

## **Frequently Asked Questions: Recovery Act Funding for the SmartWay Clean Diesel Finance Program**

Updated April 23, 2009

NOTE: This is the Final Version of Frequently Asked Questions. If you suspect that your question was not answered, please keep in mind that we received many questions that were variations of each other. Hence, your question was likely answered indirectly.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides \$300 million in new funding to support the implementation of verified and certified diesel emission reduction technologies. The Smartway Finance RFA covers \$30 million that must be used to achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure (particularly from fleets operating in areas designated by the Administrator as poor air quality areas), and the funded projects must demonstrate the ability to maximize job preservation and creation.

Applicants must review and use the most recent version of the Request for Applications (RFA) on [www.epa.gov/cleandiesel](http://www.epa.gov/cleandiesel) to use when applying for this Funding Opportunity. Slight modifications were made on March 24, 2009.

The following Frequently Asked Questions are compiled for the benefit of organizations considering applying for a grant under the Smartway Clean Diesel Finance ARRA RFA. (RFA Number: EPA ARRA-OAR-OTAQ-09-04).

- A. Applicant Eligibility
- B. Project Eligibility
  - i. After-treatment and Anti-Idling Technologies
  - ii. Clean and Alternative Fuels
  - iii. Engine Replacements, Repowers, and Shutdowns
  - iv. Scrappage Guidelines
  - v. Miscellaneous: Shore Power, Hybrids, and more.
- C. Application Process
- D. Recovery Act Requirements

## A. Applicant Eligibility

Question A.1 *Can an individual apply for funding under this ARRA RFA?*

Answer: No. Only the eligible entities listed in Section III(A) of the RFA can apply for funding under.

Date Posted: Wednesday, April 01, 2009

Question A.2 *Will this RFA fund diesel emission reductions that are required by law?*

Answer: No funds awarded under this RFA can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to Section I.C.7: Restriction for Mandated Measures.

Date Posted: Wednesday, April 01, 2009

Question A.3 *The RFA states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect? Does an "anti-idling" mandate preclude the use of award funds for anti-idling technologies?*

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period. An "anti-idling" requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for anti-idling technologies. Note that the emission reductions from the funded activities that occur after the mandated emissions go into effect cannot be included in the total emission reductions projected for the project application.

Date Posted: Wednesday, April 01, 2009

Question A.4 *Is a college that owns trucks eligible to apply for this grant?*

Answer: The college must first meet the eligible entity criteria in Section III (A) of the RFA. If the college falls into one of the eligible entity categories, the answer then depends on the actual project proposed. The project must meet all threshold eligibility criteria in

Section III (C) of the RFA. All applicants should ensure that the project they are proposing is eligible based on these and any other requirements in the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.5 *Are community colleges eligible to apply?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.6 *Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFA?*

Answer: No. Only eligible entities as identified in Section III (A) of the RFA may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA procurement rules must be followed for any contracts, partnerships, or subawards/subgrants, as explained in Section IV (G) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.7 *If a private company partners with an eligible entity, can the eligible entity choose that company without competition?*

Answer: It depends on the type of relationship between the entities-subgrant or contract. In most cases, the eligible entity must select a contractor through a fair and open competitive process as required by the procurement rules. Please refer to the clause in Section IV(D) for further information on selecting subgrantees or contractors.

Date Posted: Wednesday, April 01, 2009

Question A.8 *If a private company partners with an eligible entity, can the eligible entity choose that company without competition?*

Answer: It depends on whether the entity is choosing a contractor or a subgrantee(s). Refer to the clause in Section IV.G for information on selecting subgrantees or contractors to help perform the project. In most cases, the eligible entity must select a contractor (i.e. technology or engine manufacturer) through a fair and open competitive process as required by the procurement rules. However, if the private company owns the fleet that will have the technology installed on its vehicles/equipment, then the eligible entity is partnering with the private company and does not have to

select this private fleet owner through a competitive process. As a partner, the private company/fleet owner is considered a key component of the project.

Date Posted: Wednesday, April 01, 2009

Question A.9 *Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?*

Answer: Renting of biodiesel storage or transportation services is considered infrastructure under this solicitation and is ineligible.

Date Posted: Wednesday, April 01, 2009

Question A.10 *The language in the RFA indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?*

Answer: No. For this RFA, the term "agencies" is a general term that applies to all levels of government and does not exclude a city or county government.

Date Posted: Wednesday, April 01, 2009

Question A.11 *Is fuel tank cleaning an eligible expense?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.12 *My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?*

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV are followed.

Date Posted: Wednesday, April 01, 2009

Question A.13 *Can funds be used for a project that has already started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Date Posted: Wednesday, April 01, 2009

Question A.14 *Can applications still be submitted for demonstration projects?*

Answer: No. Demonstration projects are not eligible under this RFA.

Date Posted: Wednesday, April 01, 2009

Question A.15 *Can we view the applications that were successful in obtaining federal funds?*

Answer: Yes, you would have to file a Freedom of Information Act (FOIA). To do so, contact the FOIA officer in the EPA Regional office that the application is from. Certain Confidential Business Information may be withheld.

Date Posted: Wednesday, April 01, 2009

Question A.16 *Is replacing single-axle dump trucks with double-axle trucks eligible?*

Answer: Yes. There are several requirements however: 1) the new trucks should be able and assigned to perform the task that the old trucks did; 2) the old diesel trucks would need to be scrapped (see the definition in the RFA for scrappage).

Date Posted: Wednesday, April 01, 2009

Question A.17 *We have already placed an order for new school buses but won't receive them or pay for them until June of 2010. Can we use this grant to pay for those buses?*

Answer: The EPA funding can not be used to pay for items which were procured outside of the award period. In the case of pre-ordering buses, the applicant must demonstrate that the pre-ordering does not constitute a procurement and commitment to purchase. If you obligated your school district to pay for the buses prior to the beginning of the grant period, then you are not eligible for reimbursement under this program. In addition, this project is not for buses that would have been replaced through attrition, but rather, early replacement. In most cases, if the buses have already

been ordered, the project would not be an early replacement project.

Date Posted: Wednesday, April 01, 2009

Question A.18 *For large projects like shore power with a relatively short timeline for completion, I would like to know what the guidelines are with regard to sole sourcing projects, or components of the overall project. The terms and conditions of the grant specify that competitive processes should be used for contracts.*

Answer: If successful applicants intend to use EPA funds to purchase goods or services, such applicants must generally compete the contracts for those goods and services, make efforts to provide small and disadvantaged businesses with opportunities to compete, and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 40 CFR Part 30 or 31. Also see clause IV.D in the RFA. While applicants are not required to identify contractors or consultants in their application, if they do so, it does not relieve the applicant of its obligations to comply with competitive procurement requirements, nor does it guarantee that costs incurred for such contractor/consultant will be eligible under the grant/cooperative agreement. Any mention of a specific vendor or fleet in an application does not imply that that vendor or fleet will be awarded a contract for goods or services or receive particular benefits under this program. Please note that applicants cannot award sole source contracts to consulting, engineering or other firms assisting applicants with the application based solely on the firm's role in preparing the application. EPA cannot accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace. The regulations also contain limitations on consultant compensation. You can find the EPA guidelines on "Purchasing Supplies, Equipment and Services under EPA Grants" at <http://www.epa.gov/ogd/recipient/procurement.htm>. In some cases, however, the case for sole source justification may be made. These cases will be approved on a case-by-case basis after award by the EPA Project Officer.

Date Posted: Wednesday, April 01, 2009

Question A.19 *Should entities in rural areas apply, or is the competition focused on urban areas?*

Answer: The competition is open to all eligible entities – as defined in Section III (A) of the RFA – and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFA for additional information on how the proposals will be

evaluated and scored.

Date Posted: Wednesday, April 01, 2009

Question A.20 *Is there a way that an eligible entity can preselect an equipment supplier for a retrofit program?*

Answer: No. However, if the eligible entity chooses to select an equipment supplier through its competitive process prior to submitting its application, then the entity would not have to recompute the work if its project was selected. For example, a school system wants to retrofit all of its school buses with diesel particulate filters but is unsure of the details needed to develop a winning proposal. They could select a supplier through a competitive process and then coordinate with the selected supplier to develop a strong proposal.

Date Posted: Wednesday, April 01, 2009

Question A.21 *During a recent Grants Workshop, it was mentioned that nonprofits that submit winning proposals must meet certain additional requirements. What are those requirements?*

Answer: There may be some additional requirements that affect awards to non-profit organizations. For example, see the Administration Capability clause in Section VI.G of the RFA. In addition, effective October 1, 2007, grant specialists are including a new administrative condition in each grant award and increase amendment made to a non-profit organization. The condition which is shown below requires two employees of the recipient organization to take an on-line grants training course. No funds will be released for payments until the training is completed. New Administrative Condition: "The recipient acknowledges that two employees of this recipient organization must complete the mandatory on-line training, "EPA Grant Management Training for Non-Profit Applicants and Recipients." One person must be the project manager, or equivalent, for this assistance agreement. The other individual must be the person authorized to draw down funds for this assistance agreement. The training must be completed by both employees prior to the return of the award document to EPA and the receipt of any grant funds. The course can be accessed at: <http://www.epa.gov/ogd/> At the end of the course the recipient must print out, sign and return the certificate of completion with the affirmation of acceptance to the appropriate grants office. The training certification will expire 3 years from the last training date. No funds will be released to the recipient by EPA until the required training is completed."

Date Posted: Wednesday, April 01, 2009

Question A.22 *Would eligible funding be applicable to infrastructure needed for the technology or does it have to be directly for the technology itself? For example, I am working on a project that involves electrifying diesel rubber-tired gantry (RTG) cranes. The retrofit kit itself (technology) would require the construction of infrastructure in order to power the technology. The infrastructure costs are significant so these funding programs will cover infrastructure needs?*

Answer: No. This RFA does not cover infrastructure costs; however see section Bi of this document for information regarding Truck Stop Electrification infrastructures.

Date Posted: Wednesday, April 01, 2009

Question A.23 *Are demonstration project funds going to be available in 2009?*

Answer: No. Any funding appropriated for FY 2009 will be for the DERA portion of the Energy Policy Act of 2005. These funds are for implementation projects, not demonstration projects. Refer to the Emerging Technologies RFA for more information.

Date Posted: Wednesday, April 01, 2009

Question A.24 *What types of financing programs were funded in 2008?*

Answer: In September 2008, EPA awarded \$3.4 million in grants to provide financial assistance for truckers under the SmartWay Clean Diesel Finance Program. These innovative loans will help small trucking firms lower their fuel costs, emissions, and their carbon footprint by purchasing newer used trucks and idling and emissions reduction technologies. For information on the 2008 SmartWay Clean Diesel Finance Program, please visit:  
<http://www.epa.gov/smartway/transport/what-smartway/financing-clean-diesel-info.htm>.

Date Posted: Wednesday, April 01, 2009

Question A.25 *What funding is there for GPS/AVL applications to help control idling?*

Answer: This RFA does not fund Global Positioning Systems (GPS) or Automatic Vehicle Locators (AVL).

Date Posted: Thursday, April 09, 2009

Question A.26 *Will level II emissions devices still be funded now that level III's are available and better protect public health?*



Answer: Yes. All EPA and CARB verified technologies are eligible.

Date Posted: Thursday, April 09, 2009

Question A.27 *How do we apply for reimbursement of our 2008 cost of biodiesel use and cold weather additives?*

Answer: This is ineligible. Only costs incurred during the RFA-specified period are eligible.

Date Posted: Thursday, April 09, 2009

Question A.28 *On Sec. III. C. 6. "Applications that use funds for any casino or other gambling establishment..." We are a casino resort and we have four buses that serve the Casino. We were hoping to include them in our fleet to be retrofitted. Does the above limitation prevent these four vehicles from being included in our fleet?*

Answer: Correct, those vehicles will not be eligible due to Section III.C.6.

Date Posted: Thursday, April 09, 2009

Question A.29 *If a "regional, state, local or tribal agency" applies, it has to be one of those entities that has jurisdiction over transportation or air quality? Or can it be a local government, such as a municipality?*

Answer: Yes, with both "jurisdiction" and "agency" used informally. A local government, such as a municipality, would be eligible.

Date Posted: Thursday, April 09, 2009

Question A.30 *Would the diesel equipment used to care for a golf course qualify for funding under this program? Would they be classified as "agriculture" or another eligible use?*

Answer: The Recovery Act funding may not be used for particular activities, including activities for golf courses. Diesel equipment used at golf courses aren't eligible. However, this equipment may be eligible under EPA's annual clean diesel funding programs to be published later this summer.

Date Posted: Thursday, April 09, 2009

Question A.31 *Are school districts who own their own school buses eligible to apply?*

Answer: Yes

Date Posted: Thursday, April 09, 2009

Question A.32 *Is replacing diesel powered temporary construction lights with solar panels eligible under the EPA solicitation?*

Answer: No, solar panels are not a verified diesel emissions reduction technology.

Date Posted: Thursday, April 09, 2009

Question A.33 *How does EPA define "jurisdiction over air quality" for a municipality?*

Answer: Municipalities are eligible entities.

Date Posted: Thursday, April 09, 2009

Question A.34 *Are state energy offices eligible for funding?*

Answer: Yes.

Date Posted: Thursday, April 09, 2009

Question A.35 *Please advise as to whether auto-tire-inflation technologies are eligible/verified technology under the Smartway Clean Diesel Finance RFA?*

Answer: No, automatic tire inflation technologies are not eligible for funding.

Date Posted: Thursday, April 09, 2009

Question A.36 *Are the States Diesel Emission Testing Programs eligible for any of the ARRA funding?*

Answer: No.

Date Posted: Thursday, April 09, 2009

Question A.37 *We are a municipal bus agency that is replacing our existing fleet of diesel buses with new CNG buses. Periodically we issue a bond to help pay for the purchase of the CNG buses, and we use dedicated sales tax revenue to pay back the bond. Could we apply for a SmartWay Clean Diesel Finance grant to help increase the size of our bond, or lower our bond financing costs, so that we can purchase more CNG buses?*

Answer: SmartWay Clean Diesel Finance grants can be used to support the issuance of a bond, or help lower the bond financing costs, where the bond funds are used to purchase verified diesel emission reduction vehicles or equipment. In your case, it would be important to show how the grant funds were being used to increase the diesel emission reductions above the amounts currently being achieved by the existing bus replacement program.

Date Posted: Thursday, April 16, 2009

Question A.38 *Is a research University an eligible entity for the program?*

Answer: If the University meets all the requirements of the eligibility criteria detailed in the RFA, you would be eligible for this program. Under this solicitation, only the following entities are eligible to apply for assistance, in accordance with Section 791(3) of the Energy Policy Act of 2005: A) a regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) a nonprofit organization or institution that 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality.

Date Posted: Thursday, April 09, 2009

Question A.39 *We are a small school district in upstate NY with about 30 school buses. Severe winter area. Outside parking, plug-ins. All diesels. Would we be eligible for grants to retrofit our buses with diesel-fired auxiliary heaters?*

Answer: The SmartWay Clean Diesel Finance program provides grants to create loan programs. Auxiliary heaters are eligible for this program; however, this is a loan program, not a grant. You might be interested in checking out the National Clean Diesel Funding Assistance Program, which provides grants for diesel emission reduction solutions.

Date Posted: Thursday, April 09, 2009

Question A.40 *Is this the correct program to apply for grant money with which to purchase school buses?*

Answer: Under the Smartway Clean Diesel finance program, you can use these funds to create loan programs to purchase diesel buses, trucks and other diesel equipment. You might be interested in checking out the National Clean Diesel Funding Assistance Program, which provides grants for diesel emission reduction solutions.

Date Posted: Thursday, April 09, 2009

Question A.41 *If an eligible entity partners with another organization that will utilize some of the funding in performing administrative work, is the partner subject to a competitive bidding process for selection?*

Answer: Yes. Only subawards or subgrants are not subject to the competitive

bidding process.

Date Posted: Thursday, April 09, 2009

Question A.42 *So a county can submit a request for funding for diesel reduction programs for intermodal facilities?*

Answer: Only the diesel equipment that operates at the intermodal facilities are eligible. Please refer to the RFA for eligible diesel emission reduction solutions. Infrastructure costs associated with an intermodal facility would not be eligible.

Date Posted: Thursday, April 09, 2009

Question A.43 *Is it safe to assume off-road equipment includes diesel powered mowing equipment at a school district?*

Answer: Diesel powered mowing equipment would be eligible.

Date Posted: Thursday, April 09, 2009

Question A.44 *Are the Environmental Financing Centers established by EPA in each Region considered eligible entities under the Smartway Financing RFA?*

Answer: If the University at the Environmental Finance Center meets all the requirements of the eligibility criteria detailed in the RFA, it would be eligible for this program. Under this solicitation, only the following entities are eligible to apply for assistance, in accordance with Section 791(3) of the Energy Policy Act of 2005: A) a regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) a nonprofit organization or institution that 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality."

Environmental Finance Centers  
<http://www.epa.gov/efinpage/efcn.htm>

EFCs by region:

Region 1 - University of Southern Maine

Region 2 - Syracuse University

Region 3 - University of Maryland

Region 4

University of North Carolina at Chapel Hill

University of Louisville

Region 5 - Cleveland State University

Region 6 - New Mexico Institute of Mining and Technology  
Region 7 - Boise State University Satellite Environmental Finance  
Center  
Region 9 - Dominican University of California  
Region 10 - Boise State University

Date Posted: Thursday, April 09, 2009

Question A.45 *Our city has six citizen refuse drop off sites; trucks at these sites run / idle all day while packing refuse. The trucks do not move from the site so an auxiliary electric hydraulic power unit could be used to power the refuse packing mechanism thereby allowing the trucks to be shut off. Would this be eligible?*

Answer: From the information you provided, it seems that the refuse trucks would be eligible for funding under the National Clean Diesel Funding Assistance Program and the Smartway Clean Diesel Finance Program. Auxiliary power units, as well as other diesel emissions reduction solutions are eligible for funding under this program. Please refer to the full announcement of the Request for Applications for a full description of eligible vehicles, activities, applicants, and the application process to be considered for grant funds. <http://www.epa.gov/otaq/eparecovery/documents/recovery-act-national-clean-diesel-rfa.pdf>

Date Posted: Thursday, April 16, 2009

Question A.46 *Can a non-profit organization partner with a national truck dealership chain to provide innovative financing of used trucks?*

Answer: Yes, a nonprofit can "partner" with the truck dealership. You may need to review the sub-grant or sub-contract requirements in the RFA.

Date Posted: Thursday, April 16, 2009

Question A.47 *Do all school buses qualify for these grants, including private schools?*

Answer: Yes, in general, all school buses and school districts are eligible to apply under the National Clean Diesel Funding Assistance Program and the Smartway Clean Diesel Finance Program. Please see the full announcement for eligibility details.  
<http://www.epa.gov/otaq/eparecovery/documents/recovery-act-national-clean-diesel-rfa.pdf>

Date Posted: Thursday, April 16, 2009

*New*

Question A.48 *We have a vehicle manufacturer looking to locate in our small city. The city would like to provide an incentive to the manufacturer. After reading the guidance for the Smartway grant we wanted to know if we could request federal funding to give to the car manufacturer so long as they provide their product to the general public at an affordable/discounted amount. Is this an eligible project?*

Answer: The Finance Program provides funding to reduce emissions from existing diesel engines through a variety of strategies, so a light duty car project would not be an eligible project.

For additional Recovery Funding opportunities, please see <http://www.recovery.gov/> under the "Opportunities" section. You can also search for other federal grant opportunities at [www.grants.gov](http://www.grants.gov).

Date Posted: Thursday, April 23, 2009

*New*

Question A.49 *On page 21 of the solicitation for the SmartWay finance program, number eight says that States must demonstrate that their Governor or Legislature has agreed to accept ARRA funds. What kind of document is needed for this? Does this mean that if a governor does not accept the funding by April 28th that no entity in that state can apply for these funds, to include nonprofits and local governments, as well as state agencies?*

Answer: This threshold criteria has been updated. For applications for States, the Governor or State legislature has to have agreed to accept Recovery Act funds for this program as required by section 1607 of the Recovery Act. State Certifications can be viewed at <http://www.recovery.gov/?q=content/state-certifications>

This updated language will be posted in the RFA sometime today, <http://www.epa.gov/otaq/eparecovery/progfinance.htm>. You don't need to provide a specific document. For EPA's purposes, if a state has a certification letter posted at the recovery.gov web site, then this criteria is satisfied.

Date Posted: Thursday, April 23, 2009

## **B. Project Eligibility**

### **i. After-treatment and Anti-Idling Technologies**

Question Bi.1 *Are diesel particulate filters (DPFs) required for retrofits, or are we allowed to install diesel oxidation catalyts (DOCs) as well?*

Answer: Diesel particulate filters and/or diesel oxidation catalyts that are

EPA verified technologies can be used for a project in this RFA. Please read the RFA, Section I (C), Eligible Diesel Emissions Reduction Solutions for more information.

Date Posted: Wednesday, April 01, 2009

Question Bi.2 *The RFA mentions that the funds can be used for idle reduction technologies. Can funds be used for a project to reduce idling through outreach programs (driver training, signs, etc.) and policy development? What are some examples of idle reduction technologies?*

Answer: No. Only verified idle reduction technologies can be funded. For a list of idle reduction technologies eligible for funding under this announcement, please refer to Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Bi.3 *Would an engine that goes in a bus and runs on fuel and heats it up be allowable?*

Answer: As described on the web at <http://epa.gov/otaq/smartway/transport/what-smartway/verified-technologies.htm>, Fuel Operated Heaters (FOH) are approved idle reduction technologies. A FOH provides heat only. EPA has determined through its own test program that these devices reduce emissions on Class 8 trucks when compared to the truck's baseline emissions. In addition, the California Air Resources Board (CARB) has approved certain FOHs for compliance with applicable California emissions standards.

Date Posted: Wednesday, April 01, 2009

Question Bi.4 *Are we able to apply for funds related to Exhaust Gas Recirculation (EGR) equipment we have installed on our fleets from 2000-2009?*

Answer: No. The funding is for future improvements to diesel fleets and equipment. However, any experience you have can be used to demonstrate your programmatic capability and experience.

Date Posted: Wednesday, April 01, 2009

Question Bi.5 *Under the Recovery Act, grants that involve projects that are defined in guidance as "Infrastructure" have several additional requirements. What are those requirements?*

Answer: Only projects involving Truck-Stop Electrification (TSE) will be defined as infrastructure for this RFA. For those projects, there are

requirements for Davis-Bacon Wage Rates and Buy American provisions for construction materials (iron, steel and manufactured construction materials). If a TSE project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Wednesday, April 01, 2009

Question Bi.6 *Our project would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving Truck-Stop Electrification.*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include Truck-Stop Electrification.

Date Posted: Wednesday, April 01, 2009

Question Bi.7 *Could you please clarify the use of funds for verified technologies, when the possible use of those technologies may not be in specific accord with the category the device has been verified. Example: May an agency interested in funding the retrofit of off-road equipment use program grant funds for a device "verified" for On-road applications?*

Answer: No. You must use the technology within its proper verification criteria.

Date Posted: Thursday, April 09, 2009

Question Bi.8 *We supply APU's for diesel fleets etc. Are the fleets eligible for grants when adding these APU's to their fleets? We are coming out with a certified DPF for retrofit to existing APU's for diesel particulate reduction are these eligible for grants etc.*

Answer: Eligible entities may apply for funds for the purchase of APUs and/or the retrofit of an APU with a DPF if the DPF is verified for use with the APU.

Date Posted: Thursday, April 09, 2009

Question Bi.9 *Can a manufacturer of an aftermarket diesel emissions reduction technology qualify for these grants if it has received a Certificate of Conformity but has not been verified by the EPA?*

Answer: Aftermarket diesel emissions reduction technologies or retrofit technologies must be verified by EPA or ARB through their Diesel Retrofit Technology Verification Programs to qualify in project



proposals. A certificate of conformity from a program such as EPA's aftermarket parts program does not qualify in project proposals.

Date Posted: Thursday, April 09, 2009

Question Bi.10 *Are idle timers (devices that adjust a vehicle's computer system to cause the engine to shut off after idling for a certain period of time) were eligible for funding?*

Answer: EPA has verified a number of categories of idle reduction technologies: (1) auxiliary power units and generator sets; (2) battery air conditioning systems; (3) thermal storage systems; (4) electrified parking spaces (truck stop electrification); (5) fuel operated heaters; (6) shore connection systems and alternative maritime power; (7) shore connection systems for locomotives; and (8) automatic shutdown/start-up systems. For the purpose of submitting a grant application, idle reduction projects can be based upon the general "Verified Idle Reduction Technology" category or one or more of the eight verified idle reduction technology categories listed above. By using technology categories for the purpose of submitting a grant application, EPA confers general approval of other company products not evaluated but considered part of that particular technology category if the product is similar in design.

The specific idle reduction products/manufacturers listed at [www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm](http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) have been verified by EPA to save fuel and reduce emissions when compared to idling the main engine. If awarded, a project must use named verified idle reduction technologies (i.e., specific products) listed at the time the technology is purchased, OR the grantee must obtain prior approval from the EPA Project Officer to purchase a product not listed by name by 1) demonstrating the emissions benefit; and 2) justifying the inclusion of the technology in one of the verified categories of idle reduction technologies.

The verified technology list is regularly updated with the latest technologies that EPA has verified. For verification of idle reduction technologies, manufacturers should send product information to the SmartWay Technical Team at [SmartWay-Tech@epa.gov](mailto:SmartWay-Tech@epa.gov) for instructions on how to have the particular product verified.

Date Posted: Thursday, April 09, 2009

Question Bi.11 *Since a truck stop electrification system requires electricity to perform its design function, is the electrical supply portion of the TSE equipment (equipment needed to connect the heating/cooling hardware to the grid so that electricity can be supplied to the system) eligible for being funding under the DERA stimulus program, or is that considered "infrastructure" and not able to be funded?*

Answer: The electrical supply portion is eligible for funding.

Date Posted: Thursday, April 09, 2009

Question Bi.12 *Would a land purchase for a truck stop electrification site be an allowable use of funding under this grant?*

Answer: No.

Date Posted: Thursday, April 09, 2009

Question Bi.13 *Are new technology related to reducing carbon emissions from over the road trucks thru anti-idling laws not federally mandated yet, but mandated in 17 states eligible for this RFA?*

Answer: An "anti-idling" requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for verified reduction technologies.

Date Posted: Thursday, April 09, 2009

Question Bi.14 *We are an eligible entity and we have a local company that has come up with something that is not on the EPA verified list? Can we apply if the product has been submitted but is not yet verified?*

Answer: At this time, you should not be identifying specific manufacturers or vendors in your proposal; rather discuss the type or category of verified technology that you would like to use (i.e. diesel oxidation catalyst, auxiliary power units, etc). Once your project is awarded, you will be required to compete contracts for all your goods and services, including the purchase of emission reduction technologies. If by that time, a particular technology product is not on EPA or CARB's Verified Technology List (in your case, pending verification but not officially verified), that product would not be eligible for your project. If you decide to sole-source, please refer to the RFA for further instructions.

Date Posted: Thursday, April 09, 2009

Question Bi.15 *Is the program open to analysis of emissions reductions using APUs, how such systems can be utilized to reduce emissions, and how utilization of APUs can be improved?*

Answer: Analysis and research are not eligible expenses.

Date Posted: Thursday, April 09, 2009

Question Bi.16 *Are there any EPA certified truck aerodynamic packages?*

Answer: Please visit <http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm> for a list of verified aerodynamic technologies.

Date Posted: Thursday, April 09, 2009

Question Bi.17 *How soon will the qualified allowable expenses for TSE projects be available?*

Answer: TSE projects are eligible for funding, but they are defined as infrastructure for this RFA. There are Davis-Bacon Wage Rates and Buy American provisions for construction material. We will provide the information in the Terms & Conditions after an award is provided.

Date Posted: Thursday, April 09, 2009

Question Bi.18 *Could purchasing a machine to be used to clean diesel particulate filters qualify for funding assistance under the recovery program?*

Answer: DPF cleaning/regeneration stations are eligible for funding.

Date Posted: Wednesday, April 15, 2009

Question Bi.19 *If the organization would like to use non-verified technologies that have a proven and documented benefit that equals or exceeds the benefit of a verified technology what is the process to obtain a waiver to allow the use of the non-verified technologies?*

Answer: We do not have a waiver program for the SmartWay Clean Diesel Finance program. Only verified technologies may be used for this program as well as the National RFA.

Date Posted: Thursday, April 09, 2009

Question Bi.20 *Are direct fired bus heaters eligible?*

Answer: Yes, diesel fired heaters are eligible under the Verified Idle Reduction Technologies category.

Date Posted: Thursday, April 16, 2009

Question Bi.21 *Are the funds available for certified idle reduction technology retrofits a loan or a 100% grant?*

Answer: The SmartWay Clean Diesel Finance program is a grant program for eligible entities to establish loan or lease programs to make financing available for the purchase verified idle reduction technologies.

Date Posted: Thursday, April 09, 2009

Question Bi.22 *Because EPA is using technology categories, specific technology products that clearly fall into one of the eight EPA-identified idle reduction technology categories, and that are similar in design and performance to individual company products that EPA has previously verified, do not need to be pre-approved by EPA. These individual technology products will therefore be approved on a case-by-case basis as part of the EPA grant evaluation process. Is this the correct interpretation of the online language with respect to proposals being submitted under the Recovery Act Funding for the National Clean Diesel Program?*

Answer: While grant applications can be based on categories of EPA or CARB verified technologies, the project -- when implemented -- must use only EPA or CARB verified idle reduction technologies listed at the time the technology is purchased. Products a manufacturer believes meet the criteria can be added to the EPA-verified list. Manufactureres can find more information on this at the NDCDC home page or the Smartway home page.

Date Posted: Thursday, April 16, 2009

Question Bi.23 *In regards to Low Rolling Resistance Tires, can these funds only be used for the purchase of the tires? As an example, if an owner/operator wanted to replace traditional duals on the rear axles of the truck or trailer with wide bias tires, it would require the purchase of a new rim/wheel for that purpose. Can these funds be used for the full rim/wheel and tire combination, or only the tires themselves?*

Answer: Typical changes to retrofit a drive or trailer wheel/tire to single wide tires are new wheels and new tires, so wheels and tires are eligible for funding.

Date Posted: Thursday, April 16, 2009

## **ii. Clean and Alternative Fuels**

Question Bii.1 *Does "conventional diesel fuel" include low sulfur diesel (LSD)? In other words, can funding be used to displace LSD with ultra low sulfur diesel (ULSD) fuel (with less than 15 parts per million sulfur) use in off-road construction vehicles?*

Answer: Yes. You can use the grant funds to offset the cost of ULSD in non-road equipment. However, note that ULSD is required in 2010 so funds cannot be used for ULSD in some off-road scenarios after 2010. Only the incremental cost may be eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.2 *Can you include cost differential in the application even though you are already purchasing ULSD or biodiesel at a premium?*

Answer: EPA will pay for the cost differential for new fuel contracts or changes to existing contracts. If an entity is already purchasing biodiesel or ULSD at a premium, EPA will not provide reimbursement for that activity. However, EPA will pay the cost differential associated with renewing, extending or obtaining a new contract for cleaner fuel.

Date Posted: Wednesday, April 01, 2009

Question Bii.3 *Can an entity apply to fund the manufacturing process of biodiesel (or another cleaner fuel)?*

Answer: No. This competition is intended to be for implementation of verified or certified diesel emissions reduction technologies, and is not intended to fund the manufacture, research, or development of those emission reduction technologies (fuel, equipment, etc.). Section II (E) of the RFA lists other funding restrictions and requirements.

Date Posted: Wednesday, April 01, 2009

Question Bii.4 *What are the requirements for projects to add vegetable oil (such as strained and filtered old cooking oil) to diesel fuel?*

Answer: The vegetable oil must first be registered as a fuel additive. Vegetable oil, such as strained and filtered cooking oil, is not the same as biodiesel. EPA allows up to a 5% vegetable oil blend with diesel fuel, provided the diesel continues to meet ASTM diesel specifications. The manufacturer or facility producing the vegetable oil must have it registered as a fuel additive via EPA Form 3520-13, Fuel Additive Manufacturer Notification, available at: <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>

Date Posted: Wednesday, April 01, 2009

Question Bii.5 *Our town is planning to use filtered, used vegetable oil from local restaurants in our highway department diesel vehicles and school buses. We would like to establish the infrastructure to collect, process and blend this vegetable oil with diesel fuel. Will this initiative fall under the guidelines for this program?*

Answer: No. Cooperative agreement funds cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations. SVO (straight vegetable oil) is not an EPA registered fuel. See the related question regarding vegetable oil use. The conversion kits to run an engine on SVO are not certified either and are not eligible for funding. If the SVO is converted to biodiesel that meets ASTM standards, the purchase and use of ASTM biodiesel is allowed under the grant program. The biodiesel manufacturer must have it registered as diesel fuel, using EPA Form 3520-12 at <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>. However, the infrastructure costs of making and distributing the fuel are not eligible under the National Clean Diesel Funding Assistance Program. Additionally, only the incremental cost for cleaner fuel is eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.6 *In a project that proposes to use biodiesel or other clean fuels, can funding be used for additives or a higher funding level be paid for premium blends that include additives?*

Answer: If it is not on the EPA or ARB verified technology list to reduce emissions, the additive may not be funded through this RFA. Similarly a premium price may not be paid for a fuel or fuel blend with unverified additives, as that would simply be a method to avoid the requirement that the additive be verified. Further, caution must be exercised when using any fuel or lubricant additives as these products may impact emission control system performance. Fuels and fuel additives must also comply with applicable registration requirements.

Date Posted: Thursday, April 09, 2009

Question Bii.7 *Under the ARRA National Clean Diesel solicitation, is the incremental cost difference between ULSD (the only diesel fuel available in California) and natural gas (either compressed and liquefied) eligible for 100% grant funding for onroad and off-road OEM CNG vehicles, using OEM natural gas engines? For off-road engines, is the incremental cost difference between ULSD fuel and*

*propane fuel eligible for LSI propane OEM engines?*

Answer: In this case, no. Because the engines were designed to operate on CNG or propane, there are no marginal emissions benefit.

Date Posted: Thursday, April 09, 2009

Question Bii.8 *What products are EPA approved for LP gas to diesel applications?*

Answer: EPA does not have any verified equipment for this purpose.

Date Posted: Thursday, April 09, 2009

Question Bii.9 *Is funding available for bio-diesel? If so, what % of bio-diesel would need to be purchased (i.e. B10, B20, etc)?*

Answer: Yes. We accept all blends of biodiesel from B5-B100. Cleaner fuel use is an eligible diesel emissions reduction solution. Cleaner fuels include: ULSD, biodiesel, diesel emulsions or additives verified by EPA or CARB, CNG, propane and other alternative fuels. Funding can be used to cover the cost differential between the cleaner fuel and conventional diesel fuel. Funding can not be used for fueling infrastructure.

Date Posted: Thursday, April 09, 2009

Question Bii.10 *We are very far along with a system that saves 40% in fuel savings. At this time, there is no funding to complete this project, although I have implemented a program to save a company of 4000 trucks approximately 20 million dollars per year. Can you help me with this?*

Answer: This program cannot fund non-verified technologies. Technologies should be EPA or CARB verified to be eligible for funding. EPA's Emerging Technologies program may be of assistance:  
<http://www.epa.gov/otaq/diesel/prgemerg.htm>

Date Posted: Thursday, April 09, 2009

Question Bii.11 *Can this grant money go towards ethanol displacing diesel for reduction of emission?*

Answer: Under this RFA, eligible cleaner fuels include, but are not limited to, ultra-low sulfur diesel fuel (for non-road vehicles, engines and equipment prior to EPA's mandate), biodiesel, diesel emulsions or additives verified by EPA or CARB, compressed natural gas, propane and other certified alternative fuels.

Date Posted: Thursday, April 16, 2009

Question Bii.12 *Could I replace ULSD with LNG vehicles and only request funds for the incremental cost of LNG fuel instead of the whole cost of the new vehicle?*

Answer: Yes, an application solely for the incremental cost difference of a cleaner fuel is eligible. Under this RFA, projects must include one or more of the diesel emissions reduction solutions listed in Section I.C.5.

Date Posted: Thursday, April 16, 2009

### **iii. Engine Replacement, Repowers, and Shutdowns**

Question Biii.1 *Is replacing gasoline powered vehicles or equipment with new diesel powered vehicles or equipment eligible under this RFA?*

Answer: No, the replacement of gasoline-powered vehicles or equipment is not allowable under this RFA. However, replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles or equipment is eligible for funding under this announcement per Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Biii.2 *Is converting a truck to CNG considered an engine replacement, an engine upgrade or a retrofit?*

Answer: If the existing engine is converted to run on CNG through the installation of a "kit", it is an engine upgrade. The "kit" must be certified, and it is not verified as a retrofit. If the entire engine and fueling system are swapped out with a CNG engine configuration, it is a repower and it also must be certified.

Date Posted: Wednesday, April 01, 2009

Question Biii.3 *Would purchase of new CNG refuse trucks to replace diesel units qualify under this program?*

Answer: Yes, as an early replacement for an old diesel vehicle, CNG replacement would be an eligible activity under this RFA. Emission reductions that would have occurred through normal attrition are not eligible: it must be early retirement. In addition, the old diesel vehicle must be scrapped or remanufactured (see RFA for details).

Date Posted: Wednesday, April 01, 2009

Question Biii.4 *We would like to replace the 70 daily diesel truck trips with an approved state-of-the-art pipeline delivery system. Would this be*



*eligible under the RFA?*

Answer: This project doesn't qualify under our program. Other Funding Opportunities offered by other Federal agencies besides EPA under the Recovery Act may cover such a project.

Date Posted: Wednesday, April 01, 2009

Question Biii.5 *Is the new purchase of alternative technology switcher locomotives (multi-engine gen sets) eligible for funding under this program? If so, what percentage of funding would this type of project be eligible to receive? If the new purchase is not eligible, could this type of project be funded as a replacement and be eligible for 25%?*

Answer: Yes, under a locomotive replacement program. The purchase of a new locomotive would not qualify if the overall fleet is expanding by the purchase and no comparable locomotive were removed from service. The Smartway Clean Diesel Finance Program would cover up to 100% of the financing of the locomotive.

Date Posted: Wednesday, April 01, 2009

Question Biii.6 *Are trailer refrigeration units eligible for replacements under this RFA?*

Answer: Yes, they would be eligible, provided that the replacement is a certified cleaner engine, and the old refrigeration unit & engine is permanently disabled. Additionally, the applicant is responsible for complying with all laws for proper recycling and handling of refrigerants in this type of replacement project.

Date Posted: Wednesday, April 01, 2009

Question Biii.7 *Are diesel-powered standby gen sets eligible for program funding?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Biii.8 *Can the grant money be used to replace existing older style diesel generators? Can the grant money be used to buy new tier 2/3 diesel generators; for Sewer Lift Stations, Water-Wells?*

Answer: Replacement/ upgrade of engines are eligible activities and include replacement/upgrade of stationary engines. Please review the limitations for replacement and upgrades in Section I.B.

Date Posted: Wednesday, April 01, 2009

Question Biii.9 *How much does EPA cover if a diesel heavy-duty vehicle is replaced with a hybrid?*

Answer: The Smartway Finance Program covers up to 100% of the financing for engine/vehicle replacements.

Date Posted: Wednesday, April 01, 2009

Question Biii.10 *Does the grant for cleaning agricultural diesel emissions include replacing diesel powered water pumps with electric pumps?*

Answer: Yes, our grant funding would cover a project that replaced diesel-powered water pumps. The replacement engines would have to be certified by EPA or CARB.

Date Posted: Wednesday, April 01, 2009

Question Biii.11 *Does the term "school buses" mean buses which transport school pupils, or is a generic term in Section I.C.5.f.i in the RFA? We use school buses to transport inmates.*

Answer: The term is specific and refers to medium or heavy-duty buses which transport children to and from educational facilities.

Date Posted: Wednesday, April 01, 2009

Question Biii.12 *Are automatic shut-down systems to reduce idling eligible for funding?*

Answer: Yes, so as long as it's on EPA's list of verified technologies.

Date Posted: Thursday, April 09, 2009

Question Biii.13 *Does an engine upgrade have to be EPA or ARB verified?*

Answer: An engine upgrade does not have to be verified by EPA or ARB. Some verified engine upgrades are included on EPA's Verified Technology List. An engine upgrade that changes an engine from one certified configuration to another certified configuration may not have to be included on a verified technology list.

Date Posted: Thursday, April 09, 2009

Question Biii.14 *What is required for an engine upgrade?*

Answer: To achieve the goals of this RFA, an engine upgrade must achieve an emissions benefit by changing the engine to comply with a lower emission standard. Consequently, some engine upgrades may also be characterized as emissions upgrades.

Date Posted: Thursday, April 09, 2009

Question Biii.15 *How does an engine upgrade differ from an engine replacement?*

Answer: An engine upgrade or emissions upgrade is the removal of parts on a certified engine configuration and replacement with parts that cause the engine to represent an engine configuration which was certified to a lower emission standard. An engine replacement is the removal of an older engine and installation of a new or remanufactured engine configuration that was EPA certified to a lower emission standard. Consequently, both an upgrade and replacement achieve an emissions benefit by moving from one standard category to a cleaner-lower emission standard category.

Date Posted: Thursday, April 09, 2009

Question Biii.16 *Will you give an example of an engine upgrade and an engine replacement?*

Answer: An engine certified to the 5.0 NO<sub>x</sub> emissions standard in 1996 might be rebuilt and upgraded with parts to represent an engine configuration certified in 1999 to the 4.0 g/bhp-hr NO<sub>x</sub> standard. Similarly the 1996 engine could be replaced with an engine remanufactured to meet the 1999 emission standards. Please note that engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. Similarly, it is not always possible to replace an engine with a newer cleaner engine because other vehicle/equipment modifications may be necessary. Proposals should be well researched to identify available upgrade / replacement options. If a project results in an upgrade or replacement that does not achieve an emissions benefit, the funding may be denied for failure to achieve the project purpose.

Date Posted: Thursday, April 09, 2009

Question Biii.17 *What engine information is appropriate to include in an engine upgrade or replacement proposal?*

Answer: An engine upgrade (or emissions upgrade) or engine replacement project should include engine and vehicle information for the existing fleet. It is also appropriate to include a complete description of the engine configuration that will be achieved or installed through the project. Typically the EPA engine family name on the emission label of the engine is most useful as well as the other specific information listed in the RFA for engine and vehicle. To be funded, the upgrade or replacement must result in an emissions benefit by achieving a lower emission standard with the new engine configuration.

Date Posted: Thursday, April 09, 2009

Question Biii.18 *Would a heavy duty LNG truck qualify for a truck replacement grant if replacing an old diesel?*

Answer: Yes, an LNG truck would be eligible as a replacement, provided the replacement criteria as detailed in the RFA are followed.

Date Posted: Thursday, April 09, 2009

Question Biii.19 *Can these funds be used to purchase fleet vehicles for a local government?*

Answer: Yes.

Date Posted: Thursday, April 09, 2009

Question Biii.20 *For nonroad equipment replacement projects, what criteria methods are used to determine similar horsepower? In the RFA, there is the following statement: "The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower)." If we replace a 210 hp yard tractor with a 240 hp yard tractor, is that similar horsepower? Or replacing a 105 hp forklift with a 160 hp forklift; is that similar horsepower? Is "similar horsepower" based on the how the EPA nonroad engine standards are grouped into horsepower ranges (less than 11 hp, 11 to 25 hp, 25 to 50 hp; 50 to 100 hp; 100 to 175 hp; 175 to 300 hp; 300 to 600 hp; 600 to 750 hp; 750 hp and above)? Or is there some other method?*

Answer: The horsepower rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the old equipment engine. In limited situations, such as equipment in the original horsepower range was not available or the higher horsepower equipment will result in equal or less annual emissions, EPA may approve a greater than 25 percent increase in horsepower. Documentation must be provided that the replacement equipment will be executing the same job as the old equipment.

Thus, for your examples:

The 240 hp replacement of a 210 hp yard tractor would be acceptable.

The 160 hp replacement of a 105 hp forklift would probably not be acceptable unless the applicant could justify the reason for the large increase in engine power.

Date Posted: Thursday, April 09, 2009

Question Biii.21 *We currently have a fleet of 390 propane buses. Would accelerated replacement of these vehicles with new cleaner propane vehicles be eligible for funding?*

Answer: No. Funding under this RFA is specifically dedicated to reducing emissions from the existing diesel fleet.

Date Posted: Thursday, April 09, 2009

Question Biii.22 *Can a project propose to, for example, replace a 5 year old vehicle with a brand new vehicle, and then subsequently replace a 10 year old vehicle with the 5 year old vehicle, with the 10 year old vehicle ultimately being scrapped? Is this type of project eligible for funding as a vehicle replacement project?*

Answer: EPA has approved this type of scrappage strategy in the past and may do so in the future. The engine must be of similar horsepower and function.

Date Posted: Thursday, April 09, 2009

Question Biii.23 *As people have come to me with interest in replacing old buses, I've been telling them that we're going to ask for a few pieces of information to confirm that they're retiring buses early (our goal as well as yours): The number of buses they've retired the previous two years and the age of those buses. The total number they're retiring this year and the age of these buses (both regularly scheduled retirements and early retirements)*

*If we see that someone has been retiring three buses per year, and this year they're retiring six, they'd only be eligible for funding for three buses through DERA, even if all six of the ones being retired are being retired early, correct? Or can they receive funding for all six, even if that means they're keeping the buses that had been scheduled for retirement in their fleet longer?*

Answer: Yes, only 3 of the 6 would be eligible because of past retirement history - as being consistent with Section I.C.5.f.i.

Date Posted: Thursday, April 09, 2009

Question Biii.24 *Please define "certified vehicle" for purposes of funding under the*

*Vehicle Replacement Program element. In particular, please confirm that the vehicle described as follows would be certified: a heavy-duty vehicle with primary propulsion power from a certified diesel engine, and also equipped with a plug-in hybrid system used to power idle reduction equipment and provide a small amount of power used for vehicle propulsion.*

Answer: Heavy-duty vehicles are not specifically certified to emission standards. The engine itself must be EPA certified for use in a heavy-duty vehicle or nonroad application. An auxiliary power unit would typically use a certified nonroad engine. An on-highway heavy-duty vehicle must use an engine certified to on-highway engine emission standards.

Date Posted: Thursday, April 09, 2009

Question Biii.25 *Are stationary engines eligible for repowering under this RFA?*

Answer: Yes.

Date Posted: Thursday, April 09, 2009

Question Biii.26 *I intend to replace the engine and keep the chassis and body of my diesel vehicle. Do I have to use a verified technology or can I use a new certified engine?*

Answer: If you are replacing the engine and not the entire vehicle, it is considered an engine repower. You may either use a verified technology listed on the verified technology page or a new engine certified to meet current or future EPA emission standards.

Date Posted: Thursday, April 09, 2009

Question Biii.27 *If our school district is looking into purchasing new buses with this funding, what is the match we have to provide?*

Answer: Under the Smartway Clean Diesel Finance Program, funds can be used to pay for 100% of the cost of replacing an old vehicle with a new vehicle, as well as repowers/upgrades. Vehicles being replaced must be properly scrapped or disabled.

Date Posted: Thursday, April 09, 2009

Question Biii.28 *Under the guidelines of the current RFA, can a school district replace an existing old model gas powered school bus with a new qualified alternative fuel bus? Also, if they buy 4 new buses will they have to take 4 older buses out of service, in other words, one for one?*

Answer: This RFA does not cover the replacement of gas-powered vehicles. However, you are correct that if four new buses are purchased, four older buses must come out of service.

Date Posted: Thursday, April 09, 2009

Question Biii.29 *Are urban transit bus repowers (replacing older obsolete engines with newer cleaner engines) eligible for funding?*

Answer: Certified engine repowers are eligible diesel emissions reduction solutions.

Date Posted: Thursday, April 09, 2009

Question Biii.30 *A project involves converting a crane that is currently powered by a diesel engine to being powered electrically by connecting the crane to shore side power. The crane's diesel engine would be dismantled and scrapped. Would this project be classified as a repower, idle-reduction or replacement project?*

Answer: This project would be an engine repower.

Date Posted: Thursday, April 09, 2009

Question Biii.31 *Under the ineligible use of funds, does the "no tanks" include tanks required on a vehicle getting a CNG repower?*

Answer: The individual storage tanks needed for retrofitting a diesel truck with CNG would be eligible.

Date Posted: Thursday, April 09, 2009

Question Biii.32 *Vehicles over 16000 lbs gvwr are required to get their emissions tested and have to pass the amount set forth by the State. The State oversees these Testing Stations and we purchase the testing equipment. The equipment is getting out of date and there is a need to purchase newer equipment.*

Answer: Testing equipment is not eligible for these funds.

Date Posted: Thursday, April 09, 2009

Question Biii.33 *i have a customer wondering about the grant program to swap his engine for a cleaner engine. What are the rules for the year model of engine; does it have to be new model year or just 2002 or newer?*

Answer: There is no specific model year requirement, only that the new engine be certified to a cleaner emission standard than the existing engine. However, a new 2007-2009 engine will produce the

greatest emissions benefit.

Date Posted: Wednesday, April 15, 2009

Question Biii.34 *Regarding the status of the vehicle replaced in this program, can the replaced vehicle exhaust system be upgraded to tier III and the vehicle be sold or traded in to dealer, rather than destroying or scrapping the unit?*

Answer: I think you are asking about retrofitting the exhaust of the replaced vehicle instead of remanufacturing the replaced vehicle engine to a cleaner emission standard. The engine must be upgraded/remanufactured to a cleaner emission standard, which may include the installation of an exhaust retrofit. However, exhaust retrofit alone will not meet the replacement criteria. Also, if the replaced vehicle is sold, program income requirements apply and the money received from the sold vehicle must go back into (supplement) the grant project. See RFA for additional requirements on engine replacements.

Date Posted: Thursday, April 16, 2009

Question Biii.35 *According to Page 12 of the RFA, "Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement."*

*This definition would exclude buses funded with federal funds and which could not be retired before the end of their service life. Is it this correct, and thus, these buses are not eligible for funding?*

Answer: If a bus is at the end of its service life, as defined by the bus fleet owner's budget plan, operating plan, standard procedures, or retirement schedule, then that bus is not eligible for funding under the National Clean Diesel Funding Assistance Program.

If the fleet owner is prohibited from early retirement through a purchase agreement, contract, or other requirement, the issue should be taken up with the agency that is imposing the requirement. EPA will not provide funding for costs or penalties incurred due to early retirement.

Date Posted: Thursday, April 16, 2009

Question Biii.36 *Is replacing a Fire Truck part of the program and is a State or*



*Costars Contract considered a competitive bid to purchase the new unit?*

Answer: A fire truck would be eligible for replacement to the extent it meets the definition of eligible vehicles in the RFA. All procurements are subject to the competitive procurement requirements of 40 CFR Parts 30 and 31. If awarded funds, a recipient can work with their Project Officer to determine if a particular contract mechanism meets these requirements or if a new contract must be competed.

Date Posted: Thursday, April 16, 2009

Question Biii.37 *A fleet we are working with typically buys 30 to 40 new trucks a year. Would this year's purchase of new trucks be eligible for this funding, or would they be ineligible as this is considered "normal replacement" and not "early retirement"? How does EPA determine what is "normal" versus "early" replacement?*

Answer: Emission reductions that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is already scheduled to take place between now and the end of the project period (September 30, 2010). Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Based on the information you provided, this year's purchase of new trucks would not be eligible for funding under this RFA.

Date Posted: Thursday, April 16, 2009

Question Biii.38 *What happens if a project is approved, but it is then determined that only half of the vehicles can be serviced. For example, say we want to retrofit 20 off-road vehicles with Level 3 devices (DPFs) Once the project is approved and the preliminary work is completed, it is determined that only 10 vehicles meet the duty cycle temperature requirement. Half the funding for the project then reverts back to EPA?*

Answer: If an applicant anticipates that some of the proposed vehicles may not meet the technical requirements of the proposed technology, the applicant may wish to propose an alternate

technology or plan for those vehicles. Or if a project is funded and duty cycle testing determines that the proposed technology is not technically feasible, the recipient may work with the EPA project officer at that time to determine the appropriate options for carrying out the project. Options may include amending the work plan to allow for other eligible activities (provided the new activities are within the original scope of work of the project), or closing the grant and returning any unspent funds to EPA.

Date Posted: Thursday, April 16, 2009

Question Biii.39 *We are a small school district and would like to replace some of our older school buses. Is there a vehicle age group ( 9, 10, 12, years old) that we should target for replacement? In other words is there a minimum vehicle age criteria?*

Answer: There is no minimum vehicle age criteria for replacement, however emission reductions that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is already scheduled to take place between now and the end of the project period (September 30, 2011). Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Date Posted: Thursday, April 16, 2009

Question Biii.40 *Is replacing a 1999 diesel engine with an engine with a DPF considered a Repower?*

Answer: If the replacement engine includes a DPF as part of its certified configuration, then it is a repower.

Date Posted: Thursday, April 16, 2009

Question Biii.41 *If the engine conversion development funds are available is there funding for installing chargers as well? My point with this question is if we do conversions the airline will need chargers that typically cost \$5 - \$6k each which puts up the cost of conversion and may dissuade anybody from taking the initiative in these tight financial times.*

Answer: Yes, provided the charger is directly related to and necessary for the

conversion.

Date Posted: Thursday, April 16, 2009

#### iv. Scrappage

Question Biv.1 *What constitutes the "scrappage" of a vehicle after it is replaced? Are we allowed to sell it?*

Answer: If only the engine is replaced, it must be rendered either inoperable by drilling core holes (or other destructive method) or be recycled and upgraded through the original engine manufacturer. If the entire vehicle is replaced, then the vehicle can be sold, but the engine must be scrapped or upgraded through an OEM reuse program. The vehicle must be permanently disabled such as by cutting the frame. If a vehicle or engine is sold for parts or scrap, any income must be accounted for in the project. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA. To be able to apply for this funding opportunity for replacement of a vehicle, engine, or equipment, the following requirements apply: 1. The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard. 2. The replacement vehicle or engine will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle or engine being replaced. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). These projects can also include the replacement of nonroad vehicles/equipment with highway models if the highway models are capable of performing the same functions as the nonroad models.

Date Posted: Wednesday, April 01, 2009

Question Biv.2 *I would like to apply for funds to scrap old diesel trucks. There would be no retrofitting involved, or the purchase of a replacement vehicle. Am I eligible?*

Answer: No. This RFA can only be used for projects using an EPA certified engine configuration or a verified technology. A scrappage project does not use a certified engine configuration or a verified

technology as those terms are defined in DERA.

Date Posted: Wednesday, April 01, 2009

Question Biv.3 *I would like to apply for funds to purchase a new truck and simultaneously scrap an old diesel truck. Could the RFA money be used to pay the administrative cost of scrapping the old vehicle (drilling a hole in the engine block, towing to a scrap yard, etc)?*

Answer: The funds could arguably be used to pay for the scrappage costs, provided that the project is using a certified engine configuration or verified technology. For the cost to be eligible, you would have to determine whether the project involving the purchase of new trucks is a project using a certified engine configuration or a verified technology. For example, a grantee could use grant funds to purchase a new truck and pay for scrappage if the new truck purchased has a certified engine configuration (a new engine configuration that has been certified or verified by EPA or CARB that meets a more stringent set of emissions standards as determined by EPA). The scrappage would be part of the overall project using the certified engine configuration and the scrappage would contribute to the diesel emissions reductions.

Date Posted: Wednesday, April 01, 2009

*Update* Question Biv.4 *Does EPA only pay for the incremental cost of an engine/vehicle replacement AFTER the costs of scrapping the old engine are factored in?*

Answer: Program income does not have to be accounted for in the budget at the time of application. If program income is generated during the course of the project, program income requirements apply. Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income earned during the project period shall be retained by the recipient and, in accordance with 40 CFR Parts 31.25 and 30.24 and the terms and conditions of the award, shall be used in one or more of the following ways:

- (1) Added to funds committed to the project by EPA and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.
- (2) Used to finance the non-Federal share of the project or program,

including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the same.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

Date Posted: Wednesday, April 01, 2009

Question Biv.5 *After reading through the RFA "program income" requirements I found in 40 CFR 31.32 (c)(4) that "when acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency." I know that in the RFA it states that equipment replacements require that the old equipment be disabled with a hole being drilled through the engine block and manifold, and the truck chassis must be cut in half, but once this is done would the old equipment be allowed to be scrapped and sold for parts with proceeds staying in possession of the subgrantee?*

Answer: Any proceeds from the sale of the vehicle would be considered program income and should be used for the purposes of the grant.

Date Posted: Thursday, April 09, 2009

Question Biv.6 *We have a school district that is wondering if CNG buses can be traded in or if they have to be destroyed as part of the stimulus for new bus purchases. Do you have any information that I can pass on to them?*

Answer: CNG buses are not eligible under this RFA. Only diesel buses and vehicles are eligible for funding.

Date Posted: Thursday, April 09, 2009

Question Biv.7 *Could you please confirm if other options for scrap exist outside the three listed above (scrap, return to OEM, sell with program income requirements).*

Answer: One vehicle or piece of equipment of the same use and horsepower must be scrapped for every new piece of equipment. In some limited cases, EPA might approve a trade to benefit various parties, as long as an engine was scrapped. For example, a replaced 1997 school bus would still be cleaner than a pre-1990s model year bus.

A school district receiving an EPA replacement grant could give the 1997 school bus to the neighboring district on the condition that the pre-1990 bus was scrapped.

Date Posted: Thursday, April 09, 2009

Question Biv.8 *For replacements of diesel vehicles, the RFA says that one acceptable scrapping method is to drill a hole through the engine block and manifold, and disabling the chassis while retaining possession of the vehicle is acceptable, but other methods may be considered, and would require EPA approval. Here is the problem, when you disable the chassis (cut the frame in half), the vehicle is no longer transportable. Would it be acceptable to donate the truck to a scrap yard, on the condition that the engine block and manifold gets a hole drilled through it, and the scrap yard issues a letter of commitment to scrap the entire vehicle, stating that no parts will be reusable except for scrap metal purposes?*

Answer: Yes.

Date Posted: Thursday, April 09, 2009

Question Biv.9 *Would it be possible for EPA come and take the trucks after they get replaced, and they gain possession of the old trucks, so that they would be responsible for ensuring that the trucks do not get used again?*

Answer: No. EPA cannot be responsible for removing the old trucks from service. Scrappage is the responsibility of the grant recipient.

Date Posted: Thursday, April 09, 2009

Question Biv.10 *Would an acceptable scrapping method be to sell the vehicles that are being replaced to an entity in another country, and ensure that they have been moved out of the United States?*

Answer: No, this is not an acceptable scrapping method.

Date Posted: Thursday, April 16, 2009

#### **v. Miscellaneous: Shore Power, Hybrids, and More**

Question Bv.1 *Will the funding assistance cover all or a portion of the design and construction of a "cold-ironing" system to provide shore-side power to a ship at berth?*

Answer: The assembly of a cold-ironing system to provide shore-side power at a ship berth is an eligible activity and project funds can be used

to fund this activity.

Date Posted: Wednesday, April 01, 2009

Question Bv.2 *How can hybrid vehicles be eligible for this RFA?*

Answer: There are a couple of opportunities for medium and heavy-duty hybrid vehicles in this RFA. First - A hybrid vehicle may go through the verification process to quantify the benefits of the hybrid vehicle compared to a comparable traditional drive vehicle. In this case, the manufacturer must submit an application for verification and follow the traditional verification process. Depending on the design, the hybrid vehicle may qualify under the Emerging Technology program. Second - A hybrid vehicle may qualify as a replacement vehicle under DERA. As a replacement strategy, the applicant would need to comply with other requirements described for replacement vehicle projects. In each of these cases, an appropriately certified engine must be used in the vehicle. Non-road engines may not be used in on-highway hybrid vehicles. Hybrid vehicles that use engines covered by a testing exemption are not eligible.

Date Posted: Wednesday, April 01, 2009

Question Bv.3 *Are railroads that are publicly or privately held companies not associated with a government or port eligible for this funding? (For instance, short line railroads or industrial operations.)*

Answer: Applicants must be eligible entities. Private companies are not eligible. Eligible entities for these funds include: A) A regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) A nonprofit organization or institution that— 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities and counties are all eligible entities under this assistance agreement program within the extent that they fall within the definition above. However, the railroad could partner with an eligible entity as outlined above and receive a subgrant or subcontract for an eligible project, if appropriate procedures are followed.

Date Posted: Wednesday, April 01, 2009

Question Bv.4 *If a company has been awarded funding from a state such as TCEQ*

*can they apply for federal funding through DERA to make up the balance of a locomotive replacement cost?*

Answer: Yes, as long as the said "state funding" is not actually Federal funding that was allocated to the state. And for-profit entities are not eligible for this funding. So a private company would need to collaborate with an eligible entity in order to apply for funding.

Date Posted: Wednesday, April 01, 2009

Question Bv.5 *We have a project to replace two 1992 Heavy Duty buses with two Hybrid Transit Buses. Are we eligible?*

Answer: Yes, assuming you are an eligible entity. However, be aware though that EPA will only cover up to 25% of the cost of the hybrid buses if your application is approved. So be prepared to provide the remaining 75% of the cost.

Date Posted: Wednesday, April 01, 2009

Question Bv.6 *For verified low rolling resistance tires, are there requirements on what to do with old tires that are replaced?*

Answer: For tire replacement projects, the original tires should be scrapped according to local or state requirements, or the tires can be salvaged for reuse or retreading.

Date Posted: Wednesday, April 01, 2009

Question Bv.7 *Are other changes needed to the truck to accommodate a change to single wide tires? What are they and are those costs covered under the 100%?*

Answer: Typical changes to retrofit a drive or trailer wheel/tire to single wide tires are new wheels and new tires. The tire/wheel/axle manufacturer can provide guidance on the appropriate outset mounting - generally, it's 2". Retrofitting axles, hubs, and bearings may or may not be required, depending upon load requirements and equipment. N type axle spindles, found on some trailers, are tapered, and may need to be retrofitted. P type axle spindles are thicker at the spindle end and, generally speaking, should not require a retrofit. As an alternative to retrofitting, the Technology & Maintenance Council's Guidance for Single Wheels for Outset Drive and Trailer Applications provides an industry-recommended practice to reduce the load rating on single outset wheels on both trailer and drive axles, to permit the operation of single wheels without affecting the anticipated life of wheel and/or axle parts, for most applications that use standard ductile hubs. The RFA states that



labor and equipment costs are included in the 100%, so axles are included as well.

Date Posted: Wednesday, April 01, 2009

Question Bv.8 *If a locomotive is currently certified at Tier 0 emission levels, would repowering with a Tier 2 engine that has lower emissions and burns less fuel be eligible for funding under this program?*

Answer: Yes

Date Posted: Thursday, April 09, 2009

Question Bv.9 *Is outreach to diesel truck owners to avail them of the technologies and funding available to reduce diesel emissions an eligible expense under the National Clean Diesel Funding Assistance Program?*

Answer: No.

Date Posted: Thursday, April 09, 2009

Question Bv.10 *Are plug-in hybrid buses on the list of qualified technologies?*

Answer: Yes. Diesel plug-in hybrid buses are eligible.

Date Posted: Thursday, April 09, 2009

Question Bv.11 *Are Single Wide Tires (low rolling resistance tires) eligible uses of funding through this loan program? Also, if they are, would replacing these tires, because they have worn out be an eligible use of funding?*

Answer: Yes, verified low rolling resistance tires are eligible for funding, HOWEVER, replacing worn low rolling resistance tires with new low rolling resistance tires is not an eligible use of the funds. Please refer to the RFA for more information.

Date Posted: Thursday, April 16, 2009

*Update* Question Bv.12 *Are locomotive automatic engine shut down/start up (AESS) systems the only type of AESSs eligible? In other words, are AESS for trucks and buses eligible? Further, are the 2 products listed the only makes/models eligible?*

Answer: EPA has verified a number of categories of idle reduction technologies: (1) auxiliary power units and generator sets; (2) battery air conditioning systems; (3) thermal storage systems; (4) electrified parking spaces (truck stop electrification); (5) fuel

operated heaters; (6) shore connection systems and alternative maritime power; (7) shore connection systems for locomotives; and (8) automatic shutdown/start-up systems. For the purpose of submitting a grant application, idle reduction projects can be based upon the general "Verified Idle Reduction Technology" category or one or more of the eight verified idle reduction technology categories listed above. By using technology categories for the purpose of submitting a grant application, EPA confers general approval of other company products not evaluated but considered part of that particular technology category if the product is similar in design.

The specific idle reduction products/manufacturers listed at [www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm](http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) have been verified by EPA to save fuel and reduce emissions when compared to idling the main engine. If awarded, a project must use named verified idle reduction technologies (i.e., specific products) listed at the time the technology is purchased, OR the grantee must obtain prior approval from the EPA Project Officer to purchase a product not listed by name by 1) demonstrating the emissions benefit; and 2) justifying the inclusion of the technology in one of the verified categories of idle reduction technologies.

The verified technology list is regularly updated with the latest technologies that EPA has verified. For verification of idle reduction technologies, manufacturers should send product information to the SmartWay Technical Team at [SmartWay-Tech@epa.gov](mailto:SmartWay-Tech@epa.gov) for instructions on how to have the particular product verified.

Date Posted: Thursday, April 16, 2009

## **C. Application Process**

Question C.1 *Where do I get an RFA and where do I send the proposal?*

Answer: The Request for Applications (RFA) can be downloaded at EPA's web site: <http://www.epa.gov/otaq/eparecovery/index.htm>. The RFA contains information on how to submit an application and where to submit it. Please make sure you use the most recent version of the RFA when preparing your application since it has been slightly modified since it was originally posted on March 24, 2009.

Date Posted: Wednesday, April 01, 2009

Question C.2 *Where do I find the actual form to submit the grant?*

Answer: Please go to [www.epa.gov/ogd/AppKit/application.htm](http://www.epa.gov/ogd/AppKit/application.htm). You will find all the forms and the process to apply for funds under this RFA. Section IV (B) of the RFA includes detailed instructions on submission and application process.

Date Posted: Wednesday, April 01, 2009

Question C.3 *What is an example budget for the SF-424A?*

Answer: The proposed budget must have budget categories that reflect those on the SF- 424A. An example of a detailed budget is provided as Appendix A of the RFA. The budget should indicate what portion of the cost will be paid by EPA, and what portion will be paid by the applicant or other partners. Leveraged funds are not included in the approved budget for the project.

Date Posted: Wednesday, April 01, 2009

Question C.4 *How do I demonstrate that an area is economically disadvantaged?*

Answer: One way to demonstrate that an area is economically disadvantaged is to cite data from the U.S. Census Bureau Web site ([www.census.gov](http://www.census.gov)) concerning the percent of area residents living in poverty. The Area Profile tool on this Web site can provide this statistic, as can using the Bureau's Small Area Income and Poverty Estimates Web site (<http://www.census.gov/hhes/www/saipe/saipe.html>).

Date Posted: Wednesday, April 01, 2009

Question C.5 *Is there a required match when applying for funding?*

Answer: There is no match requirement for this program.

Date Posted: Wednesday, April 01, 2009

Question C.6 *Past Performance: Is it necessary to list every federally funded grant the applicant has received in the last 3 years, if the applicant is a large organization that has received a large number of grants?*

Answer: No. If the applicant has performed grants that are not similar in size, scope and/or relevance to the proposed project, it is not necessary to list them. And the RFA says to list not more than 3.

Date Posted: Wednesday, April 01, 2009

Question C.7 *Past Performance: What if the applicant has received grants similar*

*in scope, size and relevance, but the agreement was closed out more than 3 years ago? Can they still be listed?*

Answer: The RFA specifies that they must have been performed in the last 3 years. Agreements that were implemented and closed out more than 3 years ago will not be considered in the scoring process.

Date Posted: Wednesday, April 01, 2009

Question C.8 *Is the project implementation timeline presented in the grant announcement and running from June 2009 to September 30, 2011 a requirement for a) the obligation of money to a project b) the beginning of project work c) the substantial completion of a project d) the completion of a project?*

Answer: For the SmartWay Clean Diesel Finance Program, the Sept 30, 2011 date is a goal for the work to be completed, with 90 days for the last invoicing and final technical report and wrap-up of the project. If the work is not completed, the organization can ask EPA for a no-cost extension to complete the work. The Recovery Act appropriation expires on September 30, 2010, so EPA cannot obligate any Recovery Act funds after that date.

Date Posted: Wednesday, April 01, 2009

Question C.9 *We submitted a 2-year application in (08-09 cycle). Do we need to apply for 09?*

Answer: Yes, you will need to apply again for the 09 (2009-2010) cycle under this RFA. All of the grants under the Recovery Act will be new awards.

Date Posted: Wednesday, April 01, 2009

Question C.10 *Can you put outputs and outcomes in table form?*

Answer: Yes. You should make sure that you adequately explain the benefits of your project, in addition to the table.

Date Posted: Wednesday, April 01, 2009

Question C.11 *Are applicants required to submit the Lobbying Certification when they submit their proposal package?*

Answer: Yes. The required application materials are listed in Section IV.C of the RFA.

Date Posted: Wednesday, April 01, 2009

Question C.12 *How do we calculate job creation/retention?*

Answer: An applicant will only have to measure and report on jobs created/retained as a direct result of the project funding (recipients and tier one sub-grantees or contractors). In the application, the applicant should demonstrate how the proposed project will promote economic recovery and job creation and/or preservation.

Date Posted: Wednesday, April 01, 2009

Question C.13 *Is there a maximum amount of program administration funding (costs?) that an eligible entity can request?*

Answer: Yes. Administrative costs cannot exceed 15% of the total grant under this competition. Applicants should be aware that the amount budgeted for administrative costs will impact the "cost-effectiveness" criterion against which applications will be evaluated.

Date Posted: Wednesday, April 01, 2009

Question C.14 *Is there a place to look up a list of covered costs for repower and replacement by component?*

Answer: No. For this program, the entire cost of a repower and/or replacement can be financed.

Date Posted: Wednesday, April 01, 2009

Question C.15 *The American Recovery and Reinvestment Act (Recovery Act) notes "That none of the funds appropriated herein for Diesel Emission Reduction Act grants shall be subject to the State Grant and Loan Program Matching Incentive provisions of section 793(c)(3) of such Act." Yet the grant notice indicates that matching funds will be required for certain projects. Can you please explain?*

Answer: The State Clean Diesel program ordinarily offers a matching incentive provision for States, but for the Recovery Act this provision was waived.

Date Posted: Wednesday, April 01, 2009

Question C.16 *Please provide a description of the Vehicle Classes 5, 6, 7, 8, 8A and 8B as used in the optional Applicant Fleet Description spreadsheet.*

Answer: Check Appendix A, Table A.2 of the Diesel Emissions Quantifier User's Guide <<http://cfpub.epa.gov/quantifier/view/userguide.cfm>>

Date Posted: Wednesday, April 01, 2009

Question C.17 *What types of applications are requested under the SmartWay Clean Diesel Finance Program?*

Answer: The Recovery Act Funding for the SmartWay Clean Diesel Finance Program will support the creation of national, state or local innovative clean diesel financial programs, which promote job preservation and/or creation and economic recovery. Innovative financial programs include those where the loan recipient receives a specific financial incentive (i.e., better than regular market rates or conditions) for the purchase of retrofitted vehicles or equipment.

Date Posted: Wednesday, April 01, 2009

Question C.18 *Is a dollar match requirement of the eligibility component of the SmartWay Clean Diesel Finance Program?*

Answer: There is no match requirement for the SmartWay Clean Diesel Finance Program, but EPA encourages the use of leveraged funds to enhance and expand the project.

Date Posted: Wednesday, April 01, 2009

Question C.19 *Regarding the SmartWay Finance grants, will Quarterly Reports be required after the grant closes in 2011?*

Answer: Once the grant officially closes, EPA no longer requires any reporting from the grantee. In the application, applicants should provide information on the sustainability of the project beyond the assistance agreement period. It is EPA's intention that the recipient use remaining program funds and income accrued after the closeout in a manner consistent with the EPA goals, objectives, and sub-objectives of the original cooperative agreement. In accordance with 40 C.F.R. § 30.53, the recipient shall maintain appropriate records to document compliance with the requirements of the closeout agreement (i.e., records relating to the use of post-award program income). EPA may request access to these records or may negotiate post-close-out reporting requirements to verify that remaining program funds and the post-award program income has been used in accordance with the EPA goals, objectives, and sub-objectives of the original cooperative agreement.

Date Posted: Wednesday, April 01, 2009

Question C.20 *What are the administrative requirements after the grant closes?*

Answer: Once the grant officially closes, EPA has no further official involvement and there are no additional administrative requirements. In the application, applicants should provide

information on the sustainability of the project beyond the assistance agreement period.

Date Posted: Wednesday, April 01, 2009

Question C.21 *What is the tie-in between the finance program and SmartWay?*

Answer: The SmartWay program works hand in hand with the National Clean Campaign to promote diesel emission reduction strategies. The SmartWay program has promoted innovative approaches to emission reduction, such as the development of low cost financing programs for the purchase of fuel saving and emission control devices. EPA's SmartWay program is administering the SmartWay Clean Diesel Finance Program.

Date Posted: Wednesday, April 01, 2009

Question C.22 *Is there a specific form where we state the Project Narrative?*

Answer: For the SmartWay Clean Diesel Finance Program, there isn't a specific form for the Narrative Proposal. Refer to the RFA for details on what should be included in the Narrative Proposal.

Date Posted: Wednesday, April 01, 2009

Question C.23 *Does the "50% for public fleets" restriction apply to all DERA funding categories?*

Answer: DERA legislation requires that 50% of the funds for the National program be used for the benefit of public fleets. The 50% applies nationally across all eligible vehicles and the National funding programs of DERA (National, SmartWay, and Emerging Technologies). Since the 50% is a national target, applicants do not have to meet any specific percentage regarding public fleets in their application.

Date Posted: Thursday, April 09, 2009

Question C.24 *How many vehicles make a fleet?*

Answer: One or more vehicles, engines (i.e. APUs), and/or equipment (i.e. stationary generator).

Date Posted: Thursday, April 09, 2009

Question C.25 *Are private utilities (such as an electricity distribution company) fleets considered "public fleets"?*

Answer: Vehicles that serve a public purpose can be considered a public

fleet. However, a private company is not an eligible entity and must partner with an eligible entity to apply for this RFA.

Date Posted: Thursday, April 09, 2009

Question C.26 *The EPA Diesel Emission Quantifier on EPA's website can calculate the emissions contributed from the project vehicles, and the emissions reduced through the project, but I can not find in the RFA where this information would need to be placed in the project narrative. Is this information required, and where in the narrative should the information be placed?*

Answer: The information is required in the Project Narrative, as outlined in Section IV.C.2 "Narrative Workplan." In addition, this section asks for information on cost-effectiveness, which can be calculated using EPA's DEQ.

Date Posted: Thursday, April 09, 2009

Question C.27 *Is there a list of EPA or CARB certified engine configurations (names of certified engine configurations and manufacturer names) where one could look up what engines would be eligible for engine repowers?*

Answer: Please visit EPA's engine certification website <http://www.epa.gov/otaq/certdata.htm#largeng>

Date Posted: Thursday, April 09, 2009

Question C.28 *It was my understanding from the webinar presentation that the \$3,000,000 or more represents 25% of the project cost. I may have misunderstand the example given. For instance, if the entire project is \$12,000,000, the EPA funds should represent at least 25% of the \$12,000,000, i.e. \$3,000,000. The remainder of the project would come from loans, etc.*

Answer: For the SmartWay Clean Diesel Finance Program, there is no match required so all the grant funds can be used to provide the financing. For example, a project could request \$3 mil to establish a loan program and then the program loans out \$3 mil. There is a cap of up to 15% of the cooperative agreement award for administrative costs, etc. Please review RFA for more details. If you are looking for grants to fund an eligible project, you might be interested in checking out the Recovery Act Funding for the National Clean Diesel Funding Assistance Program, <http://www.epa.gov/otaq/eparecovery/prognational.htm>.



Date Posted: Thursday, April 09, 2009

Question C.29 *Is the list of verified technologies found on the EPA website frozen at this time or can/will other technologies be added and deleted prior to funding award and obligation?*

Answer: The verified technology list is regularly updated with the latest technologies that EPA has determined meet the SmartWay standards. To ensure this list reflects the best fuel saving technologies currently available, EPA encourages vendors to apply to have their SmartWay appropriate products listed. A vendor with a product not on the list can contact the SmartWay Technical Team at [smartway-tech@epa.gov](mailto:smartway-tech@epa.gov) for instructions on how to have the particular product verified.

Date Posted: Thursday, April 09, 2009

Question C.30 *We are a metropolitan planning organization who is compiling an application on behalf of multiple entities. The RFA indicates that "subrecipients (first-tier) must have a DUNS number". Does this mean that, if awarded, all our subgrantees must have a DUNS number? Also, would all our subgrantees be required to maintain a profile in the Central Contractor Registration database?*

Answer: Yes, all subgrantees must have a DUNS number for purposes of reporting activities for these ARRA DERA grants. However, only subcontractors would be required to maintain a profile in the Central Contractor Registration database.

Date Posted: Thursday, April 09, 2009

Question C.31 *For equipment, should I break out my equipment, separately from the contractual even if I plan to pay for the equipment and installation in the same invoice?*

Answer: Yes. This is because you are purchasing goods instead of services from the contractor.

Date Posted: Thursday, April 09, 2009

Question C.32 *What is the difference between EPA approved Smartway and EPA verified Smartway technologies?*

Answer: There is no technical difference between "approved SmartWay technologies" and "verified SmartWay technologies." If you have any questions as to whether a technology is SmartWay verified, you may see the regularly updated listing at:  
<http://www.epa.gov/smartway/transport/what-smartway/verified->

technologies.htm.

Date Posted: Thursday, April 09, 2009

Question C.33 *Past experience with EPA grant: My grant with the EPA was set up using the words milestones and goals--do I need to convert this language to outcomes and outputs to avoid missing out on points?*

Answer: The RFA specifies a number of items in the project narrative that are required to receive consideration under the evaluation criteria, including outcomes and outputs.

Date Posted: Thursday, April 09, 2009

Question C.34 *Leveraged resources and project partners: Would it be appropriate to discuss complementary educational programs regarding air quality funded by other sources? Could you provide an example.*

Answer: You do need to explain any other sources of funding that are going into the project. For instance, if you are doing school bus retrofits and the school district is contributing a certain amount of money to print educational pamphlets for students and parents, you should include that in your application as a leveraged resource.

Date Posted: Thursday, April 09, 2009

Question C.35 *I am filling out the SF- 424 application for the Smartway Clean Diesel Finance Program. I do not know where to get the Funding Opportunity Number (#12) or the Competition Identification Number (#13) and the titles. Can someone tell me where I can locate this information?*

Answer: This information is located on the first page of the RFA.

Date Posted: Thursday, April 09, 2009

Question C.36 *What is the verification process for aerodynamic technologies and where is this documented?*

Answer: There are two ways an aerodynamic device can become SmartWay-approved. The first method is to demonstrate to EPA that a product is substantially similar to the technologies EPA tested. To qualify under this method, a device must meet the design and function requirements described in the "Final SmartWay Trailer Specification." The second method is to demonstrate equivalent fuel savings by testing. To qualify under this method, trailer and/or trailer aerodynamic equipment manufacturers must use an EPA-approved test method. EPA is developing a comprehensive test

method for medium and heavy-duty trucks. In the interim, the EPA-approved test method is an SAE J1321 Type II fuel economy test, modified according to EPA requirements. For more information, please see Truck Emissions Test Protocol at <http://www.epa.gov/smartway/transport/what-smartway/research-testing-tech.htm>. EPA must review and validate the test and the results before it can determine whether a product is eligible to be SmartWay-verified. Technologies tested in combination with one another are verified as a set and for the purposes of SmartWay, must be used as a set. Technologies tested independently are verified individually, then may be used in combination with other verified technologies, or used individually. The greater the demonstrated fuel savings of a verified technology, the greater its environmental benefits. SmartWay-certified trailers require trailer aerodynamic designs and/or aerodynamic products to demonstrate a 5% or greater fuel savings (whether achieved by several products used in combination, or by one individual product or trailer design), and require SmartWay-approved tires.

A vendor wishing to have a product verified can contact the SmartWay Technical Team at [smartway-tech@epa.gov](mailto:smartway-tech@epa.gov) and we will provide instructions on how to conduct the testing. We are currently working on posting these instructions on the Web.

Date Posted: Thursday, April 09, 2009

Question C.37 *The instructions for the SF-424, item 9, (Type of Applicant) state "Select up to three applicant type(s) in accordance with agency instruction. As a fire department -- we'd like to replace inefficient diesel engines on fire boats -- is "Other" the appropriate choice?*

Answer: Yes

Date Posted: Thursday, April 09, 2009

Question C.38 *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and returned to the fleet (at the fleet's cost) [for a replacement or repower project].*

Answer: There would be no impact on the grant, as the condition to scrap or remanufacture the engine would be met.

Date Posted: Thursday, April 09, 2009

Question C.39 *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and re-*

*sold by the OEM. Under this scenario, could the fleet realize any of the proceeds from the sale? How would that affect its grant?*

Answer: The net revenue from such a sale would be considered program income and would have to be put towards the objectives of the grant.

Date Posted: Thursday, April 09, 2009

Question C.40 *Instead of selling the unit to the OEM, could the fleet sell the unit outside the country? How would that impact the NCDC grant?*

Answer: Regardless of where the sale occurs, the money from that sale would be counted as part of the project income, which needs to be reported and put towards the objectives of the project.

Date Posted: Thursday, April 09, 2009

Question C.41 *Who should an applicant contact to negotiate an indirect cost rate, if it doesn't already have one?*

Answer: In addition to direct costs, the EPA supports a policy of full reimbursement of indirect costs also known as facilities and administrative (F&A) costs or overhead for most grant programs. EPA will review the indirect cost budget line. Universities negotiate their rates with the Department of Health and Human Services. Tribes negotiate their rates with the Department of Interior. EPA accepts rates negotiated by other Federal agencies. If the applicant does not have an approved rate the GMO will term and condition the grant appropriately.

What are Indirect Costs:

Indirect costs are those costs of an institution or organization that are not readily identifiable with a particular project or activity but are necessary to the general operation of the organization and the conduct of its grant activities.

Allowable indirect costs may include:

- Depreciation use allowance;
- Facilities operations and maintenance;
- General administration and general expense;
- Departmental administration; and
- Sponsored project administration

These costs are documented and assigned to the indirect pool from which they are distributed to all activities of an organization on the basis of a rate. The rate is a ratio of the indirect costs to a direct cost base.

An indirect cost rate is simply a device for determining fairly and expeditiously the proportion of general (non-direct) expenses that each project will bear. It is the ratio between the total indirect costs of an applicant and some equitable direct cost base. The applicant must comply with the applicable OMB Circular.

More information can be found at:

<http://www.epa.gov/ogd/manual6/4review.htm>

Date Posted: Thursday, April 09, 2009

Question C.42 *Do Davis-Bacon and/or Prevailing Wage provisions apply to the stimulus DERA program?*

Answer: Yes, to certain projects which are defined as "infrastructure." Although, most diesel fleet projects will not be defined as infrastructure. If a project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Thursday, April 09, 2009

Question C.43 *How do we determine if we are in a "high population density" area and/or in a "poor air quality area (including non-attainment or maintenance of national ambient air quality standards for a criteria pollutant or toxic air pollutant concerns"?*

Answer: Consult your State Air Agency and/or EPA's web site for more information (<http://www.epa.gov/air/oaqps/greenbk/>).

Date Posted: Thursday, April 09, 2009

Question C.44 *For the cost effectiveness calculation, do we use the total project cost or do we just use the EPA grant funding request which is lower than total cost (ie total cost vs. grant funding for cost in CE).*

Answer: For more information, see VIII. Other Information, "A. Quantifying Environmental Outputs, 2. Cost-Effectiveness Calculation," in the RFA.

Date Posted: Thursday, April 09, 2009

Question C.45 *We are a railway company interested in joining with local air quality agencies to repower some old locomotives, some of which may be already certified to Tier 0 levels and others which may be unregulated, with modern, Tier 2 low emissions engines that consume less fuel. Would it be permissible to perform the repower projects in our own locomotive shop using our own labor (as opposed to being required to contract out the work)? The labor cost,*

*estimated at 25-30% of the total repower cost, would be our contribution to the projects*

Answer: Yes, it would be permissible to perform the labor in your own locomotive shop. This program would cover 100% of the repower/replacement costs so a match is not even necessary.

Date Posted: Thursday, April 09, 2009

Question C.46 *I am a state agency that operates a fleet of vehicles. I plan to apply for funding to replace some of these vehicles. I will properly scrap the engine and chassis, and then auction off the scrap. (Auction of excess state property is required.) The proceeds of that auction process will not come back to my agency, but rather will go into the state treasury. Because the proceeds will not come back to me, because the auction process may take place outside the grant period, and because the proceeds will be very difficult to estimate before the auction is conducted, am I excused from representing these proceeds in my application as program income?*

Answer: You should document the fact that they are being auctioned off, and that the proceeds are going to the State Treasury. But since the funds are not going to the agency, then yes, it is not considered program income.

Date Posted: Thursday, April 09, 2009

Question C.47 *There was a statement at a presentation that multiple projects can be applied for in one region. I assume this means the public entity can only apply within one region, but a private company could partner with public entities in multiple regions for diesel projects at their various locations. Is this correct?*

Answer: Yes, a private company can partner with many public entities within the same region or across different regions. An eligible entity may submit more than one proposal within a region, as long as the proposals are different (although the entity should realize that the proposals would be competing with each other within that region).

Date Posted: Thursday, April 09, 2009

Question C.48 *EPA provides a spreadsheet to fill in with vehicles proposed. It is relatively clear how to fill this in for vehicles which are receiving upgrades such as exhaust retrofits or aerodynamic devices. But if we are replacing vehicles, would you like details for the vehicles that are being replaced, or the new vehicles?*

Answer: You document the old vehicle in its entirety, and then for

“Technology,” you can put in “ Vehicle Replacement.” And realize that while the spreadsheet doesn’t allow too much space to elaborate on the new vehicle, you can give more information in the workplan narrative.

Date Posted: Thursday, April 09, 2009

Question C.49 *In my reading the RFA and the instructions, there was no mention of using the grant.gov to file the application. Is filing the proposal by way of grant.gov an option for those who have registered and have access to grant.gov?*

Answer: You may not use grants.gov for this RFA.

Date Posted: Thursday, April 09, 2009

Question C.50 *I am looking into the ARRA Funding and I could not identify in the packet if there is an authority needed at our level in order to present this to you. Is something like a City Council Resolution needed?*

Answer: The Standard Forms must be signed by an authorized representative. Usually this is someone within the executive branch of the government or organization, such as a superintendent, department head, executive director. A City Council Resolution would not be needed.

Date Posted: Thursday, April 09, 2009

Question C.51 *What is the minimum font size that can be used in preparing the Project Narrative?*

Answer: There is no minimum font size specified, but please be kind and use something legible. In the past we suggested Times New Roman 12.

Date Posted: Thursday, April 09, 2009

Question C.52 *How do we find out whom to contact for funding in our respective state?*

Answer: Please see these web sites:  
<http://www.epa.gov/diesel/grantfund.htm> and  
<http://www.epa.gov/otaq/eparecovery/progstate.htm>.

Date Posted: Thursday, April 09, 2009

Question C.53 *I am developing a project with multiple partners in different parts of my state. How do you address Air quality for this type of project? Should I mention the air quality for each area?*

Answer: There is no set way to reflect air quality information for a multi-regional project. The applicant should use best judgment to reflect AQ information from multiple areas in order to clearly reflect the potential positive impacts of the project.

Date Posted: Thursday, April 09, 2009

Question C.54 *We are looking at a project that has a variety of fleet components but are unsure of the exact vehicles that will be in the program. What should I use for Diesel Emissions Quantifier (DEQ) calculations?*

Answer: In the case of a project where you are issuing sub grants and are unsure of the exact fleet, you should use your best judgment and any past history you have with such a program to make estimates in the DEQ.

Date Posted: Thursday, April 09, 2009

Question C.55 *The DEQ have buttons for B-20 and B-100 but nothing in between. The RFA indicates that any blend of Biodiesel (B-5 to B100) is eligible. Are any blends eligible or just B20 and B100. How do I use the DEQ to calculate emission reductions?*

Answer: Yes, any blend of Biodiesel is eligible. However, the DEQ at this time is not able to accommodate blends other than B20 and B100. Realize that the DEQ is simply a tool for estimates and you are welcome to seek out other tools that may be more geared toward fuels.

Date Posted: Thursday, April 09, 2009

Question C.56 *In previous RFAs, it was clearly stated that I should use the DEQ for estimating emission reductions. This RFA does not state that. What should I use?*

Answer: Actually, this RFA does say to use the DEQ as a way to estimate reduction. See Section I.D.2. Although, you are certainly welcome to use other tools/methods for estimation as long as you explain how and why they were used.

Date Posted: Thursday, April 09, 2009

Question C.57 *Do VIN numbers have to be included in the application?*

Answer: In this case, no, they are not required.

Date Posted: Thursday, April 09, 2009



Question C.58 *What kind of paper work do you need to show for a public private partnership?*

Answer: There is no specific requirement for agreements between partners. However, a letter of support from the partnering organization which details what activities they will perform does help demonstrate that there is a good partnership and commitment to perform the proposed tasks.

Date Posted: Thursday, April 09, 2009

Question C.59 *Are 501 (c) (6) organizations eligible entities?*

Answer: Under this solicitation, only the following entities are eligible to apply for assistance, in accordance with Section 791(3) of the Energy Policy Act of 2005: A) a regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) a nonprofit organization or institution that 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality. Therefore, if a 501(c)(6), nonprofit organization or institution meets the requirements under B) 1 or 2 above then, it would be an entity eligible to apply for assistance.

Date Posted: Thursday, April 09, 2009

Question C.60 *Can you please confirm that applications marked confidential business information will be strictly confidential until authorized otherwise?*

Answer: Yes. In accordance with 40 CFR 2.203, applicants may claim all or a portion of their application/proposal package as confidential business information. EPA will evaluate confidentiality claims in accordance with 40 CFR Part 2. Applicants must clearly mark applications/proposals or portions thereof that they claim as confidential. If no claim of confidentiality is made, EPA is not required to make the inquiry to the applicant otherwise required by 40 CFR 2.204(c)(2) prior to disclosure. However, competitive proposals/applications are considered confidential and protected from disclosure prior to the completion of the competitive selection process.

Date Posted: Thursday, April 09, 2009

Question C.61 *Can we submit proposals across different EPA regions?*

Answer: Yes. This is because the Smartway Finance RFA is not restricted to

one EPA region, so as long as the proposals are different, they can take place in more than one region. All proposals are to be submitted to the EPA headquarter office.

Date Posted: Thursday, April 09, 2009

Question C.62 *In our past Regional 8 call when we (as the state) were the qualifying entity for a private firm, had asked whether both the private firm the state as submitting partner must fill out one each of the application forms, and were told only the 424 and 424A: Not \* Assurances, Non-Construction Programs (SF-424B) \* Pre-Award Disclosure of Lobbying Activities (SF-LLL) \* Pre-Award Compliance Review Report for All Applicants Requesting Federal Financial Assistance (EPA Form 4700-4) \* Key Contacts Form (EPA Form 5700-54) In reading the RFA, it is not clear. Are these the only forms each has to fill out? (or do both fill out a set each?) And in filling out Form 424A, it appears that one or both would need to include the required repower match in the 424A and Appendix budget sheets (RFA pages 29 and 30), but is this in both 424A's or just for the entity providing the match?*

Answer: Only the eligible entity fills out the forms, including the 424A and 424B. The eligible entity has the entire responsibility for the project. The partnering private firm or other organization can write a letter in support of the project which can be included with the application. All the forms you listed above must be included with the application for this RFA and be signed by the authorized representative on behalf of the applicant organization. This may be a change from previous competitions.

Date Posted: Thursday, April 09, 2009

Question C.63 *Do you need to be a non profit organization to apply for a grant?*

Answer: Only eligible entities can apply (see RFA). It includes certain nonprofits, and state and local government agencies.

Date Posted: Thursday, April 09, 2009

Question C.64 *In the budget, should postage go under supplies?*

Answer: Yes

Date Posted: Thursday, April 09, 2009

Question C.65 *We are having trouble getting prices for the 2010 buses. How do we handle that in an application?*

Answer: Obtain the best estimates you can using your existing procurement programs.

Date Posted: Thursday, April 09, 2009

Question C.66 *Is there a forthcoming webinar for the National Clean Diesel Funding Assistance program?*

Answer: Please go to <http://www.epa.gov/otaq/eparecovery/prognational.htm>, scroll down to Information Sessions.

Date Posted: Thursday, April 09, 2009

Question C.67 *Does the EPA care how the Non-Profit organizations manage the grant funds? Specifically, is it acceptable for the nonprofit organization to deposit the grant funds into a specific account with a bank or financial institution that will use these funds as leverage to loan a higher level of funds? For example, if a nonprofit were to deposit \$5,000,000 in a loan guarantee reserve account, the bank or financial institution could leverage the funds and loan out \$50,000,000 to \$100,000,000 based on the security of the deposit. The funds in the deposit account would be used to offset losses by the bank or financial institution for expanding their credit approval guidelines which would "result in greater loan approval rate for the buyers of clean vehicles or equipment"*

Answer: In the Finance RFA (see RFA p.5-6), innovative financial programs may include, but are not limited to, the following: loan guarantees, issuance of tax exempt or taxable bonds for low cost loans, equity investments, revolving loans, or leases. An eligible entity, such as a nonprofit organization, could establish a loan guarantee or equity investment type of financial program to leverage more funds.

Date Posted: Thursday, April 09, 2009

Question C.68 *The inclusion of low rolling-resistance tires and trailer aerodynamics indicates that long-haul trucking is a target fleet. However, the RFA states that projects must be completed "solely" within the EPA region to which a project is submitted. However, long-haul trucks typically have operational routes that cross regional boundaries. How does a potential applicant deal with this situation? Does 100% of the upgraded truck's operation have to be within the single region, or is it sufficient, for example, to have the truck registered, equipment purchased and installed, and a significant portion of the*

*overall operation occur within that one region?*

Answer: There is no requirement that the eligible vehicles or equipment operate exclusively within the Region to which the applicant applies. It would be sufficient to have the truck registered, equipment purchased and installed, and a significant portion of the overall operation occur within that one region.

Date Posted: Thursday, April 09, 2009

Question C.69 *Our municipality wishes to replace an existing vehicle with an International brand truck to maintain brand uniformity in our fleet. Also, the state has an open bid for Internationals, which the county may utilize as a subsidiary. Is specifying an International brand replacement truck allowed under project guidelines?*

Answer: It is best not to name specific vendors in the application. Procurements are subject to the competition requirements in 40 CFR Parts 30 and 31, as applicable. It may be possible for the county to use the State bid to satisfy the procurement competition requirements, but I can not say definitively at this point. If a grant is awarded, the recipient can work with the EPA Project Officer to work out the details and ensure compliance with the procurement regulations.

Date Posted: Thursday, April 16, 2009

Question C.70 *It is my understanding that applications will not be accepted for less than \$3,000,000. Also, what would be the local match for the \$3,000,000, if our agency were to apply?*

Answer: For the SmartWay Clean Diesel Finance Program, only applications requesting \$3 million to \$30 million will be reviewed. The National Clean Diesel Funding Assistance Program and the Emerging Technology RFAs have different levels of funding thresholds.

There is no match requirement for the SmartWay Clean Diesel Finance Program, but EPA encourages the use of leveraged funds to enhance and expand the project.

Date Posted: Thursday, April 09, 2009

Question C.71 *On page 15 of the Smartway RFA; in Outputs C. Amount of funds dispersed to Sub-recipients, is Sub-recipient referring to loan receiver or those who will issue loans (lenders) to operators?*

Answer: The term sub-recipient refers to the lender partners, those who will issue loans to potential loan applicants.

Date Posted: Thursday, April 09, 2009

Question C.72 *We still haven't received a complete list of non-profit organizations involved in this application. How can it be a requirement that the non-profit organizations run an open competition for lenders to partner with if we, the lenders, don't know who to discuss our suggested programs with.*

Answer: EPA cannot provide a list of eligible entities and their contact information. EPA encourages private companies interested in partnering with eligible entities to conduct their own outreach effort to discuss potential projects.

Date Posted: Thursday, April 09, 2009

Question C.73 *Our program is a revolving loan (lease) program with emissions savings extending out indefinitely in the future. What length of time would you suggest calculating the emissions reductions for?*

Answer: For the loan program, applicants should calculate the emission reductions based on the length of the project period and the life of the loan (which can help demonstrate project sustainability). To help calculate project emission reductions, please refer to the Diesel Emissions Quantifier (DEQ).

Date Posted: Thursday, April 09, 2009

Question C.74 *How is cost effectiveness determined?*

Answer: Cost effectiveness is measured in dollars per ton of particulate matter, NO<sub>x</sub>, or CO<sub>2</sub> reduced.

Date Posted: Thursday, April 09, 2009

Question C.75 *For a lease-to-own program, we purchase clean diesel equipment on behalf of our clients, lease it to them and sell it to them for a token payment at the end of the lease. Can you confirm that we are not subject to EPA requirements for competitive bids on this equipment? We will be owners of the equipment for the period of the lease, but our clients, not our organization, select the equipment.*

Answer: In this case, the clients are not subject to the competitive bid requirements, however the applicant should detail their qualification criteria in their proposal.

Date Posted: Thursday, April 09, 2009

Question C.76 *The checklist provided for applications requests:*

*“Quality assurance narrative statement, if applicable”*

*I have not been able to find anything in the RFA providing guidelines as to what circumstances would require this. Can you please advise?*

Answer: Quality Assurance requirements apply to projects that collect environmental data, such as testing or monitoring. Testing and monitoring are not eligible activities under the National Clean Diesel Funding Assistance Program and the SmartWay Clean Diesel Finance Program - therefore the Quality Assurance narrative statement is not applicable to these programs

Date Posted: Thursday, April 16, 2009

Question C.77 *Can I get a copy of the SmartWay Clean Diesel Finance presentation?*

Answer: This presentation is posted on the National Clean Diesel website under the SmartWay Clean Diesel Finance Program section, and you'll be able to download the presentation from the web site.

Date Posted: Thursday, April 09, 2009

Question C.78 *Can lenders retain interest margin income on EPA backed loans or is the income required to be reinvested back into the program?*

Answer: Interest from the lenders portions of the funds can be retained by the lender.

Date Posted: Thursday, April 09, 2009

Question C.79 *In regards to the Budget Detail section of the work plan, do we have to list the personnel staff and their salaries if we are only requesting funding for the equipment and installation cost?*

Answer: The budget detail section of the workplan must contain all federal funds requested as well as any mandatory cost-share funds. There is no requirement to list additional costs if they are not part of the federal share or mandatory cost-share. Please see Section III.B of the RFA for additional information on cost-share and leveraged resources.

Date Posted: Thursday, April 16, 2009

Question C.80 *What are the requirements of how income generated from interest charged through the program can be used?*

Answer: Program income should be used to defray administrative costs and

supplement the award. In accordance with 40 CFR sect. 30.24(b)(1) or 31.25(g)(2), program income should be added to the funds awarded. Program income added to the award should be used in accordance with the Terms and Conditions established for each grant. Program income or interest earned on funds leveraged (i.e., provided by a non-federal source) can be paid back to the non-federal source of the funds, it is not program income.

Date Posted: Thursday, April 09, 2009

Question C.81 *We are thinking of applying for Clean Diesel Funding to replace some of our diesel fuel with B-20. I understand that the program pays for the incremental cost between regular and biodiesel. My question is how can we determine how much that cost will be when the diesel rate we pay fluctuates regularly?*

Answer: You should base your application on a conservative estimate/average/projection of your diesel fuel costs to allow for price fluctuations.

Date Posted: Thursday, April 16, 2009

Question C.82 *What will happen with funding at the end of the project period? If the financing program is stopped, will the remaining funds (such as from repaid loans) be returned to EPA?*

Answer: The goal of the grant program is to establish finance programs that will continue after the grant closeout. Within the Terms and Conditions established for each grant program EPA and the cooperative agreement award recipient will establish a process to closeout the grant. This is a grant program so the funds are not paid back to EPA, unless there is a case for termination of the grant. We will ask that the finance program continue and support the goals and objectives of the SmartWay Clean Diesel Finance program.

Date Posted: Thursday, April 09, 2009

Question C.83 *The "award offer," signed by the EPA Award Official, is identified as an "authorizing document." At what point, if at all, does a grant applicant have the opportunity to review the award offer and decline the award offer? Does an applicant have the ability to reject a cooperative agreement or grant offered by EPA after the EPA's evaluation of its application? Will the cooperative agreements or grants with the EPA specifically designate the federal laws that shall apply to the applicant, and/or contain negotiable terms?*

Answer: An applicant may withdraw their application at any point in the

review, evaluation, and award process. If an applicant is selected for award, the award documents and all applicable Terms and Conditions must be signed and returned to EPA as an official acceptance of the award.

Date Posted: Thursday, April 16, 2009

Question C.84 *Applying for DERA grant for trucks under vehicle replacement category. Can we also apply for SmartWay grant for low interest loan to finance the 75% match?*

Answer: No, cooperative agreement funds cannot be used for matching funds for other federal grants, lobbying, or intervention in Federal regulatory or adjudicatory proceedings, and may not be used to sue the Federal government or any other government entity.

Date Posted: Thursday, April 09, 2009

Question C.85 *How many awards will EPA award under the SmartWay Clean Diesel Finance Program?*

Answer: EPA anticipates awarding approximately 1-10 cooperative agreements.

Date Posted: Thursday, April 09, 2009

Question C.86 *How do I access funds to retrofit current units which will be leased into open market?*

Answer: If you are interested in grants to fund the purchase of the retrofit technologies, please see the National Clean Diesel Funding Assistance Program RFA.

Date Posted: Thursday, April 09, 2009

Question C.87 *What are the funding thresholds for this RFA?*

Answer: For the SmartWay Clean Diesel Finance Program, only applications requesting between \$3 million to \$30 million will be reviewed. The National Clean Diesel Funding Assistance Program and the Emerging Technology RFAs have different levels of funding thresholds.

Date Posted: Thursday, April 09, 2009

Question C.88 *Please clarify the 100% funding component.*

Answer: For the SmartWay Clean Diesel Finance Program, applications can propose financing programs that provides loans or leases up to



100% financing of eligible diesel emission reduction solutions.

Date Posted: Thursday, April 09, 2009

Question C.89 *Is this a grant to help support loans? If so, then this program is not designed to cover the replacement cost of an older vehicle?*

Answer: The SmartWay Clean Diesel Finance program is a grant program for eligible entities to establish loan or lease programs to make financing available for the purchase of verified technologies and/or retrofitted vehicles. Replacement costs are an eligible expense under this program. Please review the Finance RFA for more details.

Date Posted: Thursday, April 09, 2009

Question C.90 *For the purpose of this grant, what is the definition of an "Environmental Justice Area"?*

Answer: This RFA does not request information on "Environmental Justice Areas." Under this RFA, programmatic priorities include projects that are in areas: with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; with toxic air pollutant concerns); that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions.

Date Posted: Thursday, April 16, 2009

Question C.91 *Is there a Minority Business Enterprise/Woman Business Enterprise (MBE/WBE) goal or is it waived because my application is only purchase and installation.*

Answer: Yes, this program has a MBE/WBE requirement. The rule (40 CFR Part 33) applies to procurement under grants. If the grantee is not involved in any procurement, they still have to report. Information and forms can be found on: <http://www.epa.gov/osbp/grants.htm>

Date Posted: Thursday, April 16, 2009

Question C.92 *Do we have to repay EPA the grant? If not, can the grant be used to pay for interest or to finance low cost loans, for example for the purchase of CNG buses? Could the interest to be paid to bond holders be paid from the EPA grant and is this considered within the 15% administrative cap?*

Answer: The SmartWay Clean Diesel Finance grants do not have to be paid back to the US EPA, however, we expect that these funds will continued to be used for the original purpose of the grant until the funds are expended. The grant funds could be used to lower the cost of a loan by paying some or all of the finance costs. The grant funds could potentially be used to pay interest on a bond, however, we would need to know more about the entire financing for the bond. For example, we would need to know how the grant funds are being used to help finance a bond that provides lower cost loans or leases to borrowers. Interest payments on the bond would not necessarily be considered within the 15% administrative cap.

Date Posted: Thursday, April 16, 2009

Question C.93 *For setting up a loan fund, do we need to submit a fleet description? We don't know exactly which vehicles will participate yet.*

Answer: Yes. Please provide a best estimate of the potential fleet affected.

Date Posted: Thursday, April 16, 2009

Question C.94 *In replacing a Class 8 over-the-road-truck, does EPA funds include the 12% federal excise tax that is applied to buying such a truck?*

Answer: Yes, the funds could cover taxes for the truck replacement.

Date Posted: Thursday, April 16, 2009

Question C.95 *Is a grant application limited to only technologies on the EPA-verified list by the application deadline?*

Answer: No. While projects under this RFA must use EPA-verified technologies, the funds may be used to acquire products placed on the EPA-verified list up until the time of purchase. This includes products placed on the EPA-verified technology list between the RFA application deadline (April 28, 2009) and the time you purchase products for your project. This allows you to use the best, EPA-verified technologies available when you purchase the technologies. For verified idle reduction technologies, grant applicants must use verified categories of idle reduction technologies (i.e., APUs, electrified parking spaces, shore connection systems, etc.). Specific company products not listed under a verified idle reduction technology category, but is similar in design ma be considered an effective technology to reduce main engine idling. For questions regarding the verifiability of an idle reduction product not listed on EPA's Verified Technology list (<http://www.epa.gov/smartway/transport/what-smartway/verified->

technologies.htm), please email the SmartWay Technical Team at smartway-tech@epa.gov.

Date Posted: Thursday, April 16, 2009

Question C.96 *Can we apply for funding for our own agency's projects or do we need to extend assistance to other agency's and institutions that are not eligible to apply, but could have projects that are eligible?*

Answer: You can apply for funding for your own agency's projects or for projects undertaken by other agencies and institutions that are not eligible to apply. Realize that when you apply on another agency's behalf (especially if that agency is not eligible), you will be responsible for the project if it gets awarded.

Date Posted: Thursday, April 16, 2009

*New*

Question C.97 *Please confirm that on page 25 of the RFA, for component #13 that the EPA wants grant recipients to be monitoring items 7 (AIR QUALITY OF AREA), 8 (QUANTITY OF AIR POLLUTION), and 9 (FLEET PROJECT DESCRIPTION). Could you explain a little more what EPA is looking for in this requirement?*

Answer: Yes, component #13 on p. 25 of the RFA refers to items 7 (air quality of area), 8 (quantity of air pollution), and 9 (fleet project description). EPA requests that grant recipients show how they plan to report the items listed under 7, 8, and 9 and what procedures they will use to ensure the accuracy of the report.

Date Posted: Thursday, April 23, 2009

*New*

Question C.98 *The RFA states that the Work Plan needs to include information on the Selection Process for selecting borrowers. I am not entirely clear on what the EPA is requesting when it also states to include, "how you will ensure the borrower eligibility determinations are made in accordance with the provisions of EPAAct2005." Can you tell me specifically what provisions (section) of EPAAct 2005 you need us to address?*

Answer: Section 792, subtitle G (Diesel Emissions Reduction program), of EPAAct2005 gives EPA the authority to establish this grant program. Sect. 792 requires that the loans be issued on a competitive basis. Therefore, the grant recipient must establish a methodology for selecting borrowers that includes a review of their qualifications. The grant recipient must implement prudent lending practices, conduct due diligence and establish a proper application review process to minimize loan defaults.

Also the grant recipient must include in their borrower eligibility determination a method for evaluating the borrower's plans to use the funds for eligible diesel emissions reduction solutions as listed under Section I.C.4 of the RFA. For example, if the borrower plans to purchase a new truck, they must have a truck that can be scrapped or re-manufactured.

Date Posted: Thursday, April 23, 2009

*New*

Question C.99 *What percentage or amount of any grant can cover the operational costs of carrying that grant out? Is that percentage taken out of the funds provided by EPA, or out of the total project cost?*

Answer: Under the SmartWay Clean Diesel Finance Program, "Any costs associated with the development and implementation of the innovative financial program, including administrative costs, and expenses to establish the innovative financial program, are capped at 15% of the cooperative agreement award and any accrued program income." [Section II,G of the RFA] At the time of application, the 15% applies to the federal funds requested for the project and any voluntary cost-share funds included in the SF 424A (award amount). The award amount does not include any additional leveraged funds that may be included in the budget narrative detail. If a project is funded and begins to accrue program income, the 15% applies to the original award amount plus any accrued program income.

Under the National Clean Diesel Funding Assistance Program, there is no cap on administrative costs.

Date Posted: Thursday, April 23, 2009

## **D. Recovery Act Requirements**

### **i.Requirements for Infrastructure Investments**

Question Di.1 *What projects constitute "infrastructure investments"?*

Answer: Certain Diesel Emission Reductions Act (DERA) projects may be considered infrastructure investments for purposes of the Recovery Act under the Agency's interpretation of the term "infrastructure". The term infrastructure refers to the substructure or underlying foundation or network used for providing goods and services; especially the basic installations and facilities on which the continuance and growth of a community, State, etc., depend. Examples include roads, water systems, communications facilities,

sewers, sidewalks, cable, wiring, schools, power plants, and transportation and communication systems. The DERA program provides funding for diesel emissions reductions projects that generally do not constitute infrastructure investments. Truck Stop Electrification (TSE) projects and diesel emissions reductions projects for heavy generators used in public energy production are considered to be infrastructure investments.

Date Posted: Friday, April 17, 2009

Question Di.2 *The project I am proposing is for an infrastructure investment. What additional requirements must I satisfy because of the type of project that I have proposed?*

Answer: If you are proposing an infrastructure investment project, in your proposal you must give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than June 17, 2009 (If a project is an infrastructure investment, the grantee must comply with Division A, Title XVI, §1602 of Preference for Quick-Start Activities). Additionally, grant recipients that are State or local governments must complete a certification for infrastructure investment projects in order to receive funding for the infrastructure investment project (if the grantee is a State or local government and the project is an infrastructure investment, then the grantee must also comply with Recovery Act Division A, Title XV, Subtitle A, §1511 of Certifications). There are also reporting requirements applicable to infrastructure investments (If the grantee is a State or local government conducting a project that constitutes an infrastructure investment, there are additional reporting requirements for the infrastructure investment imposed under the Recovery Act Division A, Title XV, Subtitle A, §1512(c)(3)(E)).

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Question Di.3 *Our grant would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving infrastructure investments. What should we do?*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include an infrastructure investment.

Date Posted: Friday, April 17, 2009

## **ii. Buy American Requirements for Public Works Pr**

Question Dii.1 *What projects are subject to the “Buy American” provision of ARRA?*

Answer: Only projects conducted by governmental entities constitute “public” projects subject to the Buy American provision. If your project does not involve public buildings or public works of a governmental entity (governmental entities include the United States; the District of Columbia, commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions), then your project will not be subject to the Buy American provision. If you are using Recovery Act funds for a project for the construction, alteration, maintenance, or repair of a public building or public work, all of the iron, steel, and manufactured goods for that project must be produced in the United States. In certain circumstances, EPA may grant a waiver from this requirement.

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Question Dii.2 *What type of project could I propose under this RFA that would constitute a “public building” or “public work” subject to the Buy American provision?*

Answer: The Diesel Emissions Reduction (DERA) program provides funding for diesel emissions reductions projects that generally do not meet the definition of public building or public work (‘public building’ and ‘public work’ mean a public building of, and a public work of, a governmental entity. These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works).

Truck Stop Electrification (TSE) projects and diesel emissions reductions projects for heavy generators (such as those used in public energy production) are considered to be public works when a governmental entity is conducting the project. In those cases, all of the steel, iron, or manufactured goods purchased for the construction, alteration, maintenance, or repair of a those public works must be produced in the United States (the Buy American provision, however, will not be applied if doing so is inconsistent with United States obligations under international agreements. Additionally, EPA, in certain circumstances, may waive the Buy American provision).

Date Posted: Friday, April 17, 2009

Question Dii.3 *What if I think the Buy American provision is not applicable to my proposal?*

Answer: You may request a determination regarding the inapplicability of the Buy American provision by submitting a request to the award official in time to allow a determination before submission of applications or proposals. The information and supporting data that must be submitted is set forth in OMB regulations (see paragraphs (c) and (d) of the award term and condition at 2 CFR 176.140). If you have not requested a determination regarding the inapplicability of the Buy American provision before submitting your application or proposal, or you have not received a response to a previous request, you must include the information and supporting data in the application or proposal.

Date Posted: Friday, April 17, 2009

Question Dii.4 *Our grant would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving public works projects. What should we do?*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include a public works project.

Date Posted: Friday, April 17, 2009

Question Dii.5 *Where can I find more information about the Buy American provision?*

Answer: OMB has issued regulations regarding the Buy American provision of the Recovery Act that are codified at 2 CFR Part 176, Subpart B.

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### **iii.Wage Rate Requirements**

Question Diii.1 *What is the wage rate requirement imposed by the Recovery Act?*

Answer: The Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Department of Labor. The Davis-Bacon Act requires contractors or their subcontractors of projects costing \$2,000 or more to pay laborers and mechanics employed

directly upon the site of the work no less than the locally prevailing wages and fringe benefits schedule set by the Department of Labor. Section 1606 of the Recovery Act explicitly expands the coverage of the Davis-Bacon Act to include all “projects funded directly by or assisted in whole or in part by and through the federal government”. Contractors and subcontractors of entities receiving assistance awards (such as grants and cooperative agreements) funded with any amount provided by the Recovery Act are required to abide by the requirements of the Davis-Bacon Act. The Department of Labor (DOL) is currently developing further guidance related to the Davis-Bacon Act in relation to Recovery Act funding. For more information on the Davis-Bacon Act generally, as well as more detailed information on requirements for contractors and agencies, go to <http://www.dol.gov/esa/whd/contracts/dbra.htm>. Initial inquiries concerning the applicability of Davis-Bacon requirements to your DERA project should be directed to EPA.

Date Posted: Friday, April 17, 2009

Question Diii.2 *Where can I find more information about the Wage Rate Requirements imposed by the Recovery Act?*

Answer: OMB has issued regulations regarding the Wage Rate provision of the Recovery Act that are codified at 2 CFR Part 176, Subpart C.

Date Posted: Friday, April 17, 2009

#### **iv. Reporting Requirements**

Question Div.1 *If I receive a grant award under this competition, will there be additional reporting requirements because my grant is funded with funds from the Recovery Act?*

Answer: Yes. There are reporting requirements and records retention requirements unique to the Recovery Act.

Date Posted: Friday, April 17, 2009

Question Div.2 *Where can I find more information about the reporting requirement imposed by the Recovery Act?*

Answer: OMB has issued regulations regarding the reporting requirement imposed by the Recovery Act that are codified at 2 CFR Part 176, Subpart A.

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