(2) CONTRACT AUTHORITY.—Funds authorized to be appropriated by this section shall be available for obligation in the same manner and to the same extent as if the funds were apportioned under chapter 1 of title 23, United States Code; except that the Federal share of the cost of the project shall be 100 percent, and the funds shall remain available until expended and shall not be transferable.

(g) TREATMENT OF PROJECTS.—Notwithstanding any other provision of law, projects assisted under this subsection shall be treated as projects on a Federal-aid system under chapter 1 of title 23, United States Code.

SEC. 1808. ADDITION TO CMAQ-ELIGIBLE PROJECTS.

(a) FORMER 1-HOUR MAINTENANCE AREAS.—Section 149(b) of title 23, United States Code, is amended in the matter preceding paragraph (1)(A) by inserting "or is required to prepare, and file with the Administrator of the Environmental Protection Agency, maintenance plans under the Clean Air Act (42 U.S.C. 7401 et seq.)" after "1997,".

(b) ELIGIBLE PROJECTS.—Section 149(b) of such title is amended—

(1) by striking paragraph (1) and inserting the following:

"(1)(A)(i) if the Secretary, after consultation with the Administrator determines, on the basis of information published by the Environmental Protection Agency pursuant to section 108(f)(1)(A) of the Clean Air Act (other than clause (xvi)) that the project or program is likely to contribute to—

"(I) the attainment of a national ambient air quality standard; or

"(II) the maintenance of a national ambient air quality standard in a maintenance area; and

"(ii) a high level of effectiveness in reducing air pollution, in cases of projects or programs where sufficient information is available in the database established pursuant to subsection (h) to determine the relative effectiveness of such projects or programs; or,

"(B) in any case in which such information is not available, if the Secretary, after such consultation, determines that the project or program is part of a program, method, or strategy described in such section 108(f)(1)(A);".

(2) in paragraph (4)—

(A) by inserting ", including advanced truck stop electrification systems," after "facility or program"; and

(B) by striking "or" at the end;

(3) in paragraph (5)—

(A) by inserting "improve transportation systems management and operations that mitigate congestion and improve air quality," after "intersections,"; and

(B) by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

"(6) if the project or program involves the purchase of integrated, interoperable emergency communications equipment; or

"(7) if the project or program is for—

"(A) the purchase of diesel retrofits that are—

"(i) for motor vehicles (as defined in section 216 of the Clean Air Act (42 U.S.C. 7550)); or

"(ii) published in the list under subsection (f)(2) for non-road vehicles and non-road engines (as defined in section 216 of the Clean Air Act (42 U.S.C. 7550)) that are used in construction projects that are—

"(I) located in nonattainment or maintenance areas for ozone, PM_{10}, or $PM_{2.5}$ (as defined under the Clean Air Act (42 U.S.C. 7401 et seq.)); and

"(II) funded, in whole or in part, under this title; or

"(B) the conduct of outreach activities that are designed to provide information and technical assistance to the owners and operators of diesel equipment and vehicles regarding the purchase and installation of diesel retrofits.".

(c) STATES RECEIVING MINIMUM APPORTIONMENT.—Section 149(c) of such title is amended—

(1) in paragraph (1) by striking "for any project eligible under the surface transportation program under section 133." and inserting the following: "for any project in the State that—

"(A) would otherwise be eligible under this section as if the project were carried out in a nonattainment or maintenance area; or

"(B) is eligible under the surface transportation program under section 133."; and

(2) in paragraph (2) by striking "for any project in the State eligible under section 133." and inserting the following: "for any project in the State that—

"(A) would otherwise be eligible under this section as if the project were carried out in a nonattainment or maintenance area; or

"(B) is eligible under the surface transportation program under section 133.".

(d) COST-EFFECTIVE EMISSION REDUCTION GUIDANCE.—Section 149 of such title is amended by adding at the end the following:

"(f) COST-EFFECTIVE EMISSION REDUCTION GUIDANCE.—

"(1) DEFINITIONS.—In this subsection, the following definitions apply:

"(A) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(B) DIESEL RETROFIT.—The term 'diesel retrofit' means a replacement, repowering, rebuilding, after treatment, or other technology, as determined by the Administrator.

"(2) EMISSION REDUCTION GUIDANCE.—The Administrator, in consultation with the Secretary, shall publish a list of diesel retrofit technologies and supporting technical information for—

"(A) diesel emission reduction technologies certified or verified by the Administrator, the California Air Resources Board, or any other entity recognized by the Administrator for the same purpose;

"(B) diesel emission reduction technologies identified by the Administrator as having an application and approvable test plan for verification by the Administrator or the California Air Resources Board that is submitted not later that 18 months of the date of enactment of this subsection;

"(C) available information regarding the emission reduction effectiveness and cost effectiveness of technologies identified in this paragraph, taking into consideration air quality and health effects.

"(3) PRIORITY.—

"(A) IN GENERAL.—States and metropolitan planning organizations shall give priority in distributing funds received for congestion mitigation and air quality projects and programs from apportionments derived from application of sections 104(b)(2)(B) and 104(b)(2)(C) to—

"(i) diesel retrofits, particularly where necessary to facilitate contract compliance, and other cost-effective emission reduction activities, taking into consideration air quality and health effects; and

"(ii) cost-effective congestion mitigation activities that provide air quality benefits.

"(B) SAVINGS.—This paragraph is not intended to disturb the existing authorities and roles of governmental agencies in making final project selections.

"(4) NO EFFECT ON AUTHORITY OR RESTRICTIONS.—Nothing in this subsection modifies or otherwise affects any authority or restriction established under the Clean Air Act (42 U.S.C. 7401 et seq.) or any other law (other than provisions of this title relating to congestion mitigation and air quality).".

(e) IMPROVED INTERAGENCY CONSULTATION.—Section 149 of such title (as amended by subsection (d)) is amended by adding at the end the following:

"(g) INTERAGENCY CONSULTATION.—The Secretary shall encourage States and metropolitan planning organizations to consult with State and local air quality agencies in nonattainment and maintenance areas on the estimated emission reductions from proposed congestion mitigation and air quality improvement programs and projects.".

(f) EVALUATION AND ASSESSMENT OF CMAQ PROJECTS.—Section 149 of such title (as amended by subsection (e)) is amended by adding at the end the following:

"(h) EVALUATION AND ASSESSMENT OF PROJECTS.—

"(1) IN GENERAL.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall evaluate and assess a representative sample of projects funded under the congestion mitigation and air quality program to—

"(A) determine the direct and indirect impact of the projects on air quality and congestion levels; and

"(B) ensure the effective implementation of the program.

"(2) DATABASE.—Using appropriate assessments of projects funded under the congestion mitigation and air quality program and results from other research, the Secretary shall maintain and disseminate a cumulative database describing the impacts of the projects.

"(3) CONSIDERATION.—The Secretary, in consultation with the Administrator, shall consider the recommendations and findings of the report submitted to Congress under section 1110(e) of the Transportation Equity Act for the 21st Century (112 Stat. 144), including recommendations and findings that would improve the operation and evaluation of the congestion mitigation and air quality improvement program.".

(g) FLEXIBILITY IN THE STATE OF MONTANA.—The State of Montana may use funds apportioned under section 104(b)(2) of title 23, United States Code, for the operation of public transit activities that serve a nonattainment or maintenance area.

(h) AVAILABILITY OF FUNDS FOR STATE OF MICHIGAN.—The State of Michigan may use funds apportioned under section 104(b)(2) of such title for the operation and maintenance of intelligent transportation system strategies that serve a nonattainment or maintenance area.

(i) AVAILABILITY OF FUNDS FOR THE STATE OF MAINE.—The State of Maine may use funds apportioned under section 104(b)(2) of such title to support, through September 30, 2009, the operation of passenger rail service between Boston, Massachusetts, and Portland, Maine.

(j) AVAILABILITY OF FUNDS FOR OREGON.—The State of Oregon may use funds apportioned on or before September 30, 2009, under section 104(b)(2) of such title to support the operation of additional passenger rail service between Eugene and Portland.

(k) AVAILABILTY OF FUNDS FOR CERTAIN OTHER STATES.—The States of Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana, and Ohio may use funds apportioned under section 104(b)(2) of such title to purchase alternative fuel (as defined in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211)) or biodiesel.

Subtitle I—Miscellaneous

SEC. 1901. INCLUSION OF REQUIREMENTS FOR SIGNS IDENTIFYING FUNDING SOURCES IN TITLE 23.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by inserting after section 320—

(1) the following:

"§ 321. Signs identifying funding sources";

and

(2) the text of section 154 of the Federal-Aid Highway Act of 1987 (23 U.S.C. 101 note).

(b) CLERICAL AMENDMENT.—The analysis for such chapter is amended by inserting after the item relating to section 320 the following:

"321. Signs identifying funding sources.".

(c) CONFORMING REPEAL.—Section 154 of the Federal-Aid Highway Act of 1987 (23 U.S.C. 101 note; 101 Stat. 209) is repealed.

SEC. 1902. DONATIONS AND CREDITS.

Section 323 of title 23, United States Code, is amended—

(1) in the first sentence of subsection (c) by inserting ", or a local government from offering to donate funds, materials, or services performed by local government employees," after "services"; and

(2) by striking subsection (e).

SEC. 1903. INCLUSION OF BUY AMERICA REQUIREMENTS IN TITLE 23.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by inserting after section 312—

(1) the following: