

SMART NEPA Readiness Guidance

Prepared for SMART applicants and grantees

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This resource draws on the US Department of Transportation Project Readiness Checklist for DOT Discretionary Grant Applicants with specific details for SMART grant applicants and awardees. We recommend you review the full checklist and resources [here](#).

Federal funding recipients must comply with the [National Environmental Policy Act of 1969 \(NEPA\)](#) under 42 U.S.C. § 4321 et seq. and the Council on Environmental Quality's NEPA implementing regulations at 40 CFR §§ 1500-1508, where applicable. These often entail different requirements from those at the state level. Applicants should be aware, for example, that in most cases they must complete NEPA before they can proceed to final design and acquire real property. Obligation of Federal funds for final design, right-of-way acquisition, utility relocation, and/or construction will not occur until NEPA approval is received.

The SMART Program has entered into an MOU with the FHWA Office of Planning, Environment, and Realty (HEPE) to conduct NEPA reviews for SMART grantees whose projects do not involve aviation. The FAA conducts reviews for SMART projects that fall under their authority.

It is important that you be aware of the potential environmental implications of your proposed project activities, and that you be prepared to begin the NEPA process with HEPE, if your project is awarded. A detailed understanding of the potential environmental impacts of the project and the timeline for review will assist recipients in developing realistic timelines. The more prepared recipients are to provide the necessary information for NEPA approval, the fewer impacts to project schedule there will be.

Grant Application Narrative: Project Readiness Overview

In this section of the application, applicants should provide an activity schedule that identifies all major project and strategy milestones, including necessary milestones for regulatory compliance and permitting. Incorporating these into the project schedule from the start will improve the feasibility of the workplan.

Examples of such milestones include State and local planning approvals; start and completion of NEPA and other Federal environmental reviews and approvals, including permitting; design completion; right of way acquisition; approval of plans, specifications, and estimates; procurement; State and local approvals; public involvement; partnership and implementation agreements; and construction. If anticipated to be a schedule constraint, applicants should include in the narrative any potential timeline implications of meeting administration requirements, such as domestic preference and any required waivers, the NEPA requirements, as well as any applicable permitting and approval timeframes.

Applicants will be reviewed for Project Readiness, which will be a consideration for application selection. Project Readiness focuses on the extent to which the applicant will be able to substantially execute and complete the full scope of work in the application proposal within the period of performance (18 months for stage 1 grants, 36 months for stage 2 grants).

Resources

As you prepare your application, these steps will help you develop a strong workplan and be prepared for environmental review:

1. Walk the site and create a map of your project that includes any buildings and historic or environmental resources that you are aware of as a starting point. If your project is awarded, the environmental lead agency that reviews your project may ask for such a map to help determine what level of documentation will be required.
2. Thinking broadly, what environmental risks or concerns (e.g., historical structures, environmental justice, local traffic / work zone impacts, floodplain encroachment) do you expect during project implementation? How are you planning to mitigate the risks / concerns?
3. Consider the environmental review and approval timeline in the context of grant obligation requirements – can your project be reasonably expected to receive necessary approvals for you to meet your proposed project timeline? Stage 1 SMART Grants have an 18-month period of performance; Stage 2 Grants have 36 months.
4. What is the appropriate Class of Action for your project? Determine where your project is in the environmental review and approval process. If your project is awarded, this documentation will assist with efficient completion of your Class of Action.
5. Develop a clear schedule for the completion of any outstanding environmental reviews/authorizations, if applicable. For example, document timelines for public engagement, submission of applications to authorizing federal agencies, and expected timelines for decisions from agencies.

What are the NEPA Classes of Action?

NEPA Class of Action Compliance with NEPA will require preparation of one of three types of documents, referred to as 'Class of Action.' They are a **Categorical Exclusion (CE)**, an **Environmental Assessment (EA)**, and an **Environmental Impact Statement (EIS)**.

- **CE** is a category of actions that, based on federal experience with similar actions, do not involve significant environmental impacts. Different operating administrations within DOT have different types of CEs. See, for example CE guidance for projects funded by the Federal Transit Administration versus CE guidance for projects funded by the Federal Highway Administration.
- An **EA** determines whether a federal action has the potential to cause significant environmental effects while an **EIS** is required for projects that significantly affect the quality of the human environment and require the most analysis and documentation to demonstrate compliance with applicable environmental laws and executive orders.
- Some projects, for example those that fall within the operational right-of-way of an existing transportation facility and/or those do not require ground disturbing activities, may only require a simple CE to comply with NEPA/environmental requirements.
- Projects that require relocations or impacts to historic or environmental resources may require more extensive environmental analysis and documentation. In these cases, consider hiring a consultant to help with the process. If you intend to hire a consultant to assist with preliminary design, environmental compliance may be included in their scope of work.