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or travel estimates discussed in paragraph (g) of this section remain current. Copies of the State's documentation shall be provided to the FHWA Division Administrator when it is initially developed and after each revision.

PART 505—PROJECTS OF NATIONAL AND REGIONAL SIGNIFICANCE EVALUATION AND RATING

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AUTHORITY: Section 1301 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Pub. L. 109-59; 119 Stat. 1144); 23 U.S.C. 315; 49 CFR 1.48.

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§ 505.1 Purpose.

The purpose of this part is to establish evaluation, rating, and selection guidelines for funding proposed Projects of National and Regional Significance (PNRS).

§ 505.3 Policy.

A Project of National and Regional Significance should quantitatively improve the throughput or provide long term congestion relief for passenger or freight movement for a part of the transportation network and clearly connect this improvement to sustainable economic productivity for the nation or the region in which it is located.

§ 505.5 Definitions.

Unless otherwise specified in this part, the definitions contained in 23 U.S.C. 101(a) are applicable to this part. In addition, the following definitions apply:

Applicant means either:

(1) A State Transportation Department, or

(2) A group of State Transportation Departments, with one State acting as the project lead.

Eligible project means any surface transportation project or set of integrated surface transportation projects closely related in the function they perform eligible for Federal assistance under title 23, United States Code, including public or private rail facilities providing benefits to highway users, surface transportation infrastructure modifications to facilitate intermodal interchange, transfer, and access into and out of ports and other activities eligible under such title.

Eligible project costs means the costs pertaining to an eligible project for:

(1) Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities;

(2) Construction, reconstruction, rehabilitation, and acquisition of real property (including land related to the project and improvements to land), environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements; and

(3) all debt financing costs authorized by 23 U.S.C. 122.

Full Funding Grant Agreement (FFGA) means the agreement used to provide Federal financial assistance under title 23, United States Code, for Projects of National and Regional Significance. An FFGA defines the scope of the project, establishes the maximum amount of Government financial assistance for the project, covers the period of time for completion of the project, facilitates the efficient management of the project in accordance with applicable Federal statutes, regulations, and policy, including oversight roles and responsibilities, and other terms and conditions.

§ 505.7 Eligibility.

To be eligible for assistance under this program:

(a) A project meeting the definition of an eligible project under 505.5 of this section located fully within one State shall have eligible project costs that

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are quantified in the project proposal as equal to or exceeding the lesser of:

(1) \$500,000,000; or

(2) 75 percent of the amount of Federal highway assistance funds apportioned for the most recently completed fiscal year to the State in which the project is located.

(b) A multi-State project meeting the definition of an eligible project under 505.5 of this section shall have eligible project costs that are quantified in the project proposal as equal to or exceeding the lesser of:

(1) \$500,000,000; or

(2) 75 percent of the amount of Federal highway assistance funds apportioned for the most recently completed fiscal year to the State in which the project is located that has the largest apportionment.

§ 505.9 Criteria for grants.

(a) The Secretary will approve a grant for a Project of National and Regional Significance project only if the Secretary determines, based upon information submitted by the applicant, that the project:

(1) Is based on the results of preliminary engineering;

(2) Is supported by an acceptable degree of non-Federal financial commitments, including evidence of stable and dependable financing sources to construct, maintain, and operate the infrastructure facility. In evaluating a non-Federal financial commitment, the Secretary shall require that:

(i) The proposed project plan provides for the availability of contingency amounts that the Secretary determines to be reasonable to cover unanticipated cost increases; and

(ii) Each proposed non-Federal source of capital and operating financing is stable, reliable, and available within the proposed project timetable. In assessing the stability, reliability, and availability of proposed sources of non-Federal financing, the Secretary will consider:

(A) Existing financial commitments;

(B) The degree to which financing sources are dedicated to the purposes proposed;

(C) Any debt obligation that exists or is proposed by the recipient for the proposed project; and

(D) The extent to which the project has a non-Federal financial commitment that exceeds the required non-Federal share of the cost of the project.

(3) Emerges from the metropolitan and Statewide planning process, consistent with 23 CFR Part 450;

(4) Is justified based on the ability of the project:

(i) To generate national and/or regional economic benefits, as evidenced by, but not limited to:

(A) The creation of jobs, expansion of business opportunities, and impacts to the gross domestic product due to quantitatively increased throughput;

(B) The amount and importance of freight and passenger travel served; and

(C) The demographic and economic characteristics of the area served.

(ii) To allocate public and private costs commensurate with the share of public and private benefits and risks;

(iii) To generate long-term congestion relief that impacts the State, the region, and the Nation, as evidenced by, but not limited to:

(A) Congestion levels, delay and consequences of delay;

(B) Efficiency and effectiveness of congestion mitigation; and

(C) Travel time reliability.

(iv) To improve transportation safety, including reducing transportation accidents, injuries, and fatalities, as evidenced by, but not limited to, number, rate and consequences of crashes, injuries and fatalities in the affected region and corridor;

(v) To otherwise enhance the national transportation system by improving throughput; and

(vi) To garner support for non-Federal financial commitments and provide evidence of stable and dependable financing sources to construct, maintain, and operate the infrastructure facility.

(b) In selecting projects under this section, the Secretary will consider the extent to which the project:

(1) Leverages Federal investment by encouraging non-Federal contributions to the project, including contributions from public-private partnerships;

(2) Uses new technologies, including intelligent transportation systems,

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that enhance the efficiency of the project;

(3) Helps maintain or protect the environment; and

(4) Demonstrates that the proposed project cannot be readily and efficiently realized without Federal support and participation.

(c) All information submitted as part of or in support of an application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards.

(d) Measures for the selection criteria shall include projections for both the build and no-build scenarios.

(e) PNRS solicitations or guidance documents will contain, as needed, additional specific information regarding measures, weighting, and use of these criteria.

(f) All proposed PNRS projects are required to comply with the requirements of 23 U.S.C. 106(h) regardless of whether the project meets project cost threshold for classification as a major project.

§ 505.11 Project evaluation and rating.

(a) The Secretary shall evaluate and rate each proposed project as “highly recommended,” “recommended,” or “not recommended” based on the criteria in section 505.9 of this part. Individual ratings of “highly recommended,” “recommended,” or “not recommended” will be conducted for each of the selection criteria.

(b) In response to a PNRS project solicitation a State may submit a project for a non-binding preliminary rating and evaluation at any point in the project development after the project’s concept plan is developed.

(c) Non-binding preliminary rating and evaluation will be reported in the appendix of the Secretary’s Annual Report on PNRS.

(d) A rating and evaluation will be considered complete and listed in the Secretary’s Annual Report on PNRS only after preliminary engineering is completed.

(e) The rating and evaluation for a proposed project will remain valid until the closing date of the next PNRS solicitation.

§ 505.13 Federal Government’s share of project cost.

(a) Based on engineering studies, studies of economic feasibility, and information on the expected use of equipment or facilities, the Secretary shall estimate the project’s eligible costs.

(b) A FFGA for the project shall not exceed 80 percent of the eligible project cost. A refund or reduction of the remainder may only be made if a refund of a proportional amount of the grant of the Federal Government is made at the same time.

§ 505.15 Full funding grant agreement.

(a) A proposed project may not be funded under this program unless the Secretary finds that the project meets the requirements of this part and there is a reasonable likelihood that the project will continue to meet such requirements.

(b) A project financed under this section shall be carried out through a FFGA. The Secretary shall enter into a FFGA based on the evaluations and ratings required herein, and in accordance with the terms specified in section 1301(g)(2) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (Pub. L. 109-59; 119 Stat. 1144).

(c) A FFGA will be entered into only after the project has commitments for non-Federal funding in place and all other requirements are met.

(d) A State may request the use of Advanced Construction for the project and subsequently convert those funds to an eligible Federal-aid funding category or to PNRS funding as part of the FFGA.

§ 505.17 Applicability of Title 23, U.S. Code.

Funds made available to carry out this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; except that such funds shall not be transferable to other agencies and shall remain available until expended and the Federal share of the cost of a Project of National and Regional Significance shall be as provided in section 505.13.