



U.S. DEPARTMENT OF TRANSPORTATION

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FEDERAL TRANSIT ADMINISTRATION
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November 4, 2009

Mr. Leo von Scheben, P.E., L.S., M.B.A.
Commissioner
Alaska Department of Transportation
and Public Facilities
P.O. Box 112500
Juneau, Alaska 99811-1125

In Reply Refer To:
PR 2-2

Dear Mr. von Scheben:

We have reviewed the 2010-2013 Draft Statewide Transportation Improvement Program (STIP). Based on our review of the assumptions outlined in the 2010-2013 Draft STIP's chapter titled "STIP Financial Assumptions" (Page Intro 7), the Fiscal Summary table of Available and Programmed Funds (Pages Intro 41-42), and the methodology as outlined by the DOT&PF's Division of Program Development presentation, we find that the Draft STIP is fiscally constrained and funds can reasonably be expected to be available over the time period contemplated (FFY 2010 – FFY 2013).

However, the Federal Highway Administration and Federal Transit Administration are concerned that the State will be over programmed in the long term and that sufficient funds are not available from current recognizable sources to complete a number of large projects contemplated by the State's program. The State should take such action as is necessary to identify total costs and schedules for all projects under development, and assure that strategies for funding are in place to assure timely advancement of major projects beyond the time frame of the Draft STIP.

Pursuant to SAFETEA-LU Section 1904, Federal-aid highway projects anticipated to cost in excess of \$100 million, require an approved finance plan. In addition, projects over \$500 million require a project management plan and financial plan to be approved by the Federal Highway Administration.

We consider fiscal constraint important. Funding for projects past FFY 2013 is a concern and should be addressed on a continual basis as one analyzes what projects can realistically be expected to be funded with future Federal-aid funding. This concern becomes heightened as the projects advance to the financial plan approval stage. As previously mentioned, we expect proactive measures will be implemented to ensure that projects after FFY 2013 can be funded.



Both our staff can provide any assistance needed to ensure these requirements are met. If you have any questions please contact Peter Serrano of the Federal Highway Administration (FHWA) at (907) 586-7422, and/or Ned Conroy of the Federal Transit Administration (FTA) at (206) 220-4318.

Sincerely,



DM David C. Miller
Division Administrator
Federal Highway Administration
Administration

R.F. Krochalis
Regional Administrator
Federal Transit

Cc: Jeff Ottesen, Director, DOT&PF Division of Program Development