



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and Public Facilities

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October 15, 2024

Sandra A. Garcia-Aline
Division Administrator
Federal Highway Administration

Susan Fletcher
Regional Administrator
Federal Transit Administration

SUBJECT: Statewide Transportation Improvement Program (STIP) Amendment #1 Federal Planning Findings, Response and Requests for More Information

Ms. Garcia-Aline and Ms. Fletcher,

Please find enclosed the Alaska Department of Transportation and Public Facilities' (DOT&PF) formal response to the Federal Planning Findings issued on September 26, 2024, regarding the 2024-2027 Statewide Transportation Improvement Program (STIP) Amendment #1. We summarize our overall disposition of the findings, corrective actions, and recommendations in this letter, while providing detail regarding the individual responses in Attachment A, which we will use as a basis for the "Action Plan" requested.

Out of the fourteen corrective actions identified in the March 27, 2024 Tier 2 Federal Planning Findings, (FHWA) and the Federal Transit Administration (FTA) (hereinafter referred to collectively as "the Federal Agencies") DOT&PF considers ten resolved. DOT&PF believes the remaining four corrective actions outlined below have been resolved and disagrees with their characterization.

- **23 CFR 450.208** – Documentation of 3C Projects
- **23 CFR 450.210** – Disposition of Public Comments
- **23 CFR 415.218(m)** – Fiscal Constraint Demonstration Including All Fund Sources
- **23 CFR 415.218(q)** – Transportation Performance Management

The Federal Agencies also included three recommendations from the March 27, 2024, Federal Planning Findings, two of which are listed as "Not Addressed." Recommendations are areas that meet statutory and regulatory requirements but may represent opportunities to improve the transportation planning processes. DOT&PF requests the following recommendations be removed from the September 26, 2024 findings as they have already been resolved or are now redundant and should not be carried forward:

- **23 CFR 450.210** – Public Process Prior to Adoption of Final STIP
- **23CFR 450.218(p)** – Coordination on STIP and TIP Procedures

The 2024-2027 STIP Amendment #1 submission, which encompasses 310 projects and programs totaling \$6.63 billion (including formula funds programmed through MPO Transportation Improvement Programs (TIPs) and

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awarded discretionary grants), received a new Federal Planning Finding with many similar findings as in the original 2024-2027 STIP Federal Planning Findings dated March 27th, 2024.

The 2024-2027 STIP Amendment #1 Federal Planning Finding rejected 21 discretionary grant projects:

- 1 Federal Rail Administration (FRA) discretionary grant award;
- 1 PROTECT Program discretionary grant award, and
- 19 Tribal High Priority and construction-related Tribal Transportation Safety Fund discretionary grant awards.

Two FHWA National Highway System (NHS) formula-funded projects were also rejected:

- 34130 Richards Highway Milepost 346 Northbound Chena Bridge Replacement, and
- 12641 Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction]

Five planning findings were issued with Amendment #1 partial approval, that included eight corrective actions, and ten recommendations. As part of these findings, 15 additional projects were flagged for potentially containing ineligible elements, though no specific details regarding the ineligible elements were provided in the findings.

DOT&PF contests all five findings, six of the eight corrective actions, all ten recommendations, and seven narrative statements. In general, we dispute the narrative sections, which contain unsubstantiated claims that are vague and lack sufficient evidence or support. Below is a summary of the specific findings being contested.

Regulation	Finding/Narrative Contested	Corrective Actions Contested	Recommendations Contested
23 CFR 450.218 Development and Content of the STIP	STIP Development	A – Urban Area Boundaries	A – STIP Format B – Abridged Publicly Available Amendment
23 CFR 450.208 Coordination of Planning Process Activities	Revised Planning Boundaries	C – 3C Process	C – Inclusion of MTPs as Informational Documents
23 CFR 450.210 Interested Parties, Public Involvement, and Consultation	Public Engagement	None	D – Documentation of Public Process E – Disposition of Comments
23 CFR 450.218(m) Fiscal Constraint	Discrepancies in Advance Construction (AC) Figures; Discrepancies in Fiscal Constraint Demonstration; and MPO TIP Programming	E – Project Eligibility F – Programming for the Safer Seward Highway G – Advance Construction STIP Procedures	F – State’s Authority to Determine AC Balance G – Documentation of AC and ACC Transactions H – Listing of Projects in Program Groups
23 CFR 450.218(q) & 23 CFR 450.206(c) TPM and Performance-Based Planning and Programming	Performance Management	H – Transparency in Project Selection	J – Performance Management

To resolve two of the corrective actions, DOT&PF requests further clarification on:

- **Corrective Action B** – Discretionary Grants
- **Corrective Action F** – Programming for the Safer Seward Highway (Milepost 98.5-118)

Given our differences concerning the Federal Planning Findings dated September 26, 2024, DOT&PF formally requests that the Federal Agencies provide detailed written responses, including actionable steps to ensure clear implementation, for the specific items outlined below as part of the required Action Plan (Attachment A). This

information is essential to ensure regulatory compliance and the effective execution of federally funded projects across the state.

- **Clarification on Authority** – DOT&PF requests clarification on the specific authority FHWA is relying on to reject or restrict the State of Alaska’s statutory right to manage its financial resources by leveraging Advance Construction (AC), a federally permitted financial tool, particularly when the current and projected balances are well within the historical previously approved range of AC usage.
- **Richardson Highway Project** – Based on the established facts regarding the Richardson Highway Milepost 346 Northbound Chena Bridge Replacement Project's location relative to the FAST Metropolitan Planning Area (MPA) boundary, and in accordance with 23 CFR 450.312(j), DOT&PF believes further delays imposed by FHWA are unwarranted and requests the project be removed from the Federal Planning Findings.
- **Discretionary Grant Programs** – To ensure no community risks losing its discretionary grant award and to prevent delays in grant-funded projects, DOT&PF requests written guidance along with a comprehensive list of all USDOT discretionary grant programs that are and are not required to be included in the STIP or Transportation Improvement Programs (TIP).
- **FHWA TIP Incorporation**– DOT&PF requests that FHWA, as the authority approving the Western Federal Lands Highway Division TIP and the Tribal TIPs (which are submitted to BIA for inclusion in the Tribal Transportation Program TIP), ensure these TIPs are provided to DOT&PF in a complete state when requested for subsequent STIP documents.
- **MPO Statements** – DOT&PF requests that any Federal Planning Findings based on statements from MPO Executive Directors be redacted as they are individual opinions, not policy board statements. We also request that the Federal Agencies review minutes and materials from the MPO Policy Boards, which accurately reflect the official positions and decisions of the MPOs.
- **Public Engagement Comment Response** – DOT&PF requests specific details and clarification regarding the statement on public engagement that "some comments were not responded to," as DOT&PF applied a thorough and methodical approach to reviewing, considering, and responding to all public comments that included contact information.
- **Compliance with Public Comment Regulations** – DOT&PF firmly believes that it fully complies with all applicable regulations and has established a new norm for best practices in STIP communications. Therefore, DOT&PF requests specific details regarding any deficiencies that must be addressed to ensure compliance with regulations related to the disposition of public comments in final documents.
- **Fiscal Constraint Clarification** – Considering the calculation errors in the only example provided by the Federal Agencies, DOT&PF requests a detailed breakdown with precise explanations supporting the statement that the accuracy of the fiscal constraint demonstration tables is in question.
- **Demonstration of Fiscal Constraint** – If the demonstration of fiscal constraint does not comply with the Federal Agencies’ guidelines, as outlined in 23 CFR 450.218, DOT&PF requests the detailed and specific information necessary to facilitate productive progress.
- **Advance Notification of Changes to Procedures** – DOT&PF requests that Federal Agencies provide formal written documentation in advance of changes to procedures and allow for a grace period to enable adjustments to programming cycles. Written guidance ensures clear expectations and helps prevent misinterpretation of guidance.
- **TIP/STIP Misalignment** – DOT&PF requests that the Federal Agencies provide specific examples of the referenced TIP/STIP misalignment, allowing DOT&PF and its MPO partners to effectively address the concerns and respond to the Federal Agencies’ remarks.
- **Alaska Railroad Corporation (ARRC) Programming** – DOT&PF requests detailed guidance on expectations for programming of ARRC programs in the STIP and TIPs.
- **Illustrative Projects**: DOT&PF requests that the Federal Agencies allow illustrative projects back into the STIP to improve transparency with the public as allowed by 49 USC 5304 (g)(5)(F)(ii).
- **Program Rejection Clarification** – Given the strength and clarity of our rationale for programming these projects, DOT&PF requests clarification on the basis for considering 15 programs and projects

ineligible, particularly in the absence of detailed explanations regarding potential eligibility issues. Several of these projects represent long-standing programs, have been included in FHWA-approved plans, or have already been approved in the 2024-2027 STIP.

- **Parent/Child Project Clarification** – DOT&PF requests clarification on which additional projects are being referenced in the statement that “some parent projects extend into an MPA,” as only one example is provided, and DOT&PF is not aware of any others.
- **Safer Seward Highway Corridor** – DOT&PF has sought guidance from FHWA on the technical programming of the Safer Seward Highway Corridor (Milepost 98.5-118) without success; we request specific written instruction on how to best program this unique parent/child project in the STIP and TIP.
- **Performance Targets** – Based on the latest Performance Score Card and Transportation Performance Management Plan (TAMP) Consistency Determination, DOT&PF is meeting all federal performance targets. We request specific details regarding which federal performance targets the FHWA is referencing as not being met.
- **Project Selection and Programming** – DOT&PF's project selection and programming processes align with 23 CFR Part 450 and support both state and federal goals. Given our compliance and success in meeting federal performance targets, we seek specific details regarding any areas requiring improvement.

Moving forward, Director Dom Pannone and Chief Engineer Lauren Little will lead the efforts to develop a Joint Action Plan. To foster transparency and maintain a spirit of collaboration, we request that all in-person or virtual meetings be well-documented, with meeting notes or recordings made available to the public to ensure accountability and clarity. While DOT&PF maintains that it is in full compliance with all applicable federal regulations governing transportation planning and programming, this Action Plan reflects our commitment to resolving the concerns raised in a manner that supports the shared goal of delivering transportation projects efficiently and transparently.

As DOT&PF is not aware of any specific regulations or guidance pertaining to the development of such an Action Plan, we anticipate further instructions from FHWA/FTA to guide this process. Meanwhile, to maintain our December 6th, 2024 deadline, DOT&PF requests the Federal Agencies to respond to all information requests, detailed in Attachment A, by November 1st, 2024.

Sincerely,



Ryan Anderson, P.E.

Commissioner

Department of Transportation and Public Facilities

Enclosures: Attachment A (Action Plan)

Statewide Transportation Improvement Program (STIP) Joint Agency Action Plan **DRAFT**

Alaska Department of Transportation and Public Facilities, Federal Highways Administration, and Federal Transit Administration

The Alaska Department of Transportation and Public Facilities (DOT&PF) presents this draft Action Plan in response to the Federal Planning Findings issued by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) on September 26, 2024. This plan outlines how DOT&PF will engage in a collaborative effort with FHWA and FTA to consider the findings, recommendations, and corrective actions associated with the 2024-2027 Statewide Transportation Improvement Program (STIP) Amendment #1.

While DOT&PF maintains that it is in full compliance with all applicable federal regulations governing transportation planning and programming, this Action Plan reflects our commitment to resolving the concerns raised in a manner that supports the shared goal of delivering transportation projects efficiently and transparently. We recognize the importance of open dialogue with FHWA and FTA and aim to provide clarity on the processes that underpin DOT&PF's management of Advance Construction (AC) funds, project selection, public process, and fiscal constraint.

Purpose of the Action Plan

The objectives of this Action Plan are to:

- **Ensure continuous collaboration** – The plan is designed to promote ongoing collaboration between DOT&PF, FHWA, and FTA. Our goal is to resolve any outstanding questions or concerns in a constructive manner while preserving the integrity and flexibility of Alaska's transportation program.
- **Address concerns with clarity and detail** – While DOT&PF believes that all applicable regulations have been fully adhered to, this plan will provide further clarification on processes related to project funding, eligibility, and compliance. It will ensure that all parties are providing the necessary documentation and explanations to align perspectives on these matters.
- **Maintain project delivery schedules** – By addressing the concerns outlined in the Federal Planning Findings, the joint agencies will ensure that project delivery continues without unnecessary delays, while prioritizing the safety, efficiency, and economic vitality of Alaska's transportation infrastructure.

Scope of the Action Plan

The Action Plan focuses on several key areas that will guide the resolution of identified findings and recommendations:

1. **Clarification of Corrective Actions** – The joint agencies will address each corrective action raised in the findings to clarify each issue. DOT&PF will demonstrate that all procedures and processes are in full compliance with federal regulations.
2. **Fiscal Constraint Documentation** – DOT&PF will reaffirm that its fiscal constraint demonstration complies with 23 CFR 450.218. The Action Plan will address any perceived discrepancies and

provide additional context to confirm that funding sources are accurately reflected in all documentation.

3. **Coordination with MPOs and Stakeholders** – This plan will reaffirm DOT&PF’s commitment to working collaboratively with Metropolitan Planning Organizations (MPOs), tribal governments, and other local stakeholders to ensure effective coordination in the development of transportation improvement programs.
4. **Public Engagement and Comment Disposition** – DOT&PF is fully committed to public engagement and transparency. This Action Plan will detail our ongoing efforts to improve communication and responsiveness to public comments, ensuring compliance with the requirements of 23 CFR 450.210.

DOT&PF remains fully confident in its compliance with federal regulations governing transportation planning and programming, and this Action Plan reflects our commitment to continuous improvement and collaboration. Our goal is to ensure that Alaska’s transportation program remains transparent, flexible, and aligned with both state and federal objectives, and we look forward to working closely with FHWA and FTA to resolve outstanding concerns.

The attached Action Plan outlines specific responses, timelines, and next steps for each finding, recommendation, and corrective action, and we invite continued dialogue with the Federal Agencies to support the successful implementation of the 2024-2027 STIP Amendment #1.

23 CFR 450.218 Development and Content of The Statewide Transportation Improvement Program (STIP) – NARRATIVE

FINDING – STIP DEVELOPMENT: **DOT&PF CONTESTS THIS FINDING**

Federal Highways Administration and Federal Transit Administration Comments

“Unfortunately, information is inconsistent between various tables and resources (as is noted below). Errors appear to be common, creating confusion about the information presented for some projects.”

DOT&PF Response

DOT&PF appreciates the recognition of our dynamic and modern approach to providing information to the public, and a recognition of DOT&PF’s focus on transparency. We would appreciate more details on statements made in the narrative section. *“Unfortunately, information is inconsistent between various tables and resources (as is noted below). Errors appear to be common, creating confusion about the information presented for some projects. [FHWA/FTA].”* This assertion, which is repeated in subsequent paragraphs questioning our ability to serve the public interest, lacks specific examples to substantiate the claims.

The only specific example cited concerns discrepancies in Advance Construction (AC) balances between the Fiscal Constraint Demonstration tables and the Deep Dive pages, as referenced in 23 CFR 450.218(m). Upon reviewing the example provided, we found that FHWA/FTA inaccurately portrays and miscalculates the AC balances. For instance, in the Federal Planning Finding, the middle column of the table on the right shows a total of \$(149,351,366), which is neither the sum nor the difference of the

two figures above it. [FIGURE 1](#), from page nine of the Federal Planning Findings appears to inaccurately portray and inaccurately calculate AC balances. See comparison in [FIGURE 1](#).

FIGURE 1: EXCERPT FROM FHWA FEDERAL PLANNING FINDINGS PAGE 9

A manual review of AC amounts consolidated from the Deep Dive pages yields a total of \$935,590,773 of AC programmed in Amendment #1, not \$806,140,402 as shown in the table from the finding. We’ve also highlighted what appears to be computational errors, though it remains unclear how these numbers were derived. Please see [TABLE 1](#) for manually collected and calculated STIP IDs from Volume 1 of the Deep Dive pages.

TABLE 1: MANUAL REVIEW OF ADVANCE CONSTRUCTION

Consolidated from STIP Deep Dive Project Pages							
2024		2025		2026		2027	
34302	\$ 15,554,741	6234	\$ 245,080	19217	\$ 6,492,210	2670	\$ 39,083,692
33241	\$ 6,952,500	12641	\$ 23,350,000	23455	\$ 16,456,088	22322	\$ 53,538,585
33962	\$ 725,598	24596	\$ 36,402,219	26156	\$ 15,270,725	22335	\$ 47,613,153
18923	\$ 19,666,113	26085	\$ 20,013,400	30189	\$ 79,525,218	29973	\$ 18,141,465
33965	\$ 5,921,056	26156	\$ 909,700	31469	\$ 8,290,300	32638	\$ 16,556,540
		33720	\$ 1,364,550	32639	\$ 16,920,420	32721	\$ 6,094,080
		34302	\$ 80,241,195	34200	\$ 1,234,258	32724	\$ 17,158,267
		34433	\$ 15,019,057	34302	\$ 33,182,036	33921	\$ 14,567,701
		34434	\$ 30,719,975	34447	\$ 22,829,474	34165	\$ 140,226,128
		34461	\$ 12,293,733	34462	\$ 64,913,000	34206	\$ 12,379,557
		34637	\$ 3,183,950			34232	\$ 8,640,469
						34243	\$ 3,638,800
						34302	\$ 3,892,043
						34342	\$ 4,912,380
						34349	\$ 11,471,317
SubTotal	\$ 48,820,008		\$ 223,742,859		\$ 265,113,729		\$ 397,914,177
Total	\$ 935,590,773						

Overall, the AC numbers are thoroughly documented in the Fiscal Constraint Demonstration section of the narrative, which clearly shows how revenue sources are constrained by year, while also listing each project that utilizes a specific fund source by year, an excerpt provided for example is shown in

Its regrettable that FHWA did not directly reach out to DOT&PF during its multi-week review period to request clarification or assistance in understanding these details.

TABLE 2. These tables demonstrate that some AC amounts will be reflected in the project pages, while others may appear in the TIPS which are incorporated by reference.

It's regrettable that FHWA did not directly reach out to DOT&PF during its multi-week review period to request clarification or assistance in understanding these details.

TABLE 2: FISCAL CONSTRAINT DEMONSTRATION TABLE OF FHWA AC

FHWA AC		\$	62,831,601
Statewide Planning and Research Advance Construction		\$	12,471,893
AWP [Ledger]	Annual Planning Work Program	\$	12,471,893
Surface Transportation Block Grant: FLEX Advance Construction		\$	48,820,008
18923	Pavement and Bridge Preservation Program: Northern Region	\$	19,666,113
33241	Cape Blossom Road [Parent and Final Construction]	\$	6,952,500
33962	Ice Roads, Seasonal Roads, and Winter Trails Program	\$	725,598
33965	Rock Slope Stabilization Program	\$	5,921,056
34302	Pavement and Bridge Preservation Program	\$	15,554,741
Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction		\$	1,539,700
17662	Community-Driven Transportation Projects [FAST]	\$	1,539,700
FHWA Formula Funds from Limitation		\$	248,805,872

DOT&PF also has concerns regarding the removal of the language about AC conversions, which was done without providing reason or context. It appears that FHWA may have conflated administrative actions with administrative modifications.

As a reminder, DOT&PF maintains its authority under Title 49 U.S.C. 5304(g)(9) to reprioritize projects within the STIP without requiring federal approval, as stated: *“Modifications to project priority. Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved transportation improvement program in place of another project in the program.”*

The removal of language regarding AC from the narrative also appears to conflict with 23 CFR 630.709(a), which clearly provides: *“The State Department of Transportation may submit a written request to the FHWA that a project be converted to a regular Federal-aid project at any time provided that sufficient Federal-aid funds and obligation authority are available.”*

Additionally, the federal planning finding suggests that the use of AC at historic levels introduces risks to the delivery of our program. While we appreciate the acknowledgment of potential risks, it is important to clarify that the current proportion of AC is not unprecedented. Our records indicate that AC balances, relative to our Formula Limitation, are below the high-water mark reached in 2006, when AC balances were 189% of the Formula Limitation. Moreover, restrictions on a state's use of AC were removed in 1995, the former restrictions allowing states to leverage expected apportionments plus an additional year of apportionment.

DOT&PF firmly believes that leveraging AC within this amendment serves the best interests of the state, providing both flexibility and a strategy to ensure the timely and effective delivery of transportation projects for the traveling public.



DOT&PF requests clarification on the specific authority FHWA is relying on to reject or restrict the State of Alaska's statutory right to manage its financial resources by leveraging Advance Construction (AC), a federally permitted financial tool, particularly when the current and projected balances are well within the historical previously approved range of AC usage.

23 CFR 450.218 Development and Content of The Statewide Transportation Improvement Program (STIP) – CORRECTIVE ACTIONS

CORRECTIVE ACTION A –URBAN AREA BOUNDARIES: DOT&PF CONTESTS THIS CORRECTIVE ACTION

Federal Highways Administration and Federal Transit Administration Comments

"The following projects are excluded from approval of STIP Amendment #1. Any project located within an MPO's approved Urban Area Boundary or Metropolitan Planning Area Boundary, must be included in the MPO TIP. Once amended into the MPO TIP, the TIP amendment can be amended into the AK DOT&PF's STIP without modification. Excluded MPO projects include:

- 34545 Chena River Railroad Bridge Replacement – ARRC
- 34547 City of North Pole: Alaska, Drainage Project - City of North Pole
- 34130 Richardson Highway Milepost 346 Northbound Chena Bridge Replacement "

DOT&PF Comment

We are in receipt of our October 15, 2024 email rejecting our request for reconsideration of the exclusion of the Richardson Highway Milepost 346 Northbound Chena Bridge Replacement Project (STIP ID 34130) from approval in STIP Amendment #1. We continue to contest this decision and request further detailed discussions with our State attorney as part of the proposed action plan.

The Richardson Highway Milepost 346 Northbound Chena Bridge Replacement Project is not located within the MPO's Metropolitan Planning Area (MPA) Boundary. Although the U.S. Census Bureau's 2020 census urbanized boundary for Fairbanks now includes the Chena Flood Control Area, 23 CFR 450.312(a) and 450.312(j) explicitly state that any changes to the MPA boundary must receive Governor's approval. The final MPA boundary approved by the MPO and Governor might be identical to, and might be smaller than, the Census Bureau's 2020 urban area boundary. Either way, once the boundary adjustments have been approved by the MPO and the Governor, the official boundary descriptions will be transmitted to FHWA and FTA.

Additionally, 23 CFR 450.326(e) plainly requires that "The TIP shall include capital and non-capital surface transportation projects (or phases of projects) within the boundaries of the metropolitan planning area ...". There is no additional requirement for inclusion of projects within the U.S. Census Bureau's urban area in FHWA's regulations. Thus, for a second reason, the FPF requirement is inconsistent with federal regulations.

Furthermore, FHWA has authorized other projects within the new urbanized boundary for FY24, despite not being included in the TIP or MTP. For example, the Chena Ridge Resurfacing Project (NFHWY00838)

received construction authorization and local planning approval which, at this time, is the only planning authorization required (outside of the STIP) for the project to advance to construction. This demonstrates that it is possible to proceed without inclusion in the TIP. This highlights an inconsistency in the application of project exclusion.

Information provided by FHWA staff indicated that the MPA expansion does not need to be approved or agreed upon until either the next MTP update (which has not yet begun) or four years from the designation. There is no current requirement for updated MTPs and TIPs to incorporate projects within the newly designated boundaries until 2026. This is consistent with the approach taken for the Matanuska-Susitna Valley Planning (MVP) MPO, where FHWA is not objecting to existing DOT&PF planned projects within the MVP boundary, even in the absence of an updated MTP or TIP.

DOT&PF is prepared to obligate and begin construction on this critical Interstate Highway bridge replacement project, which will help mitigate risks associated with potential load restrictions, earthquakes, and floods, all of which threaten the cost of living and transportation efficiency in the Fairbanks area.

We have reviewed the Chena River Railroad Bridge Replacement (STIP ID 34545) and confirmed that it will be funded through a discretionary grant administered by the Federal Railroad Administration (FRA). Therefore, this project will be removed from the STIP and will not require incorporation into the TIP.

The City of North Pole: Alaska Drainage Project (STIP ID 34547) falls within the existing FAST MPA and is funded through the PROTECT program grant. As such, it will be removed from the STIP and will be required to be included in the FAST TIP.



Based on the established facts regarding the Richardson Highway Milepost 346 Northbound Chena Bridge Replacement Project's location relative to the FAST MPA boundary, and in accordance with 23 CFR 450.312 regulations, DOT&PF believes that further delays imposed by FHWA are unwarranted and requests the project be removed from the Federal Planning Findings.

CORRECTIVE ACTION B – DISCRETIONARY GRANT: MORE INFORMATION NEEDED

Federal Highways Administration and Federal Transit Administration Comments

“The following projects are excluded from approval of STIP Amendment #1. Any project funded with Tribal funds must be included in the Tribal Transportation Improvement Program (TTIP). The TTIP is included into the STIP by reference and without modification. This includes all projects funded through Tribal program dollars. Excluded Tribal projects include:

34564 - Fast End Roads Design Refresh - Nome Eskimo Community

34567 - High Ridge Road Phase Two - Igiugig Village

34578 - Manokotak First, Second, Third Street Rehabilitation Road Project - Manokotak Village

34583 - Minto Community Street Improvement - Native Village of Minto

34587 - Old John Lake Trail -Arctic Village Council

34590 - Pedro Bay Landfill Access Road - Pedro Bay Village

34608 - Tribal Way Road Improvement- Sitka Tribe of Alaska

34625 - White Mountain Community Streets - Native Village of White Mountain

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34562 - *Ekwook Road Spot Safety Improvements Preliminary Engineering - Native Village of Ekwook*
34568 - *Hillcrest Drive and Bayou Loop Road Safety Improvements Design Project - Native Village of Clarks Point*
34569 - *Huslia Streetlight Illumination Project - Huslia Village*
34571 - *Kasaan Access Road Killer Hill Realignment- Organized Village of Kasaan*
34577 - *Main Street Spot Safety Improvements Preliminary Engineering - Native Village of New Stuyahok*
34582 - *Mile Post 111.5 Richardson Highway Turn Lanes Project - Native Village of Gakona*
34584 - *Naknek Pedestrian Path Construction Project - Naknek Native Village Council*
34586 - *Nerka Infrastructure Safety Improvements - Curyung Tribal Council*
34591 - *Pilot Point Brush Cutting & Signs Program Startup - Native Village of Pilot Point*
34593 - *Preliminary Engineering for Safety Improvements on Walden Point Road and Airport Road - Metlakatla Indian Community*
34605 - *Systemic Application of Roadway Departure Countermeasures - Native Village of Noatak*

DOT&PF Comments

In the March 27th, 2024 Federal Planning Findings, the FHWA and FTA stipulated that as part of Tier 2 requirements, any *“awarded Discretionary Grants must be included in the fiscal constraint documentation.”* During follow-up meetings, FHWA clarified that DOT&PF is required to include discretionary grants awarded to any entity within the State of Alaska funded under Title 23 and Title 49. The Fiscal Constraint Demonstration tables must reflect the awards for each individual grant program, clearly itemized and broken down by fiscal year to ensure accurate tracking and compliance with funding allocations for each grant. However, there is an important exception: projects may be excluded from the STIP if the specific Notice of Funding Opportunity (NOFO) for the grant explicitly exempts them.

Additionally, discretionary grants awarded to tribes or located within the FAST or AMATS MPA must be included in the TIPS. This requirement does not extend to the MVP MPA, which currently lacks an established TIP.

DOT&PF was unable to identify any specific exclusions in the NOFO for the Tribal Transportation discretionary grants (both High-Priority and Safety Programs) of which FHWA and FTA rejected. The Safety Program NOFO states that these Tribal discretionary grants are funded under 25 CFR Part 170, with Section 170.124 specifying that, in order to expend any federal transportation funds, a tribe must ensure that the eligible project or program is listed on an FHWA-approved TIP or STIP.

To comply with 25 CFR Part 170 and 23 CFR Part 450, the FHWA approved Tribal Transportation Improvement Program (TTIP) must be included without further action into the state's STIP. DOT&PF chose to include the Bureau of Indian Affairs (BIA) approved Tribal Transportation Program Transportation Improvement Program (TTPTIP), the compilation of TTIPs from over 200 federally recognized tribes, which is fully compliant with 23 CFR 450.218(e).

However, to ensure that newly added discretionary grant awards from individual TTIPs are included in the STIP without unnecessary delays, DOT&PF may consider the logistically challenging incorporation of individual TTIPs into the STIP. Once projects are incorporated into the TTPTIP, they will be removed from the STIP to avoid duplication, ensuring smoother coordination between the TTPTIP and STIP processes.

Many Tribal Transportation Safety Program projects were awarded for the development of safety plans and conducting safety data assessments, which are not required to be included in the STIP due to specific exceptions outlined in 23 CFR 450.218.



To ensure no community risks losing its discretionary grant award and to prevent delays in grant-funded projects, DOT&PF requests written guidance along with a comprehensive list of all USDOT discretionary grant programs that are and are not required to be included in the STIP or TIPs.

DOT&PF requests that FHWA, as the common authority responsible for the approval of TTIPs prior to their inclusion in the BIA TTPTIP and the approval of the WFLHD TIP, clearly take ownership of the responsibility for these TIPs. FHWA should also ensure that these TIPs are provided to DOT&PF in a complete state when requested for subsequent STIP amendments.

Additionally, FHWA should provide DOT&PF with specific guidance on how Alaska should incorporate by reference or include, without further action, the aforementioned TIPs. The state should not be required to infer responsibilities that are clearly within the purview of FHWA.

DOT&PF seeks a complete package from FHWA on the most current versions of the WFLHD TIP, TTPTIP, and, where applicable, individual TTIPs, when requested for future STIP amendments.



DOT&PF requests that FHWA, as the authority approving the WFLHD TIP and the TTIPs (which are submitted to BIA for inclusion in the TTPTIP), ensure these TIPs are provided to DOT&PF in a complete state when requested for subsequent STIP documents.

<p>23 CFR 450.218 Development and Content of The Statewide Transportation Improvement Program (STIP) – RECOMMENDATIONS</p>
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RECOMMENDATION A – STIP FORMAT: DOT&PF CONTESTS THIS RECOMMENDATION

Federal Highways Administration and Federal Transit Administration Comments

“a) Due to the voluminous nature of Alaska DOT&PF’s STIP Amendment #1, and the inconsistencies found among the various tables and data sets, we recommend significant simplification of the STIP to ensure requirements are met and to ensure information remains transparent but is easy to access and use.”

DOT&PF Comments

While DOT&PF understands the intent behind the recommendation to simplify the STIP for ease of access and transparency, DOT&PF believes that providing comprehensive and detailed information is essential to ensuring transparency, accountability, and full disclosure of the state’s transportation planning efforts.

The detailed nature of the STIP is designed to offer multiple ways for different users to view and understand project data—by project title, location, fund source, and other critical attributes—allowing different stakeholders to access the information in the manner most useful to them. Reducing the amount of data and simplifying the presentation could risk omitting important details necessary for stakeholders to understand the full scope and complexity of the program.

We remain committed to refining our internal processes to ensure accuracy while preserving the robust, detailed data presentation that meets both federal requirements and the needs of the public.

RECOMMENDATION B – ABRIDGED PUBLICLY AVAILABLE AMENDMENT:

DOT&PF CONTESTS THIS RECOMMENDATION

Federal Highways Administration and Federal Transit Administration Comments

“b) To support an expedited review process and provide clarity to all stakeholders, in the future any proposed STIP amendment should only include those projects that are being amended along with the fiscal constraint demonstration to support the amendment.”

DOT&PF Comments

While DOT&PF understands the intent behind the recommendation to limit future STIP amendments solely to the projects being amended, we respectfully decline to adopt this approach. DOT&PF maintains that a comprehensive view of all projects—amended and non-amended—is essential for ensuring transparency, proper coordination, and a full understanding of the fiscal constraint across the program. The inclusion of the broader context of all projects, even those not being amended, provides stakeholders with a more accurate picture of how changes affect the overall program.

23 CFR 450.208 Coordination of Planning Process Activities – NARRATIVE

FINDING –REVISED PLANNING BOUNDARIES: DOT&PF CONTESTS THIS FINDING

Federal Highways Administration and Federal Transit Administration Comments

“DOT&PF has not taken action on the Fairbanks Area Surface Transportation MPO’s revised Metropolitan Area Planning boundaries, which is critical to the MPO’s ability to update their Metropolitan Transportation Plan (MTP).”

DOT&PF Comments

The assertion that DOT&PF has not acted on the FAST MPO's revised MPA boundaries is incorrect. When the original boundary extension request was submitted to DOT&PF, the request lacked a boundary description that was legally sufficient. At that time, it was determined that since this is the second change to the MPA since the operating agreement was signed, and due to change in practices in how projects are incorporated into the TIP, an updated operating agreement was warranted in accordance with 23 CFR 450.314(b).

At the June 19, 2024, FAST Planning Policy Board meeting, DOT&PF presented a proposed updated version of the operating agreement to the Policy Board for discussion. The agenda and supporting materials, including the proposed agreement, are available on the FAST Planning website. DOT&PF continues to collaborate with the MPO to finalize the agreement and anticipates securing the Governor’s approval of an updated operating agreement in the coming months, in accordance with state law and federal planning requirements.

Likewise, DOT&PF is currently reviewing the AMATS operating agreement following a request for a boundary extension. The current agreement, dated October 16, 2002, will be revised to reflect updated practices and regulatory requirements.

Federal Highways Administration and Federal Transit Administration Comments

“FTA received several comments from Alaska MPO’s executive directors indicating a lack of coordination in the development of the draft STIP amendment #1, which resulted in continued errors documented in the public facing draft.”

DOT&PF Comments

DOT&PF has been actively collaborating with MPOs, FHWA, and FTA in accordance with the directives outlined in the February 9, 2024, Federal Planning Findings for the 2024-2027 STIP, specifically addressing Tier 2, Corrective Action 1a. As required by 23 CFR 450.208, DOT&PF has worked diligently to develop processes and procedures that ensure coordinated planning activities between the state and its respective MPOs. These procedures have been reviewed by the respective MPO Policy Boards, which have provided positive feedback.

While DOT&PF has made significant progress in aligning with federal planning requirements, it is regrettable that recent FHWA corrective action findings appear to be based on statements from staff MPO executive directors rather than from the official governing bodies of the MPOs, namely the MPO Policy Boards, which have been confirmed as the authorized voice of the MPOs in all decision-making processes. During MPO Policy Board Meetings and MPO Quarterly Meetings with the executive directors, we have consistently received positive feedback regarding the 3C processes and procedures. Should FHWA require formal resolutions of support from each MPO, DOT&PF is prepared to provide the necessary documentation upon request.



DOT&PF requests that any federal planning findings based on statements from MPO executive directors be redacted as they are individual opinions, not policy board statements. We also request that FHWA and FTA review minutes and materials from the MPO Policy Boards, which accurately reflect the official positions and decisions of the MPOs.

23 CFR 450.208 Coordination of Planning Process Activities – CORRECTIVE ACTIONS

CORRECTIVE ACTION C – 3C PROCESS: DOT&PF CONTESTS THIS CORRECTIVE ACTION

Federal Highways Administration and Federal Transit Administration Comments

“The DOT&PF must develop and implement processes and procedures for a continuing, cooperative, and comprehensive planning process that meets the requirements of 23 CFR 450.208. These documented procedures should result in a tangible demonstration of coordination among the MPOs and the DOT&PF such that information is coordinated among the agencies in the development of documents including the STIP and STIP amendments. In addition, this coordination must provide for timely resolution of differences to ensure MPO processes are supported and before draft documents are released for public review.”

DOT&PF Comments

DOT&PF has developed and implemented the 3C processes and procedures, which clearly outline the roles and responsibilities of DOT&PF in relation to MPO coordination, as required by 23 CFR 450.208 and

DOT&PF Draft STIP Joint Agency Action Plan

23 CFR 450.316. This reflects DOT&PF’s strong commitment to the 3C process and collaboration with our MPO partners, as evidenced by our continuous engagement in developing these procedures, which are summarized below. The finalized 3C Processes and Procedures document was formally transmitted to FHWA and FTA on September 2, 2024, as a result of many ongoing engagements detailed in **TABLE 3**.

On June 11, 2024, DOT&PF and FHWA met to discuss the Tier 2 findings and resolution. At this meeting, Lauren Little, DOT&PF Chief Engineer, reviewed and received concurrence from Julie Jenkins and Theresa Hutchins of FHWA that the 3C document did not require formal approval by the MPOs. As the document is specific to DOT&PF’s internal processes and procedures and does not impose requirements on the MPOs, it was determined that MPO approval would not be necessary. However, DOT&PF committed to developing the document collaboratively, which is reflected in the engagement summary provided below. This agreement was further confirmed during the August 26, 2024, MPO Quarterly Meeting, where FHWA partners Marie Heidemann, Julie Jenkins, and Sandra Grace-Aline were present.

DOT&PF is unclear as to why FHWA does not consider this matter resolved regarding the federal planning findings on the STIP. DOT&PF fully recognizes that the 3C process is inherently continuous and, as such, the processes and procedures will continue to be refined and adjusted as needed, in collaboration with our MPO partners.

In addition to the 3C document and associated MPO Operating Agreements, DOT&PF is advancing a broader planning manual effort. This manual will not only incorporate the 3C document but will also address broader STIP development and coordination procedures to ensure comprehensive planning and compliance.

It is also important to note that, based on the FHWA/FTA Narrative that FHWA and FTA may be basing their findings on conversations with individual MPO executive directors, without fully considering the actions taken by the MPO Policy Boards or the substantial efforts of the DOT&PF team. DOT&PF is committed to transparency and collaboration, and we recommend that FHWA and FTA take into account the collective input and formal actions of all involved stakeholders when assessing the effectiveness of our processes.

TABLE 3: 3C ENGAGEMENT SUMMARY FOR STIP AMENDMENT #1

Date 2024	Event	Participants	Action	Outcome
5/29	MPO Quarterly Meeting	MPO Executive Directors, DOT&PF Staff	Worked collaboratively on the draft 3C document.	75% of the document was completed in real time.
6/5	FAST Planning TAC	FAST TAC Members	Shared the draft 3C document and captured comments in the meeting minutes.	Moved to Policy for further review.
6/6	AMATS TAC	AMATS TAC Members	Shared the draft 3C document and captured comments in the meeting minutes.	Moved to Policy for further review.
6/11	MVP TAC	MVP TAC Members	Shared the draft 3C document and captured	Moved to Policy for further review.

DOT&PF Draft STIP Joint Agency Action Plan

			comments in the meeting minutes.	
6/18	MVP Policy Meeting	MVP Policy Board	Discussed the draft 3C document and gathered comments.	Comments provided for incorporation.
6/19	FAST Planning Policy Meeting	FAST Planning Policy Members	Discussed the draft 3C document and gathered comments.	Comments provided for incorporation.
6/20	AMATS Policy Meeting	AMATS Policy Members	Discussed the draft 3C document and gathered comments.	Comments provided for incorporation.
6/24	Email to MPO Planners	DOT&PF MPO Planners, Brett Nelsen, Judy Chapman	Sent updated draft 3C document incorporating MPO comments.	Sought additional comments, feedback, and recommendations.
6/27	Email from J. Fox to B. White	FAST Planning TAC	Follow-up on the status of the 3C document and requested a copy for FAST Planning TAC.	Status update provided.
6/28	Email to MPO Executive Directors	MPO Executive Directors	Sent the most current version of the draft 3C document and updated on current status.	Provided MPOs with the latest document for further review.
8/26	MPO Quarterly Meeting	FHWA, MPO Executive Directors, DOT&PF Staff	Reviewed and completed the entire draft 3C document, with remaining items being minor verbiage adjustments.	Final document review completed; minor adjustments needed.
9/4	FAST Planning TAC	FAST TAC Members	Shared the revised draft 3C document with the technical advisory committee (not an action item).	Moved to Policy for further review.
9/5	AMATS TAC	AMATS TAC Members	Shared the revised draft 3C document with the technical advisory committee (not an action item).	Moved to Policy for further review.
9/10	MVP TAC	MVP TAC Members	Shared the revised draft 3C document with the technical advisory committee (not an action item).	Moved to Policy for further review.
9/17	MVP Policy Meeting	MVP Policy Board	Shared the revised draft 3C document with the Policy Board (not an action item).	Final document review completed by the MVP Policy Board.
9/18	FAST Planning Policy Meeting	FAST Planning Policy Members	Shared the revised draft 3C document with the Policy Board (not an action item).	Final document review completed by FAST Policy Board.

9/19	AMATS Policy Meeting	AMATS Policy Members	Shared the revised draft 3C document with the Policy Board (not an action item).	Final document review completed by AMATS Policy Board.
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23 CFR 450.208 Coordination of Planning Process Activities – RECOMMENDATIONS

RECOMMENDATION C –REVISED PLANNING BOUNDARIES: DOT&PF CONTESTS THIS RECOMMENDATION

Federal Highways Administration and Federal Transit Administration Comments

“The inclusion of the MPO’s MTPs in the STIP, it gives the appearance that Alaska DOT &PF and/or FHWA and FTA are by extension providing approval of the MPO MTPs through the approval of the STIP or STIP Amendments.”

DOT&PF Comments

The inclusion of the MPO’s Metropolitan Transportation Plans (MTPs) in the STIP is clearly labeled as "Included for informational purposes", which should make it evident that DOT&PF is not conferring any formal approval by referencing them. The use of these words explicitly clarifies that the inclusion of the MTPs in the STIP is meant solely as a reference for stakeholders, and neither DOT&PF, FHWA, nor FTA is implying formal approval of the MTPs through the STIP or STIP Amendments. This approach supports transparency and ensures ease of access for those seeking comprehensive transportation information in one location.

- 6. Metropolitan Transportation Plans (MTP) *Included for Informational Purposes*
 - a) FAST MTP
 - b) AMATS MTP

FIGURE 2: STIP AMENDMENT #1 VOLUME 2: TABLE OF CONTENTS

23 CFR 450.210 Interested Parties, Public Involvement, and Consultation – NARRATIVE

FINDING – PUBLIC ENGAGEMENT: DOT&PF CONTESTS THIS FINDING

Federal Highways Administration and Federal Transit Administration Comments

“The public was not given the opportunity to comment on the final STIP Amendment #1 prior to submittal for Federal approval.”

DOT&PF Comments

Changes were made between the Draft STIP Amendment #1 and the Final STIP Amendment #1 based on public comments, as well as the July 31, 2024, joint FHWA and FTA comment letter. All public comments were responded to formally and documented in STIP Amendment #1 Volume 3. The joint FHWA FTA review letter was responded to in detail. In cases where no contact information was

provided, or the comments solely consisted of disrespectful or abusive commentary, responses were not issued; those comments were still recorded and considered as part of the public engagement process.



DOT&PF requests specific details and clarification regarding the statement on public engagement that "some comments were not responded to," as DOT&PF applied a thorough and methodical approach to reviewing, considering, and responding to all public comments that included contact information.

**23 CFR 450.210 Interested Parties, Public Involvement, and Consultation –
CORRECTIVE ACTIONS**

No Corrective Actions

**23 CFR 450.210 Interested Parties, Public Involvement, and Consultation –
RECOMMENDATIONS**

RECOMMENDATIONS D AND E – PUBLIC PROCESS: DOT&PF CONTESTS THIS RECOMMENDATION

Federal Highways Administration and Federal Transit Administration Comments

“d. The public participation process should document processes to engage the public when significant changes are made to Federal documents such as the STIP and STIP Amendments and how the disposition of public comments are made available.”

“e. The disposition of comments should address the comments received and the public should be able to find their comment and understand how it was considered for the final document. Therefore, the disposition of their comments should address their specific comment.”

DOT&PF Comments

DOT&PF fully acknowledges the importance of public participation in the STIP process and is committed to transparency in addressing public comments. Public engagement plays a critical role in the STIP process, and every effort was made to ensure that the final document accurately reflected the input from the public and stakeholders, as well as the guidance provided from FHWA and FTA.

All public comments received were recorded for public and agency review, were fully considered by DOT&PF, and documented in STIP Amendment #1, Volume 3. In addition, the detailed responses to the joint FHWA/FTA review letter were incorporated, ensuring that federal guidance was fully addressed. DOT&PF recognizes that meaningful public participation is essential, and every comment that included an email address, phone number, mailing address, or other contact information was given an individualized response. In cases where no contact information was provided, or the comments were deemed disrespectful or abusive, responses were not issued. However, such comments were still recorded and considered as part of the public engagement process.

The STIP Team takes immense pride in its engagement efforts (FIGURE 3), prioritizing personalized responses to every comment that allowed for returned communication. Whether a comment was received via email, phone, letter, or other means, our team ensured that each individual or organization received a thoughtful and specific reply. DOT&PF values the public’s role in shaping Alaska’s transportation priorities and remains committed to transparency and responsiveness throughout the entire STIP process.

FIGURE 3: STIP AMENDMENT #1 ENGAGEMENT SUMMARY TABLE OF CONTENTS

Accessibility and Civil Rights Compliance. DOT&PF is committed to ensuring that the public participation process is fully accessible, in compliance with ADA requirements, and that all members of



the public have the opportunity to engage. Public comments and responses are provided in accessible formats upon request, ensuring that individuals with disabilities have equal access to the STIP review and feedback process. Additionally, language access services, such as translation and interpretation, are available to ensure that individuals with limited English proficiency can meaningfully participate in the process. These services align with Title VI of the Civil Rights Act and federal regulations regarding language accessibility in public documents and processes.

FIGURE 4 :STIP AMENDMENT #1: ENGAGEMENT BY THE NUMBERS

Public Engagement Process. When significant changes are made to federal documents, including the STIP and STIP Amendments, DOT&PF engages the public through established public participation channels, as required under 23 CFR 450.210. Our process includes public notifications, accessible public meetings, and online comment submission options. This process is documented and regularly updated to ensure full public engagement.

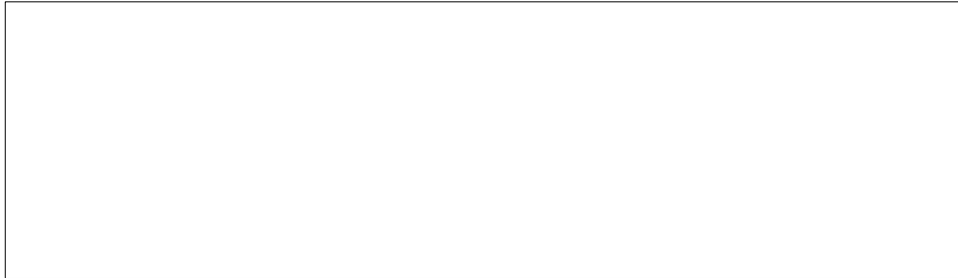


FIGURE 5: STIP AMENDMENT #1: SOCIAL MEDIA BY THE NUMBERS

Disposition of Comments. The disposition of comments follows an organized and transparent system. Comments received from stakeholders are categorized by individual or organization, and the disposition of each comment is documented clearly. Each original comment is followed by the corresponding response, whether via email or letter, and is arranged in alphabetical order by stakeholder. Additionally, the table of contents is clearly identified, allowing easy navigation through the document. Our system ensures that the public can locate their comment and understand how it was addressed in the final STIP or amendment. This approach aligns with the federal requirements under 23 CFR 450.210, and that our process supports timely and efficient project delivery while fully considering public input.



DOT&PF firmly believes that it fully complies with all applicable regulations and has established a national standard for best practices in STIP communications. Therefore, DOT&PF requests specific details regarding any deficiencies that must be addressed to ensure compliance with regulations related to the disposition of public comments in final documents.

23 CFR 450.218(m) Fiscal Constraint – NARRATIVE

FINDING – DISCREPANCIES IN ADVANCE CONSTRUCTION (AC) FIGURES: DOT&PF CONTESTS THIS FINDING

Federal Highways Administration and Federal Transit Administration Comments

“There is a significant discrepancy of Advance Construction (AC) between the Fiscal Constraint Demonstration Detail table in the Narrative and projects identifying AC in the Deep Dive pages in Volume 1.”

DOT&PF Response

The figures provided in the table provided by FHWA under "Fiscal Constraint Demonstration Detail (Narrative)" and the "Consolidated from Deep Dive Pages (Volume 1)" appear to be incorrectly

calculated. The figures provided by FHWA in the "Narrative" section indicate a negative total of -\$149,351,366, while the "Deep Dive Pages" section shows a positive total of \$138,471,292. It's unclear and puzzling as to how the first negative total was arrived at, and unclear as to which deep dive pages were "consolidated" and whether this is inclusive of both project and program deep dives, regardless, a manual check of our figures from the amendment document suggests the FHWA figures are inaccurate. We request clarification on how these figures were calculated and as stated prior and in numerous meetings, we are happy to make our staff available to assist FHWA in reviewing our STIP.

TABLE 4: FHWA/FTA TABLE FROM PAGE 9

FHWA Provided

	Fiscal Constraint Demonstration Detail (Narrative)	Consolidated from Deep Dive Pages (Volume 1)
Revenue*	\$944,611,694	\$944,611,694
Programmed	\$955,491,768	? ✘ \$806,140,402
Total	? ✘ \$(149,351,366)	\$138,471,292

*Assumed the amount of revenue available is constant as documented in the Fiscal Constraint Demonstration Detail shown in Alaska DOT&PF STIP Amendment #1, Narrative.

In future correspondence, DOT&PF requests professional detailed breakdowns that support findings and corrective actions in lieu of speculative and suggestive statements such as:

“The discrepancies between the funding programmed and documented in the Deep Dive pages and the funding identified in the Fiscal Constraint Demonstration Detail raise questions about whether the table in the Fiscal Constraint Demonstration Detail accurately reflects the State, local, and Federal funds programmed in the STIP [FHWA/FTA],”

and

“It appears that some of the issues are simply errors; however, some issues are significant enough to question the validity of the Fiscal Constraint Demonstration Detail [FHWA/FTA].”

Providing specific details will ensure productive dialogue and facilitate timely and accurate responses to concerns; without such details, these comments are unproductive.



Considering the calculation errors in the only example provided by FHWA and FTA, DOT&PF requires that detailed breakdown be provided with precise explanations that supports the statement that the validity of the Fiscal Constraint Demonstration tables are in question.

FINDING – DISCREPANCIES IN FISCAL CONSTRAIN DEMONSTRATION: DOT&PF CONTESTS THIS FINDING

Federal Highways Administration and Federal Transit Administration Comments

“FHWA notes a significant discrepancy between the fiscal constraint demonstration detail in the narrative and the figures shown in the "Deep Dive" pages. Specifically, the programmed amounts between the two tables do not align.”

DOT&PF Response

Per FHWA's guidelines, projects within an MPA are required to be programmed within the TIP for that area, as stipulated under 23 CFR 450.326. However, DOT&PF is also mandated by FHWA to demonstrate fiscal constraint for Alaska's MPOs, in accordance with 23 CFR 450.218. This requirement means that the Fiscal Constraint Demonstration tables must reflect financial planning not only for state-managed projects but also for FAST TIP, AMATS TIP, and WFLHD TIP.

As a result, the funds reflected in our Fiscal Constraint Demonstration tables will not be derived by simply tallying the amounts in the Deep Dive Pages. The Fiscal Constraint Demonstration tables encompass funding for all Alaska MPO TIPs, whereas the Deep Dive Pages focus solely on projects programmed by DOT&PF. This distinction accounts for the differences in totals, which are a direct consequence of FHWA's requirements to include MPO-managed projects in the Fiscal Constraint Demonstration tables. Specifically, the summary of Advance Construction (AC) programming is presented in **TABLE 5**.

TABLE 5: AC PROGRAMMING IN STIP AMENDMENT #1

Source	AC Programmed Amount
FAST TIP	\$5,379,600
WFLHD TIP	\$2,049,503
Statewide Planning and Research Funds	\$12,471,893
AC Programmed in Project Deep Dives	\$935,590,772
AC Programmed in Fiscal Constraint Demonstration Tables	\$955,491,768

The Fiscal Constraint Demonstration in **TABLE 6**, shows a total of \$955,491,768 programmed in AC, in compliance with federal guidelines, regardless of whether projects are programmed in the TIP or STIP. DOT&PF notes that **TABLE 6** indicates a fiscal constraint value of \$10,880,074 for STBG Flex in FY25 and FY27. DOT&PF iteratively increases the revenue values to balance the programming of AC, which serve as a cash management tool rather than a funding source. A further adjustment is needed to balance out the AC from \$10,880,074 back to zero, but this is not a mathematical error.

TABLE 6: DEMONSTRATION OF FISCAL CONSTRAINT AC AT HIGH-LEVEL

The FAST TIP includes \$5,379,600 programmed in AC, which is accurately reflected in the TIP for the Fairbanks area MPA. The WFHLD TIP lists a project (Keku Road Resurfacing) funded through formula allocations to the State of Alaska, with \$2,049,503 in AC. These projects, as presented in **TABLE 7**, are programmed in the TIP and not the STIP, and therefore will not have Project Deep Dives. Additionally, the Annual Work Program, which utilizes Statewide Planning and Research Funds and includes \$12,471,893 in AC, is also not required to have a Deep Dive in the STIP, as shown in **TABLE 7**.

Fund Source	Revenue	Programmed	Fiscal Constraint
FY24	\$ 62,831,601	\$ 62,831,601	\$ -
FHWA AC	\$ 62,831,601	\$ 62,831,601	\$ -
SPR AC-AC; FY24	\$ 12,471,893	\$ 12,471,893	\$ -
STBG AC-FAST, 50-200k; FY24	\$ 1,539,700	\$ 1,539,700	\$ -
STBG AC-Flex; FY24	\$ 48,820,008	\$ 48,820,008	\$ -
FY25	\$ 222,044,260	\$ 225,763,259	\$ 3,718,999
FHWA AC	\$ 222,044,260	\$ 225,763,259	\$ 3,718,999
NHPP AC-; FY25	\$ 95,020,694	\$ 95,020,694	\$ -
STBG AC-<5k; FY25	\$ 20,923,100	\$ 20,923,100	\$ -
STBG AC-FAST, 50-200k; FY25	\$ 2,020,400	\$ 2,020,400	\$ -
STBG AC-Flex; FY25	\$ 104,080,066	\$ 107,799,065	\$ 3,718,999
FY26	\$ 268,982,732	\$ 268,982,732	\$ -
FHWA AC	\$ 268,982,732	\$ 268,982,732	\$ -
Bridge AC-AC; FY26	\$ 8,290,300	\$ 8,290,300	\$ -
HSIP AC-; FY26	\$ 6,492,210	\$ 6,492,210	\$ -
NHPP AC-AC; FY26	\$ 183,723,780	\$ 183,723,780	\$ -
STBG AC-<5k; FY26	\$ 18,554,486	\$ 18,554,486	\$ -
STBG AC-FAST, 50-200k; FY26	\$ 1,819,500	\$ 1,819,500	\$ -
STBG AC-Flex; FY26	\$ 50,102,456	\$ 50,102,456	\$ -
FY27	\$ 390,753,101	\$ 397,914,176	\$ 7,161,075
FHWA AC	\$ 390,753,101	\$ 397,914,176	\$ 7,161,075
NHPP AC-AC; FY27	\$ 298,603,023	\$ 298,603,023	\$ -
STBG AC-<5k; FY27	\$ 11,471,317	\$ 11,471,317	\$ -
STBG AC-Flex; FY27	\$ 80,678,761	\$ 87,839,836	\$ 7,161,075
Grand Total	\$ 944,611,694	\$ 955,491,768	\$ 10,880,074

TABLE 7: FISCAL CONSTRAINT DEMONSTRATION FOR AC PROGRAMMED NOT IN DEEP DIVES

STIP ID	STIP Name	Funds Programmed
FY24		\$ 14,011,593
FHWA AC		\$ 14,011,593
Statewide Planning and Research Advance Construction		\$ 12,471,893
AWP [Ledger]	Annual Planning Work Program	\$ 12,471,893
Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction		\$ 1,539,700
17662	Community-Driven Transportation Projects [FAST]	\$ 1,539,700
FY25		\$ 2,020,400
FHWA AC		\$ 2,020,400
Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction		\$ 2,020,400
17662	Community-Driven Transportation Projects [FAST]	\$ 1,747,500
34686	Transportation Plans and Studies [FAST]	\$ 272,900
FY26		\$ 3,869,003
FHWA AC		\$ 3,869,003
Surface Transportation Block Grant: Population <5K Advance Construction		\$ 2,049,503
33218	Keku Road Resurfacing: Kake to Seal Point [WFLHD]	\$ 2,049,503
Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction		\$ 1,819,500
17662	Community-Driven Transportation Projects [FAST]	\$ 1,819,500
Grand Total		\$ 19,900,996

The AC totals from the Project Deep Dive pages are listed in **TABLE 8** for reference, showing a total of \$935,590,773 programmed in AC.

The difference between the Project Deep Dives and the Fiscal Constraint Demonstration tables is due to the exclusion of MPO projects in the STIP while needing to include them in the fiscal constraint demonstration tables as requested by FHWA. This also would have been an easy explanation to provide with a simple inquiry from FHWA.

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If the demonstration of fiscal constraint does not comply with FHWA and FTA guidelines, as outlined in 23 CFR 450.218, DOT&PF requests the detailed and specific information, necessary to facilitate productive progress, to be provided.

Table 9 consolidates all projects programmed in the STIP, TIP, and Annual Work Program, in the same format as the Fiscal Constraint tables published in the STIP Narrative.

TABLE 8: FISCAL CONSTRAINT DEMONSTRATION FOR AC PROGRAMMED WITH DEEP DIVES PAGES

STIP ID	STIP Name	Funds Programmed
FY24		\$ 48,820,008
FHWA AC		\$ 48,820,008
Surface Transportation Block Grant: FLEX Advance Construction		\$ 48,820,008
18923	Pavement and Bridge Preservation Program: Northern Region	\$ 19,666,113
33241	Cape Blossom Road [Parent and Final Construction]	\$ 6,952,500
33962	Ice Roads, Seasonal Roads, and Winter Trails Program	\$ 725,598
33965	Rock Slope Stabilization Program	\$ 5,921,056
34302	Pavement and Bridge Preservation Program	\$ 15,554,741
FY25		\$ 223,742,859
FHWA AC		\$ 223,742,859
National Highway Performance Program Advance Construction		\$ 95,020,694
12641	Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction]	\$ 23,350,000
24596	Knik Goose Bay Road Reconstruction: Centaur Avenue to Settler's Bay [Parent and Final Construction]	\$ 36,402,219
33720	Richardson Highway Milepost 275-295 Rehabilitation	\$ 1,364,550
34434	Sterling Highway Milepost 157-169 Reconstruction Anchor Point To Baycrest Hill [Stage 1]	\$ 30,719,975
34637	Parks Highway Milepost 234-238 Reconstruction and Railroad Realignment	\$ 3,183,950
Surface Transportation Block Grant: FLEX Advance Construction		\$ 107,799,065
6234	Palmer-Fishhook Separated Pathway: Trunk Road to Edgerton Parks Road [TAP Award 2023]	\$ 245,080
34302	Pavement and Bridge Preservation Program	\$ 80,241,195
34433	Fairview Loop Road Rehabilitation and Pathway [Stage 1]	\$ 15,019,057
34461	West Susitna Access Road [Stage 1]	\$ 12,293,733
Surface Transportation Block Grant: Population <5K Advance Construction		\$ 20,923,100
26085	Seppala Drive Rehabilitation and Realignment	\$ 20,013,400
26156	Center Creek Road Rehabilitation	\$ 909,700
FY26		\$ 265,113,729
FHWA AC		\$ 265,113,729
Highway Infrastructure Bridge Replacement Advance Construction		\$ 8,290,300
31469	Ward Creek Bridge Replacement	\$ 8,290,300
Highway Safety Improvement Program (HSIP) Advance Construction		\$ 6,492,210
19217	Highway Safety Improvement Program	\$ 6,492,210
National Highway Performance Program Advance Construction		\$ 183,723,780
23455	South Tongass Highway Saxman to Surf Street Reconstruction	\$ 16,456,088
30189	M/V Tustumena Replacement Vessel	\$ 79,525,218
34447	Alaska Highway Milepost 1393 Gerstle River Bridge Replacement [Stage 1]	\$ 22,829,474
34462	Sterling Highway Milepost 82.5-94 Safety Corridor Improvements [Stage 1]	\$ 64,913,000
Surface Transportation Block Grant: FLEX Advance Construction		\$ 50,102,456
32639	Chiniak Highway Milepost 15-31 Rehabilitation [Stage 1]	\$ 16,920,420
34302	Pavement and Bridge Preservation Program	\$ 33,182,036
Surface Transportation Block Grant: Population <5K Advance Construction		\$ 16,504,983
26156	Center Creek Road Rehabilitation	\$ 15,270,725
34200	Transportation Workforce Development and Training	\$ 1,234,258
FY27		\$ 397,914,177
FHWA AC		\$ 397,914,177
National Highway Performance Program Advance Construction		\$ 298,603,023
2670	Sterling Highway Milepost 157-169 Reconstruction Anchor Point to Baycrest Hill [Parent and Final Construction]	\$ 39,083,692
22322	Alaska Highway Milepost 1393 Gerstle River Bridge Replacement [Parent and Final Construction]	\$ 53,538,585
22335	Parks Highway Milepost 315-325 Reconstruction [Parent and Final Construction]	\$ 47,613,153
29973	Richardson Highway Milepost 65-80 Rehabilitation	\$ 18,141,465
34165	Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Stage 2]	\$ 140,226,128
Surface Transportation Block Grant: FLEX Advance Construction		\$ 87,839,837
6,094,080	32721 Hemmer Road Upgrade and Extension [CTP Award 2019]	\$
17,158,267	32724 Seldon Road Extension [Stage 2]; Windy Bottom/Beverly Lakes Road to Pittman [CTP Award]	\$
14,567,701	33921 Fairview Loop Road Rehabilitation and Pathway [Parent and Final Construction]	\$
12,379,557	34206 West Susitna Access Road [Parent and Final Construction]	\$
8,640,469	34232 Akutan Harbor Access Road [CTP Award 2023]	\$
3,638,800	34243 Seldon Road Reconstruction: Wasilla-Fishhook Road to Lucille Street [Parent] [CTP Award 2023]	\$
3,892,043	34302 Pavement and Bridge Preservation Program	\$
4,912,380	34342 Bogard Road Safety and Capacity Improvements [Parent] [CTP Award 2023]	\$
11,471,317	Surface Transportation Block Grant: Population <5K Advance Construction	\$
11,471,317	34349 Captain's Bay Road [CTP Award 2023]	\$
35,590,773	Grand Total	\$ 9

The difference between the Project Deep Dives and the Fiscal Constraint Demonstration tables is due to the exclusion of MPO projects in the STIP while needing to include them in the fiscal constraint demonstration tables as requested by FHWA. This also would have been an easy explanation to provide with a simple inquiry from FHWA.



If the demonstration of fiscal constraint does not comply with FHWA and FTA guidelines, as outlined in 23 CFR 450.218, DOT&PF requests the detailed and specific information, necessary to facilitate productive progress, to be provided.

TABLE 9: FISCAL CONSTRAINT DEMONSTRATION AC - ENTIRE PROGRAM

STIP ID	STIP Name	Funds Programmed
FY24		\$ 62,831,601
FHWA AC		\$ 62,831,601
	Statewide Planning and Research Advance Construction	\$ 12,471,893
	AWP [Ledger] Annual Planning Work Program	\$ 12,471,893
	Surface Transportation Block Grant: FLEX Advance Construction	\$ 48,820,008
	18923 Pavement and Bridge Preservation Program: Northern Region	\$ 19,666,113
	33241 Cape Blossom Road [Parent and Final Construction]	\$ 6,952,500
	33962 Ice Roads, Seasonal Roads, and Winter Trails Program	\$ 725,598
	33965 Rock Slope Stabilization Program	\$ 5,921,056
	34302 Pavement and Bridge Preservation Program	\$ 15,554,741
	Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction	\$ 1,539,700
	17662 Community-Driven Transportation Projects [FAST]	\$ 1,539,700
FY25		\$ 225,763,259
FHWA AC		\$ 225,763,259
	National Highway Performance Program Advance Construction	\$ 95,020,694
	12641 Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction]	\$ 23,350,000
	24596 Knik Goose Bay Road Reconstruction: Centaur Avenue to Settler's Bay [Parent and Final Construction]	\$ 36,402,219
	33720 Richardson Highway Milepost 275-295 Rehabilitation	\$ 1,364,550
	34434 Sterling Highway Milepost 157-169 Reconstruction Anchor Point To Baycrest Hill [Stage 1]	\$ 30,719,975
	34637 Parks Highway Milepost 234-238 Reconstruction and Railroad Realignment	\$ 3,183,950
	Surface Transportation Block Grant: FLEX Advance Construction	\$ 107,799,065
	6234 Palmer-Fishhook Separated Pathway: Trunk Road to Edgerton Parks Road [TAP Award 2023]	\$ 245,080
	34302 Pavement and Bridge Preservation Program	\$ 80,241,195
	34433 Fairview Loop Road Rehabilitation and Pathway [Stage 1]	\$ 15,019,057
	34461 West Susitna Access Road [Stage 1]	\$ 12,293,733
	Surface Transportation Block Grant: Population <5K Advance Construction	\$ 20,923,100
	26085 Seppala Drive Rehabilitation and Realignment	\$ 20,013,400
	26156 Center Creek Road Rehabilitation	\$ 909,700
	Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction	\$ 2,020,400
	17662 Community-Driven Transportation Projects [FAST]	\$ 1,747,500
	34686 Transportation Plans and Studies [FAST]	\$ 272,900
FY26		\$ 268,982,732
FHWA AC		\$ 268,982,732
	Highway Infrastructure Bridge Replacement Advance Construction	\$ 8,290,300
	31469 Ward Creek Bridge Replacement	\$ 8,290,300
	Highway Safety Improvement Program (HSIP) Advance Construction	\$ 6,492,210
	19217 Highway Safety Improvement Program	\$ 6,492,210
	National Highway Performance Program Advance Construction	\$ 183,723,780
	23455 South Tongass Highway Saxman to Surf Street Reconstruction	\$ 16,456,088
	30189 M/V Tustumena Replacement Vessel	\$ 79,525,218
	34447 Alaska Highway Milepost 1393 Gerstle River Bridge Replacement [Stage 1]	\$ 22,829,474
	34462 Sterling Highway Milepost 82.5-94 Safety Corridor Improvements [Stage 1]	\$ 64,913,000
	Surface Transportation Block Grant: FLEX Advance Construction	\$ 50,102,456
	32639 Chiniak Highway Milepost 15-31 Rehabilitation [Stage 1]	\$ 16,920,420
	34302 Pavement and Bridge Preservation Program	\$ 33,182,036
	Surface Transportation Block Grant: Population <5K Advance Construction	\$ 18,554,486
	26156 Center Creek Road Rehabilitation	\$ 15,270,725
	33218 Keku Road Resurfacing: Kake to Seal Point [WFLHD]	\$ 2,049,503
	34200 Transportation Workforce Development and Training	\$ 1,234,258
	Surface Transportation Block Grant: Population 50-200K (FAST) Advance Construction	\$ 1,819,500
	17662 Community-Driven Transportation Projects [FAST]	\$ 1,819,500
FY27		\$ 397,914,177
FHWA AC		\$ 397,914,177
	National Highway Performance Program Advance Construction	\$ 298,603,023
	2670 Sterling Highway Milepost 157-169 Reconstruction Anchor Point to Baycrest Hill [Parent and Final Construction]	\$ 39,083,692
	22322 Alaska Highway Milepost 1393 Gerstle River Bridge Replacement [Parent and Final Construction]	\$ 53,538,585
	22335 Parks Highway Milepost 315-325 Reconstruction [Parent and Final Construction]	\$ 47,613,153
	29973 Richardson Highway Milepost 65-80 Rehabilitation	\$ 18,141,465
	34165 Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Stage 2]	\$ 140,226,128
	Surface Transportation Block Grant: FLEX Advance Construction	\$ 87,839,837
	32638 Chiniak Highway Milepost 15-31 Rehabilitation [Stage 2]	\$ 16,556,540
	32721 Hemmer Road Upgrade and Extension [CTP Award 2019]	\$ 6,094,080
	32724 Seldon Road Extension [Stage 2]: Windy Bottom/Beverly Lakes Road to Pittman [CTP Award]	\$ 17,158,267
	33921 Fairview Loop Road Rehabilitation and Pathway [Parent and Final Construction]	\$ 14,567,701
	34206 West Susitna Access Road [Parent and Final Construction]	\$ 12,379,557
	34232 Akutan Harbor Access Road [CTP Award 2023]	\$ 8,640,469
	34243 Seldon Road Reconstruction: Wasilla-Fishhook Road to Lucille Street [Parent] [CTP Award 2023]	\$ 3,638,800
	34302 Pavement and Bridge Preservation Program	\$ 3,892,043
	34342 Bogard Road Safety and Capacity Improvements [Parent] [CTP Award 2023]	\$ 4,912,380
	Surface Transportation Block Grant: Population <5K Advance Construction	\$ 11,471,317
	34349 Captain's Bay Road [CTP Award 2023]	\$ 11,471,317
Grand Total		\$ 955,491,769

FINDING – MPO TIP PROGRAMMING: **DOT&PF OBJECTS TO THIS FINDING**

Federal Highways Administration and Federal Transit Administration Comments

“Funds identified in the MPO TIPs do not align with the amount programmed.”

DOT&PF Response

DOT&PF is surprised at this remark, as the situation should have been apparent to FHWA and FTA. Under 23 CFR 450.326, MPO TIPs and the STIP are developed and submitted independently. The amount of funds programmed in the STIP is based on updated project estimates and schedules. During STIP preparation, DOT&PF closely coordinates with the MPOs to update the TIPs as necessary. However, 23 CFR 450.326 clearly stipulates that TIPs cannot program projects that exceed their available revenue until DOT&PF has programmed the required funds within the MPA through the STIP.

To demonstrate fiscal constraint, DOT&PF must first program the necessary funds into the TIP, as required by 23 CFR 450.218(I). This regulation emphasizes that the TIP cannot program projects in advance of the revenue being programmed within the MPA. Consequently, DOT&PF must ensure fiscal constraint is demonstrated in the STIP before the MPOs can finalize their respective TIPs.

Now that Amendment #1 has been approved, the MPOs are in the process of preparing TIP amendments to align with any changes. This process is both natural and necessary. However, aligning the schedules for STIP and TIP amendments, as encouraged by FHWA and FTA, requires time to implement fully. The amendment process, governed by 23 CFR 450.328, demands significant time and effort due to the complexity and length of the submission process.

Regrettably, these new practices have resulted in delays to critical safety projects within the AMATS and FAST MPAs. FHWA rejected essential Highway Safety Improvement Projects (HSIP)—specifically, the Richardson Highway Milepost 341-362 Variable Speed Limit Signs, Seward Highway Rockfall Mitigation Milepost 113.2, and Pease Avenue Railroad Crossing Surface and Signal Upgrades—on the grounds that they were not listed in the TIP. Prior to these rejections, the TIP and STIP had both included a general "Highway Safety Improvement Program" category, which permitted projects to be added without the need for a discrete listing in the STIP or TIP.

This new requirement, which was not communicated in advance, led to the withholding and subsequent delay of similar safety projects for a full year. Such delays are particularly troubling given the urgent need for pedestrian and vehicular safety improvements in these regions. Therefore, DOT&PF requests that FHWA provide a grace period for the implementation of this new practice, allowing the TIP and STIP to incorporate such changes without further delaying safety projects.



DOT&PF requests that FHWA and FTA provide formal written documentation in advance of changes to procedures and allow for a grace period to enable adjustments to programming cycles. Written guidance ensures clear expectations and helps prevent misinterpretation of guidance.



DOT&PF requests that the FHWA and FTA provide specific examples of the referenced TIP/STIP misalignment, allowing DOT&PF and its MPO partners to effectively address the concerns and respond to their remarks.

FINDING – ARRC PROGRAMMING: DOT&PF SEEKS MORE INFORMATION

Federal Highways Administration and Federal Transit Administration Comments

“In Federal Fiscal Years (FFY) 2025, 2026, and 2027, Alaska Railroad expenditures significantly exceed the amount of Federal Transit Administration funding anticipated.”

DOT&PF Response

The Alaska Railroad Corporation (ARRC) is a direct recipient of FTA Section 5307 "Urbanized Area Formula" and Section 5337 "State of Good Repair" funding. These funds do not pass through DOT&PF. As such, the role of DOT&PF, along with AMATS and FAST, is limited to receiving project details from ARRC and programming those projects into the STIP and TIPs, as required by federal regulations.

It is important to note that ARRC carries over significant unspent funds from previous years, which they utilize to balance project expenditures across multiple fiscal years. This carryover provides ARRC with the financial flexibility necessary to manage its capital projects, even when annual expenditures appear to exceed the FTA funds allocated for a particular fiscal year. This is not an uncommon practice for large transit operators managing long-term capital programs.

Historically, ARRC has not been required to break out the specific amounts of funding allocated within the AMATS and FAST Metropolitan Planning Areas (MPAs), given that its rail operations and capital projects extend well beyond MPA boundaries. In discussions with FTA, this issue was acknowledged, and some degree of over-programming was deemed acceptable, particularly in light of ARRC's management of funding at the program level, rather than the project level. This flexibility allowed ARRC to operate effectively across fiscal years while maintaining overall fiscal constraint at the program level.

For Amendment #1, programming with ARRC was refined, with efforts to more clearly define project expenditures within the MPAs. ARRC has taken steps to improve the delineation of its expenditures across regions to better align with federal requirements.

Given the recent remarks by FHWA/FTA, it is now clear that the previous level of flexibility in programming is no longer an option. Moving forward, DOT&PF will work closely with FTA, ARRC, and the MPOs to ensure that fund sources are balanced by fiscal year. While this process will require more detailed coordination, it may inadvertently limit ARRC's ability to maintain its critical mission of providing safe and reliable rail service across the Railbelt. We urge that any adjustments to this process account for the operational challenges ARRC faces in managing long-term capital projects while adhering to the updated fiscal constraint requirements.



DOT&PF requests detailed guidance on expectations for programming ARRC programs in the STIP and TIPs.

FINDING – PROCESS EXPLANATION FOR PARENT/CHILD PROJECTS: DOT&PF SEEKS MORE INFORMATION

Federal Highways Administration and Federal Transit Administration Comments

“Beyond the Deep Dive pages, the conceptual relationship of ‘Parent’ to ‘Child’ and the use of this concept within the STIP is not clarified or documented. This lack of clear documentation may confuse

how Parent-Child projects move through the Amendment and Administrative Modification processes and, in some cases, the project design phase.”

DOT&PF Response

This is the first time FHWA has brought this comment to DOT&PF’s attention. The Parent-Child project relationship has been a long-standing practice, familiar to FHWA, and used consistently in prior STIP submissions. In fact, DOT&PF worked closely with FHWA staff to ensure that the formatting and presentation of Parent-Child project pages met federal expectations and was fully acceptable.

The use of parent-child project relationships in transportation projects is a common practice across many state Departments of Transportation (DOTs). It allows for the clear phasing of large projects into manageable components (phases), such as pre-construction, right-of-way acquisition, and construction, while maintaining oversight over each component’s budget, timeline, and jurisdiction.

It appears from the comment that FHWA is requesting a more explicit explanation of this programming method within the STIP narrative. DOT&PF will comply with this request and will include a section in future STIP documents that clearly outlines the Parent-Child relationship, its function in programming, and how it is handled in the Amendment and Administrative Modification processes.

FINDING – ELIGIBILITY OF PROJECTS AND FUNDING SOURCES

Federal Highways Administration and Federal Transit Administration Comments

"All projects included in the STIP must be eligible for the funding sources to which they are programmed. The following projects appear to include ineligible elements. This could include the work type or activity associated with a specific funding source or other characteristics not allowed for Federal funding."

DOT&PF Comments

It is important to note that all projects are thoroughly reviewed for eligibility at the time Federal-Aid agreements are submitted to FHWA. The Federal-Aid management process involves frequent and detailed discussions between FHWA, the DOT&PF Federal-Aid team, project managers, and other relevant stakeholders. This collaborative review process ensures that any potential eligibility concerns are addressed and resolved when close to obligation of federal funds.

The funding sources programmed within the STIP are selected based on the best available information at the time of programming. DOT&PF and FHWA works together to finalize eligibility details during the project development and obligation phases. If any adjustments to funding sources or project elements are necessary, they are typically identified and resolved during these ongoing reviews.

Given the established practice of detailed coordination between DOT&PF and FHWA to ensure eligibility, we are confident that the programming of funding sources aligns with Federal-Aid requirements.

Should FHWA have specific concerns regarding any project, we welcome further dialogue to address those concerns and make any necessary adjustments to ensure compliance.

23 CFR 450.218(m) Fiscal Constraint – CORRECTIVE ACTIONS

CORRECTIVE ACTION D – FISCAL CONSTRAINT DEMONSTRATION: **DOT&PF CONTESTS THIS CORRECTIVE ACTION**

Federal Highways Administration and Federal Transit Administration Comments

The fiscal constraint demonstration in the STIP must accurately reflect the full funding anticipated for programming throughout the four years of the STIP to include state, local, and Federal funding sources. The fiscal constraint demonstration must also support the funds and resources programmed through the MPO TIPs and use the same funding source titles or abbreviations consistently throughout the document."

DOT&PF Comments

23 CFR 450.218(l) states "*The STIP may include a financial plan that demonstrates how the approved STIP can be implemented, indicates resources from public and private sources that are reasonably expected to be available to carry out the STIP... In addition, for illustrative purposes, the financial plan may include additional projects that would be included in the adopted STIP if reasonable additional resources beyond those identified in the financial plan were to become available.*"

DOT&PF's fiscal constraint demonstration far exceeds the requirements outlined in 23 CFR 450.218(l). The CFR specifies that the STIP must include a financial plan that demonstrates how the STIP can be implemented with resources that are "reasonably expected to be available." We have complied with this requirement by developing a financial plan that accurately identifies and allocates state, local, and federal funding sources, with a high degree of certainty regarding the availability of these resources.

Our STIP financial plan does not merely indicate the expected resources; it also provides a comprehensive demonstration of how these funds will be allocated across projects over the four-year STIP period. Furthermore, we have gone beyond the basic requirements by ensuring that the fiscal constraint demonstration integrates both state-managed projects and those programmed through the MPO TIPs (AMATS, FAST, and WFLHD), aligning funding sources, project timelines, and resources across multiple regions.

While 49 USC 5304(g)(5)(F)(ii) and 23 CFR 450.218(l) permit the inclusion of "illustrative" projects that could proceed if additional resources beyond those identified in the financial plan became available, FHWA and FTA have disallowed this practice. Although incorporating illustrative projects would be advantageous, DOT&PF is adhering to FHWA's new practice by including only projects with secured funding in the STIP or those utilizing Advance Construction. This approach is consistent with FHWA and FTA's expectations for fiscal constraint and reinforces our commitment to maintaining a fiscally sound and transparent transportation program.

In light of these efforts, we are confident that our Fiscal Constraint Demonstration tables not only meets but exceeds the requirements of 23 CFR 450.218. If FHWA or FTA has specific concerns, we are open to discussing them further, but based on the current information, we believe our financial plan provides the necessary certainty to implement the STIP effectively.



DOT&PF requests that FHWA and FTA allow illustrative projects back into the STIP to improve transparency with the public.

CORRECTIVE ACTION E –PROJECT ELIGIBILITY: DOT&PF CONTESTS THIS CORRECTIVE ACTION

Federal Highways Administration and Federal Transit Administration Comments

All projects included in the STIP must be eligible for the funding sources to which they are programmed. The following projects appear to include ineligible elements. This could include the work type or activity associated with a specific funding source or other characteristics not allowed for Federal funding.

DOT&PF Comments

FHWA and FTA project eligibility reviews are expected and understood as a necessary part of the process. However, over the past year, a significant number of projects have been rejected or flagged for eligibility concerns for reasons that we have not encountered in the past. DOT&PF has made thoughtful, deliberate fund source choices based on a comprehensive understanding of the eligibility guidelines outlined in 23 U.S.C. and 23 CFR. Each project has been carefully matched to its respective fund source based on scope, location, and regulatory alignment, ensuring eligibility under federal programs. The lack of specific reasoning behind recent rejections has created uncertainty and delayed project delivery, which undermines our shared goal of improving Alaska’s transportation infrastructure.



Given the strength and clarity of our rationale for programming these projects, DOT&PF requests clarification on the basis for considering 15 programs and projects ineligible, particularly in the absence of detailed explanations regarding potential eligibility issues. Several of these projects represent long-standing programs, have been included in FHWA-approved plans, or have already been approved in the 2024-2027 STIP.

DOT&PF stands ready to work closely with FHWA and FTA to align project expectations and expedite project approvals, but this requires a clearer understanding of the agencies’ reasoning when dismissing projects that Alaskan’s are counting on. Rather than a bulleted list with no explanation, DOT&PF staff require clear and precise reasons for each disapproval to fully understand FHWA’s reasoning. This level of transparency is essential for DOT&PF to make the necessary adjustments in a timely manner and avoid delays in the project delivery process, which impacts the people of Alaska.

The following projects in **TABLE 10**, flagged as questionable by FHWA, raise significant concern for both DOT&PF and external stakeholders who are depending on and expecting the timely delivery of these critical transportation projects.

TABLE 10: PROJECTS CONSIDERED BY FHWA TO MAY BE INELIGIBLE

STIP ID	Project Name	Fund Source	Additional Information
34244	Knik River Wayside Gold Star Families Memorial	TAP <5k	<p>Knik and Knik River both have populations <5,000. Projects that honor veterans or other significant groups, such as the Gold Star Families Memorial, can be eligible under TAP as community improvement projects, particularly when they enhance the transportation experience for pedestrians or cyclists, provide safe access, or create spaces of public value along transportation corridors.</p>
30729	Inter-Island Ferry Authority Ferry Refurbishments	FBF and STBG Flex AC	<p>Ferry Boat Formula (FBF) Funds are eligible for the rehabilitation and refurbishment of ferry boats under 23 U.S.C. 129(c) and 23 U.S.C. 147. These funds, provided through the FHWA’s Ferry Boat Program (FBP), support ferry-related improvements, including the construction and rehabilitation of ferry boats, terminals, and facilities.</p> <p>The FBF Program does not restrict funds exclusively to the Alaska Marine Highway System (AMHS). Governed by 23 U.S.C. 129(c), it allocates federal funds to eligible ferry services across the U.S.</p> <p>The IFA has historically received federal funding for infrastructure and vessel refurbishments. The AMHS and South Tongass Avenue in Ketchikan are designated components of the NHS. Under 23 U.S.C. 103(b), intermodal connectors, such as ferry routes, may be included in the NHS when they link major transportation facilities or stranded components of the NHS. As IFA’s routes connect these components, IFA is eligible for FBF Funds.</p>
33241	Cape Blossom Road [Parent and Final Construction]	HIP Bridge, HIP Bridge – Off System; STBG, STBG <5k; CDS	<p>The Highway Bridge Program (HBP) and the Bridge Formula Program (BFP) administered by the FHWA provide funding for both on-system and off-system bridge projects, including new construction in remote locations like Kotzebue, Alaska. According to 23 U.S.C. 144, funding from these programs can be used for the construction, rehabilitation, or replacement of bridges on public roads. This applies whether the bridge is on the National Bridge Inventory (NBI) or a new bridge that will be added to the NBI upon completion.</p> <p>Recently, the Tribal Transportation Priority Bridge Program has further expanded the funding pool for eligible projects. This grant will likely alter the funding composition for the Kotzebue bridge project in the upcoming STIP. However, likely a portion of HIP Bridge</p>

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			<p>funds will remain for construction of the bridge approach.</p> <p>A bridge funded by Tribal/BIA funds can still be added to the National Bridge Inventory (NBI), provided it meets the necessary requirements outlined by FHWA. The key criteria for inclusion in the NBI are that the bridge must be on a public road and meet minimum structural length requirements (20 feet or more). Whether the bridge is funded by Tribal Transportation Program (TTP) funds or BIA funding, as long as it serves a public transportation need and is inspected under the National Bridge Inspection Standards (NBIS), it is eligible for inclusion in the NBI.</p>
34302	Pavement and Bridge Preservation Program	NHPP, HIP Bridge, STBG Flex, STBG 5-49k, PROTECT, STBG 50-200k, STBG Off-system Bridge	FHWA’s concerns about ineligibility are surprising, especially considering the broad funding eligibility provided under 23 U.S.C. and 23 CFR. A wide variety of fund sources were programmed to accommodate the repair, preservation, and construction of roads and bridges, whether they are part of the National Highway System (NHS) or classified as off-system (non-NHS).
34197	Data Modernization and Innovation	STBG Flex, CMAQ, NHPP, CRP <5k, CRP 5-49k	The inclusion of program leveraging these funding sources is both appropriate and fully compliant with FHWA regulations. Flagging this project for ineligibility is perplexing as it is clearly eligible for the programmed funds due to its focus on modernizing transportation infrastructure and systems that align with the goals of each fund program.
34313	State-owned Shipyard Repairs	FBF	<p>IJA, Section 11117. Toll Roads, Bridges, Tunnels, and Ferries states “Section 129(c) of title 23, United States Code, is amended in the matter preceding paragraph (1) by striking “the construction of ferry boats and ferry terminal facilities, whether toll or free,” and inserting “the construction of ferry boats and ferry terminal facilities (including ferry maintenance facilities,) whether toll or free, and the procurement of transit vehicles used exclusively as an integral part of an intermodal ferry trip.” Our interpretation of the law is that State owned shipyard repairs associated with ferry maintenance facilities are eligible.</p> <p>Furthermore, Memorandum “Implementation Guidance for the Ferry Boat Program (FBP) as Revised by the Bipartisan Infrastructure Law” dated 4/21/23 Section E.5 (page 12) defines Terminal Facility as “A ferry terminal facility includes the structures and amenities that directly</p>

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			serve the ferry boat operation. These include passenger parking, ticketing, waiting area, boarding and disembarking facilities, docks, slips, dolphins and shore improvements necessary for docking, administrative space specifically for on-site ferry administration and vessel crew, and ferry vessel maintenance facilities.”
28810	Herring Cove Bridge Rehabilitation	STBG Off-System Bridge	This project will replace the existing bridge with a structure that accommodates both vehicular and pedestrian traffic. The new bridge will include ADA-accessible pedestrian sidewalks on each side, enhancing safety and accessibility for both pedestrians and vehicles. As an off-system bridge, it is eligible for Surface Transportation Block Grant (STBG) - Off-System Bridge funding. This funding is specifically aimed at bridges not on the federal-aid highway system, but which serve important public transportation needs.
34461	West Susitna Access Road	STBG Flex AC; INFRA Bridge; HIP Off-System Bridge	The scope of the West Susitna Access project in the 2024-2027 STIP is: <i>“Construct a new road connecting the contiguous highway system to State recreation lands west of the Susitna River. Construct a boat launch facility accessing the Susitna River.”</i> This scope implied bridge construction by stating accessing recreations lands west of the Susitna River (which requires a bridge).
34442	Parks Highway Milepost 99-163 Improvements and Railroad Creek Bridge Replacement [SOGR 2018] Stage 1	Discretionary Grants, NHPP	This project is funded through an FY23 Areas of Persistent Poverty Grant with supplemental funds through the NHPP. As this project is on the NHS and has an awarded grant, the reason for considering this project potentially ineligible is unclear.
34443	Parks Highway Milepost 99-163 Improvements and Railroad Creek Bridge Replacement [SOGR 2018] Stage 2	Discretionary Grants	This project is funded through an FY23 Areas of Persistent Poverty Grant As this project has an awarded grant, the reason for considering this project potentially ineligible is unclear.
32723	Redoubt Avenue and Smith Way Rehabilitation [CTP Award 2019]	STBG Flex, STBG <5k	The population of Soldotna, Alaska as of 2024 is approximately 4,651. Since the population is under 5,000, Soldotna would be considered eligible for STBG <5000 population funding.
32299	Takotna River Bridge Replacement	HIP Bridge, INFRA Bridge	These funding sources are appropriate for the project due to its scope, which involves the full replacement of an existing bridge that serves critical transportation

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			needs in a rural and remote area of Alaska. HIP Bridge funds are specifically designed for the construction, replacement, or rehabilitation of highway bridges. INFRA funds are awarded to projects that improve transportation infrastructure, including bridges, with a focus on enhancing freight movement, safety, and infrastructure resiliency.
33242	Sterling Highway Milepost 45-60 [Stage 2]	INFRA Bridge, HIP Bridge, NHPP,	<p>This STIP ID has already been approved with \$176m obligated prior to FY24. A cost increase of \$5m was needed in FY24. The only remaining item is the AC conversions, which total \$118 million.</p> <p>The Juneau Creek Bridge is eligible for funding under all three sources listed (INFRA Bridge, HIP Bridge, and NHPP), fully aligning with the bridge construction scope.</p> <p>Currently, the work type is listed as pavement reconstruction due to the multiple components included under this STIP ID, such as road realignment, wildlife crossings, and bridge construction. However, FHWA may prefer the work type to be changed to new bridge construction given the significance of the Juneau Creek Bridge in this project.</p> <p>Although the scope of work already includes constructing the highway bridge over Juneau Creek, DOT&PF is willing to update the work type classification if that facilitates the conversion of the outstanding \$118 million AC balance.</p>

The project in **TABLE 11** are included in the DOT&PF Transportation Carbon Reduction Strategy, establishing their eligibility for carbon reduction fund types. Let us know if you'd like further modifications.

TABLE 11: PROJECTS APPROVED IN CARBON REDUCTION STRATEGY THAT NOW MAY BE INELIGIBLE

Project ID	Project Name	Eligibility
34455	Construction Material Waste	In Carbon Reduction Strategy - Eligible for funds
34452	Rural Dust Mitigation Program	In Carbon Reduction Strategy - Eligible for funds

CORRECTIVE ACTION F – SAFER SEWARD HIGHWAY (MP 98.5-118): MORE INFORMATION IS NEEDED

Federal Highways Administration and Federal Transit Administration Comments

“Some “Parent” projects extend into MPO Metropolitan Planning Areas (MPA).”

“The “Parent” project cannot include final design, ROW or construction for a child project that is located in an MPO’s Metropolitan Planning Area boundary (MPA) if the child project located in that MPA is not included in the MPO TIP. The following project is excluded from STIP Amendment #1 approval: 12641 - Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction]”

“One project, the Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction], extends into the Anchorage MPO’s MPA and the “Child” portions, Stage 1 and Stage 6, of the project are not included in the MPO’s TIP.... The “Parent” project does program ROW (P3) and Final Design (P2b) for the full project including those areas located in the MPA under Stage 1 and Stage 6.”

DOT&PF Comments

DOT&PF would have appreciated feedback from FHWA much earlier—back in July 2023, when the Seward Highway Safety Corridor project was added to the STIP. Then again in March 2024, when FHWA rejected the project due to a technicality arising from a variance between the project name in the AMATS MTP and the TIP. Clarification at these points would have greatly helped DOT&PF to properly program this major NHS project in both the STIP and TIP.

Programming a major project that spans both within and outside a MPA and is on the National Highway System (NHS) requires adherence to multiple federal regulations. This ensure that the project is included in both the STIP and the TIP, and that it complies with fiscal constraint and planning processes for both the State and MPO.

It is common practice for DOT&PF to program pre-construction phases under a single parent project, with subsequent child projects broken out for construction once the necessary details are confirmed, especially when managing a project spanning both MPA and non-MPA boundaries. It should be noted that this process aligns with federal regulations under 23 CFR 450.324 and 450.218, which permit phased programming and the use of parent-child project structures to manage complex transportation projects.

In this round of findings, it appears that FHWA is indicating that the pre-construction funds should be split between the STIP and TIP. DOT&PF is committed to resolving any issues through coordination with the MPO and FHWA to ensure that this Safety Corridor project can be programmed in compliance with both STIP and TIP requirements.



DOT&PF requests clarification on which additional projects are being referenced in the statement that “some parent projects extend into an MPA,” as only one example is provided, and DOT&PF is not aware of any others.



DOT&PF has sought guidance from FHWA on the technical programming of the Safer Seward Highway Corridor (Milepost 98.5-118) without success; we request specific instruction as to how to best program this unique parent/child project in the STIP and TIP.

CORRECTIVE ACTION G – ADVANCE CONSTRUCTION STIP PROCEDURES: DOT&PF CONTESTS TO THIS CORRECTIVE ACTION

Federal Highways Administration and Federal Transit Administration Comments

“The statement in STIP Narrative, Advance Construction section, stating, “Payback of advance construction may be considered through administrative actions versus STIP amendments.” must be removed from the STIP.”

DOT&PF Comments

Regardless of FHWA’s interpretation, DOT&PF maintains that it has the legal authority, as provided under 49 U.S.C. 5304(g)(9), to reprioritize projects within the STIP. Specifically, 49 U.S.C. 5304(g)(9) states: *“Modifications to project priority.—Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved transportation improvement program in place of another project in the program.”*

This statutory authority allows DOT&PF to adjust project priorities within the approved STIP without requiring federal action, provided that the projects are within the framework of the existing program.

The removal of this language seems counter to allowances in federal regulations, specifically 23 CFR 630.709(a), which states: *“The State Department of Transportation may submit a written request to the FHWA that a project be converted to a regular Federal-aid project at any time provided that sufficient Federal-aid funds and obligation authority are available.”*

This regulation clearly allows for the conversion of AC to regular Federal-aid projects without necessitating a full STIP amendment, provided that the federal funding and obligation authority are in place. Thus, DOT&PF’s original statement in the STIP Narrative is consistent with the flexibility provided to states under 23 CFR 630.709(a), and the state’s authority to manage project priorities as outlined in 49 U.S.C. 5304(g)(9). This mandate to remove the phrase, *“Payback of advance construction may be considered through administrative actions versus STIP amendments,”* which pertains solely to fund management, appears to overreach the state's statutory discretion in managing Advance Construction conversions and project prioritization without clear regulatory justification.



DOT&PF requests a written legal opinion from FHWA identifying the specific regulation or statute that grants them authority to remove the state's ability to convert AC .

23 CFR 450.218(m) Fiscal Constraint – RECOMMENDATIONS

RECOMMENDATIONS F, G, H, & I– FISCAL CONSTRAINT: DOT&PF CONTESTS THE RECOMMENDATIONS

Federal Highways Administration and Federal Transit Administration Comments

“f. The conceptual use of “Parent” and “Child” in the STIP should be clearly documented. This includes defining the terminology, the programming processes and any special considerations given to projects captured in this concept. In addition, the concept description should consider how final design is programed for the Parent vs. for the Child projects; how STIP revisions are determined; and the relationship of Parent and Child projects to the NEPA process and NEPA decisions.

- g. The risk associated with the historic levels of AC should be clarified and the consequences of not receiving these funds should be documented so that the public will have the opportunity to understand the decisions that may be made if State funding is not available for the projects programmed for AC.*
- h. The STIP should document how the Alaska DOT&PF uses AC and ACC and the processes by which these funds may be applied to projects programmed in the STIP during project authorization and obligation.*
- i. Project groupings included in the STIP should be limited to a single work type. In addition, the list of individual projects intended for any group listed in the STIP should be made available whenever it is requested.”*

DOT&PF Comments

DOT&PF contests Recommendations F, G, H, and I, as they are closely connected to the corrective actions outlined in the Federal Planning Findings. These recommendations have been thoroughly addressed in previous sections, and we maintain that our current processes are fully compliant with federal regulations. Therefore, we disagree with these recommendations and dispute their inclusion on the same grounds.

23 CFR 450.218(q) Transportation Performance Management (TPM) and 23 CFR 450.206(c) Performance-Based Planning and Programming – NARRATIVE

FINDING – PERFORMANCE MANAGEMENT: DOT&PF CONTESTS THIS FINDING

Federal Highways Administration and Federal Transit Administration Comments

“However, the data is showing that some targets are not currently being met or likely to be met as required. Appendix C also provides a detailed listing of potential actions the DOT&PF may take for those targets that are not being met. However, it is not clear what actions the DOT&PF is currently taking to address those targets that are underperforming.”

DOT&PF Comments

Based on DOT&PF’s records and the latest Performance Score Card and TAMP Consistency Determination, which can be accessed via the links below, DOT&PF is currently meeting all federal performance targets. Additionally, we fully expect to continue meeting these targets with our current selection of projects.

- <https://statics.teams.cdn.office.net/evergreen-assets/safelinks/1/atp-safelinks.html>
- https://dot.alaska.gov/stwddes/asset_mgmt/assets/fhwa_consistency_tamp.pdf



Based the latest Performance Score Card and TAMP Consistency Determination, DOT&PF is meeting all federal performance targets. We request specific details regarding which federal performance targets FHWA is referencing as not being met.

23 CFR 450.218(q) Transportation Performance Management (TPM) and 23 CFR 450.206(c) Performance-Based Planning and Programming – CORRECTIVE ACTION

CORRECTIVE ACTION H – TRANSPARENCY IN PROJECT SELECTION:

DOT&PF CONTESTS THIS CORRECTIVE ACTION

Federal Highways Administration and Federal Transit Administration Comments

“The STIP must clarify the performance-based planning processes and the project selection processes that support the investment priorities programmed in the STIP. This includes identifying not only the final list of prioritized projects but how projects are selected and programmed into the STIP.”

DOT&PF Comments

DOT&PF takes great pride in ensuring a transparent and structured process for the selection and allocation of funding for projects included in the STIP. Contrary to FHWA's concerns regarding transparency, DOT&PF has developed a comprehensive section in the STIP narrative titled "Project Selection and Funding Allocation," which clearly outlines the procedures and criteria used for project identification and prioritization.

The Project Selection and Funding Allocation process is driven by data-informed decision-making and includes input from local agencies, stakeholders, and regional planning organizations. DOT&PF utilizes performance metrics and socioeconomic analysis to identify critical infrastructure needs and targets projects that align with both state and federal goals. This process ensures that the projects selected for inclusion in the STIP are based on thorough assessments of existing conditions, funding availability, and statewide priorities.

To further enhance transparency, DOT&PF incorporates a competitive process through the Project Evaluation Board (PEB), which evaluates, scores, and ranks project proposals. The PEB's criteria for evaluation are based on key factors such as strategic alignment with long-term transportation goals, project readiness, cost-effectiveness, public benefit, and financial feasibility. Each project undergoes a rigorous scoring process, which is publicly available, ensuring that the project selection process is transparent and aligned with the state's transportation strategy.

For projects that arise under unique or urgent circumstances, Expedited Priority Projects may be added to the STIP. These projects, though outside the standard selection process, are added transparently based on their timeliness and critical need.

DOT&PF regularly updates and refines its processes to ensure the Project Selection and Funding Allocation section remains accurate, transparent, and aligned with federal regulations. Through data-driven decision-making, stakeholder collaboration, public engagement, and thorough documentation of the project selection process, DOT&PF remains committed to maintaining full transparency within the STIP.

Given our documented compliance and continued success in meeting federal performance targets, as well as the clear and structured project selection processes outlined in our documentation, we are unclear as to the basis for this corrective action. The STIP already reflects a robust and transparent process that prioritizes and programs projects in accordance with FHWA/FTA guidelines. Furthermore, our current project selection process supports the investment priorities needed to meet and maintain our federal performance targets. DOT&PF is committed to ensuring transparency and compliance with federal requirements, but the existing processes and records demonstrate our full alignment with these expectations.



DOT&PF'S project selection and programming processes align with 23 CFR Part 450 and support both state and federal goals. Given our compliance and success in meeting federal performance targets, we seek specific details regarding any areas requiring improvement.

23 CFR 450.218(q) Transportation Performance Management (TPM) and 23 CFR 450.206(c) Performance-Based Planning and Programming – RECOMMENDATIONS

RECOMMENDATION J: PERFORMANCE MANAGEMENT TARGETS: DOT&PF CONTESTS THIS RECOMMENDATION

Federal Highways Administration and Federal Transit Administration Comments

For Federal transportation performance management targets that are under performing or for those that are not meeting their targets, the DOT&PF should document the actions currently underway to improve the State's ability to meet those targets.

DOT&PF Comments

DOT&PF contests Recommendation J, which suggests documenting actions for addressing underperforming federal transportation performance management targets. DOT&PF maintains that our current processes fully address the actions necessary to meet these targets, as previously stated. Therefore, we dispute the inclusion of this recommendation on the same grounds and consider it adequately addressed.