the Federal Register's home page at *http://www.archives.gov* and from the Government Printing Office's Web page at *http://www.gpoaccess.gov/nara*.

Background: The FHWA collects and publishes motor vehicle registration and licensed driver information obtained from the States, the District of Columbia, and Puerto Rico. This information is collected from State departments of transportation pursuant to 23 CFR 420.105 and is published in *Highway Statistics*.[1]

The information in *Highway Statistics* is used in the development of highway legislation at the Federal level. The information is also used in preparing legislatively required reports to Congress, in keeping State governments informed, and, in general, as an aid to highway planning, programming, budgeting, forecasting, and fiscal management. This information is also used extensively in the evaluation of Federal, State, and local highway programs. The FHWA has re-assessed DOT internal needs for these data and has preliminarily determined that the information in *Highway Statistics* meets the Federal need of providing a national perspective on highway program activities.

This notice seeks public input from users on the quality, timeliness, comprehensiveness, and other characteristics of the motor vehicle registration and licensed driver data collected by the FHWA and published in *Highway Statistics*. Based on this input and other information, the FHWA will determine whether it is necessary to change the motor vehicle registration and licensed driver information collected. The motor vehicle registration data currently collected by the FHWA can be found in *Highway Statistics* tables MV–1, MV–2, MV–7, MV–9, MV–10 and MV–11. The licensed driver data currently collected by the FHWA can be found in *Highway Statistics* tables DL–1C, DL–20 and DL–22.

Motor vehicle registration: The motor vehicle registration data collection practices vary among the States. States register specific vehicle types on a calendar year or fiscal year basis. States may use some form of a ''staggered'' system to register motor vehicles to permit a distribution of the renewal workload throughout all months. In addition, most States allow pre-registration or permit ''grace periods'' to better distribute the annual registration workload.

States report motor vehicle registrations by major vehicle classes: automobiles, buses, trucks, and motorcycles. The truck category includes light trucks to the extent they can be identified and separated from automobiles. Data on trucks, buses, trailers, and semitrailers are given in tables MV–9, MV–10, and MV–11, respectively. Although the detail of motor-vehicle data has improved in recent years, it is not yet possible to obtain from all States separate data on single-unit trucks and combinations. Some States provide data for light trucks and truck tractors, but for many States the FHWA estimates this information using other data sources, such as the Vehicle Inventory and Use Survey conducted by the Bureau of the Census.[2] The table MV–9 light truck category includes pickups, vans (full-size and mini), utility-type vehicles, as well as other vehicles (panel trucks and delivery vans generally of 10,000 pounds or less gross vehicle weight). Registrations of publicly owned motor vehicles are reported in table MV–7.

Registration practices for commercial vehicles also differ greatly among the States. Some States register a tractor-semitrailer combination as a single unit; others register the tractor and the semitrailer separately. Regardless of how they were registered, only the power units have been included in the truck count in table MV–1. Some States register buses with trucks or automobiles; many States do not report light utility trailers separately from commercial trailers or semitrailers; and some States do not require registration of car or light utility trailers.

Drivers' License: Each State, the District of Columbia, and Puerto Rico administers its own driver licensing system. Since 1954 all States have required drivers to be licensed, and since 1959 all States have required examination prior to licensing. Tests of knowledge of State driving laws and practices, vision, and driving proficiency are now required for new licensees. The State distribution of total U.S. licensed drivers, by sex and age group, is shown in table DL–1C.

The distribution of total U.S. licensed drivers, by sex and age group, is shown in table DL–20.

DL–22 displays the number of drivers by sex and age groups for each State. For the States that do not provide the driver license data broken out to the top age bracket of 85 and over, we have redistributed the last age bracket provided by each State according to the Census population data for those particular age brackets in that particular State.

Conclusion: This notice seeks public input from users on the quality, timeliness, comprehensiveness, and other characteristics of these data. Based on this input and other information, the FHWA will determine whether it is necessary to change the motor vehicle registration and licensed driver information collected, and the steps needed to ensure the quality of the information.

Specifically, the FHWA is interested in comments from users of motor vehicle registration and licensed driver information on data uses, data quality, data timeliness, data availability, and how well data meets user needs. Currently, the FHWA is considering various options for these data programs including investigating alternative sources of data from the public or private sector, developing enhanced software to capture and process the data more efficiently, and maintaining the status quo.

Issued on: December 28, 2005.

J. Richard Capka,

Acting Federal Highway Administrator.

[FR Doc. E6–11 Filed 1–5–06; 8:45 am]

BILLING CODE 4910–22–P

[1] *Highway Statistics* is an annual report containing analyzed data on motor fuel, motor vehicles, driver licensing, highway user taxation, State and local highway finance, highway mileage, and other selected data. This report has been published each year since 1945. It is available at the following URL: *http://www.fhwa.dot.gov/policy/ohpi/hss/*.

[2] This report is available at the following URL: *http://www.census.gov/svsd/www/tiusview.html*.

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU); Value Pricing Pilot Program Participation

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice; solicitation for participation.

SUMMARY: This notice invites State and local governments and other public authorities to apply to participate in the Value Pricing Pilot (VPP) program and presents guidelines for program applications. This notice describes the statutory basis for the VPP program and updates a notice published in the **Federal Register** on May 7, 2001 (66 FR 23077), by providing revised procedures, process timelines, and guidance for program participation.

A companion notice referring to non-grant programs, entitled ''Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU); Opportunities for

States and Other Qualifying Agencies to Gain Authority to Toll Facilities Constructed Using Federal Funds'' is published elsewhere in today's edition of the **Federal Register**. Both of these notices are intended to cover all of the opportunities for States and other qualifying transportation agencies to obtain approval to toll their respective facilities and to secure funding to implement tolling and pricing.

DATES: Formal grant applications must be submitted no later than March 31, 2006, for FY 2006 funds, October 1, 2006, for FY 2007 funds, and each subsequent October 1 for funding through and including FY 2009. To be assured of the maximum amount of constructive assistance from FHWA in preparing a formal application, Expressions of Interest must be submitted two months prior, i.e., by January 31, 2006, for FY 2006 funds, August 1, 2006, for FY 2007 funds, and each subsequent August 1 covering the funding period.

FOR FURTHER INFORMATION CONTACT: For questions about this notice, please contact Mr. Wayne Berman, Office of Operations, (202) 366–4069, or via email at *mailto:wayne.berman@fhwa.dot.gov,* FHWA, 400 Seventh Street, SW., Washington, DC 20590. For specific information about the Value Pricing Pilot Program, please contact Mr. Patrick DeCorla-Souza, Office of Policy and Governmental Affairs, Highway Pricing and System Analysis Team Leader, (202) 366–4076, or via e-mail at *patrick.decorla-souza@fhwa.dot.gov.* For legal questions, interpretations and counsel, please contact Mr. Michael Harkins, Attorney Advisor, FHWA Office of the Chief Counsel, (202) 366–4928, or via e-mail at *michael.harkins@fhwa.dot.gov.* Office hours for the FHWA are from 7:45 a.m. to 4:15 p.m., e.s.t., Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION:

Electronic Access

An electronic copy of this document may be downloaded from the **Federal Register**'s home page at: *http://www.archives.gov* and the Government Printing Office's database at: *http://www.access.gpo.gov/nara.*

Background

Section 1012(b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) (Pub. L. 102–240; 105 Stat. 1914), as amended by section 1216(a) of the Transportation Equity Act (TEA–21) (Pub. L. 105–178; 112 Stat. 107), and section 1604(a) of Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU) (Pub. L. 109–59; 119 Stat. 1144), authorizes the Secretary of Transportation (the Secretary) to create a Value Pricing Pilot Program. Value pricing encompasses a variety of strategies to manage congestion on highways, including tolling of highway facilities, as well as other strategies that do not involve tolls, such as mileage-based charges for insurance, taxes, leasing fees, and car sharing. The value pricing concept of assessing relatively higher prices for travel during peak periods is the same as that used in many other sectors of the economy to respond to peak-use demands. For example, airlines, hotels, and theaters often charge more for peak than non-peak times.

The FHWA is seeking applications for the FY 2006 VPP program. According to statute, the FHWA may enter into cooperative agreements with up to fifteen State or local governments or other public authorities (hereafter, States) to establish, maintain, and monitor value pricing pilot programs, each including an unlimited number of projects. The FHWA invites interested States to apply to participate in the VPP program for FY 2006. There are already fourteen State-led programs currently in the VPP program: California, Colorado, Florida, Georgia, Illinois, Maryland, Minnesota, New Jersey, North Carolina, Oregon, Pennsylvania, Texas, Virginia, and Washington. Therefore, only one new State is eligible to participate. Any value pricing project included under these programs may involve the use of tolls on the Interstate system. This is an exception to the general provisions prohibiting tolls on the Interstate system as contained in 23 U.S.C. 129 and 301.

A maximum of $12 million is authorized for each of the fiscal years 2006 through 2009 to be made available to carry out the VPP program requirements. A set-aside of $3 million per fiscal years 2006 through 2009 is authorized only for value pricing pilot projects that do not involve highway tolls. The Federal share payable under the program is 80 percent of the cost of the project. Funds allocated by the Secretary to a State or other public entity under this section shall remain available for obligation by the State for a period of three years after the last day of the fiscal year for which funds are authorized. If, on September 30 of any year, the amount of funds made available for the VPP program, but not allocated, exceeds $8 million, the excess amount will be apportioned to all States as Surface Transportation Program funds.

Funds available for the VPP program can be used to support pre-implementation study activities as well as to pay for implementation costs of value pricing projects. Section 1012(b)(6) of ISTEA provides that a State may permit toll-paying vehicles with fewer than two occupants to operate in high occupancy vehicle (HOV) lanes if the vehicles are part of a local value pricing pilot program under this section. SAFETEA–LU Section 1121, ''HOV Facilities,'' among other things, also allows for the conversion of HOV lanes to high occupancy toll (HOT) lanes. Given that the VPP program has only one more slot available for a new program partner to participate, Section 1121 authority should be used, instead of VPP program authority, for HOV-to-HOT lane conversions if an application comes from a State that is not already in the VPP program.

Potential financial effects of value pricing projects on low-income drivers shall be considered and, where such effects are expected to be significant, possible mitigation measures should be identified, such as providing new or expanded transit service as an integral part of the value pricing project, toll discounts or credits for low-income motorists who do not have viable transit options, or fare or toll credits earned by motorists on regular lanes which can be used to pay for tolls on priced lanes. Mitigation measures can be included as part of the value pricing project implementation costs.

The Secretary is required to report to Congress every two years on the effects of all value pricing pilot programs. Annual evaluation data and reports shall be provided to the FHWA for use in reports to Congress.

The VPP program is a continuation of the Congestion Pricing Pilot Program authorized by section 1012(b) of the ISTEA and amended by section 1216(a) of TEA–21. To obtain up-to-date information on the status of current projects, please go to: *http://www.ops.fhwa.dot.gov/tolling_pricing/index.htm* and go to ''Resources'' and click on ''Value Pricing Pilot Program Knowledge Exchange''.

In addition to the VPP program, SAFETEA–LU offers States broader authority to use tolling on a pilot or demonstration basis to finance Interstate construction and reconstruction, promote efficiency in the use of highways, and support congestion reduction by providing expanded flexibility under the following programs: HOV facilities; Interstate System Reconstruction & Rehabilitation Pilot; Interstate System Construction

Toll Pilot; and Express Lanes Demonstration Program. For more information on those programs, please refer to the companion notice in today's **Federal Register** entitled ''Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU); Opportunities for State and Other Qualifying Agencies to Gain Authority to Toll Facilities Constructed Using Federal Funds.''

What Is Value Pricing?

''Value pricing,'' ''congestion pricing,'' ''peak-period pricing,'' ''variable pricing,'' and ''variable tolling'' are all terms used to refer to direct non-constant charges for road use, possibly varying by location, time of day, severity of congestion, vehicle occupancy, or type of facility. By shifting some trips to off-peak periods, to mass transit or other higher-occupancy vehicles, or to routes away from congested facilities, or by encouraging consolidation of trips, value pricing charges are intended to promote economic efficiency both generally and within the commercial freight sector. They also achieve congestion reduction, improved air quality, energy conservation, and transit productivity goals.

A ''value pricing project'' means any implementation of value pricing concepts or techniques discussed in the ''Potential Project Types'' section of this notice and included under a State or local ''value pricing pilot program,'' where such a program includes one or more value pricing projects serving a single geographic area, such as a metropolitan area or State. By definition, an entity with one or more approved value pricing projects must have a value pricing program. While the distinction between ''project'' and ''program'' may appear to be merely a technical one, it is significant in that, as described in the ''Background'' section of this notice, the number of total VPP programs is statutorily limited to fifteen, while there is no limit to the number of VPP projects allowed under each VPP program.

''Cooperative agreement'' means the agreement signed between the FHWA and a State to implement local value pricing pilot programs (See 49 CFR Part 18). ''Toll agreement'' means the agreement signed between the FHWA and a State to grant the authority to collect tolls.

Program Objective

The overall objective of the VPP program is to support efforts by State and local governments or other public authorities to establish local value pricing pilot programs, to provide for the monitoring and evaluation of value pricing projects included in such programs, and to report on these effects. The VPP program's primary focus is on value pricing with road tolls, with a secondary focus on other market-based approaches for congestion relief that do not involve road tolls, such as parking pricing or pay-as-you-drive insurance. All projects should incorporate significant pricing mechanisms intended to reduce the level of congestion.

Potential Project Types

The FHWA is seeking applications to use value pricing projects to reduce congestion, improve system performance, and promote mobility. Value pricing charges are expected to accomplish this purpose by encouraging the use of alternative times, modes, routes, or trip patterns. As such, value pricing charges need to be targeted at vehicles causing congestion, and prices must be set at levels significant enough to encourage drivers to use alternative times, routes, modes, or trip patterns during congested periods. Conversely, proposed projects that contemplate value pricing charges that are not significant enough to influence demand, such as minor increases in fees during peak-periods, or moderate toll increases instituted primarily for financing purposes, will be given low priority. Similarly, value pricing concepts that have become mainstream and have been adopted as common practice, such as HOV-to-HOT lane conversions, will not be funded. To increase the likelihood of generating information on a variety of useful value pricing strategies, proposed projects having as many of the following characteristics as possible will receive priority for Federal support. Projects of interest include:

1. Applications of value pricing which are comprehensive and include pricing of currently free facilities, such as area wide pricing, pricing of multiple facilities or corridors, and/or combinations of road pricing and parking pricing. The size or extent of road pricing programs, ranging from single facilities, to sections of, or complete corridors, to comprehensive area- or region-wide applications, are of interest, along with their relative effect on reducing congestion, altering travel behavior, and encouraging the use of other transportation modes. Region-wide pricing applications that use technologies that provide drivers with real-time congestion and pricing information on alternative routes are especially encouraged.

2. Pricing at key traffic bottlenecks, of multiple facilities in a single travel corridor, or on single highway facilities, including bridges and tunnels. Applications to shift from a fixed to a variable toll schedule on existing toll facilities are encouraged (i.e., combinations of peak-period surcharges and off-peak discounts). Pricing of queue jumps is also eligible. A queue jump is defined as a facility that can be used by certain types of traffic to bypass points on the transportation network where congestion is particularly severe and occurs in a predictable pattern (colloquially called ''bottlenecks''). Queue jumps can be as elaborate as an elevated facility or as simple as an at-grade lane addition.

3. Innovative parking pricing strategies, including time-of-day pricing and charges reflective of congestion conditions, provided the level and coverage of proposed parking charges is sufficient to reduce congestion. Parking pricing strategies that are integrated with other pricing strategies are encouraged. Parking pricing strategies should be designed to influence trip-making behavior, and might include surcharges for entering or exiting a parking facility during or near peak periods, or a range of parking cash-out policies, where cash is offered to employees in lieu of subsidized parking, parking operators reimburse monthly patrons for unused parking days, or renters or purchasers in multi-family housing developments are provided direct financial saving for not availing of car parking spaces. Pricing of a single parking facility, coverage of a few employee spaces, or pricing of parking spaces in a small area, for example, are unlikely to receive priority, unless they incorporate a truly unique element which might facilitate broader applications of value pricing across local areas or States.

4. Pay-as-you-drive pricing, including car insurance premiums set on a per-mile basis and innovative car ownership, leasing, and usage arrangements that reduce fixed costs and increase variable usage costs.

5. Projects that are likely to add to the base of knowledge about the various design, implementation, effectiveness, operational, and acceptability dimensions of value pricing. The FHWA is seeking information related to the impacts of value pricing on the following: Travel behavior (e.g., trip lengths, mode use, time-of-travel, trip destinations, and trip generation by private and commercial trip makers); traffic conditions (e.g., speeds and levels of service); implementation issues (e.g., technology, innovative pricing

techniques, public acceptance, administration, operation, enforcement, and legal and institutional issues); revenues, their uses and financial plans; different types of users and businesses; and low-income motorists, including possible mitigation measures and their effectiveness. These diverse information needs mean that the FHWA may fund different types of value pricing applications in different local contexts to maximize the potential of the pilot program.

6. Projects that do not have adverse effects on alternative routes or modes, or on low-income or other transportation-disadvantaged groups are encouraged under the VPP program. If such effects are anticipated, proposed pricing programs should incorporate measures to mitigate any major adverse impacts, including enhancement of transportation alternatives for peak period travelers, services such as ''life-line'' toll rates aimed at low income travelers, and credit-based tolling programs such as toll credits earned by motorists in regular lanes which can be used to pay tolls on priced lanes.

7. Pricing projects that lead to substantial congestion reduction and supplant or supplement existing tax-based approaches for generating surface transportation revenues.

8. Pricing projects that result in free-flow peak period roadway conditions, and where motorists earn or are provided with limited monetary credit for their discretionary use, thereby allowing them a limited amount of free or discounted rush hour roadway access or transit trips before having to pay full fees.

While the FHWA is seeking applications that incorporate some or all of these project characteristics, these guidelines are intended only to illustrate selection priorities, not to limit potential program participants from proposing new and innovative pricing approaches for incorporation in the program.

Pre-Implementation Studies

The VPP program funds may also be used to assist State and local governments in carrying out pre-implementation study activities designed to lead to implementation of a value pricing project. The intent of the pre-implementation study phase is to support efforts to identify and evaluate value pricing project alternatives, and to prepare the necessary groundwork for possible future implementation. Purely academic studies of value pricing (not designed to lead to possible project implementation), or broad, area wide planning studies which incorporate value pricing only as one option, will not be funded under this program. Broad planning studies can be funded with regular Federal-aid highway or transit planning funds. Applications for pre-implementation studies will be selected based on the likelihood that they will lead to implementation of pilot tests of value pricing conforming to the objectives described in the previous section.

In cases where the FHWA has made funds available to a State for pre-implementation studies, but the State decides not to implement the project and has no other value pricing projects, the FHWA may proceed to remove that State from the program and replace it with another State in the pilot program. Since section 1012(b)(1) of ISTEA limits participation in the pilot program to only fifteen slots (specifically, ''States, local governments or public authorities,'' colloquially termed States), the fifteen participating States must intend to implement value pricing projects and proceed accordingly.

Project Costs Eligible for Grant Funding

The FHWA will provide up to the statutorily allowable 80 percent share of the estimated costs of an approved project. Funds available for the VPP program can be used to support pre-implementation study activities and also to pay for implementation costs of value-pricing projects. Costs eligible for reimbursement include costs of planning for, setting up, managing, operating, monitoring, evaluating, and reporting on local value pricing pilot projects. Costs cannot be reimbursed for longer than three years. The three-year funding limitation will begin on the date of the first disbursement of Federal funds for project activities. Examples of specific costs eligible for reimbursement include the following:

1. Pre-Implementation Study Costs—Allowable pre-implementation study costs include: Planning, public participation, consensus building, marketing, impact assessment, modeling, financial planning, technology assessments and specifications, and other pre-implementation work that relates to the establishment of the value pricing project including meeting Federal or State environmental or other planning requirements.

2. Implementation Costs—Allowable costs include those for setting up, managing, operating, evaluating, and reporting on a value pricing project, including:

a. Necessary salaries and expenses, or other administrative and operational costs, such as installation of equipment for operation of a pilot project (*e.g.*, Electronic Toll Collection (ETC)) technology, video equipment for traffic monitoring, and other instrumentation), enforcement costs, costs of monitoring and evaluating project operations, and costs of continuing public relations activities during the period of implementation.

b. Costs of providing transportation alternatives, such as new or expanded transit or ridesharing services provided as an integral part of the value pricing project. Funds are not available to replace existing sources of support for these services.

Project implementation costs can be supported until such time that sufficient revenues are being generated by the project to fund such activities without Federal support, but in any case for no longer than three years. Each implementation project included in a local value pricing pilot program will be considered separately for this purpose.

Funds may not be used to pay for activities conducted prior to approval for VPP program participation. Also, funds made available through the VPP program may not be used to construct new highway lanes or bridges, even if those facilities are to be priced, but toll ramps or minor pavement additions needed to facilitate toll collection or enforcement are eligible. Complementary actions, such as lane construction or the implementation of traffic control systems or transit projects can be funded through other highway and transit programs eligible under SAFETEA–LU and from new revenues raised as a result of a pilot. Those interested in participating in the VPP program are encouraged to explore opportunities for combining funds from these other programs with VPP program funds. Nevertheless, Federal funds may not be used to match VPP program funds unless permitted under specific statutory authority.

Eligible Uses of Revenues

Sections 1012(b)(2) and (3) of ISTEA provide that revenues generated by any value pricing pilot project must be used for the project's operating costs and for projects that are eligible for assistance under Title 23, United States Code. Also, since section 1012(b)(2) requires the Secretary to fund a pilot project until such time that sufficient revenues are being generated to fund its operating costs, any revenues generated by a pilot project must be applied first to pay for pilot project operating costs. Any project revenues in excess of pilot project operating costs may be used for any projects eligible under Title 23, U.S. Code. A project's operating (or implementation) costs include any costs necessary for a project's implementation; mitigation measures to deal with adverse financial effects on low-income drivers; the proper maintenance of the facility; any construction (including reconstruction, rehabilitation, restoration, or resurfacing) of the facility; any debt service incurred in implementing the project; and a reasonable return on investment by any private entity financing the project. Uses of revenue are encouraged which will support the goals of the VPP program, particularly uses designed to provide benefits to those traveling in the corridor where the project is being implemented.

Furthermore, for toll projects, the FHWA and the public authority (including the State transportation department) having jurisdiction over a facility shall enter into a toll agreement concerning the use of toll revenue to be generated under a value pricing project. The toll agreement will merely provide for the public authority's commitment to use the revenues in accordance with the applicable statutory requirements of the VPP program and to annually audit its use of toll revenues for compliance with such requirements. The execution of a toll agreement is consistent with the requirements of other toll programs, such as contained in 23 U.S.C. 129, and will facilitate adequate oversight of a State's compliance with revenue use requirements of the VPP program. The FHWA Division Administrator, in coordination with the Office of Policy and Governmental Affairs and Office of Chief Counsel, will execute value pricing toll agreements.

Who Is Eligible To Apply?

Qualified applicants include local, regional and State government agencies, as well as public tolling authorities. The VPP program term ''States'' and the Tolling and Pricing Team term ''public authorities'' may be used interchangeably for purposes of identifying that a responsible entity will enter into process of applying to the VPP program or another tolling program. Although project agreements must be with public authorities, a local VPP program partnership may also include private tolling authorities and non-profit organizations.

Program Coordination and Assistance—The Tolling and Pricing Team

The Federal Highway Administration, Office of Operations is responsible for coordinating all tolling and pricing programs that now exist under the Federal-aid Highway Program. In order to reduce confusion among interested applicants, given both the number and differing structures of the various tolling and pricing programs, the Office of Operations has formed a working group known as the ''Tolling and Pricing Team.''

The key role for the Tolling and Pricing Team is to assist public authorities by directing them to the most appropriate program (or programs), including to the VPP program, among the many options available. Members of the Tolling and Pricing Team represent the FHWA Offices of Operations, Policy and Governmental Affairs, and Infrastructure—the primary offices responsible for administering each of the tolling and pricing programs—and other oversight offices within the U.S. DOT and the FHWA, including, but not limited to the Office of the Secretary, and the FHWA Office of the Administrator and Office of Chief Counsel. Members participate on the Tolling and Pricing Team because of their direct program responsibilities or because they are interested stakeholders in tolling and pricing programs within the U.S. DOT.

The Tolling and Pricing Team has six purposes:

1. Coordinate all tolling and pricing activity within FHWA to facilitate the implementation and advancement of tolling and pricing projects and standards in the United States;
2. Receive and review all Expressions of Interest submitted to the FHWA from public authorities;
3. Direct the public authority or partnerships designated by the State to the tolling and pricing program (or programs) that can enable them to accomplish the goals set forth in the ''Expression of Interest'' section of this notice;
4. Assist the Office of Operations in the promulgation of a final rule including requirements, standards, or performance specifications for the interoperability of automated toll collection systems as directed by SAFETEA–LU Section 1604(b)(6);
5. Support each of the FHWA program offices that have responsibility for a tolling and pricing program, in advancing formal proposals to gain approval to toll or price motor vehicles and facilitating coordination with the appropriate FHWA Division Office; and
6. Establish program performance goals; monitor achievements, and prepare an annual report to Congress on the status and progress of all tolling and pricing programs, including describing program successes in meeting congestion reduction and other performance goals.

The Tolling and Pricing Team reviews all Expressions of Interest for the various tolling opportunities contained in current law but does not have responsibility to approve or disapprove specific projects. That responsibility will remain with each of the respective FHWA program offices responsible for administering a specific tolling or pricing program. By requesting and reviewing all Expressions of Interest, the Tolling and Pricing Team can effectively guide an applicant to the most appropriate program.

The ''Expression of Interest''

A public authority that wants to request tolling or pricing authority, or funding, is asked to submit an Expression of Interest to the Tolling and Pricing Team in care of the FHWA Office of Operations in Washington, DC. An Expression of Interest template can be downloaded via the Internet by going to the Tolling and Pricing Opportunities webpage within the FHWA Office of Operations Web site at *http://www.ops.fhwa.dot.gov/tolling_pricing/index.htm.* Use of the template is optional. The Expression of Interest may be attached as an e-mail to *TollingandPricingTeam@fhwa.dot.gov,* or a hardcopy can be mailed to Mr. Wayne Berman, FHWA Office of Operations, Room 3404, 400 Seventh Street, SW., Washington, DC 20590. Concurrently, the Expression of Interest should be copied to the respective State FHWA Division Office.

The Expression of Interest is a document—in letter, memo, or report format—that provides the rationale for funding or tolling authority and information about the intended project. A complete Expression of Interest, based upon the information items listed below, will enable the Tolling and Pricing Team to provide the best assistance and identify the range of options possible to meet intended goals and timeframes.

The information items requested for a complete Expression of Interest are as follows:

(a) A description of the agency or requesting authority or authorities that is/are requesting this tolling authority where applicable;

(b) The name, title, email address, and phone number of the person who will act as the point of contact on behalf of the requesting authority or authorities;

(c) A statement concerning the action being sought:

(i) Funding and/or tolling authority via the Value Pricing Pilot program to support either pre-project study activities or implementation activities as permitted; or

(ii) Only authority to toll either existing or planned facilities;

(d) A description of the subject facility or facilities proposed to be tolled;

(e) Whether the subject facility is an Interstate or non-Interstate facility;

(f) Whether construction is involved and, if so, whether this is new construction, expansion, rehabilitation, reconstruction, or other;

(g) Whether an HOV lane or lanes currently exist on the facility;

(h) A timetable to enact tolling (or modify tolling) on the subject facility;

(i) Any expressions or declarations of support from public officials or the public, i.e., specifically, any public meetings that were held. If no public meetings or expressions of support are available, please indicate if there are project plans for ensuring adequate public involvement and support prior to implementation;

(j) A plan for implementing tolls on the facility, where applicable. Where known, the range of anticipated tolls and the strategies to vary toll rates (i.e., the formulae for variable pricing);

(k) The reasons for implementing tolls, such as financing construction, reducing congestion, or improving air quality;

(l) A description of the public agency or agencies that will be responsible for operating, maintaining, and enforcing the tolling program; and

(m) A description of how, if at all, any private entities are involved either in the up-front costs to enact tolling, or the cost sharing or debt retirement associated with revenues.

Program Participation—Overview of the Process

Submitting an Expression of Interest initiates a review process by the Tolling and Pricing Team that leads to a recommendation as to which tolling or pricing program (or programs) will be appropriate and available to meet the goals of the public authority. In some cases, if more than one tolling program is available, the Tolling and Pricing Team will work with the public authority to help select the one program that is most appropriate and is most likely to lead to project approval. If the public authority prefers applying to a tolling program other than the one recommended, the Tolling and Pricing Team will defer to this request; however, the Tolling and Pricing Team will also provide advice as to the pros and cons of the decision.

Once there is agreement between the public authority and the Tolling and Pricing Team as to the most appropriate program, the applicant will be referred to the specific FHWA program office responsible for administering that tolling and pricing initiative. The FHWA program office will then provide the public authority with the necessary information on how to formally apply for authority to toll motor vehicles and, in the case of the VPP program, request funding.

Once a formal application is submitted, the appropriate FHWA program office will review the application and determine whether or not to approve the proposed project. The public authority will then be notified as to the determination. If approved, a formal tolling agreement and/or cooperative agreement will be prepared between the FHWA and the public authority. The toll agreement must be executed with the FHWA and address the use of revenues that are collected from the operation of the toll facility. While program elements may vary, the restrictions generally require the revenues to be used first for debt service, reasonable return on the investment for private parties, and the operations and maintenance of the facility. In addition, if the facility is being adequately maintained, any revenues in excess of these uses may be used for other title 23 U.S.C. eligible purposes. The FHWA, the State Department of Transportation, and the relevant toll authority or local governmental entity, if any, will execute the toll agreement, and in the case of the VPP, also a ''cooperative agreement'' that defines the scope of work that will be funded.

Summary of the Two-Step Review Process

The entire review process, resulting in the execution of a toll agreement and/or a cooperative agreement, can be summarized in two steps as follows:

Step #1: Submit an Expression of Interest to the Tolling and Pricing Team. The Tolling and Pricing Team will review the Expression of Interest, advise the applicant as to which program or programs are candidate to their project, and provide counsel as to which of those is most appropriate to pursue. The applicant will be directed to contact the selected program office, wherein, the program office will then inform the public authority as to the procedures required for submitting a formal application for tolling authority and/or value pricing funding.

Step #2: Submit a formal application for tolling or pricing authority or value pricing funding to the FHWA program office for formal review, ultimately leading to a decision on approval. The public authority will then be notified of the decision. If the project is approved, a formal tolling agreement (and in the case of the VPP program, also a cooperative agreement) will then be prepared.

The Value Pricing Pilot Program Application

As stated under the **DATES** section in this notice, in order to be assured of the maximum amount of constructive assistance from FHWA in preparing a formal application, Expressions of Interest for tolling and pricing projects seeking VPP program funding must be submitted two months prior to the application deadline that applies to the fiscal year for which funds are being sought. Once the Tolling and Pricing Team provides feedback on the Expression of Interest submittal, and once the public authority has confirmed its course of action is to pursue VPP program approval, the formal application should be submitted directly through the State Department of Transportation to the appropriate FHWA Division Administrator, with a copy sent concurrently to Mr. Patrick DeCorla-Souza, FHWA's Highway Pricing and System Analysis Team Leader, c/o the Office of Policy and Governmental Affairs, 400 Seventh Street, SW., Washington, DC 20590, or via e-mail at *mailto:patrick.decorla-souza@fhwa.dot.gov.*

Formal VPP program applications (i.e., step #2) will be reviewed by a Federal Interagency Review Group,[1] which provides support to the FHWA in evaluating program applications (see the ''VPP Program Application Review Process'' section below). Ideally, the refined formal application will include:

1. A description of the congestion problem being addressed (current and projected);

2. A description of the proposed pricing program and its goals, including description of facilities included, and, for implementation projects, expected pricing schedules, technology to be used, enforcement programs, and operating details;

3. Preliminary estimates of the social and economic effects of the pricing program, including potential equity impacts, and a plan or methodology for further refining these estimates for all

[1] The Federal Interagency Review Group was established to assist the FHWA in assessing the likelihood that proposed local value pricing programs will provide valid and useful tests of value pricing concepts. The Review Group is composed of representatives of the Tolling and Pricing Team, along with representatives of the Federal Transit Administration, the U.S. Environmental Protection Agency, and the U.S. Department of Energy.

pricing project(s) included in the program;

4. The role of alternative transportation modes in the project, and anticipated enhancements proposed to be included in the pricing program;

5. A time line for the pre-implementation study and implementation phases of the project (applications indicating early implementation of pricing projects that will allow evaluation during the life of SAFETEA–LU will receive priority);

6. A description of tasks to be carried out as part of each phase of the project, and an estimate of costs associated with each;

7. Plans for monitoring and evaluating value pricing implementation projects, including plans for data collection and analysis, before and after assessment, and long term monitoring and documenting of project effects;

8. A detailed finance and revenue plan, including (for implementation projects) a budget for capital and operating costs; a description of all funding sources, planned expenditures, proposed uses of revenues, and a plan for projects to become financially self-sustaining (without Federal support) within three years of implementation.

9. Plans for involving key affected parties, coalition building, media relations, and related matters, including either demonstration of previous public involvement in the development of the proposed pricing program or plans to ensure adequate public involvement prior to implementation;

10. Plans for meeting all Federal, State and local legal and administrative requirements for project implementation, including relevant Federal-aid planning and environmental requirements. Priority will be given to applications where projects are included as a part of (or are consistent with) a broad program addressing congestion, mobility, air quality and energy conservation, where an area has congestion management systems (CMS) for Transportation Management Areas (urbanized areas with over 200,000 population or those designated by the Secretary).

11. An explanation about how ETC project components will be compatible with other ETC systems in the region.

If some of these items are not available or fully developed at the time the formal application is submitted, applications will still be considered for support if they meet some of the priority interests of the FHWA, and related project characteristics, as described earlier in the section entitled ''Potential Project Types,'' and if there is a strong indication that these items will be completed within a short time.

VPP Program Application Review Process

A. Requests for Funding

After completion of an Expression of Interest, and upon subsequent receipt of the formal, refined application, the FHWA's Office of Policy and Governmental Affairs will engage the Federal Interagency Review Group and proceed with final evaluation.

To ensure that all projects receive equal and fair consideration for the limited available funds, the FHWA requires formal grant applications to be submitted no later than March 31, 2006, for FY 2006 funds, October 1, 2006, for FY 2007 funds, and each subsequent October 1 for funding through and including FY 2009. To be assured of the maximum amount of constructive assistance from FHWA in preparing a formal application, Expressions of Interest must be submitted by January 31, 2006, for FY 2006 funds, August 1, 2006, for FY2007 funds, and each subsequent August 1 thereafter. This timeline will allow for a fair comparison among formal applications received and will also allow the FHWA to make timely recommendations to the Secretary with regard to allocation of available funds in accordance with the criteria discussed in this notice. Based on the recommendations of the Federal Interagency Review Group, the U.S. DOT will identify those VPP program applications that have the greatest potential for promoting the objectives of the VPP program, including demonstrating the effects of value pricing on congestion, driver behavior, traffic volume, ridesharing, transit ridership, air quality, and availability of funds for transportation programs. The Secretary will make selections of applications based on the recommendations of the Federal Interagency Review Group and criteria contained in this notice.

B. Projects for Which No Funds Are Requested

Although most projects under the VPP program involve requests for value pricing funds, some projects do not. In such cases, and especially where a State is not already part of the VPP program, the FHWA recommends that the public authority investigate the other opportunities to gain authority to toll that are listed in the companion notice in today's **Federal Register**, entitled ''Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU); Opportunities for State and Other Qualifying Agencies to Gain Authority to Toll Facilities Constructed Using Federal Funds.''

Cooperative Agreement

The VPP program candidates approved for funding will be invited to enter into negotiations with the FHWA to develop a cooperative agreement under which the scope of work for the value pricing project will be defined. Federal statutes will govern the cooperative agreement. Regulations cited in the agreement, and 49 CFR part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, will also govern as they relate to the acceptance and use of Federal funds for this program. As a practical matter, each VPP program project should have a separate cooperative agreement. Although, in the past, the FHWA has allowed some States to have a master cooperative agreement that is subsequently amended for each approved project, in the future the FHWA will execute a separate agreement for each project. For value pricing projects that do not involve requests for Federal funds, a cooperative agreement must still be executed. The FHWA Division Administrator will sign the cooperative agreement on behalf of FHWA.

Other Requirements

Prior to the FHWA approval of pricing project implementation, value-pricing programs must be shown to be consistent with Federal metropolitan and statewide planning requirements (23 U.S.C. 135 (c)(1), (e)(2)(B), (f)(1)(B)(ii)(I) and (II), (f)(3)(A) and (B); 49 U.S.C. 5323(1)).

Implementation projects involving tolls outside metropolitan areas must be included in the approved statewide transportation improvement program and be selected in accordance with the requirements set forth in section 1204(f)(3) of the TEA–21.

Implementation projects involving tolls in metropolitan areas must be: (a) Included in, or consistent with, the approved metropolitan transportation plan (if the area is in nonattainment for a transportation related pollutant, the metropolitan plan must be in conformance with the State air quality implementation plan); (b) included in the approved metropolitan and statewide transportation improvement programs (if the metropolitan area is in a nonattainment area for a transportation related pollutant, the metropolitan transportation improvement program must be in conformance with the State air quality implementation plan); (c) selected in accordance with the requirements in Section 1203(h)(5) or (i)(2) of TEA–21; and (d) consistent with any existing congestion management system in Transportation Management areas, developed pursuant to 23 U.S.C. 134(i)(3).

Frequently Asked Questions

1. *Who will make up the Tolling and Pricing Team?* The Office of Operations is the lead office and will undertake responsibility to gather and distribute the Expressions of Interest for preliminary evaluation and to maintain the aforementioned website. The Tolling and Pricing Team has representation from all of the relevant program offices that have tolling and pricing oversight responsibilities, including the FHWA Offices of Operations, Policy and Governmental Affairs, and Infrastructure. In addition, other stakeholder offices within FHWA and the U.S. Department of Transportation are represented, including the FHWA Offices of Public Affairs and Chief Counsel, and the Office of the Secretary of Transportation.

2. *How often will the Tolling and Pricing Team meet?* The group will meet as often as necessary in person, but mostly will communicate via e-mail contact and access to a File Transfer Protocol (FTP) Web site, which will serve to post the Expressions of Interest for private review by the team almost immediately upon submittal. The Office of Operations will act promptly to engage the Tolling and Pricing Team to review a project proposal, discuss project eligibility under different programs, and recommend the project for further consideration under the most appropriate program.

3. *If I have any questions, whom should I contact?* Any general questions concerning the tolling and pricing programs should be directed to Mr. Wayne Berman, Transportation Specialist, in the Office of Operations at 202–366–4069. His e-mail address is *wayne.berman@fhwa.dot.gov.* Alternatively, there is an e-mail ''mailbox'' on the tolling and pricing Web site (address below). At the time of this notice, the direct points of contact are:

a. Web site: *http://www.ops.fhwa.dot.gov/tolling_pricing/index.htm*

b. Tolling and Pricing Team—Wayne Berman, HOP. (202) 366–4069; *wayne.berman@fhwa.dot.gov.*

c. Value Pricing (SAFETEA–LU 1604(a))—Patrick DeCorla-Souza. (202) 366–4076; *patrick.decorla-souza@fhwa.dot.gov.*

d. HOV to HOT lane (1121)—Jessie Yung. (202) 366–4672; *jessie.yung@fhwa.dot.gov.*

e. Express Lanes Demonstration (SAFETEA–LU 1604(b))—Wayne Berman (contact info above).

f. Interstate System Construction (SAFETEA–LU 1604(c))—Greg Wolf. (202) 366–4655; *greg.wolf@fhwa.dot.gov.*

g. Interstate Reconstruction and Rehabilitation (TEA–21 1216(b))—Greg Wolf (contact info above).

h. 23 U.S.C. 129 Agreements—Greg Wolf (contact info above).

Authority 23 U.S.C. 315; sec. 1216(a), Pub. L. 105–178, 112 Stat. 107; Pub. L. 109–59; 117 Stat. 1144 49 CFR 1.48.

Issued on: December 28, 2005.

J. Richard Capka,

Acting Federal Highway Administrator.

[FR Doc. E6–12 Filed 1–5–06; 8:45 am]

BILLING CODE 4910–22–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA–05–23447]

Pipeline Safety: Reconsideration of Natural Gas Pipeline Maximum Allowable Operating Pressure for Class Locations

AGENCY: Pipeline and Hazardous Materials Safety Administration, DOT.

ACTION: Notice of meeting; call for papers.

SUMMARY: On March 21, 2006, the Pipeline and Hazardous Materials Safety Administration (PHMSA) will hold a public meeting to discuss raising the allowable operating pressure on certain natural gas transmission pipelines. Pipelines are the energy highways of the Nation that provide the most efficient means to transport vast volumes of natural gas on which we depend. Raising the maximum allowable operating pressures (MAOP) for natural gas pipelines would allow more gas to flow through these pipelines. This notice is designed to announce a public meeting and to invite papers on relevant technical subjects.

Over the past 20 years, there has been a drastic improvement in technology pertaining to materials, metallurgy, controls, operations, and maintenance of the pipeline network. Based on these and other advances, PHMSA believes that certain pipelines in certain locations could be safely and reliably operated above the operating pressure established in current Federal pipeline safety regulation.

There are three categories of pipelines that could realize an immediate benefit from such an increase in the MAOP: the proposed Alaska Natural Gas Transmission System; new natural gas pipelines that are being certificated by the Federal Energy Regulatory Commission; and pipelines constructed since 1980 with line pipe of known metallurgical and mechanical properties.

This meeting provides the pipeline industry, Federal and State regulators, and interested members of the public an opportunity to share their knowledge and experience about the impact of increasing the MAOP to increase pipeline efficiency. Individuals that would like to make presentations should notify the individual listed under **FOR FURTHER INFORMATION CONTACT** by February 7, 2006, and submit papers at this meeting.

ADDRESSES: The March 21, 2006, meeting will be held at the Hyatt Regency Reston Hotel, 1800 Presidents Street, Reston, VA 20190. The telephone number for reservations at the Hyatt Regency Reston Hotel is (703) 709–1234. The hotel will post the particular meeting room the day of the meeting.

FOR FURTHER INFORMATION CONTACT: Mr. Joy Kadnar, Director, Engineering and Emergency Support at (202) 366–4595 or *joy.kadnar@dot.gov* about the subject matter in this notice.

SUPPLEMENTARY INFORMATION:

Introduction

Pipeline operators continually explore ways to reduce the cost of new pipelines, or increase the efficiency of existing pipelines, without affecting reliability and safety. One way to achieve cost reductions is to use high-grade line pipe and employ new welding methods. Another method to increase cost-effectiveness and to make the pipeline more efficient is to operate pipelines at higher stress levels.

International pipeline regulations generally limit design stresses to 72% specified minimum yield strength (SMYS). Under highly selective conditions, some pipelines in the United States and Canada operate at hoop stresses up to 80% SMYS. Notwithstanding, the current United States Code of Federal Pipeline Safety Regulations (CFR) (49 CFR part 192) limits the stress to 72% SMYS for Class 1 locations, while Canada limits it to 80%. There are a lot of other countries considering operating at higher levels. Therefore, PHMSA believes it is appropriate to explore the reliability and integrity implications of operating pipelines at stress levels above 72%