



Priority, Market-Ready Technologies and Innovations

Interagency Funding Guidance for Environmental Streamlining

Problem: Streamlining environmental reviews demands agency resources

To implement environmental streamlining initiatives, Federal, State, and local transportation and resource agencies must coordinate their activities throughout the environmental review process. However, many of these agencies lack sufficient staff to expedite this process. To help overcome this obstacle, many State departments of transportation (DOT) are using interagency funding agreements to hire additional staff for resource agencies. Section 1309(e) of the Transportation Equity Act for the 21st Century (TEA-21) allows States to use Federal-aid project funds through interagency agreements (cost reimbursement) to provide additional resources to Federal and State agencies involved in environmental streamlining activities. However, establishing interagency agreements can be challenging and intimidating, so the Federal Highway Administration (FHWA) is helping facilitate this process.

Solution: Provide guidance to expedite interagency agreements

To expedite the development of interagency funding agreements, FHWA finalized its *Interagency Guidance: Transportation Funding for Federal Agency Coordination Associated with Environmental Streamlining Activities* in February 2002. FHWA developed the guidance with input from the Federal Transit Administration, the U.S. Environmental Protection Agency (EPA), the U.S. Fish and Wildlife Service (FWS), the U.S. Army Corps of Engineers (USACE), the Advisory Council on Historic Preservation, and State DOTs. The guidance provides a common understanding among USDOT, State DOTs, local transit operators, and Federal resource agencies regarding funding options under TEA-21 to help Federal and State resource agencies streamline reviews of Federal-aid transportation projects. The guidance is intended to provide a common understanding between Federal and State departments of transportation (DOT), local transit operators, and Federal resource agencies regarding options for using funding under Title 23 and Section 1309(e) of TEA-21. These agencies may develop interagency agreements to support Federal resource agency coordination for streamlining the review of Federal-aid transportation projects.

The guidance includes:

- Instructions for developing interagency funding agreements, including key elements to include.
- A recommended template for interagency funding agreements.
- Examples of current interagency funding agreements.
- A summary of lessons learned and best practices used by States to expedite reviews.
- Descriptions of eligible activities and other funding mechanisms.

Putting It in Perspective

Funding agreements should:

- Include job descriptions and performance measures to set expectations and ensure funded staff's involvement in the transportation process.
- Provide dispute resolution procedures for participating agencies.
- Establish agreements for at least 2–3 years to allow time to recruit and train qualified staff.
- Designate one State DOT staff member to administer funding agreements.
- Require States to work closely with resource agencies to interview and select candidates.
- Provide guidance for training new hires in the transportation project development and National Environmental Policy Act (NEPA) processes.
- Require frequent meetings between funded staff and resource agencies to discuss what is and is not working.

Successful Applications: Current State DOT funding agreements

State	Positions Funded	Purpose	Benefits
Maryland	3 positions since 2000 (EPA, FWS, USACE).	Assure resource agency involvement in planning and project development. Expedite permitting and project reviews.	Improved interagency communication and understanding of other agencies' missions.
North Carolina	22 positions since early 1990s (EPA, FWS, State agencies).	Expedite the project development process as the number of projects and complexity of environmental regulations continue to grow. Identify and resolve problems early. Help implement a NEPA/404 merger.	Improved interagency communication, program delivery, and project quality.
Pennsylvania	18 positions since 1993 (EPA, FWS, USACE, State agencies).	Expedite document review. Encourage early coordination.	Improved quality of the project development process by identifying sensitive areas and issues early. Improved coordination with metropolitan planning organizations and resource agencies (next step).
South Carolina	4 positions since 2001 (FWS, State agencies).	Provide staff for quick reviews (required by an accelerated State bonding program).	Reduced section 401 permit time by 30 percent. Reduced State Historic Preservation Office review time from 30 to 7 days.
Washington	32 liaisons since late 1990s (EPA, FWS, National Marine Fisheries Service, USACE, State agencies).	Provide adequate staff to participate in pilot projects and streamlining activities.	Allowed quick processing of backlogged reviews and permitting work. Develop performance measures and Memoranda of Agreement for positions (next step).

Benefits

- Interagency agreements help improve coordination among many agencies.
- Funded staff are dedicated to reviewing transportation projects and making permit decisions, and help reduce the time it takes to complete environmental reviews on specific projects.
- State DOTs develop quality transportation and environmental solutions efficiently and cost-effectively.

Additional Resources

Interagency Guidance: Transportation Funding for Federal Agency Coordination Associated with Environmental Streamlining Activities is available at <http://environment.fhwa.dot.gov/strmlng/igdocs/index.htm>.

For more information, contact:

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