



# Fairbanks Area Surface Transportation (FAST) Planning

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## STIP Perspective & 2025 Outlook

*House Transportation Committee*

*January 23, 2025*

*Presented by: Jackson Fox, Executive Director*

# Overview



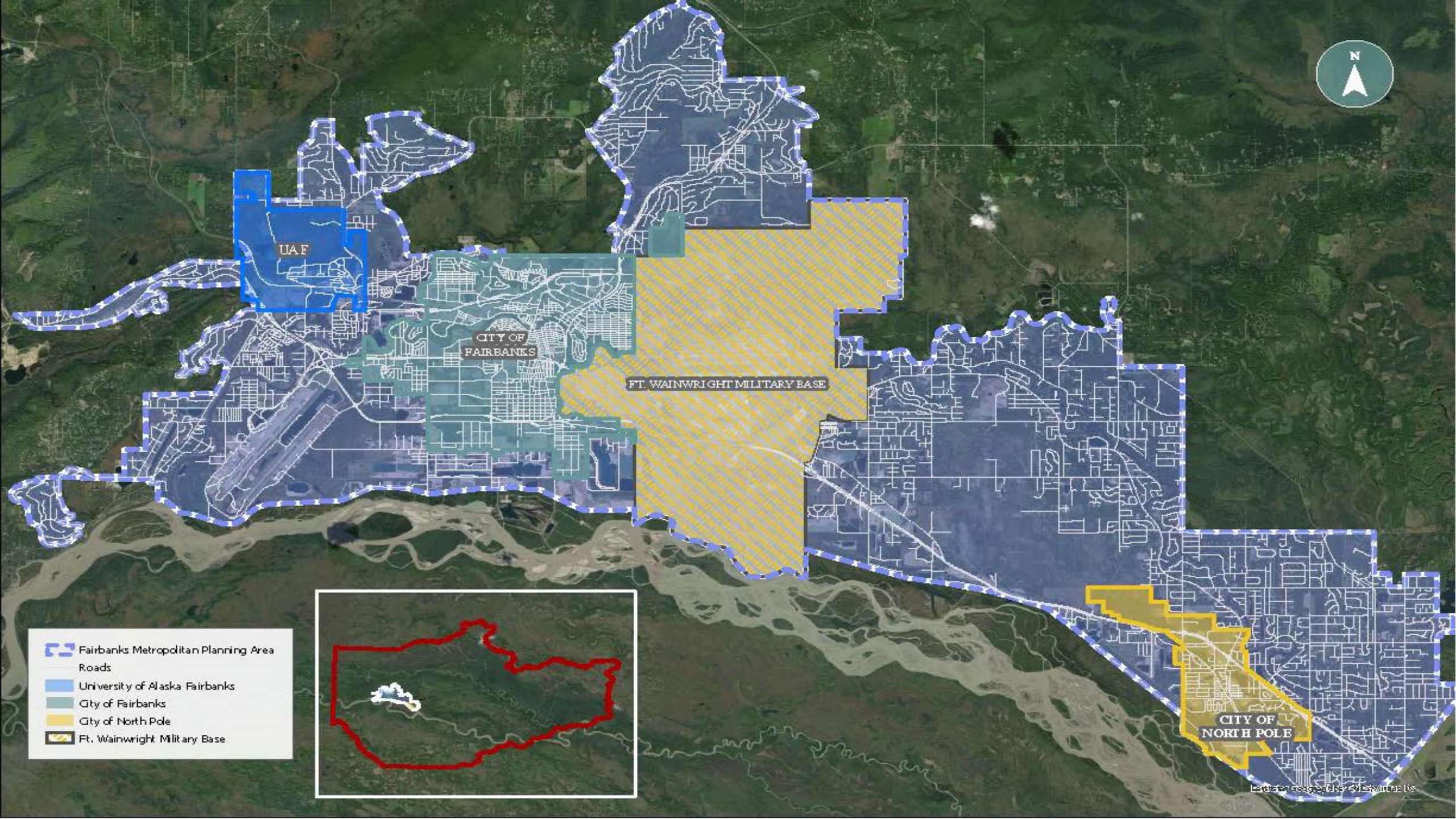
- Rep. Carrick's Office asked me to present:
  - **What happened with the STIP from the MPO's perspective?**
  - **And...what's the outlook for 2025?**
- Disclaimers:
  - The information presented are my observations from working daily with DOT staff, official written correspondence, and discussion and dialogue in meetings
  - I am not a State employee and did not work on the STIP
  - FAST Planning manages its own TIP, which is part of the STIP
  - FAST Planning is an independent 501(c)(3) Non-Profit Organization

# MPOs – Who we are & What we do

- MPO: Metropolitan Planning Organization
  - Urbanized Areas with 50,000+ population
    - In Alaska → Anchorage, Fairbanks, & MatSu
  - Federally mandated and funded
- 
- Carries out Transportation Planning Process under 23 CFR 450, Subpart C, to develop the region's Long- and Short-Range Transportation Plans
  - Empowers local governments in the transportation decision-making process
  - Continuously engages the public in transportation planning and projects







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FT. WAINWRIGHT MILITARY BASE

CITY OF  
NORTH POLE

-  Fairbanks Metropolitan Planning Area
-  Roads
-  University of Alaska Fairbanks
-  City of Fairbanks
-  City of North Pole
-  Ft. Wainwright Military Base





# The STIP

- STIP: Statewide Transportation Improvement Program
- Most important document that DOT produces
- Reflects the funding decisions for how Alaska's Federal highway funding apportionments (\$700+ million annually) will be spent throughout the State
- These are our gas and diesel taxes paid at the pump + general funds coming back to the State of Alaska for investment in our transportation infrastructure



# STIP: 4-year Funding Plan

- The last STIP (FFY 2020-23) was set to expire on September 30, 2023 (4<sup>th</sup> year)
- Planning for this deadline, work should begin 1-1/2 years prior (mid-2022)
  - May take staff up to a year to develop a new STIP to:
    - Consult with stakeholders Statewide to identify, evaluate, and prioritize project needs
    - Carry out 45-day public comment period, resolve comments, and make corresponding revisions
    - Submit for review by Federal partners, resolve comments, and finalize STIP
  - Ideally you want to target having an approved STIP six months in advance of your deadline in case there are any unforeseen issues/delays or significant revision triggers the need for a second public comment opportunity
- Development of the STIP has historically been managed by DOT Planning & Program Development Division staff

# Development of the new FFY2024-27 STIP

- Development of the new STIP by DOT staff began on schedule (mid-2022)
- By spring 2023, however, a Draft had not been released for the 45-day public comment period...ideally, should have been at latest March
- At this time, Commissioner's Office took over development of the STIP \*
- Don't know the status of completeness of the STIP at this time, nor reasons why the STIP was moved to the Commissioner's Office
- Draft STIP released at the end of July...making it challenging to get approved before expiration of the FFY2020-23 STIP (September 30th)

# Public Review Draft...Early Concerns

- Lack of coordination with MPOs, regional planning organizations, local government officials, and tribal entities as required by regulation
- Lack of information provided on how new projects were scored and selected for inclusion in the STIP
- New projects were added to the STIP inside the boundaries of the MPOs that were not planned or included in our long- and short-range transportation plans as required by regulation...
  - For Fairbanks, these were the bridge replacement projects (controversial w/ community)





# Early Concerns (cont'd)...Financial Analysis

- The funding shown in the STIP appeared to be overprogrammed and fiscal constraint was not demonstrated as required by regulation
- Payback of ACC balance (funds borrowed from future years) was not shown
- Projects programmed with certain types of Funding not eligible for that use
- New Programs were added to the STIP (Waysides, Waterways, Rural Community Connections, Housing Roads, Frontier Roads, Sustainable Transportation, Light Up the Highways, etc.), but no projects were identified and/or if there was a community project nomination process
- Funding tables in STIP not consistent with each other and contained calculation errors

# Early Concerns (cont'd)...Plan Alignment

- National Highway Freight Program (NHFP) funds were programmed for projects that were not included in the State's Freight Investment Plan (adopted January 2023) as required by regulation
- Project priorities in the STIP were supposed to be linked the State's adopted Performance Measures as required by regulation, but projects were instead linked to the Commissioner Office's new vision for 'Strategic Investment Areas'

## ALASKA MOVES 2050

### Appendix J - Freight Investment Plan

December 2022



#### Appendix J - Freight Investment Plan

The Freight Investment Plan is fiscally constrained and includes a list of freight-supportive infrastructure projects across Alaska. It also describes how funds made available would be invested and matched.

##### Freight Investment Project List—FY 22 to FY 27

Project	Region	Description	Phase	Cost FY22 to FY27	Planned NHFP Funds	State Match: 9.09%	Other Fed. & State Funds	Beyond Plan Period	STIP #
Dalton Highway Reconstruction MP 18-37	Northern	"Reconstruction, including widening and rehabilitation of approximately 19 miles of the Dalton Highway in the Hess Creek Area. Work includes replacing Hess Creek Bridge #1213."	Construction	\$60,000,000	\$17,000,000	\$5,418,000	\$54,582,000	\$55M	22446
Dalton Highway Reconstruction (MP 0-9)	Northern	"Reconstruct the Dalton Highway between MP 0-9 to improve substandard sections. This work will include the replacement of the Lost Creek Culvert with bridge #2322."	Design and Construction	\$41,000,000	\$25,000,000	\$90,300	\$15,909,700	\$40M	22453
Sterling Highway MP 58-79	Central	Skilak Lake Road -Sterling rehabilitation and passing lane	Construction	\$68,293,404	\$17,500,000	\$1,590,750	\$49,202,654	TBD	2673, 32300, 32563, 33242, 32319

# Looming Deadline & an Extension

- Based on the review by FHWA and FTA the new STIP was not approvable, and they asked DOT to request a 6-month extension
  - Required concurrence of the MPOs
- New Drafts of the STIP were produced and submitted to FHWA and FTA in November 2023 and January 2024, however, the main deficiencies were yet to be addressed
  - Commissioner Office's was challenging findings, rather than working with Federal funding partners to address the deficiencies





# Draft STIP Resubmittals

- In February FHWA and FTA issued a 26-page letter stating the **STIP cannot be approved** and outlined Planning Findings and Corrective Actions that must be addressed as conditions of approval
- A new Draft of the STIP was submitted in March 2024, addressing some but not all the deficiencies
- In late March FHWA and FTA issued a new 30-page letter of Planning Findings and Corrective Actions with only a **partial approval** of the STIP

## Alaska 2024-2027 Statewide Transportation Improvement Program Federal Planning Finding

### Introduction

Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) are required to make a joint Federal Planning Finding (FPF) on the extent to which the transportation planning processes through which statewide transportation plans and programs are developed is consistent with 23 U.S.C. 134 and 135 (for FHWA) and 49 U.S.C. 5303 and 5304 (for FTA). The FPF review includes a determination whether the Statewide Transportation Improvement Program (STIP) and the Metropolitan Planning Organization (MPO) Transportation Improvement Programs (TIPs) were developed in accordance with applicable requirements. The issuance of a FPF is a prerequisite to FHWA and FTA's approval of the STIP and STIP amendments (23 U.S.C. 135(g)(7) and 49 U.S.C. 5304(g)(7)).

This FPF is divided into three tiers, each of which carry specific conditions and requirements to resolve the Federal actions identified. The tiers are as follows:

- Tier 1: Conditions for STIP approval
- Tier 2: Conditions for STIP amendment
- Tier 3: Conditions for project approvals

### Federal Action Definitions

The FPF outlines the Federal planning regulator STIP and other required planning processes and State DOTs and MPOs are doing well, where im issues that must be resolved. For each finding, defined as:

- **Corrective Actions:** Items that do not m corrective action requires action by the
- **Recommendations:** Items that meet th represent opportunities to improve the
- **Commendations:** A planning activity th thought-out procedures for implementi model for implementation and can be c



### U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION  
ALASKA DIVISION  
709 W. 9<sup>TH</sup> STREET, ROOM 851  
P.O. BOX 21648  
JUNEAU, ALASKA 99802-1648

FEDERAL TRANSIT ADMINISTRATION  
915 SECOND AVENUE, SUITE 3142  
SEATTLE, WASHINGTON 98174

March 27, 2024

Mr. Ryan Anderson, P.E., Commissioner  
Alaska Department of Transportation and Public Facilities  
P.O. Box 112500  
3132 Channel Drive  
Juneau, AK 99811

**Subject:** 2024 – 2027 Alaska State Transportation Improvement Program (STIP)

Dear Mr. Anderson:

On March 1, 2024, we received the Department of Transportation & Public Facilities (DOT&PF) 2024 – 2027 Statewide Transportation Improvement Plan (STIP). The STIP was significantly revised from the January 19, 2024, submittal including introducing several new projects. Upon thorough review of the STIP submittal, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) have determined that pursuant to 23 CFR 450.220(b)(1)(iii), the STIP is Partially Approved. The following projects and language are excluded from this STIP approval:

- #34374 - Railroad Anchorage North & South Rail Corridor
- #26076 - Aurora Drive-Noyes Slough Bridge Replacement
- #34385 - Port of Alaska North Extension Stabilization Step 1 Project;
- #33860 - PROTECT Program
- #34205 - Ferry Boat Funds Placeholder as Future Match using Toll Credits [LEDGER]
- #6447 - Bridge and Tunnel Inventory, Inspection, Monitoring, Preservation, Rehab, and Replacement Program
- STIP Narrative Document - Page 17 - "Projects may be started under a 'group' and, through the project life cycle, increase in size or scope to no longer meet the requirements of the grouping. In those instances, the projects will be created with their own Need ID and incorporated into the STIP via an amendment."
- STIP Narrative Document: Page 19 - "FHWA and FTA will provide DOT&PF with any

# STIP Amendment #1

- FHWA and FTA asked the Planning Findings and Corrective Actions be addressed with STIP Amendment #1 to achieve full approval
- STIP Amendment #1 released for public comment in early July 2024
  - Some deficiencies addressed, some still not
  - FHWA and FTA again issued only a **partial approval** in a new 16-page letter with outstanding Planning Findings and Corrective Actions
  - FHWA and FTA requested monthly meetings with DOT and for them to develop a “**STIP Action Plan**”



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FEDERAL HIGHWAY ADMINISTRATION  
ALASKA DIVISION  
709 W. 9TH STREET, ROOM 851  
P.O. BOX 21948  
JUNEAU, ALASKA 99801-9488  
FEDERAL TRANSIT ADMINISTRATION, 915  
SECOND AVENUE, SUITE 3102  
SEATTLE, WASHINGTON 98104

September 26, 2024

Mr. Ryan Anderson, P.E., Commissioner  
Alaska Department of Transportation and Public Facilities  
P.O. Box 112500  
3132 Channel Drive  
Juneau, AK 99811

Subject: 2024 – 2027 Alaska State Transportation Improvement Program (STIP) Amendment #1

Dear Mr. Anderson:

On August 28, 2024, we received the Department of Transportation & Public Facilities (DOT&PF) 2024 – 2027 Statewide Transportation Improvement Plan (STIP) Amendment #1. Upon thorough review of the STIP submittal, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) have determined that pursuant to 23 CFR 450.220(b)(1)(iii), the STIP Amendment #1 is Partially Approved. The following projects and language are excluded from STIP approval:

- 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
- 12641 - Seward Highway Milepost 98.5 to 118 Bird Flats to Rabbit Creek [Parent and Final Construction]
- 34564 - Fast End Roads Design Refresh - Nome Eskimo Community
- 34567 - High Ridge Road Phase Two - Igloo 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

# STIP Amendment #1 (cont'd)

- In October DOT submitted a letter contesting nearly all the Planning Findings and Corrective Actions

**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.

- Commissioner and Deputy Commissioner then flew to Washington DC to meet with FHWA Headquarters to try to get them overturned
- One Corrective Action was overturned, but all other Corrective Actions remain unchanged and must be resolved with STIP Amendment #2
  - See December 5, 2024 joint letter from FHWA and FTA



THE STATE  
of ALASKA  
GOVERNOR MIKE DUNLEAVY

Department of Transportation and  
Public Facilities

OFFICE OF THE COMMISSIONER  
Ryan Anderson, P.E., Commissioner

PO Box 112500  
Juneau, Alaska 99811-2500  
Phone: 907.463.3900  
dot.alaska.gov

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 or are now redundant and should not be carried forward.

- **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
- **23 CFR 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

*"Keep Alaska Moving through service and infrastructure."*



# How did 2024 go?

- Experienced less construction work in Fairbanks and Anchorage compared to previous years
- Through all this, not all FFY2024 funding was obligated
  - ~\$170 million shortfall on FFY2024 obligations
  - Most/all of this funding can hopefully be carried forward to FFY2025
  - ~\$100 million used as ACC (payback of funds borrowed from future years)
  - This information is from November 5<sup>th</sup> Roads & Highways Advisory Board meeting
- August Redistribution
  - Of \$71.4 million available to Alaska, DOT was only able to secure \$19 million for obligation-ready projects

Alaska News

**Alaska got the lowest August federal transportation allocation among states at \$19 million after error-filled submission**

By Sean Maguire

Updated: September 16, 2024

Published: September 15, 2024

# STIP Amendment #2

- Commissioner's Office has indicated it will be released this month (January)
- FHWA has asked for a preliminary review Draft two weeks prior to release
- MPOs have asked to preview a summary of changes for the Amendment
- Unclear if Planning Findings and Corrective Actions will be addressed



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709 W. 9<sup>TH</sup> STREET, ROOM 851  
P.O. BOX 21648  
JUNEAU, ALASKA 99802-1648

FEDERAL TRANSIT ADMINISTRATION 915  
SECOND AVENUE, SUITE 3192  
SEATTLE, WASHINGTON 98174

December 5, 2024

Mr. Ryan Anderson, P.E., Commissioner  
Alaska Department of Transportation and Public Facilities  
P.O. Box 112500  
3132 Channel Drive  
Juneau, AK 99811

**Subject:** Correction to the Federal Planning Finding for Alaska 2024-2027 STIP Amendment #1

Dear Mr. Anderson:

Thank you for meeting with the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) on November 20-21, 2024 to discuss the status of the Alaska Statewide Transportation Improvement Program (STIP) and key actions for the Alaska Department of Transportation and Public Facilities (Alaska DOT&PF) to take in order to reach a fully approved STIP. We appreciate your interest in resolving the corrective actions outlined in the FHWA/FTA Federal Planning Finding (September 27, 2024) and look forward to continuing to work with you.

The Federal Planning Finding excluded projects from approval in the Alaska DOT&PF STIP Amendment #1. Specifically, projects were excluded from approval because they were not included in the Fairbanks Area Surface Transportation (FAST) MPO TIP but are within the 2020 Census defined Urban Area Boundary that was approved by the FHWA Alaska Division Office on March 5, 2024.

Following our conversation and upon further review, FHWA and FTA have determined that projects within the approved Urban Area Boundary but outside of the existing Metropolitan Planning Area (MPA) do not have to be included in the TIP until the MPA boundary is updated by agreement between the MPO and the Governor. FHWA guidance on the timing for updating the MPA boundary in response to Census Urban Area changes provides four years from the designation

# What's the outlook for 2025?

- Conformity Freeze for Fairbanks may be lifted in coming months, which could get some large highway projects previously paused back on track
- Looking at current DOT bid calendar, however, less construction work again in Fairbanks compared to previous years
  - Estimated \$25-30 million in 2025
  - Historical average has been \$50 million annually
- Some projects in Fairbanks have slipped construction year from 2025 to 2026 or 2027
- Some 2025 projects may be cancelled due to a school closure and the new Presidential Executive Order signed (i.e. electric vehicle charging stations)
- Largest construction project in State (Cooper Landing Bypass, \$1 billion) has half of its funding pushed out to Post-2027 in STIP



# Things to watch for...

- How will the new Presidential Executive Order, which eliminates the “electric vehicle mandate,” affect the State’s NEVI funds (\$52 million)?
- Will the State’s NHFP funds (\$90 million) be fully programmed in the STIP in coordination with the State’s Freight Investment Plan?
- Will the State’s PROTECT funds (\$93 million) be fully programmed in the STIP?
- Will the ~\$170 million carryforward in unobligated FFY2024 funds be programmed in Amendment #2 to be fully obligated in addition to the FFY2025 funds?
- How is DOT positioning itself to maximize the opportunity for August Redistribution this year?



# Thank You!



Jackson Fox

[jackson.fox@fastplanning.us](mailto:jackson.fox@fastplanning.us)

100 Cushman St, Suite 205

Fairbanks, Alaska 99701

(907) 205-4276

