

based on the criteria in the law and further explained in part F of this notice, the team will provide a recommendation to the Secretary of the Interior. The Secretary of the Interior, after consultation with and in cooperation with the Secretary of Transportation, shall determine the final selection and amount of funding for each project.

The Department of the Interior plans to announce the projects selected by summer 2006. The Department of the Interior will notify each Federal land management agency of projects awarded for sites under the agency's jurisdiction. FTA will publish the list of all selected projects and funding levels in the **Federal Register**, as well as in its annual report to Congress on the Alternative Transportation in Parks and Public Lands program submitted as part of its Annual Report on New Starts in early February 2007. Criteria and application procedures may be reassessed for subsequent years.

IV. Additional Program Information

A. Funds Administration and Oversight

Once proposals have been reviewed and projects have been chosen based on selection criteria, the cognizant federal agency (or agencies), will award funds to the proposing entity to implement the project. These funds will be administered according to federal requirements as well as the appropriate policies, guidelines and rules of the pertinent agencies.

For projects directly administered by a Federal land management agency, these funds will be administered by interagency agreement between the FTA and the respective agency. For programs administered by a State, tribal, or local governmental authority, these funds will be administered through a grant administered by FTA. With regard to interagency agreement and grant requirements, 49 U.S.C. 5320(i) authorizes the Secretary to apply the requirements of 49 U.S.C. 5307 (Urbanized Area Formula Grant) and 5333(a) (Prevailing Wages Requirement) "to the extent the Secretary deems appropriate." FTA is in the process of developing the interagency agreement and grant requirements for this program and will make these available for public notice and comment in the **Federal Register** prior to award of program funds.

Additionally, each recipient (federal land management agency, and State, tribal, and local governments) of federal funds must comply with requisite federal guidelines governing the management of federal funds and

specific program requirements. Program Oversight, as defined by FTA, will ensure that projects meet the basic statutory, administrative, and regulatory requirements as stipulated by the conditions for accepting Federal funds.

B. Performance Measures

Participants may be asked to compile data for use in measuring program performance.

C. Technical Assistance, Planning, and Research

The Alternative Transportation in Parks and Public lands program allows the Department of Transportation to spend not more than ten percent of program funds to carry out planning, research, and technical assistance activities. FTA will oversee the funds allocated to technical assistance to assist program participants in planning, implementing, and evaluating alternative transportation projects. In addition, FTA will be responsible for the provision of planning guidance and dissemination of research findings.

Issued in Washington, DC, this 17th day of March, 2006.

Sandra K. Bushue,

Deputy Administrator.

[FR Doc. E6-4208 Filed 3-22-06; 8:45 am]

BILLING CODE 4910-57-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No. FTA-2006-24063]

Disadvantaged Business Enterprises; Western States Guidance for Public Transportation Providers

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice of policy implementation and request for comments.

SUMMARY: This notice provides the opportunity for public comment on specific issues regarding the Federal Transit Administration's (FTA) implementation of Department of Transportation (DOT) guidance for participants of the Disadvantaged Business Enterprise (DBE) program. This guidance is applicable to recipients of Federal financial assistance from the Federal Transit Administration (FTA) located in the states under the U.S. Court of Appeals for the 9th Circuit (California, Oregon, Washington, Alaska, Arizona, Idaho, Montana, Nevada, and Hawaii).

DATES: *Effective Date:* Comments must be received on or before April 24, 2006.

Late-filed comments will be considered to the extent practicable.

ADDRESSES: Written Comments: Submit written comments to the Docket Management System, U.S. Department of Transportation, Room PL-401, 400 Seventh Street, SW., Washington, DC 20590-0001. You may submit comments identified by the docket number (FTA-06-24063) by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the online instructions for submitting comments.

- Web Site: <http://dms.dot.gov>.

Follow the instructions for submitting comments on the DOT electronic docket site.

- Fax: 1-202-493-2478.

- Mail: Docket Management System; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-0001.

- Hand Delivery: To the Docket Management System; Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Instructions: All submissions must include the agency name (Federal Transit Administration) and Docket number (FTA-2006-24063) for this notice. Note that all comments received will be posted without change to <http://dms.dot.gov> including any personal information provided.

FOR FURTHER INFORMATION CONTACT:

Scheryl Portee, Attorney Advisor, Office of the Chief Counsel, (202) 366-4011 (telephone) and (202) 366-3809 (fax).

SUPPLEMENTARY INFORMATION:

Background

The General Counsel of the Department of Transportation recently reviewed and approved guidance concerning the effects of the *Western States Paving Co. v. United States & Washington State Department of Transportation*, 407 F. 3d 983 (9th Cir. 2005), court decision on participants in the Department's disadvantaged business enterprise (DBE) program. The guidance applies to recipients of Federal funds authorized under chapter 53 of Title 49 of the United States Code that are located within the states of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington.

The Court of Appeals for the 9th Circuit, like other Federal courts that have reviewed the Department of Transportation's DBE program, held that 49 CFR Part 26 and the authorizing statute for the DBE program in TEA-21

are constitutional. The court upheld congressional determination that there is a compelling need for the DBE program and the DOT rules at Part 26 are narrowly tailored to meet that need.

However, the 9th Circuit held that the DBE Program administered by the Washington State Department of Transportation was not narrowly tailored because the evidence of discrimination supporting the use of race-conscious measures in the program was inadequate. Since the *Western States* decision and DOT's guidance on the effects of that decision will impact FTA grantees in the 9th Circuit, we are issuing this **Federal Register** notice.

Specifically, this notice provides information on the procedures that FTA will employ as a review process for fiscal year 2006 DBE goal submissions (due on August 1, 2005) to FTA in regard to: Race-neutral submissions, the evidence-gathering process to determine evidence of discrimination or its effects in grantees' market, and action plans for disparity/availability studies or other appropriate evidence gathering process, is undertaken. FTA will apply the following guidance to recipients of Federal funds:

The DOT Guidance

The following is the text of the DOT Western States guidance:

The General Counsel of the Department of Transportation has reviewed this document and approved it as consistent with the language and intent of 49 CFR Part 26.

Question: To Whom Do These Questions and Answers Apply?

Answer

These questions and answers apply only to recipients of Federal financial assistance from the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Federal Aviation Administration (FAA) located in the states comprising the 9th Federal Judicial Circuit. These states are California, Oregon, Washington, Alaska, Arizona, Idaho, Montana, Nevada, and Hawaii.

These questions and answers do *not* apply to recipients in other states.

These questions and answers apply *only* to the disadvantaged business enterprise programs (DBE) of recipients of Federal financial assistance governed by 49 CFR Part 26.

Question: What Did the Court Say in Western States?

Answer

Like other Federal courts that have reviewed the Department of

Transportation's DBE program, the 9th Circuit panel held that 49 CFR Part 26 and the authorizing statute for the DBE program in TEA-21 were constitutional. The court affirmed that Congress had determined that there was a compelling need for the DBE program and the Part 26 was narrowly tailored.

The court agreed that Washington State did not need to establish a compelling need for its DBE program, independent of the determinations that Congress made on a national basis.

However, the court said that race conscious elements of a national program, to be narrowly tailored as applied, must be limited to those parts of the country where its race-based measures are demonstrably needed.

Whether race-based measures are needed depends on the presence or absence of discrimination or its effects in a state's transportation contracting industry.

In addition, even when discrimination is present in a state, a program is narrowly tailored only if its application is limited to those specific groups that have actually suffered discrimination or its effects.

- The court concluded that Washington State DOT's DBE program was not narrowly tailored because the evidence of discrimination supporting its application was inadequate. The court mentioned several ways in which the state's evidence was insufficient:

- + Washington State DOT had not conducted statistical studies to establish the existence of discrimination in the highway contracting industry that were completed or valid.

- + Washington State DOT's calculation of the capacity of DBEs to do work was flawed because it failed to take into account the effects of past race-conscious programs on current DBE participation.

- + The disparity between DBE participation on contracts with and without affirmative action components did not provide any evidence of discrimination.

- + A small disparity between the proportion of DBE firms in the state and the percentage of funds awarded to DBEs in race-neutral contracts (2.7% in the case of Washington State DOT) was entitled to little weight as evidence of discrimination, because it did not account for other factors that may affect the relative capacity of DBEs to undertake contracting work.

- + This small statistical disparity is not enough, standing alone, to demonstrate the existence of discrimination. To demonstrate discrimination, a larger disparity would be needed.

- + Washington State DOT did not present any anecdotal evidence of discrimination.

- + The affidavits required by 49 CFR 26.67(a), in which DBEs certify that they are socially and economically disadvantaged, are not evidence of the presence of discrimination.

Consequently, the court found that the Washington State DOT DBE program was unconstitutional as applied.

The court cited the 8th Circuit's decision in *Sherbrooke Turf v. Minnesota Department of Transportation*. In that case, the court said, Minnesota and Nebraska had hired outside consulting firms to conduct statistical analyses of the availability and capacity of DBEs in their local markets, which the 8th Circuit had relied on in holding that the two states' DBE programs were constitutional as applied.

Question: What Action Should Recipients Take With Respect to Submitting Their Overall Goals for FY 2006?

Answer

Recipients should examine the evidence they have on hand of discrimination and its effects. Does this evidence appear to address successfully the problems the 9th Circuit's decision articulated concerning the Washington State DOT DBE program?

If the recipient currently has sufficient evidence of discrimination or its effects, the recipient should go ahead and submit race- and gender-conscious goals where appropriate, as provided in Part 26. (This submission would include the normal race conscious/race-neutral "split" in overall goals.)

If the evidence of discrimination and its effects pertains to some, but not all, of the groups that Part 26 presumes to be socially and economically disadvantaged, then these race- and gender-conscious goals should apply only to the group or groups for which the evidence is adequate.

If necessary, the Department may entertain program waivers of Part 26's prohibition of group-specific goals in this situation.

If the recipient does not currently have sufficient evidence of discrimination or its effects, then the recipient would submit an all-race neutral overall goal for FY 2006. The recipient's submission would include a statement concerning the absence of adequate evidence of discrimination and its effects.

A race-neutral submission of this kind should include a description of plans to conduct a study or other appropriate

evidence-gathering process to determine the existence of discrimination or its effects in the recipient's market. An action plan describing the study and time lines for its completion should also be included.

The Department's operating administrations are willing, in response to recipients' requests, to extend the time for submitting FY 2006 goals for a time sufficient to allow recipients to evaluate the adequacy of their current evidence of discrimination or its effects.

Operating administrations will review recipients' annual goal submissions to determine whether recipients have provided evidence of discrimination or its effects.

Question: Should Recipients Who Will Be Submitting All Race-Neutral Overall Goals for FY 2006 Because They Do Not Have Sufficient Evidence of Discrimination or Its Effects Make Any Changes to Contracts Issued During FY 2005 or Earlier?

Answer

No. Even where FY 2005 contracts used race-conscious contract goals, we do not believe it is appropriate to attempt to revise or reform those contracts.

Question: If Recipients Will Be Operating an All-Race Neutral DBE Program in FY 2006 or Subsequent Years, What Should Such a Program Include?

With few exceptions, generally there is no difference in how the DBE program regulations apply to a race- and gender-neutral program (hereafter race-neutral) as compared to a race- and gender-conscious program (hereafter race-conscious).

In a wholly race-neutral program (e.g., the annual overall DBE goal has been approved with no portion of it projected to be attained by using race- and gender-conscious means) the recipient does not set contract goals on any of its U.S. DOT-assisted contracts for which DBE subcontracting possibilities exist. Recipients having an all race-neutral program are not required to establish contract goals to meet any portion of their overall goal.

Recipients should take affirmative steps to use as many of the race-neutral means of achieving DBE participation identified at 49 CFR 26.51(b) as possible to meet the overall goal and to demonstrate that you are administering your program in good faith. The Department expects that recipients using all race-neutral programs will use methods such as unbundling of contracts, technical assistance, capital

and bonding assistance, business development programs, etc., rather than waiting passively for DBEs to participate.

The good faith efforts requirements in 49 CFR 26.53 that apply when DBE contract goals are set have no required application to recipients implementing a race-neutral program. However, recipients must continue to collect the data required to be reported in the Uniform Report of DBE Awards or Commitments and Payments Form (see § 26.11) and to monitor compliance with the commercially useful function requirements.

The prompt payment and retainage requirements of 49 CFR 26.29 are race-neutral mechanisms designed to benefit all subcontractors, DBEs and non-DBEs alike. Recipients using all race-neutral programs must continue to implement them.

The requirement that DBEs must perform a commercially useful function to receive credit toward the overall goal applies to race neutral programs just as it does to programs that use race-conscious means to meet program objectives.

It is helpful for recipients to maintain an effective monitoring and enforcement program to track DBE participation obtained through race neutral means that the recipient claims credit (see 49 CFR 26.37(b)).

Question: What Must Recipients Do That Have Already Submitted Their FY 2006 Goals to Modal Administrations for Approval?

Answer

If the appropriate modal administration determines that the FY 2006 DBE goal submission does not contain the kind of information or documentation suggested by this guidance that would comport with the law established by the Ninth Circuit Court of Appeals, the recipient will be directed to revise and resubmit its DBE goal submission consistent with this guidance.

Question: Will the Process Used by the Modal Administrations to Review and Approve Goal Submissions Made by Recipients in the Ninth Circuit Change?

For FHWA recipients in the 9th Circuit, FY 2006 DBE goal submissions will require concurrence by the FHWA Office of Civil Rights and the Office of Chief Counsel in Washington, DC before approval by the appropriate FHWA division office.

FTA's process will remain the same. [Note—Please see request for comment below].

For FAA recipients in the 9th Circuit, FY 2006 DBE goal submissions with a race-conscious component will require concurrence by the FAA Headquarters Office of Civil Rights and a legal sufficiency review by the Office of Chief Counsel in Washington, DC before being approved by the appropriate FAA Regional Office of Civil Rights and Office of Chief Counsel. Those with an all race-neutral overall goal will be approved by the Regional Office of Civil Rights.

Question: If A Recipient Lacks Sufficient Evidence of Discrimination or Its Effects, What Should It Do To Remedy the Lack of Information?

Answer

A recipient in this situation should immediately begin to conduct a rigorous and valid study to determine whether there is evidence of discrimination or its effects.

The Department expects recipients who submit an all-race neutral goal for FY 2006 because they lack sufficient evidence of discrimination to ensure that this evidence-gathering effort is completed expeditiously.

Studies to determine the presence of discrimination or its effects are often referred to as "disparity" or "availability" studies, though there can also be rigorous and scientifically valid studies which may have different names. Whatever label is applied to a study, however, the key point is that it be designed to determine, in a fair and valid way, whether evidence of the kind the 9th Circuit decision determined was essential to a DBE program including race-conscious elements exists.

Question: What Should Recipients' Studies Include?

Answer

Based on the 9th Circuit decision, recipients should consider the following points as they design their studies:

The study should ascertain the evidence for discrimination and its effects separately for each of the groups presumed by Part 26 to be disadvantaged.

The study should include an assessment of any anecdotal and complaint evidence of discrimination.

Recipients may consider the kinds of evidence that are used in "Step 2" of the Part 26 goal-setting process, such as evidence of barriers in obtaining bonding and financing, disparities in business formation and earnings.

With respect to statistical evidence, the study should rigorously determine the effects of factors other than discrimination that may account for

statistical disparities between DBE availability and participation. This is likely to require a multivariate/regression analysis.

The study should quantify the magnitude of any differences between DBE availability and participation, or DBE participation in race-neutral and race-conscious contracts. Recipients should exercise caution in drawing conclusions about the presence of discrimination and its effects based on small differences.

In calculating availability of DBEs, the study should not rely on numbers that may have been inflated by race-conscious programs that may not have been narrowly tailored.

Recipients should consider, as they plan their studies, evidence-gathering efforts that Federal courts have approved in the past. These include the studies by *Minnesota and Nebraska cited in Sherbrooke Turf, Inc. v. Minnesota Department of Transportation*, 345 F.3d 964 (8th Cir. 2003), cert. denied 124 S. Ct. 2158 (2004) and the Illinois evidence cited in *Northern Contracting, Inc. v. State of Illinois, et al.* 2005 WL 2230195, N.D.Ill., September 08, 2005 (No. 00 C 4515)

Question: Can There Be Statewide or Regional Studies, as Opposed to a Separate Study for Each Individual Recipient?

Answer

If feasible, studies may be undertaken on a regional or statewide basis to reduce the costs that would be involved if each recipient conducted its own separate study.

We would expect that each State DOT would conduct a statewide study. Such a study should be conducted in cooperation with transit and airport recipients in the state, so that the study would apply to recipients in all three modes.

Larger transit and/or airport recipients may want to conduct their own study, since the demographics of large urban areas may differ from that of the state as a whole.

Question: Will Federal Funds Help To Defray the Costs of Recipients' Studies?

Answer

Yes. FHWA, FTA, and FAA have all stated that the costs of conducting disparity studies are reimbursable from Federal program funds, subject to the availability of those funds.

Recipients should contact their operating administration for more detailed information.

FTA Requests for Comment

FTA requests comment on two matters concerning the implementation of the DOT General Counsel's DBE Guidance on the Western States court decision:

1. For 9th circuit recipients only, with respect to FY 2006 overall DBE goals, recipients should submit DBE goals to their FTA Regional Office for review by the Regional Civil Rights Officer. As determined by the Regional Civil Rights Officer, recipients with race-neutral goals may be required to certify that they will conduct or participate in a disparity or availability study or other appropriate evidence gathering process and the time frame for completion of the study or process.

2. As mentioned in the DOT Guidance, disparity studies using FY 2006 funding allocations will be an authorized expense for reimbursement, subject to the availability of funds. We seek comment on whether disparity studies should receive grantee funding priority, and on whether any additional funding should be made available for this purpose.

Issued on: March 20, 2006.

Sandra K. Bushue,

Deputy Administrator.

[FR Doc. E6-4226 Filed 3-22-06; 8:45 am]

BILLING CODE 4910-57-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Reports, Forms, and Recordkeeping Requirements Agency Information Collection Activity Under OMB Review

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collections and their expected burden. The **Federal Register** document with a 60-day comment period was published on November 29, 2005 [70 FR 71601].

DATES: Comments must be received on or before April 24, 2006.

FOR FURTHER INFORMATION CONTACT:

Carlita Ballard at the National Highway Traffic Safety Administration, Office of

International Vehicle, Fuel Economy and Consumer Standards, (NVS-131), 202-366-5222, 400 Seventh Street, SW., Room 5320, Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

National Highway Traffic Safety Administration

Title: 49 CFR part 544; Insurer Reporting Requirement.

OMB Control Number: 2127-0547.

Type of Request: Request for public comment on a previously approved collection of information.

Abstract: NHTSA must ensure that passenger motor vehicle insurance companies and rental/leasing companies comply with 49 CFR part 544, Insurer Reporting Requirement. Part 544 requires that the insurance/rental and leasing companies provide information on comprehensive insurance premiums, theft and recoveries and actions taken to address motor vehicle theft.

Affected Public: Business or other for-profit.

Estimated Total Annual Burden: 64,610 hours (56,700 man-hours for 28 insurance companies and 7,910 man-hours for 14 rental and leasing companies).

Estimated Annual Cost: \$2,325,960.

ADDRESSES: Send comments, within 30 days, to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503, Attention: NHTSA Desk Officer.

Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology. A comment to OMB is most effective if OMB receives it within 30 days of publication.

Issued in Washington, DC on: March 20, 2006.

Stephen R. Kratzke,

Associate Administrator for Rulemaking.

[FR Doc. 06-2838 Filed 3-22-06; 8:45 am]

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