listed fully at <http://www.dot.gov/affairs/2009/dot8009.htm>. For this criterion, the Department will give particular consideration to the first principle, which prioritizes the creation of affordable and convenient transportation choices.³ Specifically, DOT will qualitatively assess whether the project:

- (1) will significantly enhance or reduce the average cost of user mobility through the creation of more convenient transportation options for travelers;
- (2) will improve existing transportation choices by enhancing points of modal connectivity, increasing the number of modes accommodated on existing assets, or reducing congestion on existing modal assets;
- (3) will improve accessibility and transport services for economically disadvantaged populations, non-drivers, senior citizens, and

³ In full, this principle reads: “**Provide more transportation choices.** Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nations’ dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.”

persons with disabilities, or will make goods, commodities, and services more readily available to these groups; and/or

(4) is the result of a planning process which coordinated transportation and land-use planning decisions and encouraged community participation in the process, such as planning conducted with TIGER II Planning Grants, the Department of Housing and Urban Development's Regional Planning Grants, or the Environmental Protection Agency's Brownfield Area-Wide Planning Pilot Program as well as technical assistance programs focused on livability or economic development planning.

Livability improvements may include projects for new or improved biking and walking infrastructure. However, particular attention will be paid to the degree to which such projects contribute significantly to broader traveler mobility, including for people with disabilities, through intermodal connections, enhanced job commuting options, or improved connections between residential and commercial areas. Projects that appear designed primarily as recreational facilities and do not enhance traveler mobility as described above will not be funded.

(iv) Environmental Sustainability: In order to determine whether a project promotes a more environmentally sustainable transportation system, DOT will assess the project's ability to:

(1) improve energy efficiency, reduce dependence on oil and/or reduce greenhouse gas emissions, (applicants are encouraged to provide quantitative information regarding expected reductions in

emissions of CO₂ or fuel consumption as a result of the project, or expected use of clean or alternative sources of energy; projects that demonstrate a projected decrease in the movement of people or goods by less energy-efficient vehicles or systems will be given priority under this factor); and

(2) maintain, protect or enhance the environment, as evidenced by its avoidance of adverse environmental impacts (for example, adverse impacts related to air or water quality, wetlands, and endangered species) and/or by its environmental benefits (for example, improved air quality, wetlands creation or improved habitat connectivity).

Applicants are encouraged to provide quantitative information that validates the existence of substantial transportation-related costs related to energy consumption and adverse environmental effects and evidence of the extent to which the project will reduce or mitigate those costs.

(v) Safety: In order to determine whether the project improves safety, DOT will assess the project's ability to reduce the number, rate and consequences of surface transportation-related crashes, injuries, and fatalities among drivers and/or non-drivers in the United States or in the affected metropolitan area or region, and/or the project's contribution to the elimination of highway/rail grade crossings, the protection of pipelines, or the prevention of unintended release of hazardous materials.

Evaluation of Expected Project Costs and Benefits: DOT believes that benefit-cost analysis (“BCA”) is an important discipline. For BCA to yield useful results, a robust consideration of costs and benefits is necessary. These include quantified fuel and travel time savings as well as reductions in greenhouse gas emissions, water quality impacts, and public health effects as well as quantification of other costs and benefits that are more indirectly related to vehicle-miles or that are harder to measure. In addition, BCA should attempt to measure the indirect effects of transportation investments on land use and on the portions of household budgets spent on transportation. The systematic process of comparing expected benefits and costs helps decision-makers organize information about, and evaluate trade-offs between, alternative transportation investments.⁴

Therefore, applicants for TIGER Discretionary Grants are generally required to identify, quantify, and compare expected benefits and costs, subject to the following qualifications:

All applicants will be expected to prepare an analysis of benefits and costs; however, DOT understands that the detail of analysis that should be expected (for items such as surveys, travel demand forecasts, market forecasts, statistical analyses) is less for smaller projects than for larger projects. The level of resources devoted to preparing the benefit-cost analysis should be reasonably related to the size of the overall project and the amount of grant funds requested in the application. Any subjective estimates of benefits and costs should still be quantified, and applicants should provide whatever evidence they have available

⁴ DOT has a responsibility under Executive Order 12893, Principles for Federal Infrastructure Investments, 59 FR 4233, to base infrastructure investments on systematic analysis of expected benefits and costs, including both quantitative and qualitative measures.

to lend credence to their subjective estimates. Estimates of benefits should be presented in monetary terms whenever possible; if a monetary estimate is not possible, then at least a quantitative estimate (in physical, non-monetary terms, such as crash rates, ridership estimates, emissions levels, etc.) should be provided.

The lack of a useful analysis of expected project benefits and costs may be the basis for not selecting a project for award of a TIGER Discretionary Grant to an applicant. If it is clear to DOT that the total benefits of a project are not reasonably likely to justify the project's costs, DOT will not award a TIGER Discretionary Grant to the project.

Detailed guidance for the preparation of benefit-cost analyses is provided in Appendix A. Benefits should be presented, whenever possible, in a tabular form showing benefits and costs in each year for the useful life of the project. Benefits and costs should both be discounted to the year 2012, and present discounted values of both the stream of benefits and the stream of costs should be calculated. If the project has multiple parts, each of which has independent utility, the benefits and costs of each part should be estimated and presented separately. The results of the benefit-cost analysis should be summarized in the Project Narrative section of the application itself, but the details may be presented in an attachment to the application if the full analysis cannot be included within the page limit for the project narrative.

Evaluation of Project Performance: Each applicant selected for TIGER Discretionary Grant funding will be required to work with DOT on the development and implementation of a plan to collect information and report on

the project's performance with respect to the relevant long-term outcomes that are expected to be achieved through construction of the project.

(b) Job Creation & Near-Term Economic Activity

In order to measure a project's alignment with this criterion, DOT will assess whether the project promotes the short- or long-term creation or preservation of jobs and whether the project rapidly promotes new or expanded business opportunities during construction of the project or thereafter. Applicants are encouraged to provide information to assist DOT in making these assessments, including the total amount of funds that will be expended on construction and construction-related activities by all of the entities participating in the project and, to the extent measurable, the number and type of jobs to be created and/or preserved by the project by calendar quarters during construction and annually thereafter. Applicants should also identify any business enterprises to be created or benefited by the project during its construction and once it becomes operational.⁵

⁵ The Executive Office of the President, Council of Economic Advisers, (CEA), issued a memorandum in May 2009 on "Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009." That memorandum provides a simple rule for estimating job-years created by government spending, which is that \$92,000 of government spending creates one job-year (or 10,870 job-years per billion dollars of spending). More recently, in September 2011, based on further analysis both of actual job-creation experience from transportation projects under the Recovery Act and on further macroeconomic analysis, the CEA determined that a job-year is created by every \$76,923 in transportation infrastructure spending (or 13,000 job-years per billion dollars of transportation infrastructure spending). This figure can now be used in place of the earlier \$92,000/job-year estimate. Applicants can use this estimate as an appropriate indicator of direct, indirect and induced job-years created by TIGER Discretionary Grant spending, but are encouraged to supplement or modify this estimate to the extent they can demonstrate that such modifications are justified. However, since this guidance makes job creation purely a function of the level of expenditure, applicants should also demonstrate how quickly jobs will be created under the proposed project. Projects that generate a given number of jobs more quickly will have a more favorable impact on economic recovery. A quarter-by-quarter projection of the number of direct job-hours expected to be created by the project is useful in assessing the impacts of a project on economic recovery. Furthermore, applicants should be aware that certain types of expenditures are less likely to align well with the Job Creation & Near-Term Economic Activity criterion. These types of expenditures include, among other things, engineering or design work and purchasing existing facilities or right-of-way.

DOT will continue to apply the Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 issued by the Office of Management and Budget (“OMB”) on April 3, 2009 (the “OMB Guidance”) to the TIGER Discretionary Grants program as a matter of policy, and consistent with applicable Federal laws. Applicants are encouraged to provide information to assist DOT in assessing (1) whether the project will promote the creation of job opportunities for low-income workers through the use of best practice hiring programs and apprenticeship (including pre-apprenticeship) programs; (2) whether the project will provide maximum practicable opportunities for small businesses and disadvantaged business enterprises, including veteran-owned small businesses and service disabled veteran-owned small businesses; (3) whether the project will make effective use of community-based organizations in connecting disadvantaged workers with economic opportunities; (4) whether the project will support entities that have a sound track record on labor practices and compliance with Federal laws ensuring that American workers are safe and treated fairly; and (5) whether the project implements best practices, consistent with our Nation’s civil rights and equal opportunity laws, for ensuring that all individuals – regardless of race, gender, age, disability, and national origin – benefit from TIGER grant funding.

To the extent possible, applicants should indicate whether the populations most likely to benefit from the creation or preservation of jobs or new or expanded business opportunities are from Economically Distressed Areas. In addition, to the extent possible, applicants should indicate whether the project’s

procurement plan is likely to create follow-on jobs and near-term economic activity for manufacturers and suppliers that support the construction industry.

In evaluating a project's alignment with this criterion, DOT will assess whether a project is ready to proceed rapidly upon receipt of a TIGER Discretionary Grant (see *Appendix C: Additional Information on Project Readiness Guidelines* for further details), as evidenced by:

- (i) Project Schedule:** Applicants must include a detailed project schedule in this section of their application, which should include major and minor project milestones. If the project will be completed in individual segments or phases, these segments or phases must be described individually. A feasible and sufficiently detailed project schedule demonstrating that the project can begin construction quickly upon receipt of a TIGER Discretionary Grant⁶, and that the grant funds will be spent steadily and expeditiously once construction starts; the schedule should show how many direct, on-project jobs are expected to be created or sustained during each calendar quarter after the project is underway. Any applicant that is applying for a TIGER Discretionary Grant and does not own all of the property or right-of-way required to complete the project should provide evidence that the property and/or right-of-way owner whose permission is required to complete the project supports the application and will cooperate in carrying out the activities to be supported by the TIGER Discretionary Grant;

⁶Each applicants should demonstrate that any potential grant funding awarded to their project can be obligated no later than June 30, 2013, in order give DOT comfort that the TIGER Discretionary Grant funds are likely to be obligated in advance of the September 30, 2013, statutory deadline, and that any unexpected delays will not put TIGER Discretionary Grant funds at risk of expiring before they are obligated.

(ii) Environmental Approvals: Receipt (or reasonably anticipated receipt) of all environmental approvals and permits necessary for the project to proceed to construction on the timeline specified in the project schedule and necessary to meet the statutory obligation deadline, including satisfaction of all Federal, State and local requirements and completion of the National Environmental Policy Act (“NEPA”) process;

To demonstrate satisfaction of this requirement, applicants will be asked to provide assurances with their pre-applications and evidence with their applications that NEPA review is complete or substantially complete and submit relevant draft or final NEPA documentation – preferably by way of a Website link – for DOT review.

DOT is unlikely to select a project for TIGER Discretionary Grant funding if it involves, or potentially involves, significant environmental impacts and/or is not clearly likely to complete required environmental and regulatory reviews in time to meet the obligation deadline of September 30, 2013.

If an applicant has not substantially completed the NEPA process the applicant should provide information on the project’s current status in the NEPA process and an estimate of the latest date that the NEPA process is reasonably expected to be completed. If an applicant has not initiated the NEPA process, the applicant must provide a reasonable justification for why the NEPA process has not yet been initiated as of the date of this notice and an assurance that the necessary

environmental reviews can be completed with enough time for any post-NEPA, pre-obligation activities to be completed by June 30, 2013, in order to give DOT comfort that all of the TIGER Discretionary Grant funds are likely to be obligated in advance of the September 30, 2013, statutory deadline. An example of a reasonable justification for why an applicant has not initiated NEPA review would be if, prior to the availability of TIGER Discretionary Grant funds, there was no reasonable expectation of receiving Federal funding for the project. A project selected for award that has not completed the NEPA process may not be permitted to use grant funds for construction and related activities until NEPA is complete and all other necessary environmental approvals have been received.

An applicant seeking to demonstrate timely environmental review and permitting should submit the information listed below with its application:

- a. The information required under Sections VII(C)(2)(V) and VII(F)-(G) (*Contents of Applications*) of this notice;
- b. Environmental studies or other documents – preferably by way of a Website link – that describe in detail known potential project impacts, and possible mitigation for those impacts;
- c. A description of completed, or planned and anticipated coordination with Federal and State regulatory agencies for permits and approvals;

- d. An estimate of the time required for completion of NEPA and all other required Federal, State or local environmental approvals; and
- e. An identification of the proposed NEPA class of action (i.e., Categorical Exclusion, Environmental Assessment, or Environmental Impact Statement).

(iii)Legislative Approvals: Receipt of all necessary legislative approvals (for example, legislative authority to charge user fees or set toll rates), and evidence of support from State and local elected officials; evidence of support from all relevant State and local officials is not required, however, the evidence should demonstrate that the project is broadly supported;

(iv)State and Local Planning: The planning requirements of the operating administration administering the TIGER project will apply.⁷ Where required by an operating administration, applicants should demonstrate that a project that is required to be included in the relevant State, metropolitan, and local planning documents, has been or will be included. One way applicants may do this is by providing a link to a website showing the planning documents. If the project is not included

⁷ All regionally significant projects requiring an action by the FHWA or the FTA must be in the metropolitan transportation plan, TIP and STIP. Further, in air quality non-attainment and maintenance areas, all regionally significant projects, regardless of the funding source, must be included in the conforming metropolitan transportation plan and TIP. To the extent a project is required to be on a metropolitan transportation plan, TIP and/or STIP it will not receive a TIGER Discretionary Grant until it is included in such plans. Projects not currently included in these plans can be amended in by the State and MPO. Projects that are not required to be in long range transportation plans, STIPs and TIPs will not need to be included in such plans in order to receive a TIGER Discretionary Grant. Freight and passenger rail projects are not required to be on the State Rail Plans called for in the Passenger Rail Investment and Improvement Act of 2008. This is consistent with the exemption for high speed and intercity passenger rail projects under the Recovery Act. However, applicants seeking funding for freight and passenger rail projects are encouraged to demonstrate that they have done sufficient planning to ensure that projects fit into a prioritized list of capital needs and are consistent with long-range goals.

in the relevant planning documents at the time the application is submitted, applicants should submit a certification from the appropriate planning agency that actions are underway at the time of the application to include the project in the relevant planning document;

(v) Technical Feasibility: The technical feasibility of the project should be demonstrated by previously performed and/or ongoing engineering and design studies and activities; the development of design criteria and/or a basis of design; the basis for the cost estimate presented in the TIGER application, including the identification of contingency levels appropriate to its level of design; and any scope, schedule, and budget risk-mitigation measures. Applicants must include a detailed statement of work that focuses on the technical and engineering aspects of the project. If the project will be completed in individual segments or phases, these segments or phases must be described individually. For projects generating ongoing operating expenses, an estimate of those expenses and a basis for the estimate must be included. Technical feasibility also includes the technical capacity of the project sponsor, including a staffing and management plan, demonstrated experience in successfully implementing (on-time and on-budget) similar capital investments, and other indications of sponsor and partner technical capacity to construct the project.; and

(vi) Financial Feasibility: The viability and completeness of the project's financing package (assuming the availability of the requested TIGER

Discretionary Grant funds), including evidence of stable and reliable capital and (as appropriate) operating revenue commitments sufficient to cover estimated costs; the availability of contingency reserves should planned capital or operating revenue sources not materialize; evidence of the financial condition of the project sponsor; and evidence of the grant recipient's ability to manage grants. Applicants must demonstrate financial feasibility by including a detailed project budget in this section of their application, which should include a detailed breakdown of how the funds will be spent that provides estimates – both dollar amount and percentage of cost – of how much each activity would cost – e.g. preparation, grading, asphalt, etc. If the project will be completed in individual segments or phases, a budget for each individual segment or phase must be included.

DOT reserves the right to revoke any award of TIGER Discretionary Grant funds and to award such funds to another project to the extent that such funds cannot be timely expended and/or construction does not begin in accordance with the project schedule. Because projects have different schedules DOT will consider on a case-by-case basis how much time after selection for award of a TIGER Discretionary Grant each project has before funds must be obligated (consistent with law) and construction started through an executed grant agreement between the selected applicant and Cognizant Modal Administration. This deadline will be specified for each TIGER Discretionary Grant in the project-specific grant agreements signed by the grant recipients and will be based on critical path items identified by applicants in response to items (i) through (vi) above. DOT expects

that pre-conditions be complete and TIGER Discretionary Grants funds obligated on or before June 30, 2013, in order to give DOT comfort that all TIGER Discretionary Grant funds will be obligated before the statutory deadline of September 30, 2013. By statute, DOT's ability to obligate funds for TIGER Discretionary Grants expires on September 30, 2013, and DOT has no authority to extend the deadline.

2. Secondary Selection Criteria:

(a) Innovation

In order to measure a project's alignment with this criterion, DOT will assess the extent to which the project uses innovative technology (including, for example, intelligent transportation systems, dynamic pricing, value capture, rail wayside or on-board energy recovery, smart cards, real-time dispatching, active traffic management, radio frequency identification (RFID), or others) to pursue one or more of the long-term outcomes outlined above and/or to significantly enhance the operational performance of the transportation system. DOT will also assess the extent to which the project incorporates innovations that demonstrate the value of new approaches to, among other things, transportation funding and finance, contracting, project delivery, congestion management, safety management, asset management, or long-term operations and maintenance. The applicant should clearly demonstrate that the innovation is designed to pursue one or more of the long-term outcomes outlined above and/or significantly enhance the transportation system.

DOT will consider the extent to which innovative, multi-modal projects might be difficult to fund under other programs and will give priority to projects that

align well with the Primary Selection Criteria but are unlikely to receive funding under traditional programs.

(b) Partnership

(i) Jurisdictional & Stakeholder Collaboration: In order to measure a project's alignment with this criterion, DOT will assess the project's involvement of non-Federal entities and the use of non-Federal funds, including the scope of involvement and share of total funding. DOT will give priority to projects that receive financial commitments from, or otherwise involve, State and local governments, other public entities, or private or nonprofit entities, including projects that engage parties that are not traditionally involved in transportation projects, such as nonprofit community groups. Pursuant to the OMB Guidance, DOT will give priority to projects that make effective use of community-based organizations in connecting disadvantaged people with economic opportunities. Letters of commitment and other supporting documentation showing existing or confirmed collaboration, partnerships, etc., should be provided (preferably through a website link) to demonstrate alignment with this criterion

In compliance with the FY 2012 Appropriations Act, DOT will give priority to projects for which a TIGER Discretionary Grant will help to complete an overall financing package. An applicant should clearly demonstrate in the application the extent to which the project cannot be readily and efficiently completed without Federal assistance, and the extent to which other sources of Federal assistance are or are

not readily available for the project. DOT will assess the amount of private debt and equity to be invested in the project or the amount of co-investment from State, local or other non-profit sources.

DOT will also assess the extent to which the project application demonstrates collaboration among neighboring or regional jurisdictions to achieve National, regional or metropolitan benefits. Multiple States or jurisdictions may submit a joint application and should identify a lead State or jurisdiction as the primary point of contact. Where multiple States or jurisdictions are submitting a joint application, the application should demonstrate how the project costs are apportioned between the States or jurisdictions to assist DOT in making the distributional determinations described below in Section III(C) (*Distribution of Funds*).

(ii) Disciplinary Integration: In order to demonstrate the value of partnerships across government agencies that serve various public service missions and to promote collaboration on the objectives outlined in this notice, DOT will give priority to projects that are supported, financially or otherwise, by non-transportation public agencies that are pursuing similar objectives. For example, DOT will give priority to transportation projects that are coordinated with economic development, housing, water infrastructure and land use plans and policies; similarly, DOT will give priority to transportation projects that encourage energy efficiency or improve the environment and are supported by relevant public agencies with energy or

environmental missions. Projects that grow out of a robust planning process – such as those conducted with TIGER II Planning Grants, the Department of Housing and Urban Development’s Regional Planning Grants, or the Environmental Protection Agency’s Brownfield Area-Wide Planning Pilot Program as well as technical assistance programs focused on livability or economic development planning – will also be given priority.

III. Evaluation and Selection Process

A. Evaluation Process

TIGER Discretionary Grant applications will be evaluated in accordance with the below discussed evaluation process. DOT will establish a pre-application evaluation team to review each pre-application that is received by DOT on or prior to the Pre-Application Deadline. This evaluation team will be organized and led by the Office of the Secretary and will include members from the relevant modal administrations in DOT with the most experience and/or expertise in the relevant project areas (the “Cognizant Modal Administrations”). This evaluation team will be responsible for analyzing whether the pre-application satisfies the following key threshold requirements:

1. The project is an Eligible Project;
2. NEPA has been addressed, as described above in Section II(B)(2)(b)(ii) (*Environmental Approvals*);
3. The project is included in the relevant State, metropolitan, and local planning documents, or will be included, if applicable;

4. The project expects to be ready to obligate all of the TIGER Discretionary Grant funds no later than June 30, 2013⁸; and
5. Local matching funds to support 20 percent or more of the costs for the project are identified and committed in applications for projects in urban areas.⁹

To the extent the pre-application evaluation team determines that a pre-application does not satisfy these key threshold requirements, DOT will inform the project sponsor that an application for the project will not be reviewed unless the application submitted on or prior to the Application Deadline can demonstrate that the requirement has been addressed.

DOT will establish application evaluation teams to review each application that is received by DOT prior to the Application Deadline. These evaluation teams will be organized and led by the Office of the Secretary and will include members from each of the Cognizant Modal Administrations. These representatives will include technical and professional staff with relevant experience and/or expertise. The evaluation teams will be responsible for evaluating and rating all of the projects and making funding recommendations to the Secretary. The evaluation process will require team members to evaluate and rate applications individually before convening with other members to discuss ratings.

DOT will not assign specific numerical scores to projects based on the selection criteria outlined above in Section II(A) (*Selection Criteria*). Rather, ratings of “highly recommended,” “recommended,” “acceptable,” or “not recommended” will be

⁸ See footnote 7, above.

⁹ For FHWA and FTA committed funds are defined as: “Funds that have been dedicated or obligated for transportation purposes” as described in 23 CFR 450.104.

assigned to projects for each of the selection criteria. DOT will award TIGER Discretionary Grants to projects that are well-aligned with one or more of the selection criteria. In addition, DOT will consider whether a project has a negative effect on any of the selection criteria, and any such negative effect may reduce the likelihood that the project will receive a TIGER Discretionary Grant. To the extent the initial evaluation process does not sufficiently differentiate among highly rated projects, DOT will use a similar rating process to re-assess the projects that were highly rated and identify those that should be most highly rated.

DOT will give more weight to the two Primary Selection Criteria (*Long-Term Outcomes* and *Job Creation & Near-Term Economic Activity*), which will be weighted equally, than to the two Secondary Selection Criteria (*Innovation* and *Partnership*) which will also be weighted equally. The following table summarizes the weighting of the selection criteria, as described in the preceding paragraphs:

Primary Selection Criteria	
Long-Term Outcomes:	DOT will give more weight to this criterion than to either of the Secondary Selection Criteria. In addition, this criterion has a minimum threshold requirement. Projects that are unable to demonstrate a likelihood of significant long-term benefits in any of the five long-term outcomes identified in this criterion will not proceed in the evaluation process.
Job Creation & Near-	DOT will give more weight to this criterion than to

Term Economic Activity	either of the Secondary Selection Criteria. This criterion will be considered after it is determined that a project demonstrates a likelihood of significant long-term benefits in at least one of the five long-term outcomes identified in the long-term outcomes criterion.
Secondary Selection Criteria	
Innovation & Partnership	DOT will give less weight to these criteria than to the Primary Selection Criteria. These criteria will be weighted equally.

As noted below in Section III(C) (*Distribution of Funds*), upon completion of this competitive rating process DOT will analyze the preliminary list and determine whether the purely competitive ratings are consistent with the distributional requirements of the FY 2012 Appropriations Act. If necessary, DOT will adjust the list of recommended projects to satisfy the statutory distributional requirements while remaining as consistent as possible with the competitive ratings. . The Secretary of Transportation will make the final project selections.

B. Evaluation of Eligibility

To be selected for a TIGER Discretionary Grant, a project must be an Eligible Project and the applicant must be an Eligible Applicant. DOT may consider one or more components of a large project to be an Eligible Project, but only to the extent that the components have independent utility, meaning the components themselves,

not the project of which they are a part, are Eligible Projects and satisfy the selection criteria identified above in Section II(A) (*Selection Criteria*). For these projects, the benefits described in an application must be related to the components of the project for which funding is requested, not the full project of which they are a part. DOT will not fund individual phases of a project if the benefits of completing only these phases would not align well with the selection criteria specified in this Notice because the overall project would still be incomplete.

C. Transparency of Process

In the interest of transparency, DOT will disclose as much of the information related to its evaluation process as is practical and consistent with law. DOT expects that the TIGER Discretionary Grant program may be reviewed and/or audited by Congress, the U.S. Government Accountability Office, DOT's Inspector General, or others, and has taken, and will continue to take steps to document its decision-making process.

IV. Grant Administration

DOT expects that each TIGER Discretionary Grant will be administered by one of the Cognizant Modal Administration, pursuant to a grant agreement between the TIGER Discretionary Grant recipient and the Cognizant Modal Administration. Service Outcome Agreements and Stakeholder Agreements will be incorporated into the TIGER grant agreements, where appropriate. In accordance with the FY 2012 Appropriations Act, the Secretary has the discretion to delegate such responsibilities to the appropriate operating administration.

Applicable Federal laws, rules and regulations of the Cognizant Modal Administration administering the project will apply to projects that receive TIGER Discretionary Grants.

V. Projects in Rural Areas

The FY 2012 Appropriations Act directs that not less than \$120 million of the funds provided for TIGER Discretionary Grants are to be used for projects in rural areas. For purposes of this notice, DOT is defining “rural area” as any area not in an Urbanized Area, as such term is defined by the Census Bureau,¹⁰ and will consider a project to be in a rural area if all or the majority of a project (determined by geographic location(s) where majority of project money is to be spent) is located in a rural area. Therefore, if all or the majority of a project is located in a rural area, such a project is eligible to apply for less than \$10 million, but at least \$1 million in TIGER Discretionary Grant funds, and up to 100% of the project’s costs may be paid for with federal funds. To the extent more than a *de minimis* portion of a project is located in an Urbanized Area, applicants should identify the estimated percentage of project costs that will be spent in Urbanized Areas and the estimated percentage that will be spent in rural areas.

VI. TIGER TIFIA Payments

Up to \$175 million of the \$500 million available for TIGER Discretionary Grants may be used for TIGER TIFIA Payments. Applicants seeking TIGER TIFIA Payments

¹⁰ For Census 2000, the Census Bureau defined an Urbanized Area (UA) as an area that consists of densely settled territory that contains 50,000 or more people. Updated lists of UAs are available on the Census Bureau website. Urban Clusters (UCs) will be considered rural areas for purposes of the TIGER Discretionary Grant program.

should apply in accordance with all of the criteria and guidance specified in this notice for TIGER Discretionary Grant applications and will be evaluated concurrently with all other applicants. Any applicant seeking a TIGER TIFIA Payment is also required to submit a TIFIA letter of interest concurrent with the TIGER TIFIA Payment application. If selected for a TIGER TIFIA Payment, the applicant must comply with all of the TIFIA program's standard application and approval requirements including submission of a complete TIFIA application and \$50,000 application fee (the TIFIA program guide can be downloaded from <http://tifa.fhwa.dot.gov/>).

Applicants should demonstrate that the TIFIA loan will be ready to close on or before June 30, 2013, in accordance with the guidance specified above in Section II(B)(1)(b) (*Job Creation & Near-Term Economic Activity*). DOT's TIFIA Joint Program Office will assist DOT in determining a project's readiness to proceed rapidly upon receipt of a TIGER TIFIA Payment.

Applicants seeking TIGER TIFIA Payments may also apply for a TIGER Discretionary Grant for the same project and must indicate the type(s) of funding for which they are applying clearly on the face of their applications. An applicant for a TIGER TIFIA Payment must submit an application pursuant to this notice for a TIGER TIFIA Payment even if it does not wish to apply for a TIGER Discretionary Grant.

Unless otherwise expressly noted herein, any and all requirements that apply to TIGER Discretionary Grants pursuant to the FY 2012 Appropriations Act, this notice, or otherwise, apply to TIGER TIFIA Payments.

PRE-APPLICATION AND APPLICATION CYCLE

VII. Pre-Application and Application Cycle

A. Two Stages of Application Cycle

The application cycle for TIGER Discretionary Grants has two stages:

- 1. Pre-Application:** In Stage 1, applicants must submit a pre-application form to the DOT. This step qualifies applicants to submit an application in Stage 2. No application submitted during Stage 2 that does not correlate with a properly completed Stage 1 pre-application will be considered.
- 2. Application:** In Stage 2, applicants must submit a complete application package through Grants.gov. If an applicant is seeking a TIGER TIFIA payment, applicants must also submit electronically a TIFIA letter of interest to the TIFIA office at TIFIAcredit@dot.gov. TIFIA letters of interest must comply with all of the program's standard requirements (the TIFIA program guide can be downloaded from <http://tifia.fhwa.dot.gov/>).

Pre-applications must be submitted to DOT by the Pre-Application Deadline, which is February 20, 2012, at 5:00 p.m. EST. Final applications must be submitted through Grants.gov by the Application Deadline, which is March 19, 2012, at 5:00 p.m. EDT. The DOT pre-application system will open on or before February 13, 2012, to allow prospective applicants to submit pre-applications. Subsequently, the Grants.gov "Apply" function will open on February 22, 2012, allowing applicants to submit applications. While applicants are encouraged to submit pre-applications in advance of the Pre-Application Deadline, pre-applications will not be reviewed until after the Pre-Application Deadline. Similarly, while applicants are encouraged to submit applications in advance of the Application Deadline, applications will not be evaluated, and selections for awards will not be made, until after the Application Deadline.

Pre-applications (stage 1) must be submitted to the DOT. The pre-application form will be available on the DOT website at www.dot.gov/TIGER by January 30, 2012, together with instructions for submitting the pre-application form electronically to DOT.

Applications (Stage 2) must be submitted through Grants.gov. To apply for funding through Grants.gov, applicants must be properly registered. Complete instructions on how to register and submit applications can be found at www.grants.gov. **Please be aware that the registration process usually takes 2-4 weeks and must be completed before an application can be submitted.** If interested parties experience difficulties at any point during the registration or application process, please call the Grants.gov Customer Support Hotline at 1-800-518-4726, Monday-Friday from 7:00 a.m. to 9:00 p.m. EST. Additional information on applying through Grants.gov is available in [Appendix B](#).

B. Contents of Pre-Applications

An applicant for a TIGER Discretionary Grant should provide all of the information requested below in its pre-application form. DOT reserves the right to ask any applicant to supplement the data in its pre-application, but expects pre-applications to be complete upon submission. Applicants must complete the pre-application form and send it to DOT electronically on or prior to the Pre-Application Deadline, in accordance with the instructions specified at www.dot.gov/TIGER. The pre-application form must include the following information:

- i. Name of applicant (if the application is to be submitted by more than one entity, a lead applicant must be identified);
- ii. Applicant's DUNS (Data Universal Numbering System) number;

- iii. Type of applicant (State government, local government, U.S. territory, Tribal government, transit agency, port authority, metropolitan planning organization, or other unit of government);
- iv. State(s) where the project is located;
- v. County(s) where the project is located;
- vi. City(s) where the project is located;
- vii. Information about the geographic location of the project for mapping purposes using one of the following methods:
 - 1. A geographic information system (GIS) file that indicates the location of the project;
 - 2. For locating point specific projects, latitude and longitude in decimal degrees to an accuracy of 5 decimal places (e.g. 0.12345) using the WGS 84 datum (the default datum used by Global Positioning System (GPS) equipment); or
 - 3. For linear projects on existing roads, route number (Interstate, U.S. Route, or State Route) or road name and the latitude and longitude in decimal degrees to an accuracy of 5 decimal places (e.g. 0.12345) of the beginning and ending points of the project;
- viii. Project title (descriptive);
- ix. Project type: highway, transit, freight rail, intercity passenger rail, marine port, multimodal, or bicycle and pedestrian activity (if the project is a multimodal project, the pre-application form will require that applicants provide additional information identifying the affected modes);
- x. Whether the project is requesting a TIGER TIFIA Payment;

- xi. Project description (describe the project in plain English, using no more than 50 words (e.g. “the project will replace the existing bridge over the W river on interstate-X between the cities of Y and Z”) do not describe the project’s benefits, background, or alignment with the selection criteria here);
- xii. Total cost of the project;
- xiii. Total amount of TIGER Discretionary Grant funds requested;
- xiv. Contact name, phone number, email address, and physical address for applicant;
- xv. Congressional districts affected by the project;
- xvi. Type of jurisdiction where the project is located (urban or rural, as defined above in Section V (*Projects in Rural Areas*));
- xvii. Whether or not the project is in an Economically Distressed Area, as defined in Section II(A) (*Selection Criteria*);
- xviii. An assurance that the NEPA and/or environmental review process is complete, substantially complete, or in progress (and the expected outcome of the process) and is expected to be completed in time to meet the obligation deadline of September 30, 2013;
- xix. The schedule for completing right-of-way acquisition and final design; approval of plans, specifications, and estimates;
- xx. The date that the project is expected to be ready for obligation of grant funds, which should be no later than June 30, 2013, in order to give DOT comfort that the funds will be obligated before they expire on September 30, 2013; and
- xxi. An assurance that non-Federal matching funds to support 20 percent or more of the costs of the project are identified and committed (as noted in Section I

(Background), this requirement does not apply to projects located in rural areas, as defined above in Section V (*Projects in Rural Areas*)).

To the extent the pre-application does not provide adequate assurances for items xvii through xxii, DOT will inform the project sponsor that an application for the project will not be reviewed unless the application submitted on or prior to the Application Deadline can demonstrate that each requirement has been addressed.

C. Contents of Applications

An applicant for a TIGER Discretionary Grant must include all of the information requested below in its application. DOT reserves the right to ask any applicant to supplement the data in its application, but expects applications to be complete upon submission. To the extent practical, DOT encourages applicants to provide data and evidence of project merits in a form that is publicly available or verifiable. For TIGER TIFIA Payments, these requirements apply only to the applications required under this notice; the standard TIFIA letter of interest and loan application requirements, including the standard \$50,000.00 application fee, are separately described in the Program Guide and Application Form found at <http://tifa.fhwa.dot.gov/>.

1. Standard Form 424, Application for Federal Assistance

Please see www07.grants.gov/assets/SF424Instructions.pdf for instructions on how to complete the SF 424, which is part of the standard Grants.gov submission. Additional clarifying guidance and FAQs to assist applicants in completing the SF-424 will be available at www.dot.gov/TIGER by February 23, 2012, when the “Apply” function within Grants.gov opens to accept applications under this notice.

2. Project Narrative (Attachment to SF 424)

The project narrative must respond to the application requirements outlined below. DOT recommends that the project narrative be prepared with standard formatting preferences (e.g. a single-spaced document, using a standard 12-point font, such as Times New Roman, with 1-inch margins).

A TIGER Discretionary Grant application must include information required for DOT to assess each of the criteria specified in Section II(A) (*Selection Criteria*), as such criteria are explained in Section II(B) (*Additional Guidance on Selection Criteria*). Applicants must demonstrate the responsiveness of a project to any pertinent selection criteria with the most relevant information that applicants can provide, regardless of whether such information has been specifically requested, or identified, in this notice. Applicants should provide concrete evidence of project milestones, financial capacity and commitment in order to support project readiness. Any such information shall be considered part of the application, not supplemental, for purposes of the application size limits identified below in Part D (*Length of Applications*). Information provided pursuant to this paragraph must be quantified, to the extent possible, to describe the project's benefits to the Nation, a metropolitan area, or a region. Information provided pursuant to this paragraph should include projections for both the build and no-build scenarios for the project for a point in time at least 20 years beyond the project's completion date or the lifespan of the project, whichever is closest to the present.

All applications should include a detailed description of the proposed project and geospatial data for the project, including a map of the project's location and its connections to existing transportation infrastructure. An application should also include a description of how the project addresses the needs of an urban and/or rural

area. An application should clearly describe the transportation challenges that the project aims to address, and how the project will address these challenges. The description should include relevant data such as, for example, passenger or freight volumes, congestion levels, infrastructure condition, or safety experience.

DOT recommends that the project narrative generally adhere to the following basic outline, and include a table of contents, maps and graphics that make the information easier to review:

- I. Project Description (including information on the expected users of the project, a description of the transportation challenges that the project aims to address, and how the project will address these challenges);
- II. Project Parties (information about the grant recipient and other project parties);
- III. Grant Funds and Sources/Uses of Project Funds (information about the amount of grant funding requested, availability/commitment of funds sources and uses of all project funds, total project costs, percentage of project costs that would be paid for with TIGER Discretionary Grant funds, and the identity and percentage shares of all parties providing funds for the project (including Federal funds provided under other programs));
- IV. Selection Criteria (information about how the project aligns with each of the primary and secondary selection criteria and a description of the results of the benefit-cost analysis):
 - a. Long-Term Outcomes
 - i. State of Good Repair
 - ii. Economic Competitiveness

- iii. Livability
 - iv. Sustainability
 - v. Safety
 - b. Job Creation & Near-Term Economic Activity
 - c. Innovation
 - d. Partnership
 - e. Results of Benefit-Cost Analysis
- V. Project Readiness and NEPA (information about how ready the project is to move forward quickly, including information about the project schedule, environmental approvals, legislative approvals, state and local planning, technical feasibility, financial feasibility, and stakeholder partnerships and implementation agreements);
- VI. Federal Wage Rate Certification (an application must include a certification, signed by the applicant, stating that it will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal wage rate requirements), as required by the FY 2011 Continuing Appropriations Act); and
- VII. To the extent relevant, the final page of the application should describe (in one page or less) any material changes that were made to the pre-application form.

The purpose of this recommended format is to ensure that applications are provided in a format that clearly addresses the application requirements and makes critical information readily apparent and easy to locate.

D. Length of Applications

The project narrative may not exceed 30 pages in length. Documentation supporting the assertions made in the narrative portion may also be provided, but should be limited to relevant information. If possible, website links to supporting documentation (including a more detailed discussion of the benefit-cost analysis) should be provided rather than copies of these materials. At the applicant's discretion, relevant materials provided previously to a Cognizant Modal Administration in support of a different DOT discretionary program (for example, New Starts or TIFIA) may be referenced and described as unchanged. To the extent referenced, this information need not be resubmitted for the TIGER Discretionary Grant application (although provision of a website link would facilitate DOT's consideration of the information). DOT recommends use of appropriately descriptive file names (e.g., "Project Narrative," "Maps," "Memoranda of Understanding and Letters of Support," etc.) for all attachments. Cover pages and tables of contents do not count towards the 30-page limit for the narrative portion of the application, and the Federal wage rate certification and one-page update of the pre-application form (if necessary) may also be outside of the 30-page narrative. Otherwise, the only substantive portions of the application that should exceed the 30-page limit are any supporting documents (including a more detailed discussion of the benefit-cost analysis) provided to support assertions or conclusions made in the 30-page narrative section.

E. Contact Information

Contact information is requested as part of the SF-424. DOT will use this information to inform parties of DOT's decision regarding selection of projects, as well as to contact parties in the event that DOT needs additional information about an application. Contact information must be provided for a direct employee of the lead applicant organization.

Contact information for a contractor, agent, or consultant of the lead applicant organization is insufficient for DOT's purposes.

F. National Environmental Policy Act Requirement

An application for a TIGER Discretionary Grant must detail whether the project will significantly impact the natural, social and/or economic environment. If the NEPA process is completed, an applicant must indicate the date of, and provide a website link or other reference to, the final Categorical Exclusion, Finding of No Significant Impact or Record of Decision. If the NEPA process is underway but not complete, the application must detail where the project is in the process, indicate the anticipated date of completion and provide a website link or other reference to copies of any NEPA documents prepared.

G. Environmentally Related Federal, State and Local Actions

An application for a TIGER Discretionary Grant must indicate whether the proposed project requires actions by other agencies (e.g., permits), indicate the status of such actions and provide a website link or other reference to materials submitted to the other agencies, and/or demonstrate compliance with other Federal, State and local regulations as applicable, including, but not limited to, Section 4(f) *Parklands, Recreation Areas, Refuges, & Historic Properties*; Section 106 *Historic and Culturally Significant Properties*; Clean Water Act *Wetlands and Water*; Executive Orders *Wetlands, Floodplains, Environmental Justice*; Clean Air Act *Air Quality (specifically note if the project is located in a nonattainment area)*; Endangered Species Act *Threatened and Endangered Biological Resources*; Magnuson-Stevens Fishery Conservation and Management Act *Essential Fish Habitat*; and/or any State and local requirements.

H. Protection of Confidential Business Information

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If the application includes information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) note on the front cover that the submission “**Contains Confidential Business Information (CBI);**” (2) mark each affected page “**CBI;**” and (3) highlight or otherwise **denote the CBI portions**. DOT protects such information from disclosure to the extent allowed under applicable law. In the event DOT receives a Freedom of Information Act (FOIA) request for the information, DOT will follow the procedures described in its FOIA regulations at 49 CFR § 7.17. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA.

VIII. Project Benefits

DOT expects to identify and report on the benefits of the projects that it funds with TIGER Discretionary Grants. To this end, DOT will request that recipients of TIGER Discretionary Grants cooperate in Departmental efforts to collect and report on information related to the benefits produced by the projects that receive TIGER Discretionary Grants.

Because of the limited nature of this program, these benefits are likely to be reported on a project-by-project basis and trends across projects that were selected for TIGER Discretionary Grants may not be readily available. In addition, because many of these benefits are long-term outcomes, it may be years before the value of the investments can be quantified and fully reported. DOT is considering the most appropriate way to collect and report information about these potential and actual project benefits.

IX. Questions and Clarifications

For further information concerning this notice please contact the TIGER Discretionary Grant program staff via e-mail at TIGERGrants@dot.gov, or call Howard Hill at 202-366-0301. A TDD is available for individuals who are deaf or hard of hearing at 202-366-3993. DOT will regularly post answers to these questions and other important clarifications on DOT's website at www.dot.gov/TIGER.

Appendix A: Additional Information on Benefit-Cost Analysis

Each applicant should provide evidence that the expected benefits of the project *justify* the costs (recognizing that some costs and benefits are difficult to quantify). If it is clear that the benefits do not justify the costs, the Department will not award a TIGER Discretionary Grant to the project. Benefits include the extent to which residents of the United States as a whole are made better off as a result of the project.

The best applications are often prepared by transportation agencies that have used in-house economic expertise and cost/benefit analysis to influence the design of the project from the beginning. All Applicants should also consult the BCA Resource Page available on the USDOT TIGER website (<http://www.dot.gov/TIGER>) that will provide supplemental information, standard monetized values (where available), and updates for preparing a BCA. If after reading this appendix applicants need additional help, DOT staff are available to answer questions and offer technical assistance until the final application deadline has passed.

This appendix provides general information and guidance on conducting an analysis. In addition to this guidance, applicants should refer to OMB Circulars A-4 and A-94 in preparing their analysis (<http://www.whitehouse.gov/omb/circulars/>). Circular A-

4 also cites textbooks on cost-benefit analysis (e.g., Mishan and Quah¹¹) if an applicant wants to review additional background material.

In the Executive Summary for any benefit-cost analysis, applicants should provide a project matrix describing the project and what it changes (see below). This can either be in Word or in Excel. The first column provides a description of the current infrastructure baseline (including anticipated changes over the analysis period) and identifies the problem that the project will address. The second column describes how the project would change the current infrastructure baseline. The third and fourth columns describe the impact of that change and the corresponding population that it affects. The fifth column identifies the corresponding societal benefit. The last columns summarize the results and reference where in the analysis they calculate the benefits. The matrix below provides an example of a completed matrix.

Current Status/Baseline & Problem to be Addressed	Change to Baseline/ Alternatives	Type of Impacts	Population Affected by Impacts	Economic Benefit	Summary of Results	Page Reference in BCA
Stop light at lightly used (non-peak) rural intersection / excess waiting time and safety hazard	Replace with roundabout /signal phasing improvement	Reduce wait time for vehicles (non-peak) & reduce accidents (peak)	Number of drivers with reduced wait time & number of accidents/fatalities & injuries per year	Monetized value of reduced travel times, emissions, and accident costs	Estimated dollar value of time savings, reduced pollution, and safety benefits	pp. 15-18 and p.19

If an application contains multiple separate projects (but that are linked together in a common objective), each of which has independent utility, the applicant should provide a separate matrix (and analysis) for each project. The Executive Summary should also include the full cost of a project, including Federal, State, local, and private funding, as well as expected operations and maintenance costs, and not simply the requested grant amount or the local amount.

¹¹ E.J. Mishan and Euston Quah, *Cost-Benefit Analysis*, 5th edition (New York: Routledge, 2007).

In addition to the matrix, the applicant should summarize all pertinent data and quantifiable cost and benefit calculations in a single spreadsheet tab (or table in *Word*). It should also summarize all other benefits that are difficult to quantify, and the applicant would also present this at the beginning of the BCA. The following provides a simplified example for expository purposes of discounted benefits from a road project providing travel time savings to local travelers only over the course of five years. In practice, applicants must estimate both benefits and costs for each year after the project’s start date and for a period of time of *at least 20* years in the future (or the project’s useful life if it is shorter). If the project will continue to have benefits beyond the end of the analysis period, applicants can include a residual value of the project at the end of the analysis period, and treat that as an additional benefit, discounted from the end of the analysis period.

Calendar Year	Project Year	Affected Drivers	Travel Time Saved (hours) ¹	Total Value of Time Saved (\$2008) ²	Initial Costs (\$2008)	Operations & Maintenance Costs (\$2008) ³	Undiscounted Net Benefits	Discounted at 7%
2011	1				\$38,500,000	\$6,000,000	-\$44,500,000	-\$41,588,785
2012	2	80,000	1,040,000	\$14,248,000		\$700,000	\$13,548,000	\$11,833,348
2013	3	95,000	1,235,000	\$16,919,500		\$700,000	\$16,219,500	\$13,239,943
2014	4	100,000	1,300,000	\$17,810,000		\$700,000	\$17,110,000	\$13,053,137
2015	5	102,000	1,326,000	\$18,166,200		\$700,000	\$17,466,200	\$12,453,159
2016	6	109,000	1,417,000	\$19,412,900		\$700,000	\$18,712,900	\$12,469,195
NPV								\$21,459,998
1. Number of drivers times three minutes a day (3/60 hours) over 260 workdays								
2. Hours at \$13.70 per hour (\$2008)								
3. Includes costs from delays to users during construction								

The following sections will help guide applicants through the matrix. This is useful both to fill out the matrix (and in the process to adequately scope and outline the analysis) and to actually carry out the analysis.

Baselines

Applicants should measure costs and benefits of a proposed project against a baseline (also called a “base case” or a “no build” case). The baseline should be an

assessment of the way the world would look if the project did not receive the requested TIGER Discretionary Grant funding. Sometimes, it is reasonable to forecast that that baseline world resembles the present state. However, it is important to factor in any projected changes (e.g., baseline economic growth, increased traffic volumes, or completion of already planned and funded projects) that would occur even in the absence of the requested project.

Baseline assumptions need to incorporate the transportation options with the highest net benefits that would be available in the absence of the project. Baselines should incorporate accurate descriptions of current traffic/shipping patterns. It is also important that the applicant assume the continuation of reasonable and sound management practices in establishing a baseline. Assuming a baseline scenario in which the owner of the facility does no maintenance on the facility and ignores traffic problems and maintenance is not realistic and will lead to the overstatement of project benefits and will affect the rating of the BCA.

Applicants must demonstrate that the proposed project has independent utility. Sub-components of a larger project may have little or no transportation value in the absence of the other components. For example, a ramp to an undeveloped site does not have much utility if the site does not get developed. The correct baseline is then the current level of traffic and not the projected traffic if the site is developed.

Baselines also need to be realistic in the transportation assumptions that they make. If a project would construct a short freight rail spur from a railroad mainline to a particular facility, it is unrealistic to assume that, in the absence of the project, individuals would ship cargo by truck for thousands of miles, whereas they would ship the same cargo by rail with the project. A realistic description of current traffic would have current

cargo traffic going by rail for most of the distance, and then by truck for the relatively short distance over which rail transportation is not available.

The applicant must make clear exactly what portions of the project form the basis of the estimates of benefits and costs. It is incorrect to claim benefits for the entire project but only count as costs the costs of the portion of the project funded by the TIGER Discretionary Grant. Thus, it would be incorrect to attribute all the benefits from a new port facility to a TIGER Discretionary Grant when the costs that are counted only cover the portion of the project funded by the TIGER Discretionary Grant, for example, paving a loading area.

There are cases where a grant may accelerate completion of the project that an applicant already was going to build. The benefits and costs in this case should thus be limited to the marginal benefits (and marginal costs) of completing the project in a shorter period of time and including the cost of expending resources on the project sooner than otherwise planned (i.e., a “now versus later” comparison).

Alternatives

An applicant should present and consider reasonable alternatives in the analysis. Applicants should evaluate smaller-scale and more focused projects for comparison purposes. For example, if an applicant is requesting funds to replace a pier, it should also analyze the alternative of rehabilitating the current pier. Similarly, if an applicant seeks funds to establish a relatively large streetcar project, it should also evaluate a more focused project serving only the more densely populated corridors of an area. A careful evaluation of the baseline will yield several alternative actions. The analysis should demonstrate that the proposed project is the most cost-effective option of all the alternatives considered.

Affected Population & Types of Impacts

Applicants need to carefully identify the different impacts a project will have. For example, the rationale for many highway projects is to relieve peak-hour congestion which in turn reduces travel times and vehicle emissions. Other highway projects can improve road safety and in turn reduce accidents and corresponding property damage, injuries, and fatalities. It is important that applicants then match the types of impacts to the corresponding affected population (group and number of affected entities). For example, for a passenger project applicants should measure the number of passengers and for a freight project the amount of freight affected.

Applicants should measure affected passenger and freight traffic in passenger-miles and freight ton-miles (and possibly value of freight). If, as is often the case (e.g., projected growth in highway traffic), the affected population is not the same for all years, then the applicant needs to break out affected population annually. Measures of freight traffic might include growing levels of port calls. In some cases, the relevant population is the volume of traffic that the project diverts from one mode to another. Applicants should be realistic as to how the project affects these populations.

Benefits – Long Term Outcomes

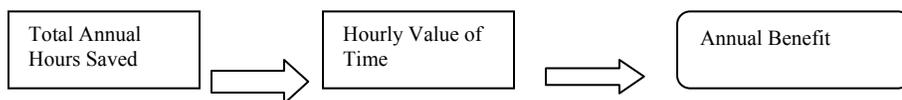
Each application must include in its analysis estimates of the project's expected benefits with respect to each of the five long-term outcomes that DOT specified in Section II (A) (*Selection Criteria*). We recognize that it may in some cases be unclear in which of these categories of outcomes an applicant should list a benefit. In these cases, it is less important in which category an applicant lists a benefit than to make sure that they list and measure it (but only once). The following Table maps some of the types of

benefits to a long-term outcome. These are some of the primary benefit categories, but this is not an exhaustive list. We describe these categories later.

Long-Term Outcome	Types of Societal Benefits
Livability	Land Use Changes that reduce VMT Accessibility Property Value Increases
Economic Competitiveness	Travel Time Savings Operating Cost Savings
Safety	Prevented Accidents (property damage), Injuries, and Fatalities
State of Good Repair	Long-Term Replacement Maintenance & Repair Savings Reduced VMT from not closing bridges.
Environmental Sustainability	Environmental Benefits from Reduced Emissions

Types of Societal Benefits

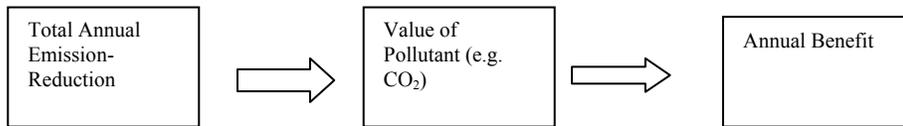
Travel time savings can result from transportation improvements whose purpose is to expand capacity or improve state of good repair. Where this is the case, applicants should clearly demonstrate the derivation of the travel time savings to the affected population. If travel time savings vary over time, the applicant must clearly show savings by year. The applicant must also be careful to estimate savings solely from the project funded by the requested grant, and not from other related projects not funded by the requested grant. Once the applicant generates its estimate of hours saved, it should apply the Department’s guidance on the value of time to those estimates (<http://ostpxweb.dot.gov/policy/reports.htm>) to monetize them for both business and non-business travelers.



Operating cost savings frequently occur from both freight-related and passenger-related projects. Freight-related projects that improve roads, rails, and ports frequently

generate savings to carriers (e.g., fuel savings and other operating cost savings) that they may pass on in whole or in part to shippers by way of lower freight rates. Shippers may, in turn, pass on, in whole or in part, these savings to consumers. Passenger-related projects can also reduce operating costs for passengers by providing lower-cost alternatives to the use of private vehicles or by reducing the operating costs of those vehicles. If applicants are projecting these savings as benefits, they need to carefully demonstrate how the proposed project would generate such benefits. However, applicants must be careful to count the value of the fuel and other operating cost savings (however allocated among carriers, shippers, and consumers) only once in the benefit-cost analysis; it cannot be re-counted in full each time it transfers from one group to the other as this would entail double-counting of the same benefit.

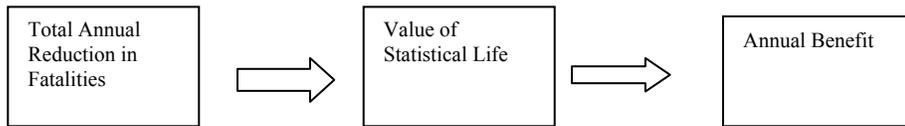
Transportation can generate environmental costs in the form of emissions of “criteria pollutants” (e.g., SO_x, NO_x, and particulates) and from the emission of greenhouse gases, such as carbon dioxide (CO₂). Increased traffic congestion results in increased levels of these emissions. Transportation projects that reduce congestion can reduce these emissions and produce *Environmental Benefits* given reduced idling and otherwise constant vehicle-miles travelled. Also, transportation projects that encourage transportation users to shift from more-polluting modes to less-polluting modes can similarly reduce emissions. Applicants claiming these types of benefits must clearly demonstrate and quantify how the project will reduce emissions. Once an applicant has adequately quantified levels of emission reductions, it should estimate the dollar value of these benefits. For sources of information on the social benefits of reducing criteria pollutant emissions, applicants should refer to the online BCA Resource Page (<http://www.dot.gov/TIGER>).



Many infrastructure projects that improve the state of good repair of transportation infrastructure can *reduce long-term maintenance and repair costs*. These benefits are in addition to the benefits of reductions in travel time, shipping costs, and crashes which the applicant should account for separately. Applicants should include these maintenance and repair savings as benefits. Improving state of good repair may also reduce operating costs and congestion by reducing the amount of time that the infrastructure is out of service due to maintenance and repairs, or may prevent a facility (such as a bridge) from being removed from service entirely. The application should also consider differences in maintenance and repair costs when comparing different project alternatives. For example, an applicant can compare the maintenance costs that would be required after rehabilitating an existing pier with those that would be required after building a new one. As part of the data that go into estimating the benefits of improving the state of good repair, applicants should provide accepted measures for assessing an asset's current condition. For example, applicants can use Present Serviceability Ratings (PSR) or the International Roughness Index to discuss pavement condition and bridge sufficiency ratings to discuss the condition of a bridge. As discussed in the section on costs, the Department expects applicants to consider the life-cycle costs of the project when making these comparisons.

Projects can also improve the *Safety* of transportation. A well-designed project can reduce fatalities and injuries as well as reduce other crash costs. The applicant should clearly demonstrate how the project will improve safety. For example, to claim a

reduction in fatalities, an applicant must clearly demonstrate how the existence of the project would have prevented the types of fatalities that commonly occur in that area. Applicants should use crash causation factors or similar analyses of causes of crashes to show the extent to which the type of improvements proposed would actually reduce the likelihood of the kinds of crashes that actually had occurred. Alternatively, when only a few cases are involved, the applicant should provide a description of the incidents and demonstrate the linkage between the proposed project and crash reduction. In some cases, safety benefits may occur because of modal diversion from a less safe mode to a safer mode. When applicants claim this type of benefit, they should provide a clear analysis of why the forecasted modal diversion will take place. Once the applicant has established a reasonable count of the incidents that the project will likely prevent, it should apply the Department's guidance on value of life and injuries (<http://ostpxweb.dot.gov/policy/reports.htm>) to monetize them. This and other relevant information on Abbreviated Injury Scale (AIS) are available at the BCA Resource Page (<http://www.dot.gov/TIGER>).



Applicants must carefully net out other effects before taking benefits from *Property Value Increases* (e.g. from a transit station). For example, if the property value goes up by the exact same value as the developer's investment then this is not a benefit. Property value increases over and above the developer's investment may potentially be a benefit from the project. The analysis should also consider to what extent an increase in land values induced by the project in one area causes a reduction in land values in some

other area. Applicants must also net out any property value increases that result from time savings or other benefits that have already been counted. Applicants can only count the net increase in land value as a benefit. Simply asserting that there is a property tax increase net of time savings is inadequate. The Department expects any applicant claiming these types of benefits to provide a rigorous justification of the benefit. Applicants should note that any claimed societal benefit from a property value increase is only a one-time stock benefit. Applicants can not treat it as a stream of benefits accruing annually. To the extent possible, applicant should use survey methods to estimate the value of the estimate the value of the expected property value increase from transit or other transportation improvements.

Transit and bicycle paths may provide greater accessibility to alternative transportation modes, but they will not actually enhance livability unless people use them, and the desire to use them will depend in part on where these modes go and on the amenities provided with them. One useful source of guidance on measuring benefits of bicycle facilities (particularly for understanding demand estimation) is the Transportation Research Board's National Cooperative Highway Research Program Report 552, *Guidelines for Analysis of Investments in Bicycle Facilities* (Washington: TRB, 2006)

(Available at http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_552.pdf).

Transit and bicycle paths can also induce land use changes that result in greater density of development and more mixed-use development, thus reducing the number of passenger-miles of transportation needed to access jobs, schools, shopping, and recreational opportunities.

Other

Transfers are not benefits. Analysis should distinguish between real benefits and transfer payments. Benefits reflect real resource usage and overall benefits to society, while transfers represent payments by one group to another and do not represent a net increase in societal benefits. In the case of job creation, for example, every job represents both a cost to the employer (paying a wage) and a benefit to the employee (receiving a wage), so it is a transfer payment, rather than a net benefit. While wages are a transfer payment, increases in the productivity of the labor force, measured by increases in how much workers produce per hour, can be included as a benefit of the project, but these benefits must be carefully measured and justified to be included. With respect to economic development, providing estimates of capital investments or property tax revenues are not legitimate benefits in a benefit-cost analysis. For example, while the tax is a benefit to the tax assessor it is a cost to the taxpayer. These transfers are commonly included in “economic impact analyses;” an economic impact analysis is not acceptable as a substitute for a benefit-cost analysis. Other examples of transfers include port/rail projects whose purpose is to take away business from competitors. However, the transportation cost savings (if any) and the like from shifting traffic to a more convenient location would be a benefit. Applicants should not include employment or output multipliers that purport to measure secondary effects as societal benefits because these secondary effects are generally the same (per dollar spent) regardless of what kind of project is funded.

As noted above, the estimate of *Costs* must pertain to the same project as the estimate of benefits. If the TIGER Discretionary Grant is to pay for only part of the project, but the project is indivisible (i.e., no one part of the project would have independent utility), then the applicant should compare the benefits of the whole project

to the costs of the whole project, including costs paid for by State, local, and private partners other than the Federal government. In general, applicants should use a life-cycle cost analysis approach in estimating the costs of the project. The Department expects applicants to include operating, maintenance, and other life-cycle costs of the project, along with capital costs. In addition to construction costs, other direct costs may include design and land acquisition. If the time period considered in the analysis is long enough to require the rehabilitation of the facility during the period of analysis, then the costs of that rehabilitation should be included. Applicants should consider external costs, such as noise, increased congestion, and environmental pollutants resulting from the use of the facility or related changes in usage on other facilities in the same network in the analysis. Additionally, applicants should include, to the extent possible, costs to users during construction, such as delays and increased vehicle operating costs associated with work zones or detours. The applicant should correctly discount annual costs to arrive at a present value of the project's cost.

Applicants should *discount future benefits and costs* to present values using a real discount rate (i.e., a discount rate that reflects the opportunity cost of money net of the rate of inflation) of 7 percent, following guidance provided by OMB in Circulars A-4 and A-94 (http://www.whitehouse.gov/omb/circulars_default/). Applicants may also provide an alternative analysis using a real discount rate of 3 percent. They should use the latter approach when the alternative use of funds currently dedicated to the project would be for other public expenditures, rather than private investment. In presenting these year-by-year streams, applicants should measure them in constant (or “real”) dollars prior to discounting. Applicants should not add in the effects of inflation to the estimates of future benefits and costs prior to discounting.

Benefit-cost analyses of transportation projects almost always depend on *forecasts* of projected levels of usage (road traffic, port calls, etc.). When an applicant is using such forecasts to generate benefit estimates, it must assess the reliability of these forecasts. If the applicant is using outside forecasts, it must provide a citation and an appropriate page number for the forecasts. Applicants should incorporate indirect effects into their forecasts where possible (e.g., induced demand). Applicants should also take great care to match forecasts of usage levels to the corresponding year. For example, using projected traffic levels for 2030 to generate benefits for all the earlier years is incorrect. For more information on forecasting, applicants can refer to the forecasting section of FHWA's Economic Analysis Primer (<http://www.fhwa.dot.gov/infrastructure/asstmgmt/primer06.cfm>). While produced for analysis of highway projects, the primer is a good source of information on issues related to all transportation forecasting.

Applicants should make every effort to make the results of their analyses as *transparent and reproducible* as possible. A Department reviewer reading the analysis should be able to understand the basic elements of the analysis and the way in which the applicant derived the estimates. It is inadequate for the applicant only to provide links to large documents or spreadsheets as sources. The Department expects applicants to clearly cite all outside data sources with the corresponding page number (or cell number, for a spreadsheet). For more detailed documentation, applicants must include a thorough verbal description of how they did the calculation. This should include references to tabs and cells in the spreadsheet. This verbal description should include specific sources for all the numbers in the spreadsheet (i.e. those that the spreadsheet itself does not calculate). If an applicant uses a “pre-packaged” economic model to calculate net

benefits, the applicant should provide annual benefits and costs by benefit and cost type for the entire analysis period (including forecast year traffic volumes). In any case, applicants must provide a detailed explanation of the assumptions used to run the model (e.g., peak traffic hours and traffic volume during peak hours, mix of traffic by cars, buses, and trucks, etc.). The applicant must provide enough information so that a Department reviewer can follow the general logic of the estimates (and, in the case of spreadsheet models, reproduce them).

Appendix B: Additional Information on Applying Through Grants.gov

Applications (Stage 2) for TIGER Discretionary Grants must be submitted through Grants.gov. To apply for funding through Grants.gov, applicants must be properly registered. Complete instructions on how to register and apply can be found at www.grants.gov. If interested parties experience difficulties at any point during registration or application process, please call the Grants.gov Customer Support Hotline at 1-800-518-4726, Monday-Friday from 7:00 a.m. to 9:00 p.m. EST.

Registering with Grants.gov is a one-time process; however, processing delays may occur and it can take up to several weeks for first-time registrants to receive confirmation and a user password. It is highly recommended that applicants start the registration process as early as possible to prevent delays that may preclude submitting an application by the deadlines specified. Applications will not be accepted after the relevant due date; delayed registration is not an acceptable reason for extensions. In order to apply for TIGER Discretionary Grant funding under this announcement and to apply for funding through Grants.gov, all applicants are required to complete the following:

1. *Acquire a DUNS Number.* A DUNS number is required for Grants.gov registration. The Office of Management and Budget requires that all businesses and nonprofit applicants for Federal funds include a DUNS (Data Universal Numbering System) number in their applications for a new award or renewal of an existing award. A DUNS number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of entities receiving Federal funds. The identifier is used for tracking purposes and to validate address and point of contact information for Federal assistance applicants, recipients, and sub-recipients. The DUNS number will be used throughout the grant life cycle. Obtaining a DUNS number is a free, one-time activity. Obtain a DUNS number by calling 1-866-705-5711 or by applying online at <http://fedgov.dnb.com/webform>.

2. *Acquire or Renew Registration with the Central Contractor Registration (CCR) Database.* All applicants for Federal financial assistance maintain current registrations in the Central Contractor Registration (CCR) database. An applicant must be registered in the CCR to successfully register in Grants.gov. The CCR database is the repository for standard information about Federal financial assistance applicants, recipients, and sub-recipients. Organizations that have previously submitted applications via Grants.gov are already registered with CCR, as it is a requirement for Grants.gov registration. Please note, however, that applicants must update or renew their CCR registration at least once per year to maintain an active status, so it is critical to check registration status well in advance of relevant application deadlines. Information about CCR registration procedures can be accessed at www.ccr.gov.

3. *Acquire an Authorized Organization Representative (AOR) and a Grants.gov Username and Password.* Complete your AOR profile on Grants.gov and create your

username and password. You will need to use your organization's DUNS Number to complete this step. For more information about the registration process, go to www.grants.gov/applicants/get_registered.jsp.

4. *Acquire Authorization for your AOR from the E-Business Point of Contact (E-Biz POC).* The E-Biz POC at your organization must log in to Grants.gov to confirm you as an AOR. Please note that there can be more than one AOR for your organization.

5. *Search for the Funding Opportunity on Grants.gov.* Please use the following identifying information when searching for the TIGER funding opportunity on Grants.gov. The Catalog of Federal Domestic Assistance (CFDA) number for this solicitation is 20.933, titled National Infrastructure Investments.

6. *Submit an Application Addressing All of the Requirements Outlined in this Funding Availability Announcement.* Within 24-48 hours after submitting your electronic application, you should receive an email validation message from Grants.gov. The validation message will tell you whether the application has been received and validated or rejected, with an explanation. You are urged to submit your application at least 72 hours prior to the due date of the application to allow time to receive the validation message and to correct any problems that may have caused a rejection notification.

Note: When uploading attachments please use generally accepted formats such as .pdf, .doc, and .xls. While you may imbed picture files such as .jpg, .gif, .bmp, in your files, please do not save and submit the attachment in these formats. Additionally, the following formats will not be accepted: .com, .bat, .exe, .vbs, .cfg, .dat, .db, .dbf, .dll, .ini, .log, .ora, .sys, and .zip.

Experiencing Unforeseen Grants.gov Technical Issues

If you experience unforeseen Grants.gov technical issues beyond your control that prevent you from submitting your application by the deadline of March 19, 2012, at 5:00 p.m. EDT, you must contact TIGERGrants@dot.gov or Howard Hill at 202-366-0301 within the 24 hours following the deadline and request approval to submit your application after the deadline has passed. At that time, DOT staff will require you to provide your DUNS number and your Grants.gov Help Desk tracking number(s). After DOT staff review all of the information submitted and contact the Grants.gov Help Desk to validate the technical issues you reported, DOT staff will contact you to either approve or deny your request to submit a late application through Grants.gov. If the technical issues you reported cannot be validated, your application will be rejected as untimely.

To ensure a fair competition for limited discretionary funds, the following conditions are not valid reasons to permit late submissions: (1) failure to complete the registration process before the deadline date; (2) failure to follow Grants.gov instructions on how to register and apply as posted on its website; (3) failure to follow all of the instructions in the funding availability notice; and (4) technical issues experienced with the applicant's computer or information technology (IT) environment.

Appendix C: Additional Information on Project Readiness Guidelines

As applicants develop their applications, there are some guidelines on project readiness that they should consider. The TIGER Discretionary Grant funds are available for a limited period of time (DOT's ability to obligate the funds expires after September 30, 2013), and DOT may be limited as to when they may obligate the TIGER Discretionary Grant funds to a project if it is not far enough along in the project development process. The application package should provide concrete evidence of

project milestones, financial capacity and commitment in order to support project readiness. Each operating administration with the responsibility for obligating the TIGER Discretionary Grant funds has its own regulations, policies, and procedures that they may apply for projects that have been selected for TIGER Discretionary Grant funds. In some cases, an operating administration may obligate a portion of the overall amount of funds that an applicant has been selected to receive so that such an applicant may use that portion of the TIGER Discretionary Grant funds for eligible pre-construction activities, delaying the balance of the obligation of funds until all pre-construction requirements have been completed.

The guidelines below provide additional details about some of these pre-construction steps if a project element is for pre-construction activities, or requirements before the total award is obligated (including, but not limited to, planning requirements, environmental approvals, right-of-way acquisitions, and design completion) and suggests milestones each project should aim to achieve in order to obligate the full amount of awarded TIGER Discretionary Grant funds, in advance of the obligation deadline of September 30, 2013. Applicants should demonstrate that they can reasonably expect to complete all of these pre-construction steps if a project element is for pre-construction activities, or requirements before the total award is obligated no later than June 30, 2013, so that all the TIGER Discretionary Grant funds are obligated in advance of or by the September 30, 2013, statutory deadline, and that any unexpected delays will not put TIGER Discretionary Grant funds at risk of expiring before they can be fully obligated. DOT may reallocate unobligated TIGER Discretionary Grant funds towards projects that are ready to use TIGER Discretionary Grant funds if a project is not ready for DOT to obligate all TIGER Discretionary Grant funds before the September 30, 2013, statutory

deadline. Applicants that are unfamiliar with, or have questions about, the requirements that a proposed project or projects may need to complete in order for the operating administration to obligate TIGER Discretionary Grant funds may contact TIGERGrants@dot.gov with questions. The below information is not an exhaustive list of the requirements that a project may need to comply with in order for TIGER Discretionary Grant funds to be obligated by the operating administration that is administering the TIGER Discretionary Grant.

State and Local Planning: Project activities that are focused on refining scope and completing Federal environmental reviews are eligible capital expenses under the TIGER Discretionary Grants Program and are an essential part of project development. A project that receives TIGER Discretionary Grant funds may be required to be approved by the Metropolitan Planning Organization or State in the Long Range Plans and Transportation Improvement Program (TIP)/Statewide Transportation Improvement Program (STIP). Applicants should take steps to ensure that the project will be included in the relevant plan if the project is required to be included in such planning documents before an operating administration may obligate funds to the project.

If the project is not included in the relevant planning documents at the time the TIGER application is submitted, applicants should submit a certification from the appropriate planning agency that actions are underway at the time of application to include the project in the relevant planning document. If the obligation of TIGER Discretionary Grant funds for construction or other activities is contingent on the project being included in the relevant planning documents, applicants should demonstrate they can reasonably expect to have the project included in such planning documents by March 30, 2013. DOT is using the March 30 milestone since applicants should demonstrate in

their project schedule that all additional, necessary pre-construction steps if a project element is for pre-construction activities, or requirements before the total award is obligated will be complete on or before June 30, 2013, and planning must be complete before other pre-construction or other activities can be completed.. The applicant should provide a schedule demonstrating when the project will be added to the relevant planning documents.

Environmental Approvals: Projects should have received all environmental approvals, including satisfaction of all Federal, State and local requirements and completion of the National Environmental Policy Act (“NEPA”) process at the time the application is submitted or should demonstrate, through their project schedule and narrative, that receipt of NEPA approval, and all additional, necessary pre-construction steps if a project element is for pre-construction activities, or other approvals can occur by June 30, 2013.

If the obligation of TIGER Discretionary Grant funds for construction or other activities is contingent on completion of other approvals that can only take place after the environmental approvals process, the applicant should demonstrate, through their project schedule and narrative, that they can reasonably expect to obtain all environmental approvals by March 30, 2013, or other date sufficiently in advance of June 30, 2013. Like planning, the environmental approvals must be obtained prior to completing other pre-construction steps if a project element is for pre-construction activities, or other activities.

To demonstrate that this suggested milestone is achievable, applicants should provide information about the anticipated class of action, the budget for completing NEPA, including hiring a consultant if necessary, and a schedule that demonstrates when NEPA will be complete. The schedule should show how the suggested milestones described in this section will be complied with, and include any anticipated coordination

with Federal and State regulatory agencies for permits and approvals. The budget should demonstrate how costs to complete NEPA factor into the overall cost to complete the project. The budget and schedule for completing NEPA should be reasonable and be comparable to a budget and schedule of a typical project of the same type. The applicant should provide evidence of support based on input during the NEPA process from State and local elected officials as well as the public. Additionally, the applicant should provide environmental studies or other documents (preferably by way of a website link) that describe in detail known potential project impacts and possible mitigation for these impacts. The applicant should supply sufficient documentation for DOT to adequately review the project's NEPA status.

Right-of-Way and Design: If the obligation of TIGER Discretionary Grant funds for construction or other activities by an operating administration may be contingent on completion of right-of-way acquisition and final design approval, and/or additional approvals contingent on completion of right-of-way acquisition and design, applicants should demonstrate, through their project schedule, that they reasonably expect to have right-of-way and design completed, and completion of any other needed pre-construction steps if a project element is for pre-construction activities, or other approvals by June 30, 2013. Applicants should submit a reasonable schedule of when right-of-way (if applicable), design, and any other required approvals are expected to be obtained. Applicants may expect that DOT may obligate TIGER funds for right-of-way and design completion only after planning and environmental approvals are obtained.

Completion of Obligation: Applicants should plan to have all necessary pre-construction or other approvals and activities completed by June 30, 2013. In some instances, DOT may not obligate for construction or other activities until all planning and

environmental approvals are obtained and right-of-way and final design are complete. If a project is selected for a TIGER Discretionary Grant and the TIGER Discretionary Grant funding will be used to complete all of these activities, DOT may obligate the funding in phases, in accordance with the laws, regulations, and policies of the operating administration that is administering the grant.

Issued On: **January 25, 2012**

Ray LaHood
Secretary

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