



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Sorsha Anderson, Staff Associate
Date: December 1, 2020
Subject: Grant Requests – JFO #3028

Enclosed please find one (1) item, which the Joint Fiscal Office has received from the Administration.

JFO #3028 - \$90,455.00 to the VT. Department of Motor Vehicles from the Federal Highway Association to increase the amount of tax revenue available for highway programs by increasing highway use tax compliance efforts with emphasis on motor fuel taxes. *This request does not stem from the state or federal response to the COVID-19 pandemic.*

[Note: The grant is part of a multi-state grant for the Northeast Region. On the Project Agreement [page 6 of the grant packet] an incorrect amount is noted for the Northeast Region total. Please see the email from the FHWA at the back of the grant packet confirming the correct amount. The total VT award of \$90,455.00 is stated correctly throughout the application.]
[JFO received 011/30/20]

Please review the enclosed materials and notify the Joint Fiscal Office (Sorsha Anderson: sanderson@leg.state.vt.us) if you have questions or would like this item held for legislative review. Unless we hear from you to the contrary by December 20, 2020, we will assume that you agree to consider as final the Governor's acceptance of this request.

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	Transportation			
2. Department:	Department of Motor Vehicles			
3. Program:	Enforcement			
4. Legal Title of Grant:	Fuel Tax Evasion - Intergovernmental Enforcement Effort			
5. Federal Catalog #:	20.240			
6. Grant/Donor Name and Address:	FHWA 1200 New Jersey Ave, SE Washington, D.C. 20590			
7. Grant Period:	From:	10/1/2020	To:	9/30/2023
8. Purpose of Grant:	The objective of this agreement is to increase the amount of tax revenue available for highway programs by using Highway Trust Fund tax receipts, administered by the FHWA, for intergovernmental highway use tax compliance efforts with emphasis on motor fuel taxes.			
9. Impact on existing program if grant is not Accepted:	Project will not proceed.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2021	FY 2022	FY 2023	
Personal Services	\$	\$	\$	
Operating Expenses	\$	\$	\$	
Grants	\$30,455	\$30,000	\$30,000	
Total	\$30,455	\$30,000	\$30,000	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$30,455	\$30,000	\$30,000	
(Direct Costs)	\$	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$30,455	\$30,000	\$30,000	
Appropriation No:	8100002100	Amount:	\$30,455	
			\$	
			\$	
			\$	
			\$	
			\$	

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

	\$
Total	\$30,455

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Joe Flynn Agreed by: _____ (initial)

12. Limited Service Position Information:	# Positions	Title
	0	
Total Positions		

12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

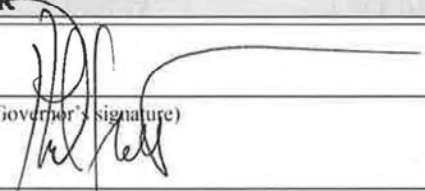
13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-IPN (if applicable):	Signature: _____	Date: _____
	E-SIGNED by Joe Flynn on 2020-10-08 20:37:06 GMT	
	Signature: _____	Date: _____
	Title: _____	

14. SECRETARY OF ADMINISTRATION

<input checked="" type="checkbox"/>	Approved:	(Secretary or designee signature) Kristin Clouser	Digitally signed by Kristin Clouser Date: 2020.10.23 17:09:21 -04'00'	Date: _____
-------------------------------------	-----------	---	--	-------------

15. ACTION BY GOVERNOR

<input checked="" type="checkbox"/>	Check One Box: Accepted	 (Governor's signature)	Date: _____
<input type="checkbox"/>	Rejected		Date: 11/25/20

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

<input type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input type="checkbox"/> Notice of Award <input type="checkbox"/> Grant Agreement <input type="checkbox"/> Grant Budget	<input type="checkbox"/> Notice of Donation (if any) <input type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-IPN attached (if applicable)
---	--

End Form AA-1

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

Agency of Administration

[phone] 802-828-2376
 [fax] 802-828-2428

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:		The objective of this agreement is to increase the amount of tax revenue available for highway programs by using Highway Trust Fund tax receipts, administered by the FHWA, for intergovernmental highway use tax compliance efforts with emphasis on motor fuel taxes.			
Date:		10/22/2020			
Department:		AOT DMV			
Legal Title of Grant:		Fuel Tax Evasion - Intergovernmental Enforcement Effort			
Federal Catalog #:		CFDA# 20.240			
Grant/Donor Name and Address:		FHWA 1200 New Jersey Ave, SE Washington, D.C. 20590			
Grant Period:		From:	To:		
		10/1/2020	9/30/2023		
Grant/Donation		\$90,455.00			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$30,455	\$30,000	\$30,000.00	\$90,455.00	
Position Information:		# Positions	Explanation/Comments		
		0			
Additional Comments:		The attached project agreement, which has the correct project agreement amount of \$90,455.00, misstates the Total Project Amount as \$904,550.00. The correct amount, per the attached email from FHWA dated 10/5/2020, is \$1,308,100.00 and will be corrected in future FHWA paperwork. (This amount is not the amount awarded to Vermont.)			
Department of Finance & Management		Adam Greshin	Digitally signed by Adam Greshin DN: cn=Adam Greshin, o=VT, ou=DFM, email=agreshin@state.vt.gov		(Initial)
Secretary of Administration		Kristin Clouser	Digitally signed by Kristin Clouser DN: cn=Kristin Clouser, o=VT, ou=SA, email=kclouser@state.vt.gov		(Initial)
Sent To Joint Fiscal Office		Ariel Murphy	Digitally signed by Ariel Murphy Date: 2020.11.30 09:54:08 -05'00'		Date



STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM

--	--	--



Project Number _____

PROJECT AGREEMENT FOR THE JOINT FEDERAL/STATE MOTOR FUEL TAX COMPLIANCE PROJECT

Vermont Department of Motor Vehicles

Between the Federal Highway Administration, hereinafter referred to as the FHWA, and the _____ acting through its motor fuel tax enforcement agency or other State agency as a Lead Participating State, hereinafter referred to as the State.

Project Name: Joint Northeastern Regional Intergovernmental Project Total Project Amount \$ 904,550.00
Performance: October 1, 2020 Through September 30, 2023
Project Agreement Amount: \$ 90,455.00

Vermont Department of Motor Vehicles

State Agency
120 State Street
Address (Principal place of work for this agreement)
Montpelier, VT 05603
City, State, ZIP
Alicia Carusona
Authorized Representative
MV Tax Field Auditor
Title

Federal Highway Administration
87 State Street, Suite 216
Address
Montpelier, VT 05602
City, State, ZIP
Matthew Hake P.E.
Name
Division Administrator

I hereby certify that the aggregate expenditure of funds of the State, exclusive of the Federal funds provided under this agreement, for motor fuel tax enforcement activities will be maintained at a level, which does not fall below the average level of such expenditure for its last 2 fiscal years.

E-SIGNED by Alicia Carusona
Signature on 2020-09-24 13:41:29 GMT

E-SIGNED by Matthew Hake
on 2020-09-24 15:31:56 GMT
Signature *Date*

Table of Contents		Page			Page
Table of Contents					
I. AUTHORITY AND PURPOSE		2	8. EQUIPMENT		4
II. OBJECTIVE		2	9. DEBARMENT CERTIFICATION		4
III. STATEMENT OF WORK		2	10. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS		5
IV. ALLOWABLE COST AND PAYMENT		2	11. SUSPENSION OR TERMINATION FOR CAUSE		5
V. SUBMISSION OF REPORTS		3	12. TERMINATION REVIEW PROCEDURE		6
General Provisions			13. TERMINATION BY MUTUAL AGREEMENT		6
1. DEFINITIONS		3	14. AGREEMENT CLOSEOUT AND COLLECTION OF AMOUNTS DUE		7
2. REGULATION REQUIREMENTS		3	15. NONDISCRIMINATION		7
3. AUDITS		3	16. MANDATORY ENERGY EFFICIENCY STANDARDS		7
4. MODIFICATIONS		3	17. CERTIFICATION REGARDING A DRUG-FREE WORKPLACE		7
5. SUBCONTRACTS FOR PROFESSIONAL SERVICES		4	18. LIMITATION ON THE USE OF FUNDS FOR LOBBYING		8
6. STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS		4	19. CLEAN AIR AND WATER REQUIREMENTS		9
7. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS		4			

Attachment 1 - Budget

ARTICLE I - AUTHORITY AND PURPOSE

Pursuant to 23 U.S.C. 143, the State and the FHWA enter into this agreement to enhance compliance with and collection of highway use taxes.

ARTICLE II - OBJECTIVE

The objective of this agreement is to increase the amount of tax revenue available for highway programs by using Highway Trust Fund tax receipts, administered by the FHWA, for intergovernmental highway use tax compliance efforts with emphasis on motor fuel taxes. This will be achieved by:

- Raising the priority given to collecting motor fuel taxes by providing resources to foster coordination among State and Federal tax examination and investigation activities;
- Participating as part of an organized intergovernmental group, to ensure that the fuel tax compliance effort receives priority attention of tax enforcement agencies and to ensure that the increased emphasis on fuel tax compliance will be a continuing part of Federal and State tax agency programs;
- Assisting in the development of computerized auditing tools that can be used by State and Federal governments to enhance compliance; and
- Evaluating and reporting on the effectiveness of motor fuel tax enforcement activities.

ARTICLE III - STATEMENT OF WORK

The State agrees to use funds made available under this agreement for the following activities:

- 1) Expand efforts to enhance motor fuel tax enforcement;
- 2) Supplement motor fuel tax examinations and criminal investigations;
- 3) Evaluate and implement registration and reporting requirements for motor fuel taxpayers;
- 4) Analyze and implement programs to reduce tax evasion associated with other highway use taxes;
- 5) Address issues related to Indian tribes and State motor fuel taxes; and
- 6) Analyze and implement programs to reduce tax evasion associated with foreign imported fuel.

The work to be accomplished under this agreement shall be known as Intergovernmental Enforcement Efforts of the Joint Federal/State Motor Fuel Tax Compliance Project.

The lead State will serve as the central contact point for this project. The lead State will (1) coordinate activities of the other participating States' or agencies'; (2) coordinate and submit plans and reports prepared by the individual participants; and (3) coordinate all activities which relate to the common concerns of participants.

The participating agencies will: (1) provide staff to participate in project activities; (2) coordinate motor fuel tax enforcement activities with other project participants; and (3) prepare and submit reports on related motor fuel tax enforcement activities.

ARTICLE IV - ALLOWABLE COST AND PAYMENT

The FHWA shall reimburse each participating State for allowable costs incurred in carrying out the work described in Article III, up to the State's project agreement amount shown on the signature page of this agreement. The State shall submit requests for reimbursement on Form PR-20, "Voucher for Work Performed under Provisions of the Federal-Aid and Federal Highway Acts, as amended." A progress voucher represents a claim for costs incurred in a specific period during the progress of the project. In preparing a progress voucher, all eligible costs shall be included, provided that a recorded liability exists or a cash disbursement has been made. A final voucher represents the final claim, submitted by the State for a single completed project accepted by the FHWA. The State shall promptly submit its final claim following termination of the period of performance. A summary of project costs, classified by expenditure type, shall accompany the final voucher.

Allowable costs shall be determined in accordance with 2 CFR 200, Subpart E Cost Principles. All allowable and allocable items of cost under 2 CFR 200 Subpart E are eligible for reimbursement under this agreement. The budget of estimated costs by expenditure category is included as Attachment 1 to this agreement. Signature of this agreement by the FHWA shall constitute grantor agency approval for cost items included in the attached budget.

ARTICLE V - SUBMISSION OF REPORTS

An annual report shall be submitted no later than 60 days after the end of each Federal fiscal year (September 30). The annual report shall include a narrative report that describes the projects carried out under this agreement and shall specify the estimated annual yield from such projects along with an expenditure summary. The final performance and financial summary report (if this agreement is not continued) shall be submitted by the State no later than 60 days after the termination of the period of performance. The final report shall include a discussion of the accomplishments of the project, an expenditure summary by cost category, and a summary of any audit findings or plans to address the audit requirements of Article 3 of the General Provisions. One copy of all reports shall be provided to the FHWA Division Office. The lead State shall provide copies of the reports to the Highway Use Tax Evasion project manager in care of the FHWA, Office of Highway Policy Information (HPPI), 1200 New Jersey Ave, SE, Washington, D.C. 20590.

GENERAL PROVISIONS

The following General Provisions apply to all FHWA grant agreements for the Intergovernmental Enforcement Efforts of the Joint Federal/State Motor Fuel Tax Compliance Project.

1. DEFINITIONS

- a. FHWA – The Federal Highway Administration
- b. FHWA Division Office – The office of the FHWA located in each State, which is responsible for the administration of the Federal-aid Highway Program within that State.
- c. IRS – The Internal Revenue Service
- d. Lead State – The State designated to coordinate the activities of the specific intergovernmental project referenced on the signature page of this agreement.
- e. Participating State – A State which agrees to participate in the intergovernmental project referenced on the signature page of this agreement.
- f. Equipment – Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000..
- g. OMB – The Office of Management and Budget
- h. DOT – The U.S. Department of Transportation

2. REGULATION REQUIREMENTS

The State hereby assures and certifies that it will comply with the Federal statutes and regulations cited in this Agreement and 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards as they relate to the acceptance and use of Federal funds for this project. The project funded under this agreement is considered to be a categorical exclusion under 23 C.F.R. 771.117(c) (1).

3. AUDITS

The State shall comply with the audit requirements of 2 CFR 200 Subpart F.

4. MODIFICATIONS

This agreement may be amended at any time by a written modification properly executed by both the State and the FHWA. In accordance with 2 CFR 200.308(b), recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions. The State must obtain the prior approval of the FHWA whenever any of the following is anticipated:

1. Budget modification whenever a new cost category is added or the anticipated expenditures for a single cost category are expected to change by an amount greater than 10 percent of the total amount of the agreement.
2. Revision of the scope or objectives of the project.
3. Extension of the period of performance.
4. Contracting out, or otherwise obtaining the services of a third party, to perform activities, which are central to the purposes of the agreement.

5. SUBCONTRACTS FOR PROFESSIONAL SERVICES

- a. Prior written approval shall be obtained from the FHWA before any of the work or other substantive project effort is subcontracted or otherwise transferred.
- b. In accordance with 2 CFR 200.317, when procuring professional services necessary for the implementation of this agreement, the State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

6. STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

In accordance with 2 CFR 200.302, the State must expend and account for funds under this agreement in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its cost-type contractors and subcontractors, must be sufficient to permit preparation of financial reports of project expenditures, as required by this agreement, and to permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of this agreement.

7. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS

- a. In accordance with 2 CFR 200.333, financial and programmatic records, supporting documents, statistical records, and other records pertinent to this agreement shall be maintained by the State for a period of 3 years from the date of submission of the annual (or final) expenditure report to the FHWA, with the following exceptions:
 1. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues, which arise from it, or until the end of the regular 3-year period, whichever is later.
 2. When the State is notified in writing by FHWA, to extend the retention period.
 3. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
 4. When the records are transferred to or maintained by the FHWA, the 3-year retention requirement is not applicable to the State with respect to those records.
- b. In accordance with 2 CFR 200.503, the FHWA and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of the State, and of its contractors or subcontractors which are pertinent to this agreement, in order to make audits, examinations, excerpts, and transcripts, except that taxpayer records covered by State or Federal disclosure laws need only be made available to the extent permitted by such laws.

8. EQUIPMENT

As provided in 2 CFR 200.313(b), the State shall use, manage, and dispose of equipment acquired under this agreement in accordance with State laws and procedures.

9. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

a. Instructions for Certification – First Tier Participants:

1. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.
2. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.
4. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).
6. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov>).
9. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

b. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

1. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
 - b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and
 - d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
 - i. Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal; and
 - ii. Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability
2. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

c. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

- 1 By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
- 2 The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- 3 The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.
- 4 The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

- 5 The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- 6 The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.⁷
- 7 A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>), which is compiled by the General Services Administration.
- 8 Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 9 Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

d. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:
 - (a) Is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
 - (b) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal; and
 - (c) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

10. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

- a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.
- b. The State shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate. In accordance with 49 C.F.R. Part 26 The State hereby agrees to abide by the following statements and agrees that these statements shall be included in all subsequent agreements between the State and any contractors or subcontractors under this agreement:

1. **Program Objective.** The DOT's Disadvantaged Business Enterprise (DBE) program is designed to remedy

ongoing discrimination and the continuing effects of past discrimination in federally assisted highway transportation contracting markets nationwide. The primary remedial goal and objective of the DBE program is to level the playing field by providing small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for all types of federally-assisted contracts and procurement activities conducted by recipients. Accordingly, the DBE program requirements, as articulated in 49 C.F.R. Part 26, apply to this agreement.

2. **Assurances.** The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

Each contract you sign with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance: The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the contractor from future bidding as non-responsible.

11. SUSPENSION OR TERMINATION FOR CAUSE

a. In accordance with 2 CFR 200.338 if FHWA determines that the State has materially failed to comply with the terms and conditions of this agreement, the FHWA may:

1. Temporarily withhold cash payments pending correction of the deficiency by the State or more severe enforcement action by the FHWA;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Wholly or partly suspend or terminate the agreement for cause;
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and FHWA regulations and/or withhold further awards for the program.

b. The FHWA prefers that deficiencies be corrected whenever practicable. Therefore, action to suspend or terminate an agreement normally will be taken only after the State has been informed by letter of the nature of the problem with notification that failure to correct the deficiency may result in suspension or termination of this agreement. However, this policy does not preclude immediate suspension or termination when such action is reasonable under the circumstances and necessary to protect the interest of the Government.

c. Should FHWA determines that the State has failed to comply with the terms and conditions of this agreement, the FHWA will advise the State by letter of the nature of the problem and that failure to correct the deficiency may result in suspension or termination of this agreement. The State will be requested to respond in writing describing the action taken or the plan designed to correct the deficiency.

d. If a satisfactory response is not received within the time allowed in such notice letter, the FHWA may issue a notice suspending authority to further obligate funds, in whole or in part. The notice of suspension will be sent by certified mail (return receipt requested) to the State. The notice will set forth the activities covered by the suspension and its effective date and corrective action required by the State in order to lift the suspension.

e. In the event the deficiency is not corrected to the satisfaction of the FHWA, the FHWA may issue a notice of termination, in the same manner as described in paragraph d. above. The notice of termination will establish the reasons for the action and its effective date.

f. If this agreement is suspended or terminated pursuant to this clause, cost resulting from obligations incurred by the State during the period of suspension or after termination will not be allowable unless the FHWA expressly authorizes them in the notice of suspension or termination or by subsequent correspondence. Other State costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

1. The costs result from obligations which were properly incurred by the State before the effective date of suspension or termination, are not in anticipation of it, and, in the case of termination, are not cancelable, and;
2. The costs would be allowable if the agreement were not suspended or terminated.

g. Within 90 days of the effective date of termination, the State will furnish an itemized accounting of funds expended for allowable costs prior to the effective date of termination and the unexpended funding balance. In accordance with 2 CFR 200.341, the State may request a review of the termination decision in accordance with the procedure described therein

12. TERMINATION REVIEW PROCESS

a. Any request for review of a notice of termination shall be addressed to the FHWA Division Office. It must be postmarked no later than 30 days after receipt of such notice.

b. The request for review must contain a full statement of the State's position and the pertinent facts and reasons in support of such position.

c. The FHWA will acknowledge receipt of the request for review and appoint a review committee consisting of a minimum of three persons, none of whom may be either from the FHWA program office providing funding for the project or from the FHWA office that is responsible for monitoring the administrative aspects of the agreement.

d. The termination review committee will request the FHWA official who issued the notice of termination to provide copies of all pertinent background materials and documents. It may, at its discretion, invite representatives of the State, FHWA program, and/or administrative office, to discuss pertinent issues and to submit additional information as it deems necessary. The chairperson of the review committee will ensure that all review activities or proceedings are documented.

e. Based on its review, the committee will prepare its recommendations to the FHWA official who issued the notice of termination who will advise the parties concerned of the final administrative decision.

13. TERMINATION BY MUTUAL AGREEMENT

a. Circumstances may arise in which either the FHWA or the State wishes to terminate this agreement in whole or in part. If both parties agree that continuation of the project would not produce results commensurate with further expenditure of funds or for any other reason, the agreement may be terminated by mutual consent in accordance with 2 CFR 200.339(a).

b. If either party wishes to terminate this agreement, written notification shall be given to the other party, setting forth the reasons for such termination.

Within 30 days after receipt of a request from either party for termination by mutual agreement, the other party will provide an appropriate written response. The two parties shall agree upon the termination conditions, including the effective date, and, in the case of partial termination, the portion to be terminated. The State shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. Allowable costs shall include the noncancelable obligations properly incurred by the State prior to termination. In the event of disagreement between the parties, the FHWA will make a final determination subject to its review procedures."

14. AGREEMENT CLOSEOUT AND COLLECTION OF AMOUNTS DUE

a. In accordance with 2 CFR 200.343, the FHWA will close out this agreement when it determines that all administrative actions and all required work of this agreement have been completed.

b. As provided in 2 CFR 200.344 , the closeout of this agreement does not affect:

1. The FHWA's right to disallow costs and recover funds on the basis of a later audit or other review;
2. The State's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
3. Records retention as required by Article 7 above; and
4. Audit requirements under 2 CFR 200 Subpart F.
5. Property management and disposition requirements under 2 CFR 200 Subpart D.
6. Records retention as required under 2 CFR 200.333.

c. In accordance with 2 CFR 200.345, any funds paid to the State in excess of the amount to which it is finally determined to be entitled under the terms of this agreement shall constitute a debt to the Federal government and shall be paid within a reasonable period of time to the FHWA. Except where otherwise provided by statutes or regulations, FHWA will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

15. NONDISCRIMINATION

The State hereby agrees that, as a condition of receiving any Federal financial assistance from the DOT, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. 2000d), related nondiscrimination statutes (i.e., 23 U.S.C 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements, including 23 CFR Part 200, 23 CFR Part 230, 49 CFR Part 21, 49 CFR Part 27, to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the State receives Federal financial assistance. The specific requirements of the DOT Standard Civil Rights assurances (required by 49 C.F.R. 21.7 and 27.9) are incorporated by reference in this agreement.

16. MANDATORY ENERGY EFFICIENCY STANDARDS

The State and its contractors under this agreement shall comply with mandatory standards and policies relating to energy efficiency, which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

17. CERTIFICATION REGARDING A DRUG-FREE WORKPLACE

a. **Definitions.** As used in this certification,

1. "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C 812) and as further defined in regulation at 21 C.F.R. 1308.11 - 1308.15;
2. "Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;
3. "Employee" means the employee of the State directly engaged in the performance of work under this agreement, including (1) all "direct charge" employees; (2) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (3) temporary personnel and consultants who are directly engaged in the performance of work under this agreement and who are on the State's payroll. This definition does not include workers not on the payroll of the State (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the State's payroll; or employees of subrecipients or subcontractors in covered workplaces).

b. If the State has not certified by an annual certification as provided in 49 C.F.R. 29.6309(c) with respect to the State employees engaged in the performance of work under this agreement, then the State hereby certifies that it will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the State's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about—
 - a. The dangers of drug abuse in the workplace;

- b. The State's policy of maintaining a drug-free workplace;
 - c. The available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of this agreement be given a copy of the statement required by paragraph (1);
 4. Notifying the employee in the statement required by paragraph (1), that, as a condition of employment under this agreement, the employee will—
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute in the workplace no later than five calendar days after such conviction;
 5. Notifying the FHWA in writing, within ten calendar days after receiving notice under subparagraph (4)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 6. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (4)(b) with respect to any employee who is so convicted—
 - a. Taking appropriate personnel action against such an employee, up to and including termination; consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1) through (6).

c. The principal place of performance of work in connection with this agreement is the address shown on the signature page. The list identifying any other workplaces involved in the performance of work under this agreement shall be kept on file with the State and be made available for Federal inspection upon request.

18. LIMITATIONS ON THE USE OF FUNDS FOR LOBBYING (AGREEMENTS OVER \$100,000)

a. The person signing this agreement on behalf of the State certifies to the best of his or her knowledge and belief that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the State, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the State shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The State shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, and contracts and subcontracts under grants, subgrants, loans, and cooperative agreements) which exceed \$100,000, and that all such subrecipients shall certify and disclose accordingly.

b. This certification is material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

19. CLEAN AIR AND WATER REQUIREMENTS (AGREEMENTS OVER \$100,000)

a. The State agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 7606), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and the Environmental Protection Agency regulations (40 C.F.R. Part 15).

- b. The State stipulates that any facility to be utilized in performance under or to benefit from agreement is not listed on the Environmental Protection Agency List of Violating Facilities issued pursuant to the requirements of the Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
- c. The State agrees that it will include this provision in any contract for professional services under this agreement, which exceeds \$100,000.

ATTACHMENTS FORM

Instructions: On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

Important: Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

1) Please attach Attachment 1	<input type="text" value="1234-De_Lead_NE_Region_2020_"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
2) Please attach Attachment 2	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
3) Please attach Attachment 3	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
4) Please attach Attachment 4	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
5) Please attach Attachment 5	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
6) Please attach Attachment 6	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
7) Please attach Attachment 7	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
8) Please attach Attachment 8	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
9) Please attach Attachment 9	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
10) Please attach Attachment 10	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
11) Please attach Attachment 11	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
12) Please attach Attachment 12	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
13) Please attach Attachment 13	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
14) Please attach Attachment 14	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
15) Please attach Attachment 15	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>

Fuel Tax Intergovernmental Efforts Grant
FHWA-HUTE-2020
DOT Federal Highway Administration (FHWA)
Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement Request
Project Narrative

Northeastern Region Participants: The following Northeastern Region states have agreed to participate and comply with all requirements for this joint Federal Highway Administration [FHWA grant]. These Northeastern Region states include Delaware (Lead), Connecticut, Maryland, New Hampshire, New York, Rhode Island, Vermont, Massachusetts, and Pennsylvania.

Background: The Northeastern Region states as well as the rest of the United States and the world have been significantly impacted with the coronavirus. For Delaware and other Northeast Region states, the coronavirus outbreak has led to travel bans, school closures, the closure of institutions of higher education, professional sports leagues suspended operations, a declaration of a state of emergency, among many other developments. Given rapidly deteriorating conditions coupled with declining oil prices many economic forecasts are calling for a U.S. recession. The current environment is very different from and more uncertain than the last recession. According to some interim forecasts, the national recession will result from immediate pullback on personal consumption expenditures. This is possible since at-risk sectors such as entertainment, hospitality and transportation represented 6.0% of GDP and it is expected that a 30.0% decline in consumer spending will occur for these sectors.

As many US States are now facing record revenue deficiencies, these states are evaluating efficiency and procedures to reduce administrative costs and increase collections. The largest state revenue stream used to maintain interstate and local highways comes directly from motor fuel taxes. Ironically, as the revenues continue to fall, a higher burden is being placed on the states to combat fuel tax evasion and recapture lost revenues.

The Northeastern Region recognizes the benefit of working together to achieve the highest amount of expertise in the area of Fuel Tax Evasion. This encompasses joint task force and other meetings, fuel research projects, and ongoing training, especially to those new to fuel tax. As state budgets dry up for an unknown future period of time, so does the ability of neighboring states to adequately work and train together to combat major fuel tax issues, as states are unable to fund any external auditor training or they may not be able to participate in joint audits whose training requires physical attendance in order for the participants to benefit.

Proposal: This grant proposal is to establish the ability for the Northeastern Region participants to have the ability to participate in training, fuel tax meetings (including critical task force meetings), and fuel related research on key fuel tax topics impacting the Region. Delaware will be the lead state for the Northeastern Region submitting the grant request.

- This proposal is to establish the ability for each state to send participants to three training events. This may include attending the Federation of Tax Administrators (FTA) Basic and Advanced training programs or other relevant training from another provider which would support the goals of identifying fuel tax evasion.
- The proposal is for funds to allow the states to attend FTA Motor Fuel Tax and Regional Task Force meetings as well as the IFTA meetings.

Fuel Tax Intergovernmental Efforts Grant
FHWA-HUTE-2020
DOT Federal Highway Administration (FHWA)
Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement Request
Project Narrative

- This proposal is also for funds to participate in regional related research projects related to special fuels and other key emerging issues in the industry.

Benefits: It is anticipated that securing the funding for northeastern states to participate in this grant proposal will result in expanded success for fuel tax evasion in the Region. The funding allows for the group to attend meetings to discuss ongoing regulatory and enforcement practices, plan for future joint and cooperative activities, and to develop new strategies to combat motor fuel tax evasion. Additionally, the Region will use the funding to support its research and field visits to persons and entities that are utilizing natural gas, propane, and other alternative motor fuels in innovative and unique applications.

Auditors will gain insight into the latest evasion and import and export reporting schemes affecting their state. This will assist the states by increasing fuel evasion awareness and assisting with the development of new strategies for cooperative, long- term enforcement efforts across jurisdictional lines and for planned joint research projects on special fuels and related topics. The hope is to also attract other jurisdictions motor fuel tax administrators to attend and learn about fuel tax evasion involving natural gas, propane, hydrogen, and other alternative motor fuels. It is anticipated that members of each state in the Region will gain the knowledge essential to audit fuel tax revenues, identify and capture unreported activity, and improve overall tax administration activities.

- The funding will also allow auditors and/or enforcement personnel to attend fuel tax related training such as those provided by the Federation of Tax Administrators or other providers which will provide similar beneficial training and ability to network and share auditing tips and techniques.
- The funding will allow for conducting research into motor fuel tax evasion for highway and over the road use of propane, natural gas, and other alternative motor fuels. It is the objective of the Northeastern Region to engage with local enforcement agents with resources and information specifically tailored to motor fuel tax evasion using natural gas and propane as well as other alternative fuels. This information will better assist the training and research of members as well as with continued research and analysis become a clearing house for reliable information.
- The funding will be used for outreach to industry groups such as, the International Fuel Tax Agreement's (IFTA) annual, audit, and law enforcement conferences; the Federation of Tax Administrators (FTA) meetings/conferences; as well as conducting field visits with innovators within the motor fuel industry. The funding will be used to conduct research and field inspections of companies and organizations engaging in research and development into innovative and novel applications of natural gas, propane and other alternative fuels. The Northeastern Region hopes the outreach to these groups will yield a comprehensive resource for members to use in developing motor fuel tax policies that will help alleviate the opportunities for motor fuel tax evasion as well as advance the understanding and regulation of natural gas, propane, hydrogen, and other alternative motor fuels.

Example of Fuel Tax Research Initiatives: The research may include propane, CNG, LNG, Hydrogen, and other alternative fuel supplies and availability which have made evasion of fuel tax for on-road use prevalent with the recent availability of after-market and factory installed propane, CNG, LNG, Hydrogen, and other alternative fuel supplies meant to supplement or replace on-road use of fossil fuels.

Process and Study:

Fuel Tax Intergovernmental Efforts Grant
FHWA-HUTE-2020
DOT Federal Highway Administration (FHWA)
Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement Request
Project Narrative

- Engage with the regional states on field inspections of fueling facilities for propane, CNG, LNG, Hydrogen, and other alternative fuel supplies available for on-road use.
- Engage with regional states at upcoming conferences to discuss the taxation and regulatory policy of propane, hydrogen, LNG, and other alternative fuel supplies for on-road use.
- Review the after-market add-ons and fuel system upgrades to determine the prevalence or potential of the on-road use of these systems – including site visits to OEMs and Manufacturers.
- Review the factory installed systems by requesting the data from vehicle manufacturers from the past five years on vehicles produced out of the factory with the capability to use propane, CNG, LNG, Hydrogen, and other alternative fuel supplies to supplement or replace the vehicles fossil fuel consumption for on-road use– including site visits to OEMs and Manufacturers.
- Attend trade shows and similar event opportunities which focus on available alternative fuel vehicles and emerging concept prototypes to prepare for future fuel usage.
- Review the tax revenues and compile forecasted revenues with specific events occurring. (i.e. changes in market fuel prices; higher MPG standards applied, etc.)
- Compile the data and results of the above-mentioned items to present a comprehensive picture of the use of propane, CNG, LNG, Hydrogen, and other alternative fuel supplies for recent years.
 - This study could be subsequently expanded to include:
 - More historical data and conclusions which are drawn from that data.
 - The future innovations and new technology being developed by manufacturers to increase the availability of these upgrades, technology, and use of propane, CNG, LNG, Hydrogen, and other alternative fuel supplies for on-road vehicles.

Proposed Research: The research proposed example is a review of propane, CNG, LNG, Hydrogen, and other alternative fuels for potential use in on-road applications that may or may not be missed by current motor fuel tax policies. The project will consist of requesting and reviewing state-submitted data on current and past tax policies and investigations on propane, CNG, LNG, Hydrogen, and other alternative fuel supplies for on-road use. The Northeastern Region will also engage with fellow state regulators on the potential of these markets and also engage with market manufacturers and innovators to envision the future of this fuel use in order to develop forward thinking fuel tax policy.

Total Joint Northeastern Regional Funding Request: The total requested funding is based upon the number of Northeastern Region states who agreed to participate and comply with all the requirements including timely annual reporting to FHWA. The total request is for **\$1,178,190.00** and the Member states contact information and annual funding allocation is detailed in the chart attached including research, training, and meeting participation over a three-year period.

FHWA HUTE 2020-01 Grant
Budget for NE Region States

	A	B	C	D	E	F	G
	Member States Annual/Regional/Task Force Meetings	Registration Fees (2 Attendees)	Hotel (2 rooms) x 3 n	Airfare (for 2)	Per Diem (for 2)	Ground Transportation	Total Each Event Attendance (for 2)
1							
2	Conference/Events (3 per year expected)						
3	Motor Fuel Northeast Region Meeting (annual)/Task Force meeting	\$790.00	\$ 1,200.00	\$ 1,800.00	\$ 600.00	\$ 100.00	\$4,490.00
4	Motor Fuel Annual Meeting (annual)/Task Force meeting	\$1,100.00	\$ 1,200.00	\$ 1,800.00	\$ 600.00	\$ 100.00	\$4,800.00
5	Other FTA Meeting/task force meeting	\$2,000.00	\$ 1,200.00	\$ 1,800.00	\$ 600.00	\$ 100.00	\$5,700.00
6							
7	3 year lifetime anticipated for this grant						\$14,990.00
8			Per Year Allotment	Total Grant Lifetime Allotment			
9	Member States (per year allotment) - MD, PA, NH, CON, NY, VERM, RI, MASS, Maine		\$ 134,910.00	\$ 404,730.00			
10	Lead State (DE) - per year allotment)		\$14,990.00	\$ 44,970.00			
11							
12	Total Grant Funding Request for Task Force and Related Meetings			\$ 449,700.00			
13							
14							

FHWA HUTE 2020-01 Grant
Budget for NE Region States

	A	B	C	D	E	F	G
15	Member States FTA Motor Fuel Training	Registration Fees (2 Attendees)	Hotel (2 rooms) x 5 n	Airfare (for 2)	Per Diem (for 2) x 6D	Ground Transportation	Total Each Event Attendance (for 2)
16							
17	<i>Motor Fuel Basic Training (2 per year expected)</i>	\$1,190.00	\$ 2,000.00	\$ 1,800.00	\$ 900.00	\$ 100.00	\$5,990.00
18	<i>Motor Fuel Advanced Training (2 per year expected)</i>	\$1,190.00	\$ 2,000.00	\$ 1,800.00	\$ 900.00	\$ 100.00	\$5,990.00
19							
20							
21	3 year lifetime anticipated for this grant						\$11,980.00
22			Per Year Allotment	Total Grant Lifetime Allotment			
23	Member States (per year allotment) - MD, PA, NH, CON,NY, VERM, RI, Mass, Maine		\$ 107,820.00	\$ 323,460.00			
24	Lead State (DE) - per year allotment)		\$11,980.00	\$ 35,940.00			
25							
26	Total Grant Funding Request for Fuel Tax Training			\$ 359,400.00			
27							
28							
29							
30	Member States Joint Research Projects						
31							
32							

FHWA HUTE 2020-01 Grant
 Budget for NE Region States

	A	B	C	D	E	F	G
33			Per State	Total Grant Allotment			
34	Member States -MD, PA, NH, CON,NY, VERM, RI,MASS, MAINE		\$50,000.00	\$450,000.00			
35	Lead State (DE) -		\$50,000.00	\$50,000.00			
36							
37							
38							
39	Total Grant Funding Request for Fuel Tax Research			\$500,000.00			
40							
41							
42	Total Joint NE Region Grant Request			\$ 1,309,100.00			
43							
44							

FHWA HUTE 2020-01 Grant
NE Region Participant States

State count	State	Agency	Contact	E-mail	Telephone	Yes Agree To Participate	Funding Approved
2	Connecticut	Department of Revenue Services	Scot R. Anderson	Scot.Anderson@po.state.ct.us	(860) 297-4773	Yes	
1	Delaware*	Department of Transportation	Andrea Bayline	andrea.bayline@delaware.gov	(302) 744-2729	Yes	
3	Maine	Revenue Services	Judy A. Methot	Judy.A.Methot@maine.gov	207.624-9626	Yes	
4	Maryland	Comptroller of MD	Chuck Ulm	culm@comp.state.md.us	(410) 260-7131	Yes	
5	Massachusetts	Department of Revenue	Cynthia Burns	burnsc@dor.state.ma.us	(413) 452-3904	Yes	
6	New Hampshire	Department of Safety	Scott Bryer	sbryer@safety.state.nh.us	(603) 271-2387	Yes	
	New Jersey	Department of Treasury				No Response	
7	New York	Department of Taxation & Finance	Andrew J Garrigan	Andrew.Garrigan@tax.ny.gov	(518) 530-4417	Yes	
8	Pennsylvania	Department of Revenue	Jennifer Chort	Jchort@pa.gov	717.705.9009	Yes	
9	Rhode Island	Department of Administration	Theriza lafrate	Theriza.lafrate@tax.ri.gov	401-574-8934	Yes	
10	Vermont	Department of Taxes	Alicia Carusona	Alicia.Carusona@vermont.gov	802-793-7492	Yes	
	Washington DC	Office of Tax & Revenue				No Response	
	*Lead state						

APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

*** 1. NAME OF FEDERAL AGENCY:**

DOT Federal Highway Administration

2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:

20.240

CFDA TITLE:

Fuel Tax Evasion-Intergovernmental Enforcement Effort

*** 3. DATE RECEIVED:** 05/18/2020

SYSTEM USE ONLY

*** 4. FUNDING OPPORTUNITY NUMBER:**

FHWA-HUTE-2020-01

*** TITLE:**

Highway Use Tax Evasion - Intergovernmental Efforts

5. APPLICANT INFORMATION

*** a. Legal Name:**

Delaware Department of Transportation

b. Address:

*** Street1:**

800 S. Bay Road

Street2:

*** City:**

Dover

County/Parish:

*** State:**

DE: Delaware

Province:

*** Country:**

USA: UNITED STATES

*** Zip/Postal Code:**

19901-4685

c. Web Address:

http:// https://DelDOT.Gov

*** d. Type of Applicant: Select Applicant Type Code(s):**

A: State Government

Type of Applicant:

Type of Applicant:

*** Other (specify):**

*** e. Employer/Taxpayer Identification Number (EIN/TIN):**

51-6000279

*** f. Organizational DUNS:**

8098560080000

*** g. Congressional District of Applicant:**

DE-All

6. PROJECT INFORMATION

*** a. Project Title:**

Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement Request

*** b. Project Description:**

Northeastern Region's joint grant proposal is for the Northeastern Region participant states (Delaware, Connecticut, Massachusetts, Maryland, Maine, Pennsylvania, New Hampshire, New York, Rhode Island, Vermont) to work together as a task force performing a research and to participate in training, fuel tax meetings (including critical task force meetings) on key fuel tax topics impacting the Region. Delaware Department of Transportation as a lead state agency submitting this FHWA-HUTE-2020-01 grant application of behalf of NE Region participating states.

c. Proposed Project: * Start Date: 07/06/2020 * End Date: 09/30/2024

APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

7. PROJECT DIRECTOR

Prefix: Ms.	* First Name: Andrea	Middle Name:
* Last Name: Bayline	Suffix:	
* Title: Tax Examination & Investigation Manager	* Email: Andrea.Bayline@Delaware.gov	
* Telephone Number: 302-744-2729	Fax Number:	
* Street1: 800 S. Bay Road	Street2:	
* City: Dover	County/Parish:	
* State: DE: Delaware	Province:	
* Country: USA: UNITED STATES	* Zip/Postal Code: 19901-4685	

8. PRIMARY CONTACT/GRANTS ADMINISTRATOR

Same as Project Director (skip to item 9):

Prefix: Ms.	* First Name: Punita	Middle Name: H.
* Last Name: Choxi	Suffix:	
* Title: Application Support Project Leader	* Email: Punita.Choxi@Delaware.gov	
* Telephone Number: 302-760-2646	Fax Number:	
* Street1: 800 S. Bay Road	Street2:	
* City: Dover	County/Parish: Kent	
* State: DE: Delaware	Province:	
* Country: USA: UNITED STATES	* Zip/Postal Code: 19901-4685	

APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

9. * By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties (U.S. Code, Title 218, Section 1001)

** I Agree

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

AUTHORIZED REPRESENTATIVE

Prefix: Ms.	* First Name: Jana	Middle Name:
* Last Name: Simpler	Suffix:	
* Title: Director, Delaware DMV	* Email: Jana.Simpler@Delaware.gov	
* Telephone Number: 302-744-2545	Fax Number:	
* Signature of Authorized Representative: Punita Choxi	* Date Signed: 05/18/2020	

Project Abstract

The Project Abstract must not exceed one page and must contain a summary of the proposed activity suitable for dissemination to the public. It should be a self-contained description of the project and should contain a statement of objectives and methods to be employed. It should be informative to other persons working in the same or related fields and insofar as possible understandable to a technically literate lay reader. This Abstract must not include any proprietary/confidential information.

* Please click the add attachment button to complete this entry.

Add Attachment

Delete Attachment

View Attachment

1235-De_Lead_NE Regional_2020_Grant_H

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/ Enforcement	20.240	\$ 0.00	\$ 0.00	\$ 1,309,100.00	\$ 0.00	\$ 1,309,100.00
2.						
3.						
4.						
5. Totals		\$ 0.00	\$ 0.00	\$ 1,309,100.00	\$ 0.00	\$ 1,309,100.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/ Enforcement				
a. Personnel	\$ 0.00	\$	\$	\$	0.00
b. Fringe Benefits	0.00				0.00
c. Travel	809,100.00				809,100.00
d. Equipment	0.00				0.00
e. Supplies	0.00				0.00
f. Contractual	500,000.00				500,000.00
g. Construction	0.00				0.00
h. Other	0.00				0.00
i. Total Direct Charges (sum of 6a-6h)	1,309,100.00			\$	1,309,100.00
j. Indirect Charges	0.00			\$	0.00
k. TOTALS (sum of 6i and 6j)	\$ 1,309,100.00	\$	\$	\$	1,309,100.00
7. Program Income	\$ 0.00	\$	\$	\$	0.00

Authorized for Local Reproduction

SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8. Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement	\$ 0.00	0.00	\$ 0.00	\$ 0.00
9.				
10.				
11.				
12. TOTAL (sum of lines 8-11)	\$ 0.00	0.00	\$ 0.00	\$ 0.00

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 440,000.00	\$ 100,000.00	\$ 120,000.00	\$ 100,000.00	\$ 120,000.00
14. Non-Federal	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
15. TOTAL (sum of lines 13 and 14)	\$ 440,000.00	\$ 100,000.00	\$ 120,000.00	\$ 100,000.00	\$ 120,000.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. Delaware Lead- Joint Northeastern Region Intergovernmental Research/Audit/Enforcement	\$ 435,000.00	\$ 434,100.00	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	\$ 435,000.00	\$ 434,100.00	\$	\$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:	0.0
22. Indirect Charges:	0.0

23. Remarks: Please see attached detailed budget distribution for travel and Task Force research by Northeastern Region ten participant states.



Sorsha Anderson

From: LeBlanc, Leonard <Leonard.LeBlanc@vermont.gov>
Sent: Monday, October 5, 2020 11:29 AM
To: Aronowitz, Jason
Cc: Cayia, Lori
Subject: FW: DMV Fuel Tax grant 1548 VT signed form

Please proceed with the AA-1 and included a note about the incorrect amount on the form. Thanks

From: LeBlanc, Leonard
Sent: Monday, October 05, 2020 11:29 AM
To: 'Kirby, Patrick (FHWA)' <patrick.kirby@dot.gov>; Carusona, Alicia <Alicia.Carusona@vermont.gov>
Cc: Blaisdell, Terri <Terri.Blaisdell@vermont.gov>; Kingsbury, Marv <Marv.Kingsbury@vermont.gov>; Bierbaum, Bruce <Bruce.Bierbaum@vermont.gov>; Cayia, Lori <Lori.Cayia@vermont.gov>; Hake, Matthew <matthew.hake@dot.gov>
Subject: RE: DMV Fuel Tax grant 1548 VT signed form

We will proceed with a State of VT grant acceptance process using the form with the incorrect amount and just make a note of it. We can get a corrected form later. Thanks

From: Kirby, Patrick (FHWA) <patrick.kirby@dot.gov>
Sent: Monday, October 05, 2020 11:15 AM
To: LeBlanc, Leonard <Leonard.LeBlanc@vermont.gov>; Carusona, Alicia <Alicia.Carusona@vermont.gov>
Cc: Blaisdell, Terri <Terri.Blaisdell@vermont.gov>; Kingsbury, Marv <Marv.Kingsbury@vermont.gov>; Bierbaum, Bruce <Bruce.Bierbaum@vermont.gov>; Cayia, Lori <Lori.Cayia@vermont.gov>; Hake, Matthew <matthew.hake@dot.gov>
Subject: RE: DMV Fuel Tax grant 1548 VT signed form

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Lenny,

You are correct that the total Project Amount is incorrect based on the original documents sent. Please see attachment. That amount should read \$1,309,100. This can be corrected now and we will have it ready for when the funds are freed upon or we can just wait until the funds are allocated and then just complete another Project Agreement from scratch. Your call. Thanks.

Patrick Kirby
Financial Manager
DOT – FHWA Vermont Division
802-828-4568
Patrick.kirby@dot.gov



From: LeBlanc, Leonard [<mailto:Leonard.LeBlanc@vermont.gov>]
Sent: Friday, October 02, 2020 2:24 PM

To: Carusona, Alicia <Alicia.Carusona@vermont.gov>; Kirby, Patrick (FHWA) <patrick.kirby@dot.gov>
Cc: Blaisdell, Terri <Terri.Blaisdell@vermont.gov>; Kingsbury, Marv <Marv.Kingsbury@vermont.gov>; Bierbaum, Bruce <Bruce.Bierbaum@vermont.gov>; Cayia, Lori <Lori.Cayia@vermont.gov>; Hake, Matthew (FHWA) <matthew.hake@dot.gov>
Subject: RE: DMV Fuel Tax grant 1548 VT signed form

CAUTION: This email originated from outside of the Department of Transportation (DOT). Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Hello-

It was brought to our attention that the amount on this form was incorrect in one place. I initially thought that amount referenced the entire multi-state amount but it appears that is not the case. Let me know if you prefer to correct this and resubmit. It is the "Total Project Amount" amount that appears to be incorrect.

PROJECT AGREEMENT FEDERAL/STATE MOTOR FUEL

Between the Federal Highway Administration, hereinafter referred to as the Federal Highway Administration, acting through its motor fuel tax enforcement agency or other State referred to as the State.

Project Name: Joint Northeastern Regional Intergovernmental Project T

Performance: October 1, 2020 T

Project Agreement Amount: _____

From: LeBlanc, Leonard <Leonard.LeBlanc@vermont.gov>
Sent: Thursday, September 24, 2020 11:40 AM
To: Carusona, Alicia <Alicia.Carusona@vermont.gov>; Kirby, Patrick (FHWA) <patrick.kirby@dot.gov>
Cc: Blaisdell, Terri <Terri.Blaisdell@vermont.gov>; Kingsbury, Marv <Marv.Kingsbury@vermont.gov>; Bierbaum, Bruce <Bruce.Bierbaum@vermont.gov>; Cayia, Lori <Lori.Cayia@vermont.gov>; Hake, Matthew <matthew.hake@dot.gov>;
LeBlanc, Leonard <Leonard.LeBlanc@vermont.gov>
Subject: DMV Fuel Tax grant 1548 VT signed form

See attached. Thanks

Leonard (Lenny) LeBlanc, Chief Financial Officer
Vermont Agency of Transportation
219 North Main St.
Barre, VT 05641
802-479-1245
<mailto:leonard.leblanc@vermont.gov>