



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Transportation and  
Public Facilities**

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The Honorable James Kaufman  
Chairman, Senate Transportation Committee

*Delivered via email to [Senate.Transportation@akleg.gov](mailto:Senate.Transportation@akleg.gov)*

Dear Senator Kaufman,

Thank you for the opportunity on January 31<sup>st</sup> to present to the Senate Transportation Committee with our Federal Funding and State Planning overview. The agency staff greatly appreciate the follow-up questions after the committee hearing and providing staff time to get these responses together while also preparing for their Data Summit in Anchorage in the first week of February with an associated follow-up presentation on that subject as well. Please find attached follow-up responses to member questions from that presentation.

Senator Kiehl asked if the first completed IJA project (Grampas Farm bridge in Gustavus) was an example of IJA formula funds or discretionary funds. Additionally, he asked if there was a way to tell which type of funding was used for projects like this one and others in the future.

- This project was funded by the US Fish and Wildlife Services' 2022 National Fish Passage Program, which is a discretionary program, but USFWS prefers to call the awards partnerships, rather than grants. The award and construction were administered by the City of Gustavus in partnership with USFWS. According to Michael Daigneault, Habitat Restoration and Partnerships Coordinator for USFWS, this project used new IJA funding under their National Fish Passage Program.
- The project replaced a perched culvert with a prefabricated bridge over the Harry Hall Creek. Alaska DOT&PF subsequently contacted the City of Gustavus to add the bridge to the State's off-system bridge inventory.
- For projects administered by DOT&PF, they need to be in the STIP prior to the obligation of funds. The STIP item will indicate whether or not the project is funded with apportioned formula funds or grant funds.
- The Department is establishing a grant tracking website as part of an update to its public facing webpage – we expect this to be completed by summer of 2023.

In the presentation (slide 7), the Director said that Aviation is not included in the FAST Act, but that it is funded through federal reauthorization. Could you provide a little more information on the funding amounts for Aviation? FAST is the Highway authorization bill. FAA has its own authorization bill with the current effective act covering 2018-2023. Congress is just starting to negotiate a new FAA Reauth bill to be effective October 1<sup>st</sup> of 2024. Additionally, Senate Transportation was provided more information on the aviation

system during the February 9, 2023 presentation and we hope those slide provided the information the committee is looking for on aviation system funding.

Director Marks brought up (point 5, slide 8) that the difficulty DOT has dealt with regulations being onerous and outdated (as an example, he brought up that all projects currently have to be put into one of four categories that are not relevant for many of the new programs that are being developed today). Senator Kaufman asked if there are any statutes on the books that are currently contributing to/keeping these regulations in place. The committee will be working on transportation legislation and we would love to know if there are any outdated statutes we should take a look at.

- AS 19.05.040(10) could be reviewed to allow the Department to enter into agreements with tribes, community associations, ARDORs, and similar organizations. Under IIJA, tribal governments, rural communities, and unorganized boroughs are eligible under IIJA to compete for funds. Similarly, under new IIJA created eligibilities applicable to the state's federal formula funds, DOT&PF would like to offer state ran program funding opportunities to tribal governments and rural communities. However, DOT&PF's statutory authority for entering into contracts and highway agreements is limited to municipalities (Boroughs and Cities) and political subdivisions.
- AS 19.10.160(b) (1) and (2) could also benefit a review and evaluation of potentially updating the project costs outlined in statute, to account for time since passage and inflation.

Director Marks mentioned an 'active risk register' which is tracking some of the highest criticality issues within DOT as an organization (or perhaps he was speaking just to the planning department). Are you able to provide us with a list of the projects currently in that active risk register and some information about how the department is addressing them?

The Division of Planning & Program Development maintains a 'Priority Punch List' that tracks risk areas, high profile projects, as well as issues and initiatives. The Punch List operates in an Agile methodology that allows for tracking items in a 'sprint-like' fashion with statuses, urgency settings, and priority settings. An example of some high-profile planning projects and initiatives are below; this list is not exhaustive and provides a sample of some of the planning and programming initiatives currently being planned or are underway.

- **2023-2026 STIP (New STIP).** The State DOT&PF must prepare, go through public process, make adjustments based on recommendations, and route through various State and Federal approval processes to publish a new STIP before October 1, 2023.
- **eSTIP Implementation, Phase I.** Implement a new electronic STIP (eSTIP) for the State of Alaska. Phase I will include rapid early release of STIP management tools and STIP viewing tools for the public. Additional phases will include reporting & analytics, evaluation of 'all modes' inclusion, integration with federal systems, etc.
- **Local Government Assistance Office.** Stand up a new 'local government' assistance office to provide support to communities and stakeholders in navigating the State procedures and processes, connecting community projects with funding opportunities, and advocating on behalf of the community.
- **Strategic Investment Plan.** Create Funding & Financial Management Plan to accompany and align with the LRTP, STIP, and other plans in the Family of Plans. This plan will exist outside of the LRTP and will be updated on a two-year cycle.

- **Community Transportation & Transportation Alternatives Programs (CTP & TAP).**
- **Safe Ice Roads for Alaskans (SIRA).** The State will develop a new funding program for the construction and preventative maintenance of ice roads in Alaska in accordance with the State Fiscal Year 2023 capital budget.
- **RPO Pilot Program.** SLA2021 intent language provided for evaluation of Regional Transportation Planning Organizations (RTPO) by DOT&PF. Upon evaluation and analysis of alternatives, the State identified a step-up model that allows for communities to receive nominal funding to begin transportation planning for their regions, known contractually as Regional Planning Organizations (RPO). This is less stringent than the federal RTPO designation.
- **Carbon Reduction Policy Plan.** IIJA requires that states prepare and produce a Carbon Reduction Policy Plan by October 1, 2023. DOT&PF Planning must engage with stakeholders and partners to produce a plan for Alaska.
- **Southeast Alaska Transportation Plan.** The State of Alaska will produce an updated Southeast Alaska Transportation Plan. The plan will need to be coordinated with the Prince William Sound Plan, Southwest Alaska Transportation Plan, AMHS Short- and Long-Range plans, and the new Waterways Plan.
- **Southwest Alaska Area Transportation Plan.** The State of Alaska will produce an updated Southwest Alaska Area Transportation Plan. The plan will need to be coordinated with the Prince William Sound Plan, Southeast Alaska Transportation Plan, AMHS Short- and Long-Range plans, and the new Waterways Plan.
- **Prince William Sound Area Transportation Plan.** The State of Alaska will produce an updated Prince William Sound Area Transportation Plan. The plan will need to be coordinated with the Prince William Sound Plan, Southwest Alaska Transportation Plan, AMHS Short- and Long-Range plans, and the new Waterways Plan.

After the Director spoke about agile planning in response to changing requirements of federal funding, Senator Tobin asked what the legislature could do to support the department with the effort you are making to plan in more agility. We would like some follow-up on this question.

- Agile-Planning is being applied across the Department as a priority of the Commissioner and is not specific to federal funding requirements. Where it makes sense to do so, the Department will utilize an Agile planning process to address changes in federal requirements.
- IIJA made several changes to federal regulations regarding funding, the Department will be happy to address any specific federal change if there is one or more that the Senator has further questions about.
- At this time, the Department does not have a specific request for the legislature regarding changing requirements for federal funding.

After the director spoke on Slide 10, Senator Kaufman asked that he clarify who owned each of the four main areas of planning. Below please find the areas of specified interest along with the primary contact:

- Long Range Transportation Manager is the principal planner for the development and maintenance of the Long-Range Transportation Plan: John Eric Taylor, Long-Range and Multi-Modal Planning Manager
- The Strategic investment chief is the principal planner for the Departments' new Strategic Investment Plan: Jill Melcher, Strategic Investment Chief
- The Active Transportation Planner is the principal planner for the Modal & System Plans: Active Transportation Plan and Transit Plans are also maintained by John Eric Taylor, who supervises the Active Transportation Planner.
- Area planners are 'leads' in developing the Regional, Area, & Corridor Plan: Under the Deputy Director of Planning, Judy Chapman, the regional planning chiefs are: Central - Todd Vanhove; Northern - Sara Lucey; Southcoast - Marie Heidemann.

The committee then requested a copy of the area planning map that Director Marks referenced to while talking about Slide 10. Please see enclosure "*Attachment01 (Area Planners)*" that shows DOT&PF Area Planners across Alaska as well as their organization within the department.

Finally, the committee asked a few questions Senator Kaufman would like a little more clarity. Answers to each of the clarifying questions are followed with an answer.

**How does today's outlook on federal receipts differ from the outlook communicated shortly after passage of IIJA/BIL?**

- Apportioned formula funds and allocated funds are providing ~27-32% additional federal funding. Discretionary and competitive grants are proving to be highly advantageous for Alaska, particularly the Port Investment Development Program and the Ferry grants including Low-No emission and Rural ferries.
- Due to inflation in the cost of materials, fuels, and wages, as well as the expansion of Buy-America, Build-America (BABA), the overall impact on the number of transportation projects being funded is being evaluated. These are national issues but will result in less investment than originally anticipated.
- With regards to nationally competitive discretionary grants, DOT&PF in cooperation with AML have assisted in submitting 25 applications to-date for more than \$800M in funding. Eight of these applications have successfully been awarded for over \$300M in federal receipts. Although, none of the federal grant agreements have been fully executed as of yet.
  - With additional state funding DOT&PF and its partners will continue to aggressively pursue discretionary funding to bring additional federal receipts to Alaska.

**Are there any recent changes in regulations or policies at the federal level that are hindering the department's ability to secure funding?**

- From the department's informal analysis, it appears that USDOT and other federal agencies running discretionary programs are favoring non-traditional applicants, e.g., tribes, local governments, and NGOs over state DOTs.
- The department is pursuing partnerships and encouraging non-traditional applicants to sponsor projects in an effort to enhance the competitiveness of our applications.

**Are there any specific projects that the department is having difficulty funding and what is the status of those projects? How do these funding difficulties affect prioritization/program planning?**

- Demands for project funding exceeds available funding. This is especially the case for smaller functionally classified roadways. Because the State's roads and highways capital program is almost exclusively federally funded and those federal dollars are directed toward the National Highway System and required asset management programs, the amount of funding available to the Alaska Highway System and smaller functionally classed roads is very limited.
- An additional area of investment that continues to be problematic is funding the preventative maintenance of pavement and bridges statewide. For projects that have been programmed for funding in the STIP, they are prioritized based on readiness and the availability of funding when the type of funding used is relevant to maximizing the State's use of federal funds.

**What steps is the department taking to increase its competitiveness for grant funding and other funding opportunities?**

- The department is establishing partnerships to expand on its capacity and to build relationships that will make applications more competitive, e.g., our partnership with the Alaska Municipal League.
- The department is pursuing statewide planning grants, e.g., our statewide equity planning application, which will help make later applications for project funding more competitive.
- The department has developed the Alaska Transportation Funding Opportunity Hub (the Hub) to develop a statewide needs inventory and to prioritize projects that will be most competitive nationally to specific grant opportunities.
- The department has contracted with professional service firms that are assisting in developing tools and plans for prioritizing and improving projects to make them more competitive nationally. The department is also establishing a local grants assistance team, which will help in the statewide coordination of grant applications and assist communities in developing more competitive projects and applications.

We look forward to working with your offices throughout the legislative session. Please let me know if there is anything more the department can provide your office ([andy.mills@alaska.gov](mailto:andy.mills@alaska.gov), 907-465-8124).

Kind regards,



Ryan Anderson, P.E.  
Commissioner, Alaska DOT&PF

cc: Andy Mills, Legislative Liaison, Alaska DOT&PF  
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