**U.S. Department of Transportation**

**Federal Highway Administration (FHWA)**

**Office of Operations Transportation Management (HOTM)**

**SUPPORTING STATEMENT**

**Strategic Innovation for Revenue Collection (SIRC) Program Grant Application Template**

**OMB Control No.**

Introduction:

This is a request for the Office of Management and Budget (OMB) to approve a 180-day clearance for the information collection entitled, Strategic Innovation for Revenue Collection (SIRC) Grant Application Template. In adherence with 5 CFR 1320.13, this is a request for approval for an emergency clearance for processing of information related to a new collection of information for the SIRC Program grant application submission and quarterly reporting requirements for FY 2023 – 2024 program of projects awards.

The collection of information will support implementation of Title III - Research, Technology, and Education Sec. 13001. Strategic Innovation for Revenue Collection (a) and (b) of the Infrastructure Investment and Jobs Act (Public Law No: 117-58, or also referred to as the Bipartisan Infrastructure Law-BIL (see Exhibit A page 12). The Office of the Secretary of Transportation (OST) and the Federal Highway Administration (FHWA) has coordinated on the development of public information to solicit responses to a Notice of Funding Opportunity (NOFO) for the SIRC Program. Awarded funds to eligible applicants will test the feasibility of a road usage fee and other user-based alternative revenue mechanisms (referred to in this section as ‘‘user based alternative revenue mechanisms’’) to help maintain the long-term solvency of the Highway Trust Fund. ***The primary affected public are the eligible applicants, which includes a State or a group of States, Metropolitan Planning Organization (MPO) or a group of Metropolitan Planning Organizations (as defined in section 134(b) of title 23, United States Code), a local government or a group of local governments***.

* The information will be received by the FHWA to fulfill the grant application submittal requirements and agreements prescribed in the NOFO.
* The collection of information will include grant application forms and narratives, grant agreements, and project management quarterly reporting.
* The purpose of the collection is to receive information relevant to evaluating applications to the SIRC grant program, per the NOFO, and reporting requirements agreed to by recipients of the Grants.
* The obligation to respond to the collection of information is voluntary and is required to obtain or retain a benefit.

Part A. Justification.

1. Circumstances that make collection of information necessary:

The collection of information is necessary to receive applications for grant funds, evaluate the effectiveness of projects that have been awarded grant funds, and monitor project financial conditions and project progress pursuant to Section 133001 (b) (3) as prescribed in Exhibit A of this document. FY 2023 – FY 2024 is the first year of implementation for the SIRC Program. FHWA implemented a similar predecessor program, the Surface Transportation System Funding Alternatives (STSFA) program authorized by section 6020 of the Fixing America’s Surface Transportation (FAST) Act, Pub. L. No. 114-94, FY 2016 – 2021, which was repealed with the passage of BIL. Information about awards funded under the STSFA program is available at: <https://ops.fhwa.dot.gov/stsfa/index.htm>.

The Strategic Innovation for Revenue Collection (SIRC) Program seeks to fund pilot projects that test the implementation of user-based alternative revenue mechanisms that utilize a road user fee structure. The budget will provide $15 million annually (FY 2022 – 2026) to eligible State, Metropolitan Planning Organization (MPO), and local government agencies or a group of eligible entities to test the feasibility of the program objectives outlined in Section 133001 (b) (3). Grant awards test innovative ways to replace or supplement the Federal gas tax to maintain the long-term solvency of the Highway Trust Fund.

Awarded projects will test the design, acceptance, equity, and implementation of user-based alternative revenue mechanisms that meet one or more of the following program objectives; test the potential for adoption and integration of nationwide regulations for a revenue collection network, ease of compliance, use of innovation, imposition on transportation revenues and travel, quantifying and minimizing the administrative costs, privacy and security of the data collected, public acceptance, education and outreach to increase public awareness of user-based alternative revenue mechanisms, as well as the potential for revenue collection along a network of alternative fueling stations.

The DOT seeks full new demonstration project applications and extensions or enhancements of existing demonstration projects. For the purpose of the NOFO and this ICR, a demonstration project is defined based on the definition of “innovation lifecycle” found in 23 U.S.C. 501(3)(D) and (E): a demonstration project will carry out development, deployment, and testing of the resulting technology or innovation; and will carry out an evaluation of the costs and benefits of the resulting technology or innovation. The type of alternative revenue mechanism proposed is flexible, as long as it is user-based. Any revenue collected through a user-based alternative revenue mechanism established using funds provided under this section shall not be considered a toll.

**SIRC Program Collection of Information Stages**

DOT requests information from applicants in the form an electronic application, which will represent 100% of the submissions. The application will assist in soliciting proposals for funding from eligible applicants for the five-year grant program, to monitor the grant program recipients, project progress, assess project outcomes and permit evaluation.

The reporting requirements are submitted by recipients and will be completed during the application stage, grant agreement, and the project management stages.

Application Stage

To be considered an eligible applicant and a SIRC Program grant recipient, applicants must submit an application to DOT containing information as detailed in the Notice of Funding Opportunity (NOFO). The project narrative should include the information necessary for the Department to determine that the project satisfies eligibility requirements as warranted by law. STSFA the predecessor program of the SIRC Program application package contained 5 electronic documents with an average of 3 pages per document.

Grant Agreement Stage

The grant agreement is an agreement between FHWA and the grantee recipient. In the grant agreement the recipient must describe the project that FHWA agreed to fund, which is typically the project that was described in the SIRC Program application (or a reduced-scope version of that project). The grant agreement must also include a detailed breakdown of the project schedule and a budget listing all major activities that will be completed as part of the project.

Project Management Stage

The reporting requirements under this stage are necessary to ensure the proper and timely expenditure of federal funds within the scope of the approved project. The requirements comply with the Common Grant Rule and are also included in sections of the grant agreement. During the project management stage, the grantee recipient will complete Quarterly Progress and Monitoring Reports to ensure that the project budget and schedule will be maintained to the maximum extent possible, in addition to the project being completed with the highest degree of quality and in compliance with Federal regulations. The substantive requirements of the report include: the project’s overall status; significant project activities and issues; action items/outstanding issues; project scope overview; project schedule; project cost; an SF-425 Federal Financial Report; and certifications. This reporting requirement will greatly reduce the need for on-site visits by staff.

2. How, by whom, and for what purpose is the information used:

The information collected will be used by FHWA.

FHWA will continue to use the information collected in the application phase to evaluate proposals and make decisions to award grants to applicants for any future similar appropriations. FHWA will use the information to monitor the progress of projects that have been awarded SIRC Program funds, and to monitor the proper expenditure of Federal funds.

The project management information will be collected by grant recipients.

Much of the information will be produced and collected through the normal process of project management, so the additional burden of Government information collection is small in comparison to the data management related to information that grant recipients already collect to manage their projects properly.

The purpose of the project management information collection is to ensure that the project scope, budget, and schedule will be maintained to the maximum extent possible to support project completion to the highest degree of quality, and in compliance with Federal regulations.

3. Extent of automated information collection:

The Department will receive application reports electronically via email and via websites from grant awardees upon approval from OMB. Certain agencies within the Department have found that delivery of reports electronically is the most reliable way to collect information and will use their existing grant administration systems to collect the information covered under this request. To minimize the burden on applicants, OMB approved standard forms are being used to collect information where possible. Such standard forms include the Application for Federal Assistance (SF-424), available online at <https://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf>, and the post-award Federal Financial Reports form (SF–425), available online at <https://apply07.grants.gov/apply/forms/sample/SF425_2_0-V2.0.pdf>.

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public. If the application includes information the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) Note on the front cover that the submission “Contains Confidential Business Information (CBI)”; (2) mark each affected page “CBI”; and (3) highlight or otherwise denote the CBI portions. DOT protects such information from disclosure to the extent allowed under applicable law. In the event DOT receives a Freedom of Information Act (FOIA) request for the information, DOT will follow the procedures described in its FOIA regulations at 49 CFR 7.17. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA. Retention of records will adhere to DOT Order 1351.28 Records Management, 28.4.5 Electronic Records.

4. Efforts to identify duplication:

The information collected from grant recipients is project specific and the information is not available other than from the grantees. The information will be used to monitor projects on a quarterly basis, and to ensure on an annual basis that the project’s plan conforms to the project’s real operating environment.

5. Efforts to minimize the burden on small businesses:

Business organizations, small or otherwise are not eligible applicants (State, regional MPO bodies, and local governments).

6. Impact of less frequent collection of information:

If the information requested in the reports is not collected, the Department will not be able to evaluate project progress or financial conditions in accordance with the 23 U.S.C., Bipartisan Infrastructure Law and the Notice of Funding Opportunity (NOFO) for the program published in the *Federal Register*. The quarterly collection of financial data ensures that the use of Federal funds can be appropriately monitored.

7. Special circumstances:

During the negotiation of the grant agreement, FHWA may require the recipient to report information to the agency more often than quarterly. Otherwise, all information collected is consistent with the guidelines in 5 CFR 1320.6.

8. Compliance with 5 CFR 1320.8:

This 180-day clearance is requested pursuant to 5 CFR 1320.8(d)(4).

9. Payments or gifts to respondents:

No payment is made to respondents, other than remuneration to successful SIRC Program grantees. The remuneration to grantees is in the form of reimbursements up to the amount of the SIRC Program grant award as negotiated in the signed and executed grant agreement.

10. Assurance of confidentiality:

There is no assurance of confidentiality regarding these submissions.

11. Justification for collection of sensitive information:

None of the information is of a sensitive nature.

12. Estimate of burden hours for information requested:

All burden hour estimates are based on an estimated review of all the requirements

associated with the SIRC Program and previous hours performed for the application

submission, grant agreement, and management stages of the STSFA Program (predecessor

program), discussions with appropriate modal staff, and analysis of other Departmental

programs.

**Estimate of the cost to application respondents:**

There is a wide variance in the level of effort required by recipients to comply with the application, grant agreement, and project management stage reporting requirements. As denoted applications and grant agreements will be submitted electronically, and many reports will be simple and straightforward based on status updates. The figures below in *Table 1* are representative of a straightforward project of average complexity that has completed the pilot project scope of work over a five-year period with a five-year period of performance measurement once the project is complete.

**Application, Grant Agreement, and Project Management Stages**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 1 SIRC Program Burden Hours for Applicants/Respondents** | | | | |
| **Requirements** | **Estimated Number of Annual Application Submissions for SIRC Program Funding and Reporting** (15 applications annually based on previous STSFA Program) | **Applicant/Respondent Burden Hours Per Submission** (burden hours are based on 8 hours per day with 5 business days a week) | **Applicant/ Respondent Total Burden Hours** | **Percentage of Responses (submissions) collected electronically** |
|
| **Application and Grant Agreement Stage** | | | | |
| Letter of Intent to Submit Applications **(a minimum of 1 Letter of Intent has been submitted annually based on previous STSFA Program)** | 1 | 2 | **2** | 100% |
| Applications submissions **(15 applications annually based on previous STSFA Program)** | 15 | 40 | **600** |
| Requests for information related to signing grant agreements | 7 | 1 | **7** |
| **Subtotal** | | | **609** | **100%** |
| **Project Management Stage**  **(****Based on the predecessor STSFA Program there has been 7 projects awarded annually)** | | | | |
| Quarterly Progress Report **(****7 annual reports x 4 quarters /24 hours per submission)** | 28 | 24 | **672** | 100% |
| System Engineering Document **(****1 document annually x 24 hours per submission)** | 1 | 24 | **24** |
| Data Management Plan **(3 document annually x 24 hours per submission)** | 3 | 24 | **72** |
| **Subtotal** | | | **768** | **100%** |
| **Total Burden Hours** | | | **1,377** | **100%** |

The total burden hours for both the **Application and Grant Agreement Stage**, as well as the **Project Management Stage is 1,377 burden hours as shown above in Table 1**.

**Application and Grant Agreement Stage:**

The 50-to-70-word application narrative and budget summary at a minimum will provide the following information: table of contents, detailed statement of work, detailed project schedules (identifying all major project milestones), staffing description, and any appropriate exhibits or attachments that will aid in the review and assessment of the application. All exhibits and attachments must clearly identify what technical area of the project narrative the document supports.

We estimate that it takes approximately 42 person-hours to read the Notice of Funding Opportunity and compile a letter of intent and/or application package for a Strategic Innovation for Revenue Collection Program application. Based on the previous submittals from the predecessor Surface Transportation System Funding Alternative (STSFA) Program, FHWA expects to receive the following from respondents electronically per NOFO announcement:

* 1 letter of intent \* 2 hours per submission = 2 burden hours,
* 15 applications \* 40 hours per submission = 600 burden hours, and
* 7 requests for information related to signing grant agreements, with 1 estimated burden hour
  + 7 awards \* 1 hour per submission = 7 burden hours

We estimate 609 total hours (2 + 600 + 7 burden hours = 609 total burden hours) required on a one-time basis for the *Application and Grant Agreement Stage.* Although various personnel are involved in the development of an application, the average salary is estimated to be $55 per hour. This is based on the average wage of a project manager in the local government sector of $54.96 ([Bureau of Labor Statistics](https://www.bls.gov/oes/current/oes131082.htm)). **Therefore, the cost to the respondents is computed at $33,495 (609 hours x $55 = $33,495) to adhere to the*****Application and Grant Agreement Stage***.

**Project Management Stage:**

FHWA anticipates awarding at least 7 projects under the SIRC Program (based on the predecessor STSFA Program) that will require project management and quarterly reporting oversight. We estimated 672 total burden hours for quarterly reporting, 24 burden hours for system engineering document submittal, and 72 burden hours for data management plan submittal as shown in Table 1 and below.

* 7 annual reports \* 4 quarterly reports = 28 quarterly reports
  + 28 quarterly reports \* 24 hours per submission = 672 burden hours
* 1 system engineering document annually \* 24 hours per submission = 24 burden hours
* 3 data management plans annually \* 24 hours per submission = 72 burden hours

We estimate *768 total burden hours* (672 + 24 + 72 burden hours = 768 total burden hours) required for the *Project Management Stage*. Although various personnel are involved in the development of an application and project management, the primary staff person is a local government project management specialist. The [Bureau of Labor Statistics](https://www.bls.gov/oes/current/oes131082.htm) denotes that the average salary is estimated to be $55 per hour. This is based on the average wage in the local government sector of $54.96**. Therefore, the cost to the respondents is computed at $42,240 (****768 burden hours x $55 = $42,240) to adhere the Project Management Stage requirements. The combined burden hours for the Application, Grant Agreement, and Project Management Stages are 1,370 burden hours.**

**The grand total annual cost to respondents for the** **application, grant negotiation, program management, and evaluation stages is $75,350.**

**The total annual hourly burden and costs are shown below for all respondents:**

|  |  |
| --- | --- |
|  | **Eligible SIRC Program Applicants**  **(States, local governments, and MPO entities) Application, Grant Agreement, and**  **Project Management Stages** |
| Average Wage Rate | $55/hour |
| Hours | 1,377 |
| **Total** | **$75,735** |

13. Estimate of total annual costs to respondents:

There is no additional cost beyond that shown in items 12 above and 14 below.

14. **Estimate of cost to the Federal government:**

The Federal government cost as shown above in Table 2 are calculated as follows:

**Estimate of cost to the Federal government:**

The cost is calculated as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 2 SIRC Program Burden Hours for Federal Government** | | | | |
| **Requirements** | **Number of Annual Application Submissions** | **Federal Government Burden Hours Per Submission**  **(8 hours per day with 5 business days a week)** | **Federal Government Total Burden Hours** | **Percentage of Responses (submissions) collected electronically** |
| **Application Stage and Grant Agreement Stage** | | | | |
| Letter of Intent to Submit Applications  **(a minimum of 1 Letter of Intent has been submitted annually based on previous STSFA Program)** | 1 | 2 | **2** | **100%** |
| Responding Applications  **(Based on predecessor STSFA Program)** | 15 | 20 | **300** |
| Requests for information related to signing grant agreements | 7 | 1 | **7** |
| **Total** | | | **309** | **100%** |
| **Project Management Stage** | | | | |
| Quarterly Progress Report **(7 annual reports x 4 quarters /24 hours per submission)** | 28 | 8 | **224** | **100%** |
| System Engineering Document | 1 | 8 | **8** |
| Data Management Plan | 3 | 8 | **24** |
| **Total** | | | **256** | **100%** |
| **Total Burden Hours** | | | **565** | **100%** |

**Application and Grant Agreement Stage:**

Based on the previous submittals from the predecessor Surface Transportation System Funding Alternative (STSFA) Program, FHWA expects to evaluate 15 applications, 1 estimated letter of intent, and 1 request for information related to signing grant agreements from respondents electronically per NOFO announcement:

* 1 letter of intent \* 2 hours per submission = 2 burden hours,
* 15 applications \* 20 hours per submission = 300 burden hours, and
* 7 requests for information related to signing grant agreements, with 1 estimated burden hour
  + 7 awards \* 1 hour per submission = 7 burden hours

FHWA will review the applications to assess project eligibility and merit and to provide information for the discretionary decision-making process prior to the award of any future SIRC Program grants. Individuals managing projects throughout FHWA vary from GS-11 to GS-14; however according to [Office of Personnel Management (OPM)](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2023/general-schedule) the average hourly rate for a GS-13/Step 6 and GS-14/Step 1 is approximately $60 per hour with locality pay. We estimate 309 total hours (2 + 300 + 7 burden hours = 309 total burden hours) required on a one-time basis for the *Application and Grant Agreement Stage.* **Therefore, the cost to the respondents is computed at $18,540 (309 hours x $60= $18,540) to evaluate the*****Application and Grant Agreement Stage***.

**Project Management Stage:**

We estimated 224 total burden hours for quarterly reporting, 8 burden hours for system engineering document submittal, and 24 burden hours for data management plan submittal as shown in Table 1 and above.

* 7 annual reports \* 4 quarterly reports = 28 quarterly reports
  + 28 quarterly reports \* 8 hours per submission = 224 burden hours
* 1 system engineering document annually \* 8 hours per submission = 8 burden hours
* 3 data management plans annually \* 8 hours per submission = 24 burden hours

We estimate *256 total burden hours* (224 + 8 + 24 burden hours = 256 total burden hours) required for the *Project Management Stage*. **The combined burden hours for the Application, Grant Agreement, and Project Management Stages are 565 burden hours**. As denoted above, we estimate that the average grade level of a FHWA Program Manager is GS-13/Step 6, according to [Office of Personnel Management (OPM)](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2023/general-schedule) the average hourly rate for a GS-13/Step 6 and GS-14/Step 1 is approximately $60 per hour with locality pay. **Therefore, the cost to the respondents is computed at $33,900 (565 hours x $60 = $33,900) to evaluate the*****Application and Grant Agreement Stage***.

**The grand total** **annual cost to the Federal Government for the application, grant negotiation, program management and evaluation stage is $52,440 as shown in the table below:**

**Annual Cost to the Federal Government**

|  |  |
| --- | --- |
| **Project Stages** | **Cost to the Federal Government-FHWA** |
| Application Stage and Grant Agreement Stage | $18,540 |
| Project Management Stage | $33,900 |
| **The grand total** | **$52,440** |

15. Explanation of program changes or adjustments:

The purpose of this request is to approve collection of information related to the application and implementation of the SIRC Program for FY 2022 - FY 2024.

An application template is under development to reduce the burden on applicants and to reduce the burden on the review process. It is anticipated that this revised template will be available for the FY23 application process, and a new request will be required.

16. Publication of results of data collection:

FHWA is required to provide a report to Congress annually for a subset of applicants under this program (23 U.S.C. 503. Research and technology development and deployment, (b) Highway Research and Development Program).

Approval for not displaying the expiration date of OMB approval:

There is no reason not to display the expiration date of OMB approval.

18. Exceptions to certification statement:

No exceptions are stated.

**This Information Collection Request (ICR) supports the FY 2022 – 2026 DOT Strategic Plan, including the six strategic goals of:**

1. Safety
   * Safe Public

Protect urban and rural communities and travelers, including vulnerable populations, from health and safety risks.

* + Critical Infrastructure Cybersecurity

Strengthen transportation system resilience to protect it from disruption

from cyber and other attacks.

1. Economic Strength & Global Competitiveness
   * High Performing Core Assets

Restore and modernize core assets to improve the state of good repair, enhance resiliency, and expand beneficial new projects.

* + Resilient Supply Chains

Modernize infrastructure for safer and more efficient movement of goods to support the U.S. economy while maintaining community and regional livability, as well as supply chain resiliency.

* System Reliability and Connectivity

Improve system operations to increase travel time reliability, manage travel demand, and improve connectivity.

1. Equity
   * Expanding Access

Expand affordable access to transportation jobs and business opportunities by removing barriers for individuals, businesses, and communities.

* Power of Community

Empower communities through innovative public engagement with diverse stakeholders and thought leaders to foster exchange and ownership.

* Proactive Intervention, Planning, and Capacity Building

Ensure that equity considerations for disadvantaged and underserved communities are integrated into the planning, development, and implementation of all transportation investments.

1. Climate & Sustainability

* Path to Economy-Wide Net-Zero Emissions by 2050

Reduce air pollution and greenhouse gas emissions from transportation and advance a sustainable transportation system.

* Climate Justice and Environmental Justice

Address the disproportionate negative environmental impacts of transportation on disadvantaged communities.

1. Transformation

* Matching Research and Policy to Advance Breakthroughs

Foster breakthrough discoveries and new knowledge through high-risk, high-reward research driven by policy objectives.

* Experimentation

Identify new ideas, new innovations, and new possibilities. Evaluate the opportunities and risks so the Department can support public benefits.

* Collaboration and Competitiveness

Work with diverse stakeholders to share noteworthy practices and accelerate the adoption of innovations and technologies

* Flexibility and Adaptability

Design flexibility into transportation system investments to accommodate and respond to changing needs and capabilities to provide long-term benefits.

1. Organizational Excellence

* Customer Service

Deliver responsive, efficient, and accessible government services.

* Data-driven Programs and Policies

Develop and manage data systems and tools to provide objective, reliable, timely, and accessible data to support decision-making, transparency, and accountability.

Exhibit A

**Section 13001 Strategic Innovation for Revenue Collection**

TITLE III—RESEARCH, TECHNOLOGY, AND EDUCATION SEC. 13001. STRATEGIC INNOVATION FOR REVENUE COLLECTION.

(a) IN **GENERAL**.—The Secretary shall establish a program to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms (referred to in this section as ‘‘user based alternative revenue mechanisms’’) to help maintain the long term solvency of the Highway Trust Fund, through pilot projects at the State, local, and regional level.

(b) **GRANTS.—**

(1) IN **GENERAL**.—The Secretary shall provide grants to eligible entities to carry out pilot projects under this section.

(2) **APPLICATIONS**.—To be eligible for a grant under this section, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) **OBJECTIVES**.—The Secretary shall ensure that, in the aggregate, the pilot projects carried out using funds provided under this section meet the following objectives: (A) To test the design, acceptance, equity, and implementation of user-based alternative revenue mechanisms, including among— (i) differing income groups; and (ii) rural and urban drivers, as applicable. H. R. 3684—195 (B) To provide recommendations regarding adoption and implementation of user-based alternative revenue mechanisms. (C) To quantify and minimize the administrative costs of any potential user-based alternative revenue mechanisms. (D) To test a variety of solutions, including the use of independent and private third-party vendors, for the collection of data and fees from user-based alternative revenue mechanisms, including the reliability and security of those solutions and vendors. (E) To test solutions to ensure the privacy and security of data collected for the purpose of implementing a user-based alternative revenue mechanism. (F) To conduct public education and outreach to increase public awareness regarding the need for user-based alternative revenue mechanisms for surface transportation programs. (G) To evaluate the ease of compliance and enforcement of a variety of implementation approaches for different users of the surface transportation system. (H) To ensure, to the greatest extent practicable, the use of innovation. (I) To consider, to the greatest extent practicable, the potential for revenue collection along a network of alternative fueling stations. (J) To evaluate the impacts of the imposition of a user-based alternative revenue mechanism on— (i) transportation revenues; (ii) personal mobility, driving patterns, congestion, and transportation costs; and (iii) freight movement and costs. (K) To evaluate options for the integration of a user based alternative revenue mechanism with— (i) nationwide transportation revenue collections and regulations; (ii) toll revenue collection platforms; (iii) transportation network company fees; and (iv) any other relevant transportation revenue mechanisms.

(4) **ELIGIBLE ENTITY**.—An entity eligible to apply for a grant under this section is— (A) a State or a group of States; (B) a local government or a group of local governments; or (C) a metropolitan planning organization (as defined in section 134(b) of title 23, United States Code) or a group of metropolitan planning organizations.

(5) **USE OF FUNDS**.—An eligible entity that receives a grant under this section shall use the grant to carry out a pilot project to address 1 or more of the objectives described in paragraph (3).

(6) **CONSIDERATION**.—The Secretary shall consider geographic diversity in awarding grants under this subsection.

(7) **FEDERAL SHARE**.—The Federal share of the cost of a pilot project carried out under this section may not exceed— H. R. 3684—196

(A) 80 percent of the total cost of a project carried out by an eligible entity that has not otherwise received a grant under this section; and

(B) 70 percent of the total cost of a project carried out by an eligible entity that has received at least 1 grant under this section.

(c) LIMITATION ON REVENUE COLLECTED.—Any revenue collected through a user-based alternative revenue mechanism established using funds provided under this section shall not be considered a toll under section 301 of title 23, United States Code.

(d) RECOMMENDATIONS AND REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary, in coordination with the Secretary of the Treasury and the Federal System Funding Alternative Advisory Board established under section 13002(g)(1), shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that—

(1) summarizes the results of the pilot projects under this section and the national pilot program under section 13002; and

(2) provides recommendations, if applicable, to enable potential implementation of a nationwide user-based alternative revenue mechanism.

(e) FUNDING.— (1) IN GENERAL.—Of the funds made available to carry out section 503(b) of title 23, United States Code, for each of fiscal years 2022 through 2026 $15,000,000 shall be used for pilot projects under this section.

(2) FLEXIBILITY.—If, by August 1 of each fiscal year, the Secretary determines that there are not enough grant applications to meet the requirements of this section for that fiscal year, the Secretary shall transfer to the national pilot program under section 13002 or to the highway research and development program under section 503(b) of title 23, United States Code— (A) any funds reserved for a fiscal year under paragraph (1) that the Secretary has not yet awarded under this section; and (B) an amount of obligation limitation equal to the amount of funds that the Secretary transfers under subparagraph (A).

(f) REPEAL**.—**

**(1) IN GENERAL.—Section 6020 of the FAST Act (23 U.S.C. 503 note; Public Law 114–94) is repealed.**

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the FAST Act (Public Law 114–94; 129 Stat. 1312) is amended by striking the item relating to section 6020.