



# At a Glance

## Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General, reviewed the contracts awarded by the Tennessee Department of Transportation (TDOT) under Cooperative Agreement No. 95425709. The agreement, funded by the Diesel Emissions Reduction Act (DERA) under the American Recovery and Reinvestment Act of 2009 (Recovery Act), provided for the installation of truck stop electrification (TSE) facilities. DERA provides funds for EPA programs to achieve significant reductions in diesel emissions. The purpose of the audit was to determine whether TDOT complied with procurement requirements, monitored contract performance, achieved the objectives of the cooperative agreement, and accurately reported the results to EPA.

## This report addresses the following EPA Goal or Cross-Cutting Strategy:

- *Taking action on climate change and improving air quality.*

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:  
[www.epa.gov/oig/reports/2013/20130719-13-R-0321.pdf](http://www.epa.gov/oig/reports/2013/20130719-13-R-0321.pdf)

## ***Projected Emission Reductions Overstated and Buy American Requirements Not Met Under EPA Award to the Tennessee Department of Transportation***

### What We Found

TDOT followed most applicable laws, regulations, and terms and conditions of the cooperative agreement in the procurement and monitoring of contracts for the TSE facilities—with the exception of the Buy American requirements of the Recovery Act. TDOT did not determine whether trusses used in the construction of TSE facilities by one contractor qualify as substantial transformation as defined in 2 CFR §176.160. This occurred because subsequent to the contract awards, EPA incorrectly determined that the Buy American requirements did not apply to the project. Consequently, there is no assurance that all iron, steel, or manufactured goods incorporated into the project were manufactured or substantially transformed in the United States, as required by Section 1605 of the Recovery Act.

TDOT complied with the cooperative agreement requirements and satisfied Region 4 requirements for projecting results. However, TDOT overstated its results. This occurred because TDOT utilized significantly overestimated usage assumptions in its projections rather than current usage. As a result, TDOT does not have reasonable assurance that the TSE project will achieve projected emissions reductions, and the expected environmental results and human health benefits. Quarterly reporting of diesel emissions reductions by the DERA program may also be overstated.

### Recommendations

We recommend that EPA disallow and recover Recovery Act funds of \$1,623,049, unless TDOT can certify that the project fully complied with Buy American requirements. For those items that TDOT cannot certify, EPA should follow applicable regulations to resolve the noncompliance.

For TDOT's potential overstatement of project results, we recommend that EPA review TDOT's assumptions used to calculate projected results. If needed, EPA should work with TDOT to develop a more accurate projection of project results. EPA should also review any recalculated results, in accordance with agency policy, to determine whether TDOT achieved the objectives of the cooperative agreement. Further, EPA should adjust the DERA program reporting of TDOT project results to reflect any recalculated results.

EPA and TDOT disagreed with recommendations pertaining to the Buy American requirements. EPA and TDOT agreed with the recommendation related to project results and are working to use post-project usage data to produce updated information.