

DEPARTMENT OF TRANSPORTATION

Maritime Administration

Notice of Funding Opportunity for the Maritime Administration's United States Marine Highway Program (USMHP) under the Consolidated Appropriations Act, 2023

AGENCY: Maritime Administration, DOT

ACTION: Notice of Funding Opportunity

SUMMARY: This notice solicits applications for fiscal year (FY) 2023 United States Marine Highway Program (USMHP) grants. Funds for FY 2023 USMHP grants will be awarded on a competitive basis to assist in funding eligible projects for the purpose of developing, expanding, or promoting marine highway transportation. This notice announces the availability of up to \$12,423,000 million in funding for grants under this program and establishes selection criteria and application requirements. All USMHP grant recipients must meet all applicable Federal requirements, including domestic content ("Buy America") requirements. This program was formerly known as the America's Marine Highway Program.

DATES: Applications must be submitted by 11:59:59 p.m. E.D.T. on April 28, 2023.

ADDRESSES: Applications must be submitted through Grants.gov.

FOR FURTHER INFORMATION CONTACT: For further information concerning this notice, please contact the USMHP staff via email at mh@dot.gov, or call Fred Jones at 202-366-1123. In addition, the Maritime Administration ("MARAD") may post answers to questions and requests for clarifications as well as information about webinars for further information at

<https://www.maritime.dot.gov/grants-finances/marine-highways/grants>.

SUPPLEMENTARY INFORMATION: Each section of this notice contains information and instructions relevant to the application process for the FY 2023 USMHP grants, and all applicants should read this notice in its entirety.

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A. Program Description

Program Overview

The United States Marine Highway Program, codified at 46 U.S.C. 55601, was originally established by Section 1121 of the Energy Independence and Security Act of 2007 to reduce landside congestion through the designation of Marine Highway Routes. Section 3521 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Pub. L. 117-263, December 23, 2022) (“NDAA”) amended 46 U.S.C. 55601 by, among other changes, renaming the America’s Marine Highway Program (AMHP) to the United States Marine Highway Program. The NDAA also expanded the definition of cargo in marine highway transportation to include bulk, liquid, or loose cargo loaded in tanks, holds, hoppers, or on deck and cargo that is loaded or unloaded at a port in Canada or Mexico. Refer to Section A.3. for the full updated

definition of “Marine Highway Transportation.” Additional changes made to the program by the NDAA are described further in this notice in Section A.2.

The Consolidated Appropriations Act, 2023 (Pub. L. 117-328, December 29, 2022) (“FY 2023 Appropriations Act”) appropriated \$10,000,000 for the FY 2023 USMHP. An additional \$2,423,000 in unexpended prior-year USMHP funding is available for FY 2023 grant awards. Therefore, a total of up to \$12,123,000 is available in funding for the FY 2023 USMHP after MARAD retains \$300,000 of the funding for grant administration and oversight. This Notice of Funding Opportunity (NOFO) solicits applications for Projects to be funded under the FY 2023 USMHP. Section E of this notice, which outlines the USMHP grants selection criteria, describes the process for selecting Projects that further the program’s goal. Section F.3. describes progress and performance reporting requirements for selected Projects, including the relationship between that reporting and the program's selection criteria.

Since this program was created, the Department has awarded more than \$91.6 million through competitive grants to eligible entities for marine highway services that have supported the development and expansion of documented vessels and port and landside infrastructure, consistent with DOT’s strategic goals. FY 2023 USMHP grants will continue to align with these strategic goals.¹

The USMHP statute authorizes the U.S. Department of Transportation (“Department” or “DOT”) to make grants to implement Projects or components of Projects that 1) provide a coordinated and capable alternative to landside transportation; mitigate or relieve landside congestion; promote marine highway transportation; or use vessels documented under 46 U.S.C. chapter 121; and 2) develop, expand, or promote marine highway transportation.

¹ See U.S. Department of Transportation Strategic Plan FY 2022–2026 (April 2022) at <https://www.transportation.gov/dot-strategic-plan>.

The Department is committed to advancing safe, efficient transportation, including in the USMHP. USMHP supports this goal through encouraging applicants to describe, in measurable terms, the projected safety improvements that would result from the proposed Project. All Projects are expected to, at a minimum, identify and mitigate to the extent practicable any significant safety risks that could result after the Project completion.

In addition to the statutory requirements, the Department seeks to fund Projects under the USMHP that reduce greenhouse gas emissions in the transportation sector, incorporate evidence-based climate resilience measures and features, reduce the lifecycle greenhouse gas emissions from the project materials, and avoid adverse environmental impacts to air or water quality, wetlands, and endangered species, and address the disproportionate negative environmental impacts of transportation on disadvantaged communities, consistent with Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad* (86 FR 7619).

The Department seeks to award Projects under the USMHP that proactively evaluate whether a Project will create proportional impacts to all populations in a Project area and increase equitable access to Project benefits, consistent with Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (86 FR 7009). The Department also seeks to award Projects that address equity and environmental justice, particularly for communities that have experienced decades of underinvestment and are most impacted by climate change, pollution, and environmental hazards, consistent with Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad* (86 FR 7619).

The Department intends to use the USMHP to support the creation of good-paying jobs with the free and fair choice to join a union and the incorporation of strong labor standards and training and placement programs, especially registered apprenticeships, in project planning

stages, consistent with Executive Order 14025, *Worker Organizing and Empowerment* (86 FR 22829) and Executive Order 14052, *Implementation of the Infrastructure Investment and Jobs Act* (86 FR 64335). The Department also intends to use the USMHP to support wealth creation, consistent with the Department's Equity Action Plan,² through the inclusion of local inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises, Minority-owned Businesses, Women-owned Businesses, or 8(a) firms.

Changes from the FY 2022 NOFO

The FY 2023 NOFO incorporates substantial changes from the FY 2022 NOFO, including updated selection criteria. Merit criteria now include the following: Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation; Expanding the Benefits of Marine Highway Transportation; Measuring Project Support; and Leveraging Federal Funding and Financial Viability. Additional new selection considerations include: Climate Change and Sustainability; Equity and Justice⁴⁰; and Workforce Development, Job Quality, and Wealth Creation; as described in more detail in Section D of this NOFO. The FY 2023 NOFO also includes updated definitions described in Section A.3., below. Application review criteria in Section E of the FY 2023 USMHP NOFO have been updated to reflect the revised selection criteria.

Based on changes made to the USMHP statute by the NDAA, the FY 2023 NOFO also includes changes to: application requirements; eligibility for grant applicants; and expanded eligibility for cargo moved on the marine highway transportation service, including cargo loaded or unloaded from one port in the U.S. to Canada or Mexico (and vice versa). As required per the NDAA, this notice distinguishes between Tribal governments and Alaska Native Corporations,

² https://www.transportation.gov/sites/dot.gov/files/2022-04/Equity_Action_Plan.pdf.

as each term is defined in Section A.3. The NDAA allows the Secretary to increase the Federal share of funding for the Project to an amount above 80 percent for Tribal governments or for a Project located in a rural area. Significantly, the USMHP no longer requires that proposed grant Projects be a part of a Marine Highway Project previously designated by the Secretary to be eligible for grant funding. Resultingly, the *Marine Highway Project Designation Open Season and Renewal of Project Designations*, 87 FR 42263 (July 14, 2022) is no longer applicable.

Applicants who are planning to re-apply using materials prepared for prior competitions should ensure that their FY 2023 USMHP application fully addresses the statutory merit criteria and selection considerations described in this notice and that all relevant information is up to date.

Definitions

Alaska Native Corporation: Any Regional Corporation, any Village Corporation, any Urban Corporation, and any Group Corporation, as those terms are defined under section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

Climate Change: Changes in average weather conditions that persist over multiple decades or longer due to natural or anthropogenic activities, especially from greenhouse gas emissions. Climate change encompasses both increases and decreases in temperature, as well as shifts in precipitation, changing risk of certain types of severe weather events, and changes to other features of the climate system.

Construction activities: Includes construction, reconstruction, rehabilitation, or acquisition of property (including land related to the Project and improvements to the land) and right of ways, environmental mitigation, construction contingencies, equipment acquisition, vessel acquisition, modification, or rehabilitation, and operational improvements.

Development phase activities: Includes planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities.

Documented vessel: A vessel documented under 46 U.S.C. chapter 121.

Environmental Justice: The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.³

Equity: The consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment. More information can be found in Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (86 FR 7009).

Facility: A specific location in a port where passengers or commodities are transferred between land and water carriers or between two water carriers, specifically including: wharves, piers, sheds, warehouses, yards, and docks.

Historically Disadvantaged Communities: DOT has developed a definition of Historically Disadvantaged Communities as part of its implementation of the Justice40 Initiative and will use that definition for the purpose of this NOFO. Consistent with OMB's Interim Guidance for the Justice40 Initiative,⁴ Historically Disadvantaged Communities include (a) certain qualifying census tracts, (b) any Tribal land, or (c) any territory or possession of the United States. DOT is

³ As defined by the U.S. Environmental Protection Agency (EPA) at <https://www.epa.gov/environmentaljustice/ej-2020-glossary>.

⁴ <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>.

providing a mapping tool to assist applicants in identifying whether a Project is located in a Historically Disadvantaged Community.⁵

Marine Highway Transportation: The carriage by a documented vessel of cargo (including such carriage of cargo and passengers), if such cargo is: 1) contained in intermodal cargo containers and loaded by crane on the vessel; loaded on the vessel by means of wheeled technology, including roll-on roll off cargo; shipped in discrete units or packages that are handled individually, palletized, or unitized for purposes of transportation; bulk, liquid, or loose cargo loaded in tanks, holds, hoppers, or on deck; or freight vehicles carried aboard commuter ferry boats; and 2) is loaded at a port in the United States and unloaded either at another port in the United States or at a port in Canada or Mexico; or loaded at a port in Canada or Mexico and unloaded at a port in the United States.

Marine Highway Transportation Route: A Marine Highway Transportation Route previously designated by the Secretary.⁶

Marine Highway Transportation Route Sponsor: The requester of a Marine Highway Transportation Route designation or modification of a designated route approved by the Secretary. See Appendix A: Marine Highway Transportation Route Sponsors.

Marine Highway Transportation Project: The proposed Project for which the applicant is seeking funding under this notice. The Project must be part of an existing or proposed Marine Highway Transportation Service and must serve a designated Marine Highway Transportation Route.

⁵ A mapping tool is available through the MARAD website: <https://www.maritime.dot.gov/USMHPgrants> or directly at <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>.

⁶ <https://cms.marad.dot.gov/grants-finances/marine-highways/route-designation-one-pagers>.

Marine Highway Transportation Service: The overall Marine Highway Transportation Service and operation that is proposed, expanded, or promoted by the proposed Marine Highway Transportation Project. The service must have a point of origin or destination on a designated Marine Highway Transportation Route.

Overburdened Community: Minority, low-income, tribal, or indigenous populations or geographic locations in the United States that potentially experience disproportionate environmental harms and risks. This disproportionality can be a result of greater vulnerability to environmental hazards, lack of opportunity for public participation, or other factors. Increased vulnerability may be attributable to an accumulation of negative or lack of positive environmental, health, economic, or social conditions within these populations or places. The term describes situations where multiple factors, including both environmental and socio-economic stressors, may act cumulatively to affect health and the environment and contribute to persistent environmental health disparities.⁷

Rural area: An area located outside a 2020 Census-designated urban area.⁸

Shipper: The Beneficial Cargo Owner (BCO), i.e., the party that ultimately owns the product or cargo being shipped.

Tribal government: The recognized governing body of any Indian or Alaska Native Tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently, as of the date of

⁷ As defined by the EPA at <https://www.epa.gov/environmentaljustice/ej-2020-glossary>.

⁸ For the purpose of this NOFO, the definition of urban and rural is based on the 2020 Census-designated urban and rural areas. A project located in both an urban and a rural area will be designated as *urban* if the majority of the project's costs will be spent in urban areas. Conversely, a project located in both an urban area and a rural area will be designated as *rural* if the majority of the project's costs will be spent in rural areas. For USMHP planning grants, the location of the project being planned, prepared, or designed will be used for the urban or rural designation.

enactment of the FY 2023 NDAA, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

Underserved communities: Populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of “equity” above.

More information can be found in Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (86 FR 7009).

Urban area: An area located within (or on the boundary of) a 2020 Census-designated urban area.⁹

Additional Information

The USMHP is described in the Federal Assistance Listings under the assistance listing program title “United States Marine Highway Grants” and assistance listing number 20.816.

Federal Award Information

Amount Available

The total funding available for awards under this NOFO is \$12,123,000. This amount represents \$2,423,000 from unexpended prior-year USMHP funding and \$10 million in appropriated funding under the FY 2023 Appropriations Act, less \$300,000 for grant administration and oversight as permitted under 49 U.S.C. 109(i). If MARAD does not receive sufficient qualified applications, it will award less than the amount available.

In addition to the FY 2023 USMHP funds, unobligated prior year USMHP funds may be made available and awarded under this solicitation to eligible projects. If this solicitation does

⁹ Lists of 2020 urban areas as defined by the Census Bureau are available on the Census Bureau website at <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>. MARAD will use the following website to determine whether a project is in an urban or rural area: <https://tigerweb.geo.census.gov/tigerweb2020/https://tigerweb.geo.census.gov/tigerweb2020/>.

not result in the award and obligation of all available funds, MARAD may publish additional solicitations.

Award Size

For funding awarded under the USMHP, there is no maximum or minimum award size.

Availability of Funds

MARAD seeks to obligate FY 2023 USMHP funds by September 30, 2026. Obligation occurs when a selected applicant and MARAD enter into a written grant agreement after the applicant has satisfied applicable administrative requirements, including transportation planning and environmental review requirements, such as those under the National Environmental Policy Act (NEPA). Unless “pre-award costs” are authorized by MARAD in writing after MARAD’s announcement of FY 2023 USMHP award selections pursuant to 2 CFR 200.458, any costs incurred prior to MARAD’s obligation of funds for a Project are ineligible for reimbursement and are ineligible to count as match for cost share requirements.¹⁰ Per 46 U.S.C. 55601(d)(6), MARAD also expects grant recipients to expend funds within five years after obligation. As part of the review and selection process described in Section E, MARAD will consider a Project’s likelihood to be ready for obligation of funds by September 30, 2026, and liquidation of these obligations within five years after the date of obligation.

Previous USMHP Awards

Recipients of prior USMHP grants (previously referred to as America’s Marine Highway grants) may apply for funding to support additional phases or components of a Project previously awarded funds under 46 U.S.C. 55601. However, to be competitive, the applicant should

¹⁰ Pre-award costs are only costs incurred directly pursuant to the negotiation and anticipation of the USMHP award where such costs are necessary for efficient and timely performance of the scope of work, as determined and pre-approved in writing by MARAD.

demonstrate the extent to which the previously funded Project phase or component has met estimated project scope, schedule, and budget milestones, as well as how the new phase or component will enhance the ability to achieve the benefits expected for all phases of the Project.

Eligibility Information

To be selected for a FY 2023 USMHP discretionary grant, an applicant must be an eligible applicant and the Project must be an eligible project.

Eligible Applicants

An eligible applicant for a FY 2023 USMHP grant is: a State,¹¹ a political subdivision of a State or a local government; a United States metropolitan planning organization; a United States port authority; a Tribal government (as defined in Section A.3. of this notice); or a United States private sector operator of marine highway projects or private sector owners of facilities, including an Alaska Native Corporation, with an endorsement letter from the current Marine Highway Route Sponsor. Private sector applicants, including Alaska Native Corporations, should refer to Section D.2.b. for more information on documenting the required route sponsor endorsement and Section D.2.e. on additional application information necessary when submitting an application under this notice. Federal agencies are not eligible applicants for the FY 2023 USMHP.

Eligible applicants are encouraged to develop coalitions and public/private partnerships, which might include vessel owners and operators; third-party logistics providers; trucking companies; shippers; railroads; port authorities; state, regional, and local transportation planners; environmental organizations; impacted communities; or any combination of entities working in

¹¹ State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

collaboration on a single grant application. All successful grant applicants, whether they are public or private entities, must comply with all Federal requirements.

If submitting a joint application, applicants must identify in the application the eligible lead applicant as the primary point of contact, who will also be responsible for financial administration of the Project. Joint applications must include a letter of support signed by each applicant as an attachment and include a description of the roles and responsibilities of each entity. See Section D.2.b. for more information.

In order to be eligible for award, eligible applicants must demonstrate that they have the authority to carry out the Project and must submit information related to an assertion with citation of authority with their application. In the case of joint applications, at least one of the eligible applicants must demonstrate this authority. See Section D.2.b. for more information.

2. Cost Sharing or Matching

The Federal share of the total costs of an eligible USMHP Project may not exceed 80 percent; however, per 46 U.S.C. 55601(d)(4)(B), the Secretary may increase the Federal share of costs above 80 percent for: (1) a grant to an eligible entity that is a Tribal government; or (2) a grant for a Project that is located in a rural area. “Rural area” and “Tribal government” are defined in Section A.3. of this notice. If an applicant requests a Federal share of costs above 80 percent, it should provide a brief explanation as to why the increased Federal share is requested.

Applicants should use the following equation when determining the cost share for their Project:

$$\frac{(USMHP\ Grant\ Request + Other\ Federal\ Funds)}{Total\ Project\ Cost} = Federal\ Cost\ Share$$

For the USMHP, Total Project Cost means the sum of future eligible Federal and non-Federal costs that have not yet been incurred. MARAD will not consider previously incurred costs or previously expended or encumbered funds towards the non-Federal cost-share requirement.

Non-Federal sources include State funds originating from programs funded by State revenue, local funds originating from State or local revenue-funded programs, or private funds. The application must demonstrate, such as through a commitment letter or other documentation included in the USMHP application, the sources of the non-Federal funds. Unless otherwise authorized by statute, funds used to satisfy the non-Federal cost-share requirements of a different Federal program may not be counted as the non-Federal cost share for both the FY 2023 USMHP grant award and another Federal grant program. All non-Federal cost-share funds are subject to the same Federal requirements described in Section F.2. as awarded funds.

For the purpose of eligibility, the proceeds of Federal assistance under chapter 6 of Title 23, United States Code (“TIFIA”) or sections 501 through 504 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210) (“RRIF”), as amended, shall be considered to be part of the non-Federal share of Project costs if the loan is repayable from non-Federal funds, unless otherwise requested by the Project sponsor.

See Section D.2.d. for information about documenting cost sharing in the application.

In addition to these cost-share requirements, cost share will be evaluated according to the “Leveraging Federal Funding and Financial Viability” criterion described in Section E.1.a.(4).

For each Project that receives a USMHP grant award, the terms of the award will require the recipient to complete the Project using at least the level of non-Federal funding that was specified in the application. If the actual costs of the Project are greater than the costs estimated

in the application, the recipient will be responsible for increasing the non-Federal contribution. If the actual costs of the Project are less than the costs estimated in the application, MARAD will generally reduce the Federal contribution.

3. Other

Eligible Projects

Eligible projects for FY 2023 USMHP grants are Marine Highway Transportation Projects or components of Projects that 1) provide a coordinated and capable alternative to landside transportation; mitigate or relieve landside congestion; promote marine highway transportation; or use vessels documented under Chapter 121; and 2) develop, expand, or promote marine highway transportation.

This program will not provide funding to improvements to port or land-based infrastructure, including equipment, outside the United States. In addition, this program will not provide funding to raise sunken vessels, construct buildings or other physical facilities, or acquire land, unless the Secretary determines that such activities are necessary to carry out the Marine Highway Transportation Project for which such assistance is provided. If an applicant requests funding to raise sunken vessels, construct buildings or other physical facilities (as “facility” is defined in section A.3.), or acquire land, it must explain why the activities or Projects are necessary to carry out the Marine Highway Transportation Project. Refer to Section D.2.b. of this notice for further information on documentation needed to justify these activities. Improvements to Federally owned facilities are ineligible under the FY 2023 USMHP.

This program will not fund the purchase or installation of fully automated cargo handling equipment, or the installation of terminal infrastructure that is designed for fully automated cargo handling equipment, if the Secretary determines that such equipment would result in a net loss of

good jobs or reduction in the quality of jobs within the port or port terminal. In general, fully automated cargo handling systems transfer materials without the need, or with a significantly reduced need, for human assistance. Such systems may be remotely operated or monitored, with or without the exercise of human intervention or control. Applicants that propose Projects that include the acquisition of eligible cargo handling equipment or terminal infrastructure for cargo handling equipment must indicate in their application whether or not the equipment is fully automated (or whether the terminal infrastructure is designed for fully automated equipment). If fully automated equipment is proposed to be acquired or terminal infrastructure for such equipment is proposed to be created, the applicant must provide information describing the job changes that will result from the Project, including supporting evidence demonstrating that the Project will not directly result in a net loss of good jobs or degradation of job quality.

Development phase activities—such as planning, feasibility analysis, revenue forecasting environmental review, permitting, preliminary engineering and design work, development of master plans, and other preconstruction work—of eligible USMHP Projects described above in this Section C.3.a. may be eligible projects as long as they satisfy all other eligibility requirements and merit criteria described in this notice. However, Projects for development phase activities that do not include any construction activities as defined in Section A.3. will be less competitive than those Projects that will result in construction with FY 2023 USMHP funding.

Project Components

An application may describe a Project that contains more than one component and may describe components that may be carried out by parties other than the applicant. MARAD expects, and will impose requirements on fund recipients to ensure, that all components included

in an application will be delivered as part of the USMHP Project, regardless of whether a component includes Federal funding. The status of each component should be clearly described (for example, in the Project schedule). MARAD may award funds for a component, instead of the larger Project, if that component: (1) independently meets all eligibility requirements described in Section C; (2) independently aligns well with the selection criteria identified in this NOFO; and (3) meets NEPA requirements with respect to independent utility. Independent utility means that the component will represent a transportation improvement that is usable even if no other improvement is made in the area and will be ready for intended use upon completion of that component's construction. All Project components that are presented together in a single application must demonstrate a relationship or connection among them.

MARAD strongly encourages applicants to identify in their applications the Project components that have independent utility and separately detail costs and requested USMHP funding for those components. If the application identifies one or more independent Project components, the application should clearly identify the applicant's priority for funding among the components, how each independent component addresses the selection criteria and produces benefits on its own, and describe how the full proposal of which the independent component is a part addresses the selection criteria described in Section E.

Applicants should be aware that, depending upon the relationship between Project components and applicable Federal law, DOT funding of some project components may make other Project components subject to Federal requirements as described in Section F.2.

Application Limit

Each eligible applicant may submit no more than one application. If an applicant submits multiple applications, only the last one received by MARAD will be considered.

Application and Submission Information

Address to Request Application Package

Application materials may be accessed on Grants.gov. Applications must also be submitted to Grants.gov. Instructions for submitting applications can be found at <https://www.maritime.dot.gov/grants-finances/marine-highways/grants>.

Content and Format of Application Submission

The application must include the Standard Form (SF) 424 (Application for Federal Assistance) and the Project Narrative. More detailed information about the Project Narrative follows. Applicants are encouraged to also complete the SF-424C (Budget Information – Construction Programs). These forms may be found at <https://www.grants.gov/forms/sf-424-family.html>.

MARAD expects the Project Narrative be prepared with standard formatting preferences (a single-spaced document, using a standard 12-point font such as Times New Roman, with 1-inch margins, and the narrative text in one column only). Documents should be submitted in PDF, unless otherwise specified. The Project Narrative may not exceed 20 pages in length, excluding cover pages and table of contents. The only substantive portions that may exceed the 20-page limit are documents supporting assertions or conclusions made in the 20-page Project Narrative and documentation related to the required determinations. If possible, website links to supporting documentation should be provided rather than copies of these supporting materials. It is important to ensure that the website links are currently active and working.

Evaluators are not required to review supporting documents as part of the selection criteria review described in Section E. Supporting documentation should be dated, and MARAD recommends using appropriately descriptive file names (e.g., “Project Narrative,” “Maps,”

“Memoranda of Understanding and Letters of Support”) for all attachments. If supporting documents are submitted, applicants should clearly identify within the Project Narrative the relevant portion of the Project Narrative that each supporting document supports.¹²

MARAD recommends that the Project Narrative follow the basic outline below to ensure applications address all applicable requirements and assist evaluators in locating relevant information.

Introductory Information	See D.2.a.
Section I: Project Description	See D.2.b.
Section II: Project Location	See D.2.c.
Section III: Grant Funds, Sources, and Uses of Project Funds	See D.2.d.
Section IV: Additional Application Information Needed from All Private-Sector Applicants	
Funding.....	See D.2.e
Section V: Merit Criteria	See D.2.f.
Section VI: Selection Considerations.....	See D.2.g.
Section VII: Project Readiness	See D.2.h.
Section VIII: Domestic Preference	See D.2.i.

The Project Narrative should include the information necessary for MARAD to determine that the project satisfies project requirements described in Sections B and C and to assess the selection criteria specified in Section E.1. In addition to a detailed statement of work, detailed

¹² Although they are not required to do so, applicants are strongly encouraged to include a list of their supporting documents on the last page of their Project Narrative and to attach the documents to their application package in the following order: Project Narrative; Attachments Form; project schedule; funding commitment letter(s); MOUs; project engineering drawings; project planning documents; SF-424C, Budget Information for Construction Programs; project cost estimate information; letters of support; other documentation.

Project schedule, and detailed Project budget, the Project Narrative should include a table of contents, maps, photographs, and graphics, as appropriate, to make the information easier to review and the Project location and scope easier to understand. Applicants should provide supporting data and documentation in a form that is directly verifiable by MARAD. MARAD expects applications to be complete upon submission and will evaluate the application based on the information submitted. MARAD may ask any applicant to supplement data in its application but is not required to do so. Lack of supporting information provided with the application negatively affects competitiveness of the application, as described in Section E.

MARAD recommends applications include the following content:

Introductory Information

Each application should include a cover page with information about the Project included in the following chart:

Field Name	Guidance
Name of lead applicant	
Is the applicant applying as a lead applicant with any joint applicants?	If yes, identify by name each of the joint applicants.
Project name	Provide a concise (five- to seven-word) name of the Project.
Project description	Provide a brief (no more than 100 words) description of the Project that focuses on what the Project consists of.
Is the applicant a United States private sector operator of marine highway projects or private sector owners of facilities, including an Alaska Native Corporation?	If yes, identify the Marine Highway Transportation Route Sponsor endorsing the application (this should be the same sponsor as indicated below in “Marine highway route served”).
Marine highway route served	Specify the designated Marine Highway Transportation Route the Project serves and the Marine Highway Transportation Route Sponsor.
Project location address	Specific location of the Project, located on a specific street, in a specific town or city, inside of a specific county, etc. This is not the headquarters, corporate office, or other main

Field Name	Guidance
	office of the applicant. This is specific only to the project location. If the application is requesting assistance for Projects in multiple sites, list the address for each site.
GIS Coordinates (in Latitude and Longitude format)	<p>Provide the GIS coordinates of the approximate geographic center of the Project. The latitude and longitude of the Project are to be reported as decimal degrees with a minimum of 5 decimal places.</p> <p>This is the specific location of the Project. This is not the headquarters, corporate office, or other main office of the applicant. If the application is requesting assistance for Projects in multiple sites, list the GIS coordinates for each site.</p>
Is this Project in an urban or rural area?	Refer to definitions of “urban area” and “rural area” in Section A.3. of the NOFO. This designation is based on the specific location of the Project. It is not based on the headquarters, corporate office, or other main office of the applicant. If the application is requesting assistance for Projects in multiple sites, only note the area where the majority of funds are being requested.
Is the applicant a Tribal government?	Refer to definition of “Tribal government” in Section A.3. of this notice.
Project Zip Code	Identify the zip code that corresponds to the GIS coordinates identified above. If the application is requesting assistance for Projects in multiple sites, list the Zip Code for each site.
Is the Project located in a Historically Disadvantaged Community (HDC)?	Answer yes only if the Project is wholly or partially in a Historically Disadvantaged Community. If the application is requesting assistance for Projects in multiple sites, the Project will be designated as an HDC if the majority of the Project’s costs will be spent in the area that qualifies as an HDC.
Has the same Project been previously submitted for AMHP/USMHP funding?	Identify the program and year of the prior submission (such as “AMHP FY 2022”).
Is the applicant applying for other discretionary grant programs in 2023 for the same work or related scopes of work?	If so, identify the program, amount of funding requested and scope (such as “PIDP FY 2023, \$25 million, components 1 and 2 of this USMHP project”).

Field Name	Guidance
Has the applicant previously received TIGER, BUILD, RAISE, FASTLANE, INFRA or AMHP funding?	Identify the program and year of the prior award (such as “INFRA FY 2022”).
USMHP Grant Amount Requested	Enter the total amount of USMHP grant funds requested.
Total Project Cost	Total Project Cost will be equal to the Total Future Eligible Project Cost, including the USMHP grant amount requested.
Total Federal Funding	Enter the amount of Federal funding from ALL sources that will be used for this Project (include the amount of USMHP grant funding requested).
Total Non-Federal Funding	Enter the amount of funds committed to the Project from non-Federal sources.
Will RRIF or TIFIA funds be used as part of the Project financing?	Indicate whether RRIF or TIFIA funding will be used for the Project. If so, indicate the amount of funds that will be used.

Section I: Project Description

This section of the Project Narrative should include a detailed statement of work and describe the proposed USMHP Project that is to be planned or constructed, focusing on the technical and engineering aspects of the Project as well as the current status of the Project. This section may discuss the Project’s history, including a description of any previously completed components, as well as be used to place the Project into a broader context of other transportation investments being pursued by the Project sponsor; however, the applicant should make clear which investments are outside the scope of the proposed USMHP Project.

This section should also discuss how the Project promotes, expands, or develops a marine highway transportation service as defined in Section A.3. This includes a description of the type of cargo moved by the Project or marine highway transportation service supported by the Project and ports served by the service.

If submitting a joint application, applicants should also identify in this section the lead recipient of the award, who will also be responsible for financial administration of the Project,

and a description of the roles and responsibilities of each applicant. Applications must include a signed letter of support from all eligible joint applicants as an attachment.

Applicants should also include in this section citations of authority or other supporting documentation necessary to establish an applicant's authority to carry out the Project, so that MARAD can make the statutory determination necessary for award at 46 U.S.C. 55601(d)(7)(C) and discussed further in Section E.1.e. The citations should be of sufficient detail to demonstrate that the applicant is an eligible applicant and to show how the applicant is related to the work on the property where the grant funds will be spent. Examples of information that could assist with making this determination include: the citation of specific sections or chapters of state or local statutory language that demonstrate relevant authority; the inclusion of a narrative outlining the authority of the eligible entity applying for grant funding; or a description of the relationship between the applicant and the owner of the property that links the Project to the authority to carry out the Project (e.g., through a lease agreement).

If an applicant requests funding to raise sunken vessels, construct buildings or other physical facilities (as defined in section A.3.), or acquire land, it must explain in the application why the activities are necessary to carry out the Marine Highway Transportation Project. Funding cannot be awarded for one of these uses unless the Secretary determines that such activities are necessary to carry out the Marine Highway Transportation Project.

Section II: Project Location

This section of the application should describe the Project location, including a map and photographs of the Project's location and connections to existing transportation infrastructure, and geospatial data describing the Project location. The application should also describe the Marine Highway Transportation Route served by the Project.

Applicants should submit with their application a file with Project location identification. The file is needed to verify urban/rural and HDC designations. It can be submitted in one of the following file types: Shapefile, Geodatabase (GDB), GEOJSON, KML/KMZ or CSV. The location of the Project listed in the file should only include the direct physical location of the Project. It should not include a broad service area or area of Project impact.¹³ The location of the Project is where the requested grant funds will be used, not the headquarters, corporate office, or other main office of the applicant. If the Project includes multiples sites, include Project location information for all sites.

This section should also clearly identify whether the Project is: located in a rural or urban area (as defined in Section A.3.); and/or located in a Historically Disadvantaged Community (as defined in Section A.3.), including the relevant census tract(s).¹⁴ The description should also include demographic information describing any minority, low income, or limited English proficient communities in the vicinity of, and potentially impacted by, the proposed Project.¹⁵ A Project located in both an urban and a rural area will be designated as *urban* if the majority of the Project's costs will be spent in urban areas. Conversely, a Project located in both an urban area and a rural area will be designated as *rural* if the majority of the Project's costs will be spent in rural areas. For USMHP planning grants, the location of the Project being planned, prepared, or designed will be used for the urban or rural designation. Applicants must ensure that the location and address of the Project is correctly identified in the application.

¹³ For additional instructions on creating an acceptable Project Location file, please see <https://www.maritime.dot.gov/grants/marine-highways/america%E2%80%99s-marine-highway-frequently-asked-questions-faqs>.

¹⁴ A project located in both HDC areas and areas that are not HDC areas will be designated as HDC if the majority of the project's costs will be spent in the area that qualifies as HDC. For USMHP planning grants, the location of the project being planned, prepared, or designed will be used for the HDC designations.

¹⁵ Applicants are encouraged to utilize EPA's [EJScreen](#) or [DOT's Transportation Disadvantaged Census Tracts](#) tool to identify the demographics of the communities potentially impacted by the Project.

Section III: Grant Funds, Sources, and Uses of Funds

This section should describe the budget for the USMHP Project (i.e., the Project scope that includes USMHP funding and matching funding). The budget should not include any previously incurred expenses that are incurred prior to MARAD's announcement of project selection. Project budgets should show how different funding sources will share in each activity and present those data in dollars and percentages. The budget should identify other Federal funds, if any, that the applicant intends to use. Funding sources should be grouped into three categories: non-Federal, USMHP, and other Federal, with specific amounts from each funding source. The budget details should sufficiently demonstrate that the Project satisfies the statutory non-Federal cost-sharing requirements described in Section C.2. in order for MARAD to make the determination at 46 U.S.C. 55601(d)(7)(A) and described further in Section E.1.e. At a minimum, the Project budget should include: total Project Costs for the FY 2023 USMHP project (see Section C.2. for definition of Total Project Cost); FY 2023 USMHP grant funding request; specific source, amount, type (grant, loan, etc.), and match requirements of other Federal funds to be used for eligible Project costs; and specific sources and amounts of non-Federal funds, if included, to be used for eligible Project costs. If a Project is in two or more census tracts or is located only partially within an urban or rural area, the budget needs to separate the costs between the various census tracts or areas designated as urban and rural.

If an applicant is a Tribal government or has a proposed Project in a rural area, it may request a USMHP Federal share of costs above 80 percent by providing a brief explanation in this section as to why the increased Federal share is requested and needed.

In addition to the information enumerated above, this section should provide complete information on how all Project funds may be used. For example, if a particular source of funds is

available only after a condition is satisfied, the application should identify that condition and describe the applicant’s control over whether it is satisfied. Similarly, if a particular source of funds is available for expenditure only during a fixed time period, the application should describe that restriction. Complete information about Project funds will ensure that MARAD’s expectations for award execution align with any funding restrictions unrelated to MARAD, even if an award differs from the applicant’s request. If a funding source is uncertain, the applicant should state that it is uncertain and describe the source of the uncertainty.

Applicants are encouraged to include the budget table below, filled out with Project details:

	[Component 1]	[Component 2]	Total
USMHP Funds:	[\$XXX]	[\$XXX]	[\$XXX]
Other Federal Funds:	[\$XXX]	[\$XXX]	[\$XXX]
Non-Federal Funds:	[\$XXX]	[\$XXX]	[\$XXX]
Total:	[\$XXX]	[\$XXX]	[\$XXX]

If there is only a single component, remove “Component 2” column. If there are more than 2 components, add columns.

The discussion should also reference (and summarize) supporting documentation of funding commitments for non-Federal funds to be used for eligible Project costs, which must be submitted as an appendix and clearly marked. In preparing this section, applicants should also refer to the “Leveraging Federal Funding and Financial Viability” merit criterion in Section D.2.f.(4).

Section IV: Additional Application Information Needed from All Private-Sector Applicants

In addition to the required Marine Highway Transportation Route Sponsor endorsement letter, all private-sector applicants, including previous USMHP applicants, must provide the following additional information as attachments to the application:

A description of the entity including location of the headquarters; a description of the entity's assets (tugs, barges, etc.); years in operation; ownership; customer base; and website address, if any.

Unique Entity Identifier of the parent company (when applicable).

The most recent year-end audited, reviewed, or compiled financial statements, prepared by a certified public accountant (CPA), per U.S. generally accepted accounting principles (not tax-based accounting financial statements). If CPA prepared financial statements are not available, provide the most recent financial statement for the entity. Do not provide tax returns.

Statement regarding the relationship between applicants and any parents, subsidiaries, or affiliates, if any such entity is going to provide a portion of the matching funds.

Evidence documenting applicant's ability to make proposed matching requirement (loan agreement, commitment from investors, cash on balance sheet, etc.).

Pro-forma financial statements reflecting financial condition at beginning of period; effect on balance sheet of grant and matching funds (e.g., a decrease in cash or increase in debt, additional equity and an increase in fixed assets); and impact on company's projected financial condition (balance sheet) of completion of Project, showing that company will have sufficient financial resources to remain in business.

Statement regarding whether during the past five years, the applicant or any predecessor or related company has been in bankruptcy or in reorganization under

Chapter 11 of the Bankruptcy Code, or in any insolvency or reorganization proceedings, and whether any substantial property of the applicant or any predecessor or related company has been acquired in any such proceeding or has been subject to foreclosure or receivership during such period. If so, give details.

Additional information may be requested as deemed necessary by MARAD to facilitate and complete its review of the application. If such information is not provided, MARAD may deem the application incomplete and cease processing it.

Section V: Merit Criteria

This section of the application should demonstrate how the Project aligns with the merit criteria described in Section E.1.a. of this notice. Per 46 U.S.C. 55601(d)(1), the Secretary may make grants to eligible entities to implement a Marine Highway Transportation Project or a component of such a Project if the Secretary determines that the Project or component 1) provides a coordinated and capable alternative to landside transportation; mitigates or relieves landside congestion; promotes marine highway transportation; or uses vessels documented under 46 U.S.C. chapter 121 and 2) the Project or component must develop, expand, or promote Marine Highway Transportation.

The USMHP merit criteria are: Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation; Expanding the Benefits of Marine Highway Transportation; Measuring Project Support; and Leveraging Federal Funding and Financial Viability.

To assist project evaluators, MARAD encourages applicants to describe the Project merit criteria in the order in which they are described in the NOFO and address each criterion separately. Insufficient information to assess any criterion will negatively impact the Project rating. To minimize redundant information in the application, MARAD encourages applicants to

cross-reference from this section of their application to relevant substantive information in other sections of the application. The guidance in this section is about how the applicant should organize their application. Guidance describing how MARAD will evaluate Projects against the selection criteria is in Section E.1. of this notice. Applicants should review that section before considering how to organize their application.

Demonstrating the Need to Develop, Expand, or Promote Marine Highway

Transportation

This section of the application must clearly demonstrate how a Project is needed to develop, expand, or promote Marine Highway Transportation.

Market Need

The application should include a description of specific commodities, markets, and shippers the Marine Highway Transportation Service is attracting or is expected to attract. This can include a discussion of the market or customer base to be served by the Service and the Service's value proposition to customers.

Project Need

The application must document why the Project is needed to attract the specific commodities, markets, and shippers necessary to develop, expand, or promote the Marine Highway Transportation Service. To document why the Project is needed to attract specific commodities, markets, and shippers, applicants should describe how the Project will improve one or more of those elements. For example, applicants could describe a type of equipment or vessel that would meet the need of moving a specific commodity or increase the ability of a Service to expand or enter a market. This section should identify existing deficiencies or inefficiencies in the market and discuss how the Project will correct or address them, especially in relation to the impact of

the Project on the Marine Highway Transportation Service. If applicable, the narrative should also explain how the Project will strengthen the Marine Highway Transportation Service within the larger local, regional, or national supply chain. The application should include metrics to support claims of expected improvements, such as changes in freight volumes (TEU or Tons), CO2 emission reductions, or other metrics as proposed by the applicant.

Project Impact

The application should include a description of the impact, if any, to the development, expansion, or promotion of the Marine Highway Transportation Service if the Project is delayed or not realized. For example, the narrative could describe how existing deficiencies or inefficiencies in the market would increase or expand. It could also describe the impacts to the growth or development of the Marine Highway Transportation Service. If applicable, the narrative should also describe the impacts to the environment, safety, system resiliency and redundancy, and landside infrastructure and congestion if the Project is delayed or not realized.

Expanding the Benefits of Marine Highway Transportation

This section of the application must clearly document the overall benefits gained through the successful implementation of the Project. The applicant should only describe the benefits directly attributable to the Project, not those attributable to the overall Marine Highway Transportation Service. The application should include performance measures to support claims of current needs and expected improvements. For example, to support a claim of increased efficiency or reliability, the application should include metrics to demonstrate the impact of the Project. Metrics such as commodity type, volume of goods moved, or the number of vessels served might be used to document increased reliability of cargo operations or increase in market access, particularly where the narrative documents a deficiency in goods movement.

If the Project has multiple independent components, the narrative should include sufficient information to describe the impact of each component on the overall Project. Eligible applicants should organize the public benefits of the Project based on the following five categories.

Landside congestion and infrastructure savings

In dollars per year, provide the projected net savings of public funds that would result in road or railroad maintenance or repair, including pavement, bridges, tunnels, or related transportation infrastructure from the Project. This section should also describe how the Project mitigates or relieves landside congestion, including how the Project results in a reduction of commercial vehicle miles traveled (VMT).

Economic competitiveness

Describe the market or customer base served by the Marine Highway Transportation Service and how the Project measurably results in transportation efficiency and economic gains. This includes a description of the volumes and types of cargo or passengers that will be moved because of this Project. For purposes of aligning a Project with this outcome, applicants should provide evidence of how improvements in transportation outcomes (such as time savings, operating cost savings, and increased utilization of assets) translate into long-term economic benefits.

System resiliency and redundancy

Describe how the Project offers a resilient route or service that can benefit the public. This includes a description of how the Project provides a coordinated and capable alternative to landside transportation. Where land transportation routes serving a locale or region are limited, describe how a proposed Project offers an alternative and the benefit this could offer when other

routes are interrupted because of natural or man-made incidents. This section should also include a description of how the Project benefits the larger local, regional, or national supply chain.

Emissions Reductions and Energy Savings

Address how the Project provides any net energy savings or reductions in emissions, in quantifiable terms, now and in the future, over current energy consumption and emissions practices, including greenhouse gas emissions, criteria air pollutants, or other environmental benefits the Project offers.

Safety improvements

This section of the application must describe, in measurable terms, the projected safety improvements that would result from the Project. Discuss the safety risks the Project is designed to address and how it will protect the workers from those risks. The narrative might also quantify how the Project reduces serious injuries related to operations or incorporates specific safety improvements that are part of a documented risk reduction strategy. Prior to receiving funds, all Projects are expected to, at a minimum, identify and mitigate to the extent practicable any significant safety risks that could result after the Project completion. Applicants should include how their Project will not negatively impact the overall safety of the traveling public.

Measuring Project Support

This section of the application must clearly document the supporters of the Project, which may include both private sector and public sector partners, including their level of commitment to the Project as shown through attached letters of support. Private sector partners can include terminals, vessel operators, shipyards, shippers, trucking companies, railroads, third-party logistics providers, shipping lines, labor, and workforce. Public sector partners may include State Departments of Transportation, metropolitan planning organizations, municipalities, and other

governmental entities, including Tribal governments. Applicants should also include any affiliations with environmental groups or civic associations. Applicants are strongly encouraged to submit letters of support from all private and public sector partners as part of the application in the Supporting Documentation. If an applicant is a private entity, the required endorsement letter from the Marine Highway Transportation Route Sponsor will count as a letter of support under this criterion. Applications that include letters of support from Project partners will be rated higher on this criterion than those that do not, as described further in Section E.1.a.

Leveraging Federal Funding and Financial Viability

This section of the application may be used to include additional information that may strengthen MARAD's understanding of the applicant's effort to improve non-Federal leverage. Refer to Section E.1.a.(4) for the methodology used to assess leverage of Federal funding. In addition, the applicant must document that the proposed Marine Highway Transportation Project is financially viable, and the funds will be spent or used efficiently and effectively. For example, applicants should adequately demonstrate that the Project supports a viable Marine Highway Transportation Service, especially if this is a new or proposed Marine Highway Transportation Service. This section may also include a discussion on the applicant's business processes and operations and how the Project and Marine Highway Transportation Service will remain financially viable throughout the lifecycle of the Project.

Section VI: Selection Considerations

After discussing the merit criteria identified above, this section of the application should discuss how the Project addresses the following selection considerations.

Section E: Climate Change and Sustainability

MARAD encourages applicants to address how the Project will consider climate change, sustainability, and environmental justice in the planning stage and in project delivery. In particular, applicants should address the extent to which the Project reduces greenhouse gas emissions in the transportation sector, incorporates evidence-based climate resilience measures and features, and reduces the lifecycle greenhouse gas emissions from the project materials. Applicants also should address the extent to which the Project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, as well as address disproportionate negative impacts of climate change and pollution on disadvantaged communities, including natural disasters, with a focus on prevention, response, and recovery.

To address the planning element of this consideration, the application should describe if the applicant maintains a publicly available emissions inventory of greenhouse gases and/or other air pollutants completed after 2019, or, whether it intends to develop one.¹⁶ The application should also indicate whether a Project is incorporated in a climate action plan, whether an equitable development plan has been prepared, and whether (and how) the results of planning tools such as DOT's Transportation Disadvantaged Census Tract tool or EPA's Environmental Justice Screening Tool (EJScreen), have been incorporated into the Project.¹⁷ The applicant should also indicate whether or not a public involvement plan demonstrating meaningful engagement of the community affected by the Project, to include environmental justice communities or disadvantaged communities, where applicable, was used in Project planning.

¹⁶ The EPA provides guidance for developing emissions inventories for ports, which can be found here: <https://www.epa.gov/state-and-local-transportation/port-emissions-inventory-guidance>.

¹⁷ Information on DOT's Transportation Disadvantaged Census Tract tool can be found at: <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>. The EJScreen tool can be found on the EPA site: <https://ejscreen.epa.gov/mapper/>.

To address the Project components element of this consideration, the application should describe specific and direct ways that the Project will mitigate or reduce climate change impacts, improve sustainability, and address environmental justice considerations. If applicable, applicants are also encouraged to make floodplain upgrades consistent with the Federal Flood Risk Management Standard, to the extent consistent with current law, in Executive Order 14030, *Climate-Related Financial Risk* (86 FR 27967) and Executive Order 13690, *Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input* (80 FR 6425).

See Section E.1.b.(1) for additional information related to how MARAD will prioritize Projects that align well with this selection consideration.

Section F: Equity and Justice⁴⁰

MARAD encourages applicants to address how their Project will include an equity assessment that evaluates whether a Project will create proportional impacts and remove transportation related disparities to all populations in a Project area. Although not required, applicants are encouraged to use DOT's [Transportation Disadvantaged Census Tracts \(arcgis.com\)](https://www.arcgis.com) tool or equivalent tools in their assessment. Applicants should demonstrate how meaningful public engagement will occur throughout a Project's lifecycle and to the extent possible, Projects that target at least 40 percent of benefits towards low-income communities, disadvantaged communities, communities underserved by affordable transportation, or overburdened communities. Applicants should address how Project benefits will increase affordable transportation options, improve safety, connect Americans to good-paying jobs, fight climate change, and/or improve access to resources and quality of life.

Applicants should ensure that they are adequately informed about how the proposed Project will potentially impact affected communities and that diverse views are heard and considered throughout all stages of the consultation, planning, and decision-making process. To that end, applicants should include a description of all public engagement related to the Project, including engagement that is inclusive of minority, low income, limited English proficiency (LEP), and other Historically Disadvantaged Communities, including individuals with disabilities, and the degree to which public comments and input have been integrated into Project development and design. The applicant should review the DOT Title VI Program Order 1000.12C,¹⁸ DOT LEP Guidance,¹⁹ and DOT Promising Practices for Meaningful Public Involvement in Transportation Decision-Making²⁰ prior to submission.

Applicants should also use this section to provide a description of any compliance reviews, external lawsuits, investigations, or complaints alleging discrimination, of any kind, occurring in the last five years. The applicant should also provide information discussing the demographic makeup of any existing or proposed planning or advisory body associated with the Project and describe their efforts to encourage the participation of minority, low income, and limited English proficient individuals. See Section E.1.b.(2) for additional information related to how MARAD will prioritize Projects that align well with this selection consideration.

Section G: Workforce Development, Job Quality, and Wealth Creation

MARAD encourages applicants to address how their Project will create good-paying jobs with the free and fair chance to join a union in Project construction; incorporates strong labor standards, such as through the use of project labor agreements; promotes investments in high-

¹⁸ <https://www.transportation.gov/sites/dot.gov/files/2021-08/Final-for-OST-C-210312-002-signed.pdf>.

¹⁹ <https://www.transportation.gov/civil-rights/civil-rights-awareness-enforcement/dots-lep-guidance>.

²⁰ <https://www.transportation.gov/priorities/equity/promising-practices-meaningful-public-involvement-transportation-decision-making>.

quality workforce development programs with supportive services to help train, place, and retain people in good-paying jobs or registered apprenticeships, with a focus on women, people of color, and others that are underrepresented in infrastructure jobs (people with disabilities, people with convictions, etc.); and implements hiring policies and workplace cultures to promote the entry and retention of underrepresented populations. Applicants should address how the Project promotes local inclusive economic development and entrepreneurship such as utilization of Disadvantaged Business Enterprises, Minority-owned Businesses, Women-owned Businesses, or 8(a) firms.

See Section E.1.b.(3) for additional information related to how MARAD will prioritize Projects that align well with this selection consideration.

Section VII: Project Readiness

MARAD will consider project readiness to assess the likelihood of delivery of a successful Project. Project readiness consists of two factors: technical capacity and environmental risk.

A: Technical Capacity

The applicant should provide information demonstrating its technical capacity to implement the Project based on experience and understanding of Federal requirements. This section may include a description of the applicant's history of delivering similar Projects or experience completing a Federally supported Project. The application should also demonstrate a Project's feasibility or constructability and schedule, and how the Project (such as design and construction) will comply with applicable Federal requirements. The narrative should also include information about how and when cost data in the budget was compiled, including information on how it was sourced (such as a cost database, market survey, or fixed-price bid). The discussion should also include information about the degree of design completion used to

compile the cost information, if applicable. An applicant's failure to include this information could adversely affect its technical capacity rating.

The applicant should indicate whether the Project is part of an ongoing planning effort, such as at the local, regional, or State level. Information on whether the Project is included in a local or State freight plan, part of a facility or organization strategic plan, or included in other planning efforts should be included. Applicants should provide links or other documentation supporting the Project's inclusion in these planning efforts.

Project Schedule. The applicant should include a detailed Project schedule that identifies all major Project milestones. For capital Project applications, 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; real property and right of way acquisition; approval of plans, specifications, and estimates; procurement; project partnership and implementation agreements, including agreements with non-governmental entities involved in or impacted by the Project; and construction. For planning Projects, examples of milestones may include start dates, schedule for public engagement, and completion dates. The Project schedule should be sufficiently detailed to demonstrate that the Project can begin quickly upon obligation of USMHP funds, and that the grant funds will be spent expeditiously once the Project starts, in order for MARAD to make the determination at 46 U.S.C. 55601(d)(7)(B) and described in Section E.1.e.

Risk Mitigation. Applicants should include a discussion of Project risks and related mitigation strategies. The discussion should focus on, but need not be exclusively related to, risks related to project readiness. For example, the applicant should identify Project risks, such as approval or permit delays, procurement delays, technical challenges in design or construction,

environmental uncertainties, potential increases in Project costs, or lack of required approvals that affect the likelihood of successful Project start and completion. The narrative should include a discussion that identifies how the Project parties will mitigate or otherwise be able to handle the identified risks.

B: Environmental Risk

This section of the application should include sufficient information for MARAD to evaluate whether a Project is reasonably expected to begin construction in a timely manner, consistent with all applicable local, State, and Federal requirements. To assist MARAD's project environmental risk review, the applicant should provide the information requested on NEPA class of action and status, required approvals and permits, public involvement, and right-of-way acquisition plans (if applicable), each of which is described in greater detail in the following sections. To minimize redundant information in the application, MARAD encourages applicants to cross-reference from this section of their application to relevant information in other sections of the application.

Information about the NEPA status of the Project. The applicant should indicate the anticipated NEPA level of review for the Project and describe any environmental analysis in progress or completed. This includes Categorical Exclusion, Environmental Assessment/Finding of No Significant Impact, or Environmental Impact Statement/Record of Decision. The applicant should review the Maritime Administration Manual of Orders (MAO) 600-1 (available at <https://www.maritime.dot.gov/sites/marad.dot.gov/files/docs/environment-security-safety/office-environment/596/mao600-001-0.pdf>) prior to submission. The application should detail the type of NEPA review underway, where the Project is in the process, and indicate the anticipated date of completion of all milestones and of the final NEPA determination. If the last agency action

with respect to NEPA documents occurred more than three years before the application date, the applicant should describe why the Project has been delayed and include a proposed approach for verifying and, if necessary, updating this material in accordance with applicable NEPA requirements. The applicant should be aware that the final determination of NEPA class of action will be made by MARAD after announcement of Project selections. The successful applicant will be responsible for the completion of MARAD's NEPA documentation, in collaboration with MARAD's NEPA Coordinator in the Office of Environmental Compliance, prior to execution of the grant agreement. If applicable, applicants should include a description of discussions with the appropriate MARAD NEPA Coordinator in the Office of Environmental Compliance regarding the Project's compliance with NEPA and other applicable Federal environmental reviews and approvals.

Environmental Permits and Reviews. The application should demonstrate receipt (or reasonably anticipated receipt) of all environmental permits and approvals necessary, such as Army Corps of Engineers permits and consultations under Section 106 of the National Historic Preservation Act, 54 U.S.C. 306108, and Section 7 of the Endangered Species Act, 16 U.S.C. 1531, for the Project to proceed to construction on the timeline specified in the Project schedule and necessary to meet the obligation deadline, including satisfaction of all Federal, State, and local requirements and completion of the NEPA process. The successful applicant, in collaboration with MARAD, will be responsible for the completion of consultations under Section 106 of the National Historic Preservation Act and Section 7 of the Endangered Species Act prior to completing NEPA.

Additionally, the application should reference environmental studies or other documents, preferably through a website link, that describe in detail known Project impacts, and possible

mitigation for those impacts, and, if applicable, right-of-way acquisition plans, with detailed schedule and compensation plan. The application should also include a description of public engagement about the Project that has occurred, proactively inclusive of Historically Disadvantaged Communities, including details on compliance with environmental justice requirements and the degree to which public comments and commitments have been integrated into Project development and design.

State and Local Approvals. The applicant should demonstrate receipt (or reasonably anticipated receipt) of State and local approvals on which the Project depends, such as State and local environmental permitting and planning. For Projects acquiring a State DOT-owned right of way, applicants should demonstrate they have coordinated the Project with the State DOT or transportation facility owner. Additional support from relevant State and local officials is not required; however, an applicant should demonstrate that the Project has broad public support.

Information on environmental reviews, approvals, and permits by other agencies. An application should indicate whether the proposed Project requires reviews or approval actions by other agencies,²¹ provide detailed information about the status of those reviews or approvals, and should demonstrate compliance with any other applicable Federal, State, or local requirements, and when such approvals are expected. Applicants should provide a website link or other reference to copies of any reviews, approvals, and permits prepared.

A description of whether the Project is dependent on, or affected by, U.S. Army Corps of Engineers investment and the U.S. Army Corps of Engineers planned activities as it relates to the Project, if applicable, should be included.

Section VIII: Domestic Preference

²¹ Projects that may impact protected resources such as wetlands, species habitat, or cultural or historic resources require review and approval by Federal and State agencies with jurisdiction over those resources.

This section should include a description of whether all iron, steel, manufactured products, and construction materials to be used in the Project are produced in the United States, in accordance with the requirements of the Build America, Buy America Act (Pub. L. 117-58, Division G, §§ 70901-27), as implemented by MARAD.²² In addition, applicants should include a discussion of steps that they have taken or will take if their Project is selected for funding, to ensure that the Project complies with the Build America, Buy America requirements. See Section E.1.d. This section should also include an assessment of what, if any, iron, steel, manufactured products, and construction materials would require a waiver of the Buy America provisions described in Section F.2. of this notice and the applicant's current efforts and planned future efforts to maximize the use of domestic goods, products, and materials in constructing its Project. The content of this section of the application is particularly important for Projects that propose the acquisition of cargo-handling equipment, construction components, or bollard and fendering systems. As described in Section E.1.d., among otherwise comparable applications, Projects that may require a waiver of the applicable USMHP Buy America requirements but present no plan to maximize domestic content will be less competitive.

Unique Entity Identifier (UEI) and System for Award Management (SAM)

Each applicant must: (1) be registered in SAM before submitting its application; (2) provide a valid UEI in its application; and (3) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

²² Applicants can refer to term B.5 of the exhibits to MARAD grant agreements under the FY 22 USMHP, dated November 16, 2022, to see how MARAD intends to implement the Build America, Buy America Act requirements to FY 2023 USMHP funds: <https://www.maritime.dot.gov/grants-finances/federal-grant-assistance/marad-fy-2022-america-marine-highway-exhibits>.

MARAD may not make a FY 2023 USMHP grant award to an applicant until the applicant has complied with all applicable UEI and SAM requirements and, if an applicant has not fully complied with the requirements by the time MARAD is ready to make a USMHP grant award, MARAD may determine that the applicant is not qualified to receive a USMHP grant award and use that determination as a basis for making a USMHP grant award to another applicant.

Submission Dates and Times

Applications must be submitted to Grants.gov by 11:59:59 p.m. E.D.T. on April 28, 2023. Grants.gov attaches a time stamp to each application at the time that submission is complete. Applications with a time stamp after the deadline will not be considered. MARAD does not accept applications via mailed paper, fax machine, email, or other means.

Funding Restrictions

Assistance provided under this notice may not be used to improve port or land-based infrastructure outside the United States or, unless the Secretary determines that such activities are necessary to carry out the Marine Highway Transportation Project for which such assistance is provided, to raise sunken vessels, construct buildings or other physical facilities, or acquire land. Grant funds may only be used for the purposes described in this notice and may not be used as an operating subsidy.

MARAD will not consider previously incurred costs or previously expended or encumbered funds towards the matching requirement for any project prior to MARAD's announcement of project selections. Consistent with 2 CFR 200.458, unless "pre-award costs" are authorized by MARAD in writing after MARAD's announcement of FY 2023 USMHP awards, any costs incurred prior to MARAD's obligation of funds for a project are ineligible for reimbursement and are ineligible to count as match for cost-share requirements.

USMHP funds may not be used to support or oppose union organizing. Improvements to Federally owned facilities are ineligible under the FY 2023 USMHP.

Other Submission Requirements

Submission Location

Applications must be submitted to Grants.gov. To apply through Grants.gov, applicants must:

- (1) Obtain a UEI²³ number.
- (2) Register with the System for Award Management (SAM) at www.SAM.gov.
- (3) Create a Grants.gov username and password.
- (4) Complete Authorized Organization Representative (AOR) registration in Grants.gov.

The E-Business Point of Contact (POC) at the applicant's organization must respond to the registration email from Grants.gov and login at Grants.gov to authorize the applicant as the AOR. Please note that there can be more than one AOR for an organization.

Please note that the Grants.gov registration process usually takes 2–4 weeks to complete and that MARAD will not consider late applications that are the result of a failure to register or comply with Grants.gov applicant requirements in a timely manner. For information and instruction on each of these processes, please see instructions at

<https://www.grants.gov/applicants/applicant-faqs.html>.

If applicants experience difficulties at any point during the registration or application process, please call the Grants.gov Customer Service Support Hotline at 1 (800) 518–4726.

Consideration of Applications

²³ As of April 4, 2022, the Federal government no longer uses the Data Universal Numbering System (DUNS) number to uniquely identify entities. Instead, entities doing business with the Federal government must use a Unique Entity Identifier (UEI) created in SAM.gov. If your entity is currently registered in SAM.gov, your UEI has already been assigned and is viewable in SAM.gov. This includes inactive registrations.

Only applicants who comply with all submission deadlines described in this notice and electronically submit valid applications through Grants.gov will be eligible for award.

Late Applications

Any applications that Grants.gov time stamps after 11:59:59 E.D.T. on April 28, 2023, will not be accepted. Applicants are strongly encouraged to make submissions days, if not weeks, in advance of the deadline, and applicants facing technical issues are advised to contact the Grants.gov helpdesk well in advance of the deadline.

Compliance with Section 508 of the Rehabilitation Act of 1973

The Department encourages applicants to submit documents that are compliant with Section 508 of the Rehabilitation Act of 1973. Section 508 guidelines are available at <https://www.access-board.gov/ict/>.

Sharing of Application Information

Except for the information properly marked as described in Section H.1., MARAD may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

Application Review Information

This section identifies how MARAD will evaluate applications received for FY 2023 USMHP grant funding. Applications will be evaluated for their alignment with the merit criteria. MARAD will also consider the extent to which applications align with the selection considerations and may give priority to those Projects that align well when selecting among similarly-rated applications. Applications will also be reviewed for project readiness, compliance with the statutory determinations at 46 U.S.C. 55601(d)(7), and domestic preference

requirements. Proposed Projects that include construction activities will be more competitive than applications for development phase activities only.

Criteria

Merit Criteria

Reviewers will assess a Project's alignment with the program's statutory merit criteria: Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation; Expanding the Benefits of Marine Highway Transportation; Measuring Project Support; and Leveraging Federal Funding and Financial Viability. For each criterion, reviewers will evaluate whether the benefits of the Project are clear, direct, data-driven, and reasonable. Based on that assessment, reviewers will assign a rating for each criterion, as explained in greater detail in criterion-specific sections below. Insufficient information to assess any criterion will negatively impact the project rating. See Section E.2. for more information on the Review and Selection Process.

Planning grant applications will be evaluated against the same merit criteria as capital grants (i.e., construction projects); however, the information does not need to be as driven by data as capital Projects, since data is often an outcome of the Project to be planned. MARAD will consider how the planning Project, once implemented, will ultimately further the merit criteria.

Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation

MARAD will evaluate how an application demonstrates the Project's need to develop, expand, or promote Marine Highway Transportation. Reviewers will assign a rating of "high," "medium," "low," or "non-responsive" as further described below.

To receive a “high” rating, an application must effectively demonstrate the: 1) Market Need (specific commodities, markets, and shippers the Marine Highway Transportation Service is attracting, or is expected to attract); 2) Project Need (the extent to which the Project is needed to attract the specific commodities, markets, and shippers necessary); and 3) Project Impact (impact, if any, to the development, expansion, or promotion of the Marine Highway Transportation Service if the Project is delayed or not realized). To receive a medium rating, the application effectively demonstrates only the Market and Project Needs. To receive a low rating, the application effectively demonstrates only the Project Need. A Project that, based on the reviewers’ assessment of the content of the application, does not adequately demonstrate the Project Need will receive a “non-responsive” rating, and will not be considered for award. Projects with higher ratings will be more competitive. Reviewers will also assess the quality and extent of the analysis and documentation for each element.

Expanding the Benefits of Marine Highway Transportation

The Project benefits will be evaluated based on the following five categories and associated performance measures: (a) Landside congestion and infrastructure savings; (b) Economic competitiveness; (c) System resiliency and redundancy; (d) Emissions reductions and Energy savings; and (e) Safety improvements. For the five categories, the performance measure, documentation, and analysis must be direct and data driven. Reviewers will assign a rating of “high,” “medium,” “low,” or “non-responsive” as further described below.

To receive a “high” rating, the Project must demonstrate benefits in a minimum of four categories, two of which must be: a) Landside congestion and infrastructure savings and b) Economic competitiveness. To receive a “medium” rating, the Project must demonstrate significant benefits in three categories, two of which must be: a) Landside congestion and

infrastructure savings and b) Economic competitiveness. To receive a “low” rating, the Project only demonstrates significant benefits to a) Landside congestion and infrastructure savings and b) Economic competitiveness. A Project that, based on the reviewers’ assessment of the content of the application, does not demonstrate benefits to a) Landside congestion and infrastructure savings and b) Economic competitiveness, will receive a “non-responsive” rating. Projects with higher ratings will be more competitive. Reviewers will also assess the quality and extent of the analysis and documentation for each category.

Measuring Project Support

Project support will be evaluated based on clear documentation of the public and private sector supporters of the Project. Reviewers will assign a rating of “high,” “medium,” “low,” or “non-responsive” as further described below.

To receive a “high” rating the applicant must demonstrate support for the Project by both public and private sector partners, documented through letters of support included in the application. Letters of support must demonstrate how the Project would increase usage of the Marine Highway Transportation Service and result in any commitments that demonstrates the financial viability of the Service. To receive a “medium” rating the applicant must demonstrate support for the Project by both public and private sector partners, documented through letters of support included in the application in the Supporting Documentation. Support letters from private sector partners need not demonstrate how the Project would result in financial commitments. To receive a “low” rating the applicant must demonstrate support for the Project by either public or private sector partners. Support letters from private sector partners need not demonstrate how the Project would result in financial commitments. An application that does not include support letters from any public or private sector partners will receive a “non-responsive”

rating. Projects with higher ratings will be more competitive. Reviewers will also assess the quality and extent of the documentation for each element.

Leveraging Federal Funding and Financial Viability

To maximize the impact of USMHP awards, MARAD seeks to leverage USMHP funding with non-Federal contributions. The rating will be based on the calculated non-Federal share of the Project's future eligible project costs. Refer to Section C.2. of this notice for how MARAD will make this calculation.

Reviewers will assign a rating of "high," "medium," "low," or "non-responsive". To receive a "high" rating, applicants must match 40 percent or higher of total Project costs in non-Federal funding or qualify for an increase in Federal funding if the applicant is a Tribal government or the Project is in a rural area. To receive a "medium" rating, applicants must match more than 20 percent of total Project costs in non-Federal funding. To receive a "low" rating, applicants must meet the statutory 20 percent match in non-Federal funding. Applicants that do not meet the 20 percent match requirement or do not qualify for and request an increase in Federal share will receive a rating of "non-responsive" and will not be eligible for award.

During the financial viability review, reviewers will also assess: 1) whether the Project supports a viable Marine Highway Transportation Service, especially if it is a proposed new Marine Highway Transportation Service, and 2) whether the Project and Marine Highway Transportation Service will remain financially viable throughout the lifecycle of the Project. An unsatisfactory financial viability evaluation may result in a Project dropping in leverage ratings, even with increased non-Federal contributions. For applications submitted by private-sector applicants, reviewers will also assess the financial viability of the Project by reviewing the

information submitted by the applicant described in Section D.2.d.: Additional Application Information Needed from All Private-Sector Applicants.

Projects with higher ratings will be more competitive. Reviewers will also assess the quality and extent of the analysis and documentation for each element.

Selection Considerations

After evaluating applications for each merit criterion, MARAD will consider the extent to which applications align with the following selection considerations.

Climate Change and Sustainability

MARAD will consider the extent to which applications address climate change and sustainability, to include environmental justice, and may prioritize those Projects that advance this selection consideration.

Reviewers will assign a rating of “high,” “medium,” “low,” or “non-responsive” based on their assessment of how well the USMHP application incorporates climate change and sustainability factors, including environmental justice, in both planning activities and specific Project elements as discussed in Section D.2.g.(1). To receive a high rating, a Project must have incorporated climate change, sustainability, or environmental justice in both planning activities and Project elements. Applications that incorporate climate change, sustainability, and environmental justice in either planning activities or Project elements will receive a medium rating. Applications that incorporate climate change, sustainability, or environmental justice, but not all, in planning activities or Project elements will receive a low rating. Applications that fail to substantively address this criterion in either planning activities or Project elements will receive a non-responsive rating. In addition, Projects which will have a negative effect on climate change, sustainability, or environmental justice will receive a non-responsive rating.

Equity and Justice⁴⁰

MARAD will consider the extent to which applications advance equity and Justice⁴⁰ to promote fairness and opportunity and may prioritize those Projects that advance this selection consideration.

MARAD reviewers will assess how an applicant's planning activities and Project components support advancements in equity as described in Section D.2.g.(2). Reviewers will assign ratings based on how comprehensively the applicant and the Project address equity and Justice⁴⁰ considerations.

To receive a "high" rating, an application should address each of the following areas: equity-focused policies and related Project initiatives; support of workforce training programs that place underrepresented populations into good-paying jobs with free and fair choice to join a union; and a detailed community or public participation plan or community participation strategy to facilitate meaningful project-related public engagement. To receive a "medium" rating, applications should address two of the three referenced areas. An application would achieve a "low" rating if only one of the areas above is addressed. An application would receive a "non-responsive" rating if none of the areas above are addressed or if reviewers conclude that the Project would have a negative impact on equity and Justice⁴⁰.

Workforce Development, Job Quality, and Wealth Creation

MARAD will consider the extent to which the Project addresses workforce development, job quality, and wealth creation. For example, reviewers will assess whether the Project plan includes the free and fair choice to join a union in Project construction; incorporates project labor agreements;²⁴ or describes how the Project will expand strong labor standards, including not only

²⁴ These agreements may include pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project.

compliance with prevailing wage requirements but also non-construction labor provisions that are relevant to the Project.

Reviewers will also consider how well an applicant, application, or Project: commits to registered apprenticeship positions and uses apprentices on the funded Project, sometimes called an apprenticeship utilization requirement (e.g., requiring that 15 percent of all labor hours will be performed by registered apprentices); includes high-quality workforce development programs with supportive services to help train, place, and retain people in good-paying jobs or registered apprenticeships; tracks and publishes aggregate workforce data, including information demonstrating that employment opportunities are available to historically underserved workers in their communities; identifies training programs that are diverse, including pre-apprenticeship and apprenticeship readiness programs, and explains how individuals from these programs are considered for and hired for apprenticeship slots and other jobs on the project; includes local inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises, Minority-owned Businesses, Women-owned Businesses, or firms; and/or describes a state/regional/local comprehensive plan to promote equal opportunity, including removing barriers to hiring and prevention of harassment on work sites, and ensuring that the plan demonstrates action to create an inclusive environment with a commitment to equal opportunity.

Reviewers will assign applications a “high,” “medium,” “low,” or “non-responsive” rating based on how well the applicant, application, or Project addresses this topic. An application that demonstrates a strong organizational commitment to advancing workforce development, job quality, and wealth creation will receive a high rating. A medium rating will be assigned to an application that addresses workforce development, job quality, and wealth creation to some

degree. Applications that only partially address workforce development, job quality, and wealth creation will be assigned a low rating, and applications that do not address this criterion will be assigned a non-responsive rating.

Project Readiness

Each application will receive a Project Readiness rating based on the ratings it receives for Technical Capacity and Environmental Risk. The Project Readiness rating will be based on the poorest risk rating earned in either Technical Capacity or Environmental Risk. For example, if an application is evaluated as high risk for Technical Capacity and medium risk for Environmental Risk, its Project Readiness rating will be high risk since a rating of high risk is less desirable than a rating of medium risk. The following paragraphs describe how MARAD will evaluate Technical Capacity and Environmental Risk.

Technical Capacity

MARAD will consider significant risks to successful completion of a Project, including risks associated with the complexity of the Project, the proposed Project schedule, and the applicant's overall capacity to manage Project delivery. If applicable, reviewers will also consider the applicant's previous experience working with Federal agencies on grant-funded projects. Risks do not disqualify Projects from award, but competitive applications clearly and directly describe achievable risk mitigation strategies. An applicant's lack of previous experience with Federally funded grants will not disqualify a Project from consideration. A Project with mitigated risks is more competitive than a comparable Project with unaddressed risks.

Technical Capacity ratings will be one of the following: "low risk," "moderate risk," or "high risk."

Environmental Risk

Reviewers will independently assess the level of review of the Project required by NEPA and evaluate whether the applicant has demonstrated receipt (or reasonably anticipated receipt) of other necessary environmental permits. Reviewers will also assess the Project's compliance with other environmental reviews, consultations, and approvals (such as the Endangered Species Act and the National Historic Preservation Act). As with risks related to technical capacity, environmental risks do not disqualify Projects from award, but competitive applications include achievable risk mitigation strategies.

Environmental Risk ratings will be one of the following: "low risk," "moderate risk," or "high risk."

Domestic Preference

All eligible Projects will be evaluated for domestic preference compliance. As expressed in Executive Order 14005, *Ensuring the Future is Made in All of America by All of America's Workers* (86 FR 7475), it is the policy of the Executive Branch to maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States. Funds made available under this notice are subject to the domestic preference requirements of the Build America, Buy America Act. The Department expects all applicants to comply with those requirements.

Among otherwise comparable applications, Projects that depend on iron, steel, manufactured products, and construction materials that do not, at a minimum, comply with the domestic preference requirements outlined in the Build America, Buy America Act as described further in Section F.2. will be less competitive than Projects that comply with those requirements. Among otherwise comparable applications that may require waivers of those requirements to complete the project, an application that presents an effective plan to maximize domestic content will be

more competitive than one that does not. MARAD will not award projects that likely need a waiver but do not present a plan to maximize domestic content.

Determinations

As required pursuant to 46 U.S.C. 55601(d)(7), MARAD may not award a grant under this notice unless the Secretary determines that:

- (A) sufficient funding is available to meet the matching requirements described in section C.2.;
- (B) the Project will be completed without unreasonable delay described in Section D.2.h.; and
- (C) the recipient has authority to carry out the proposed Project described in Section C.1.

MARAD will use the information provided in these Sections, to ensure that all Projects satisfy these three determinations prior to award selection.

Review and Selection Process

Review Process

The FY 2023 USMHP grant application evaluation process consists of an Intake Review Phase, a Technical Review Phase, and a Senior Review Team (SRT) Phase.

During the Intake Review Phase, the Intake Team will conduct a threshold eligibility screening based on such requirements as: applicant eligibility, applicant authority to carry out the Project, presence of a route sponsor endorsement letter (if applicable), satisfaction of non-Federal matching requirement, etc. Applications not meeting the threshold eligibility will not be advanced for further consideration.

During the Technical Review Phase, MARAD staff will review applications for their alignment with the Merit Criteria, Selection Considerations, Project Readiness, Statutory Determinations, and Domestic Preference, consistent with the guidance in this notice.

Applications that receive a “High” rating in Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation; no less than a “Medium” rating in Expanding the Benefits of Marine Highway Transportation and Measuring Project Support; and whose calculated non-Federal share of the Project’s future eligible costs exceeds 20 percent or that qualifies for an increase in Federal funding if the applicant is a Tribal government or the Project is in a rural area, will be designated “Highly Recommended” and automatically advance to SRT review. Applications that receive a “Non-Responsive” rating in Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation or Leveraging Federal Funding and Financial Viability will not be recommended for further consideration.

After the Technical Review Phase, the SRT will review the Highly Recommended applications identified in the Technical Review Phase. In addition, the SRT will review the remaining eligible applications for further consideration as Highly Recommended. The SRT will base its recommendations on how well a Project meets the Merit Criteria and may also consider a Project’s rating on Selection Considerations. A Project that aligns poorly with the selection considerations of Climate Change, Equity, or Workforce Development may nevertheless be included in the List of Projects for Consideration. In addition, the SRT may review applications for their alignment with the Project Readiness and Domestic Preference criteria. Projects with either higher Project Readiness risk ratings or that may require a waiver of the domestic preference requirements, however, may still be recommended for award if the risks are properly mitigated and the applicant proposes a plan to maximize domestic content.

The SRT will recommend a List of Projects for Consideration to the Maritime Administrator based on its review of the Highly Recommended applications. The Maritime Administrator, based on input from MARAD staff, will then make awards from the List of Projects for

Consideration. In making grants, MARAD will take such measures as to ensure an equitable geographic distribution of funds.

Follow-up with Applicants

MARAD may ask any eligible applicant to supplement data in its application but is not required to do so. Lack of supporting information provided with the application negatively affects competitiveness of the application. Throughout the review and selection process, MARAD may seek additional information from an applicant related to Project eligibility, whether the Project scope can be completed with a reduced award, or other information needed to complete Project analysis. MARAD will use email when seeking additional information from an applicant and will send the email to the point(s) of contact listed by the applicant on the SF-424.

Additional Information

Prior to obligation of funds, each selected applicant will be subject to a risk assessment as required by 2 CFR 200.206. MARAD must review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)). An applicant may review information in FAPIIS and comment on any information about itself. MARAD will consider comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants.

Federal Award Administration Information

Federal Award Notice

Following the evaluation outlined in Section E, MARAD will announce Projects selected for award by posting a list of selected Projects at <https://www.maritime.dot.gov/USMHPgrants>. Notice of selection is not authorization to begin performance or to incur costs for the proposed Project. Following that announcement, MARAD will contact the point of contact listed in the SF-424 to initiate negotiation of the grant agreement.

Recipients of an award will not receive a lump-sum cash disbursement at the time of announcement of Project selection or obligation of funds. Instead, USMHP grant funds will reimburse recipients only after a grant agreement has been executed, allowable expenses are incurred, and a valid request for reimbursement has been submitted and approved by MARAD. USMHP grant recipients must adhere to applicable requirements and follow established procedures to receive reimbursement.

Administrative and National Policy Requirements

Administrative Requirements

MARAD will determine the period of performance for each award based on the specific Project that was evaluated and selected. MARAD will administer each USMHP grant pursuant to a grant agreement with the grant recipient. Amounts awarded as a grant under this notice that are not expended by the grant recipient shall remain available to MARAD for use for grants under this program.

The grant agreement between a grant recipient and MARAD includes two attachments: one labelled “Exhibits” and one labelled “General Terms and Conditions.” These attachments include most of the administrative and national policy requirements applicable to USMHP grant awards. Please visit <https://www.maritime.dot.gov/grants/federal-grant-assistance/federal-grant-assistance> for the Exhibits and General Terms and Conditions for prior USMHP awards. The FY

2023 USMHP Exhibits and General Terms and Conditions will be similar to the FY 2022 USMHP documents but will include relevant updates consistent with this notice.

Consistent with 2 CFR 200.458, unless “pre-award costs” are authorized by MARAD in writing after MARAD’s announcement of FY 2023 USMHP awards, any costs incurred prior to MARAD’s obligation of funds for a project are ineligible for reimbursement and are ineligible to count as match for cost-share requirements.

All awards will be administered pursuant to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards found in 2 CFR part 200, as adopted by DOT at 2 CFR part 1201. Additionally, other applicable Federal laws, Executive Orders, and any rules, regulations, and requirements of MARAD will apply to the projects that receive USMHP grant awards.

As expressed in Executive Order 14005, *Ensuring the Future Is Made in All of America by All of America’s Workers* (86 FR 7475), it is the policy of the executive branch to use terms and conditions of Federal financial assistance awards to maximize the use of goods, products, and materials produced in, and services offered in, the United States. Consistent with the requirements of the Build America, Buy America Act, MARAD expects all applicants to comply, and no amounts made available through this NOFO may be obligated for a Project unless all iron, steel, manufactured products, and construction materials used in the Project are produced in the United States. If selected for an award, grant recipients will be required to obtain approval from DOT to waive any of these requirements. To obtain that approval, grant recipients must be prepared to demonstrate how they will maximize the use of domestic goods, products, and materials in constructing their Project.

In connection with any program or activity conducted with or benefiting from funds awarded under this notice, recipients of funds must comply with all applicable requirements of Federal law, including, without limitation, the Constitution of the United States; statutory, regulatory, and public policy requirements, including, without limitation, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; the conditions of performance, nondiscrimination requirements, and other assurances made applicable to the award of funds in accordance with regulations of DOT; and applicable Federal financial assistance and contracting principles promulgated by the Office of Management and Budget. In complying with these requirements, recipients must ensure that no concession agreements are denied, or other contracting decisions made on the basis of speech or other activities protected by the First Amendment.

Further, financial assistance recipients must comply with health and safety, labor, employment, and equal employment opportunity laws including, but not limited to, the right to organize, proper classification of workers as employees or independent contractors, and the Occupational Safety and Health Act.

If MARAD determines that a recipient has failed to comply with applicable Federal requirements, MARAD may terminate the award of funds and disallow previously incurred costs, requiring the recipient to reimburse any expended award funds.

Program Requirements

Civil Rights and Title VI

As a condition of a grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR part 21), the Americans

with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act, and all other civil rights requirements and accompanying regulations. Grant recipients will be expected to develop a Title VI program plan, a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards and implement a Community Participation Plan (alternatively called a Public Participation Plan). MARAD's Office of Civil Rights is available to work with awarded grant recipients to ensure full compliance with Federal civil rights requirements. Recipients are encouraged to demonstrate that they have a plan in place that demonstrates action to create an inclusive workplace environment with a commitment to equal opportunity and freedom from harassment.²⁵

Critical Infrastructure Security and Resilience

It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against both physical and cyber threats. Each applicant selected for Federal funding under this notice must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department, will be required to do so before receiving funds for construction, consistent with Presidential Policy Directive 21 - Critical Infrastructure Security and Resilience and the National Security Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems.

²⁵ This could include provisions that prohibit unlawful discrimination against people with former justice involvement; efforts to prevent hostility and harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, and disability; training on anti-harassment and third-party reporting procedures, and robust anti-retaliation measures, covering employees and contractors.

Information on cybersecurity performance goals can be found at <https://www/cisa.gov/cpg>. These performance goals provide a baseline set of cybersecurity practices broadly applicable across critical infrastructure with known risk-reduction value, a benchmark for critical infrastructure operators to measure and improve their cybersecurity maturity, and a combination of recommended practices for IT and OT owners, including a prioritized set of security practices. Additionally, funding recipients must comply with 2 CFR 200.216 and the prohibition on certain telecommunications and video surveillance services or equipment.

Federal Contract Compliance

As a condition of grant award and consistent with Executive Order 11246, *Equal Employment Opportunity* (30 FR 12319, and as amended), all Federally-assisted contractors are required to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women, in addition to goals that vary based on geography for construction work hours and for work being performed by people of color. Under Section 503 of the Rehabilitation Act and its implementing regulations, affirmative action obligations for certain contractors include an aspirational employment goal of 7 percent workers with disabilities.

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) is charged with enforcing Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974. OFCCP has a Mega Construction Project Program through which it engages with project sponsors as early as the design phase to help promote compliance with non-discrimination and affirmative action obligations. OFCCP will identify projects that receive an award under this notice and are required to participate in OFCCP's Mega Construction Project Program from a wide range of Federally assisted projects over which OFCCP has jurisdiction and that have a project cost above

\$35 million. MARAD will require project sponsors with costs above \$35 million that receive awards under this funding opportunity to partner with OFCCP, if selected by OFCCP, as a condition of their MARAD award. Under that partnership, OFCCP will ask these project sponsors to make clear to prime contractors in the pre-bid phase that project sponsor's award terms will require their participation in the Mega Construction Project Program. Additional information on how OFCCP makes their selections for participation in the Mega Construction Project Program is outlined under "Scheduling" on the Department of Labor website:

<https://www.dol.gov/agencies/ofccp/faqs/construction-compliance>.

Reporting

This section of the notice provides general information about the reporting requirements that accompany USMHP grant funding. Potential applicants should review these requirements to ensure that they can satisfy them if they receive an award. A recipient's failure to timely submit required reports may result in termination of an award and a legal requirement for the recipient to return funding to MARAD.

Progress Reporting on Grant Activities

Each applicant selected for USMHP grant funding must submit quarterly progress reports and Federal Financial Reports (SF-425) to monitor Project progress and ensure accountability and financial transparency in the USMHP.

Performance Reporting

Each applicant selected for USMHP grant funding must collect information and report on the Project's observed performance with respect to the relevant long-term outcomes that are expected to be achieved through construction of the Project. Performance indicators will include formal goals or targets for a period determined by MARAD. They will be used to evaluate and

compare Projects and monitor the results that grant funds achieve to the intended long-term outcomes of the USMHP. Performance indicators used in the reporting will relate to the merit criteria defined in Section E. Performance reporting continues for three years after Project construction is completed, and MARAD does not provide USMHP grant funding specifically for performance reporting. For each Project selected for award, MARAD, with input from the grant recipients, will identify the measures to be collected. Those measures and the reporting requirements will be formalized in the agreement obligating award funds for the Project.

Performance and Program Evaluation

As a condition of grant award, grant recipients may be required to participate in an evaluation undertaken by DOT or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. DOT may require applicants to collect data elements to aid the evaluation. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor or DOT staff; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT staff.

Recipients and subrecipients are also encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure the effectiveness of their projects and strategies. Title I of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), Pub. L. No. 115-435 (2019) urges Federal awarding agencies and Federal assistance

recipients and subrecipients to use program evaluation as a critical tool to learn, to improve equitable delivery, and to elevate program service and delivery across the program lifecycle. Evaluation means “an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency” (codified at 5 U.S.C. 311). For grant recipients, evaluation expenses are allowable costs (either as direct or indirect), unless prohibited by statute or regulation, and such expenses may include the personnel and equipment needed for data infrastructure and expertise in data analysis, performance, and evaluation (2 CFR part 200).

Reporting of Matters Related to Recipient Integrity and Performance

If the total value of a selected applicant’s currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then the applicant during that period of time must maintain the currency of information reported to the SAM that is made available in the designated integrity and performance system (currently FAPIIS) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under Section 872 of Public Law 110–417, as amended (41 U.S.C. 2313). As required by Section 3010 of Public Law 111–212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

Federal Awarding Agency Contacts

For further information concerning this notice please contact the USMHP staff via email at *MH@dot.gov*, or call Fred Jones at 202–366–1123. In addition, MARAD will post answers to questions and requests for clarifications at <https://www.maritime.dot.gov/USMHPgrants>. To

ensure applicants receive accurate information about eligibility or the program, the applicant is encouraged to contact MARAD with questions directly, rather than through intermediaries or third parties. MARAD may also conduct briefings on the USMHP grants selection and award process upon request.

Other Information

Protection of Confidential Business Information

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If the applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application. For the separate document containing confidential information, the applicant must do the following: (1) state on the cover of that document that it “Contains Confidential Business Information (CBI)”; (2) mark each page that contains confidential information with “CBI”; (3) highlight or otherwise denote the confidential content on each page; and (4) at the end of the document, explain why the information you are submitting is CBI. DOT will protect confidential information complying with these requirements to the extent required under applicable law. If DOT receives a Freedom of Information Act (FOIA) request for the information that the applicant has marked in accordance with this section, DOT will follow the procedures described in its FOIA regulations at 49 CFR 7.29. Only information that is in the separate document, marked in accordance with this section, and ultimately determined to be confidential under Section 7.29 will be exempt from disclosure under FOIA.

Publication and Sharing of Application Information

Following the completion of the selection process and announcement of awards, MARAD intends to publish a list of all applications received along with the names of the applicant organizations and funding amounts requested. Except for the information properly marked as described in Section H.1., MARAD may make application narratives publicly available or share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

[INSERT DATE]

By Order of the Maritime Administrator

Appendix A: List of 29 Designated Marine Highway Routes

