

**AGENCY:** Environmental Protection Agency (EPA)

**TITLE:** “Mobile Source Outreach Assistance Competition “

**ACTION:** Request for Proposal (RFP) Amendment No. 3

**RFP NO:** EPA-OAR-TRPD-07-09

**CFDA:** 66.001

**DATE:** July 25, 2007

**SUMMARY:** This Notice is issued to clarify match requirements related to tribal air management agencies for RFP EPA-OAR-TRPD-07-09, the Mobile Source Outreach Assistance Competition..

Accordingly,

Page 5, Section III, B shall now read as follows:

### **III. Eligibility Information**

#### **B. Cost sharing or matching**

The Clean Air Act’s Section 105 continuing air grant program contains cost-sharing requirements applicable to eligible state, local and tribal air agencies. The requirements are the same for state and local air agencies and for those tribal air agencies that have not established their eligibility with EPA to be treated for purposes of CAA §105 in the same manner as a state (TAS) per 40 CFR 35.573(b), but are different for tribes that are eligible for treatment in the same manner as a state for purposes of CAA §105 under 40 CFR 35.573(a). Each is briefly discussed below.

For state, local and non-TAS tribes, the eligible section 105 agency must provide a minimum match of 40% (60% maximum federal share) of the overall approved section 105 work program costs. The match contribution is calculated by determining the recipient’s contribution for both recurring and non-recurring expenses.<sup>1</sup> In addition to the match requirement, section 105 has a maintenance of effort or MOE requirement that requires the recipient to expend annually for recurrent section 105 expenditures at least equal to the amount of non-federal funds expended for such costs in the preceding fiscal year. 40 CFR 35.146(a). Non-recurrent costs are not available to satisfy the MOE requirement and, conversely, such costs do not increase the recipients MOE level. If the amount of the recipient’s recurring costs rises from the previous year, a new MOE level is established and must be met.

If an applicant to this competition is selected to receive an outreach grant, the federal funds to be awarded should be added to the federal share of the applicant’s existing section 105 grant. If addition of the outreach funds does not increase the federal share above 60%, then an additional non-federal match is not required. If addition of these funds increases the federal percentage of the new overall section 105 grant amount to greater than 60%, then the applicant, in order to receive the outreach assistance, must increase its non-federal contribution in order to restore the required 40% non-federal minimum contribution. That portion of any increase that the recipient must provide that is recurrent in nature will raise the recipient’s maintenance of effort and establish a new MOE level that must be met to receive subsequent year section 105 grants. If the entire increase is shown by the recipient at time of grant award to be non-recurring, then the recipient’s maintenance-of-effort level will not be affected.

For Tribes treated as a state under 40 CFR 35.573(a), the requirements for match (maximum federal share) contained in 40 CFR 35.575 apply. There is no maintenance of effort requirement for these tribal agencies.

An air pollution control agency which submits a proposal must include a statement in that proposal indicating that the match requirement will be met if their proposal is selected and the award of additional federal funds in the applicant’s existing 105 grant brings the federal share above 60% such that a recipient match is required. Proposals that do not include this statement will not be

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<sup>1</sup> . Non-recurring expenses are those that are shown by the recipient at time of grant award to be of a “non-repetitive, unusual, or singular nature that would not reasonably be expected to recur in the foreseeable future.” 40 CFR 35.141. Typically these are one-time, project-specific costs. Conversely, “[r]ecurrent expenditures are those expenses associated with the activities of a continuing environmental program.” 40 CFR 35.141. All costs are recurrent unless justified by the recipient as non-recurrent and the justification is approved by EPA in the grant agreement on amendment. 40 CFR 35.141.

considered. Also, grants will not be awarded to air pollution control agencies selected for award if the entity is unable to meet a required match.

Entities unclear as to their matching status are encouraged to contact the cognizant EPA Regional Grant Coordinator from the following list.