§ 624.1 Eligible applicant.

(a) An eligible applicant is:

(1) A designated recipient (designated recipient has the same meaning as in 49 U.S.C. 5307(a)(2)); or

(2) A recipient for an urbanized area with a population of less than 200,000 (smaller urbanized area). The State in which the smaller urbanized area is located shall act as the recipient.

(b) An eligible applicant, as defined in paragraph (a) of this section, shall operate in an area that is either:

(1) An ozone or carbon monoxide non-attainment area as specified under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); or

(2) A maintenance area for ozone or carbon monoxide.

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§ 624.3 Eligible activities.

(a) Eligible activities include purchasing or leasing clean fuel buses and constructing new or improving existing public transportation facilities to accommodate clean fuel buses.

(b) The term “clean fuel vehicle” means a vehicle that—

(1) Is powered by—

(i) Compressed natural gas;
(ii) Liquefied natural gas;
(iii) Biodiesel fuels;
(iv) Batteries;
(v) Alcohol-based fuels;
(vi) Hybrid electric;
(vii) Fuel cells;
(viii) Clean diesel, to the extent allowed under this section; or
(ix) Other low or zero emissions technology; and

(2) The Administrator of the Environmental Protection Agency has certified sufficiently reduces harmful emissions.

(c) Eligible projects are the following:

(1) Purchasing or leasing clean fuel buses, including buses that employ a lightweight composite primary structure, and vans for use in revenue service. The purchase or lease of non-revenue vehicles is not an eligible project.

(2) Constructing or leasing clean fuel bus facilities or electrical recharging facilities and related equipment. Facilities and related equipment for clean diesel buses are not eligible.

(3) At the discretion of the Administrator, projects relating to clean fuel, biodiesel, hybrid electric, or zero emissions technology buses that exhibit equivalent or superior emissions reductions to existing clean fuel or hybrid electric technologies.

(4) The Federal share for eligible activities undertaken for the purpose of complying with or maintaining compliance with the Clean Air Act under this program shall be limited to 90 percent of the net (incremental) cost of the activity.

(i) The Administrator may exercise discretion and determine the percentage of the Federal share for eligible activities to be less than 90 percent.

(ii) An administrative determination per this subsection will be published in accordance with § 624.5(a).

(5) Funding for clean diesel buses shall be limited to not more than 25 percent of the amount made available for the Clean Fuels program each fiscal year to carry out the program.

(6) Any amount made available for this section shall remain available to an eligible activity for two years after the fiscal year for which the amount is provided. Any amount that remains unobligated at the end of the three-year-period shall be added to the amount made available to carry out the program in the following fiscal year.

§ 624.7 Certification.

The applicant must use the certification contained in the Annual Notice of Assurances and Certifications published in the Federal Register each October.

§ 624.9 Grant requirements.

A grant under this section shall be subject to the following requirements of 49 U.S.C. 5307(d):

(a) General. All recipients shall maintain and report financial and operating information on an annual basis, as prescribed in 49 CFR part 630, and the most recent National Transit Database Reporting Manual.

(b) Labor standards. As a condition of financial assistance under 49 U.S.C. 5308, the interests of employees affected by the assistance shall be protected under arrangements that the Secretary of Labor concludes are fair and equitable.

(c) Satisfactory continuing control. An FTA grantee shall:

(1) Maintain control over federally funded property;

(2) Ensure that it is used in transit service; and

(3) Dispose of it in accordance with Federal requirements.

(2) Under this paragraph (c), if the grantee leases federally funded property to another party, the lease must provide the grantee satisfactory continuing control over the use of that property as determined in two areas: real property (land) and facilities; and personal property (equipment and rolling stock, both revenue and non-revenue).

(d) Maintenance. The grant applicant shall certify annually that pursuant to 49 U.S.C. 5307(d)(1)(C), it will maintain (federally funded) facilities and equipment. In addition, the grantee shall keep equipment and facilities acquired with Federal assistance in good operating order, which includes maintenance of rolling stock (revenue and non-revenue), machinery and equipment, and facilities.

(e) Rates charged elderly and persons with disabilities during nonpeak hours. In accordance with 49 U.S.C. 5307(d)(1)(D), the grant applicant shall certify that the rates charged the elderly and persons with disabilities during nonpeak hours for fixed-route transportation using facilities and equipment financed with Federal assistance from FTA will not exceed one-half of the rates generally applicable to other persons at peak hours, whether the operation is by the applicant or by another entity under lease or otherwise.

(f) Use of competitive procurements. Pursuant to 49 U.S.C. 5307(d)(1)(E), the grant applicant shall certify that it will use competitive procurements and will not use procurements employing exclusionary or discriminatory specifications.

(g) Compliance with Buy America provisions. The grant applicant shall certify that in carrying out a procurement authorized for this program, the applicant will comply with applicable Buy America laws.

(h) Certification that local funds are available for the project. The grant applicant shall certify that the local

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