On December 4, 2015, the President signed into law the *Fixing America’s Surface Transportation* (FAST) Act (P.L. 114-94). Section 1314 of the FAST Act directed FHWA and FTA to amend the provision for “Categorical Exclusions for Projects of Limited Federal Assistance” to adjust the monetary limits annually for inflation based on the Consumer Price Index prepared by the Department of Labor. These categorical exclusions were established in 2012 under *Moving Ahead For Progress in the 21st Century Act* (MAP-21) (P.L. 112-141), for Federally-funded projects (i) that receive less than $5,000,000 of Federal funds; or (ii) with a total estimated cost of not more than $30,000,000 and Federal funds comprising less than 15 percent of the total estimated project cost.

This memorandum provides guidance on inflation adjustments to the monetary limits ($5,000,000 and $30,000,000) for the Categorical Exclusion for Projects of Limited Federal Assistance based on the Consumer Price Index prepared by the Department of Labor. As outlined in the FAST Act, the first adjustments are to reflect the increase in the Consumer Price Index (CPI) since July 1, 2012. The adjustments are calculated using the formula attached to this memo and the CPI for All Urban Consumers (Current Series). The CPI is available at: [http://www.bls.gov/cpi/data.htm](http://www.bls.gov/cpi/data.htm).

Based on the attached formula and as required by Section 1314 of the FAST Act, the following adjustments are made for Categorical Exclusions for Projects of Limited Federal Assistance:

1. The $5,000,000 monetary limit is adjusted to $5,179,656.40.
2. The $30,000,000 monetary limit is adjusted to $31,077,938.40.

To ensure consistency in the application of the two categorical exclusions, the adjusted figures will be posted on FHWA’s Environmental Tool Kit located at [https://www.environment.fhwa.dot.gov/projdev/pd2implement.asp](https://www.environment.fhwa.dot.gov/projdev/pd2implement.asp), located under the NEPA
Guidance Section and will be updated annually by FTA and FHWA in January of subsequent years. Effective January 29th 2016, these adjusted figures must be used when applying the limited Federal assistance categorical exclusion to projects. This change also affects Title 23 of the Code of Federal Regulations (CFR), subsections 771.117(c)(23) and 771.118(c)(13), which will be amended as soon as practicable.

Please note that FTA is concurrently issuing a similar memorandum to its field offices to provide them with updated figures for this categorical exclusion authority.

Thank you in advance for your cooperation with these procedures. If you have any questions about this matter, please contact April Marchese, acting Director of the Office of Project Development and Environmental Review at (202) 366-2074, or Jennifer Mayo, Assistant Chief Counsel for Program Legal Services at (202) 366-1523.
Annual Adjustment Calculation: The adjustments are calculated using the formula below and the CPI for All Urban Consumers (Current Series). The CPI is available at: http://www.bls.gov/cpi/data.htm.

Monetary limit adjusted for inflation = $\frac{\text{November 20xx CPI}}{\text{July 2012 CPI (229.104)}} \times \$ \text{ Limit}$

$\text{July 2012 CPI (229.104)}$

\( \$5 \text{ Mil} = \frac{\text{November 2015 CPI (237.336)}}{\text{July 2012 CPI (229.104)}} \times \$5 \text{ Mil} = \$5,179,656.40 \) 
(2016 adjusted)

\( \text{July 2012 CPI (229.104)} \)

\( \$30 \text{ Mil} = \frac{\text{November 2015 CPI (237.336)}}{\text{July 2012 CPI (229.104)}} \times \$30 \text{ Mil} = \$31,077,938.40 \) 
(2016 adjusted)

\( \text{July 2012 CPI (229.104)} \)