



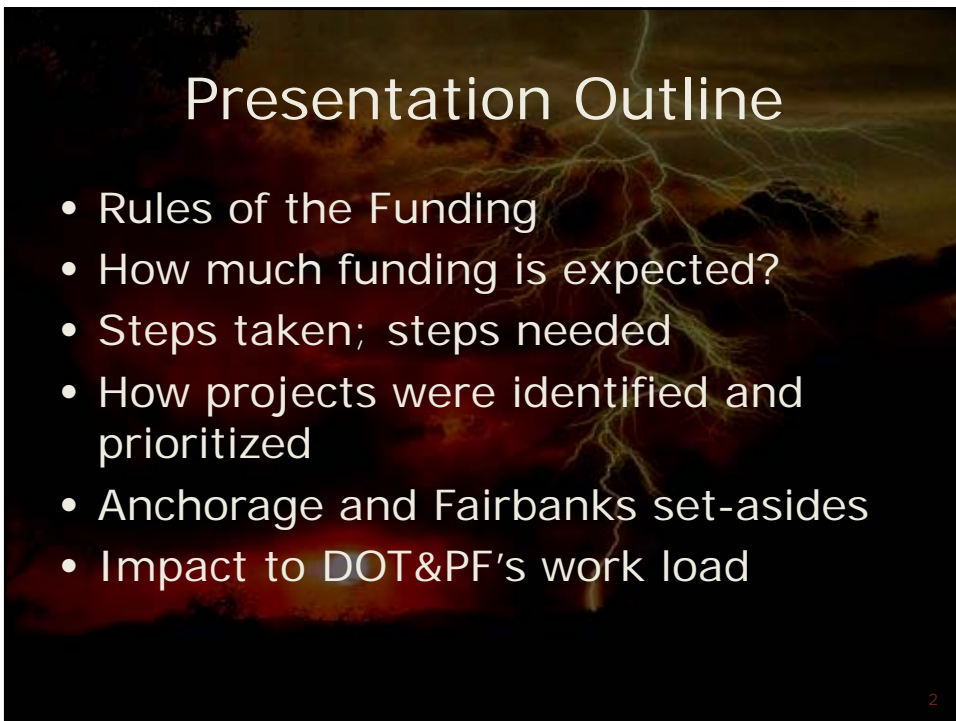
# Senate Finance Committee

## 2009 Stimulus Program for Transportation

American Recovery & Reinvestment Act 2009

February 12, 2009

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# Presentation Outline

- Rules of the Funding
- How much funding is expected?
- Steps taken; steps needed
- How projects were identified and prioritized
- Anchorage and Fairbanks set-asides
- Impact to DOT&PF's work load

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## Why Important?

- Putting Alaskan's to work
- Reduces backlog of highway, aviation and transit (including ferry) needs
- Repairs aging infrastructure
- Jump starts gas line infrastructure needs

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## Rules of the Program

- Highway funds follow FHWA rules
- Transit funds follow FTA rules
- Aviation funds follow FAA rules
- Federal rules not relaxed
  - Must be in an approved STIP or TIP (not FAA)
  - Must be eligible for fund category
  - Must have begun as a federal project
    - NEPA (1-2 years)
    - ROW certification
    - Permits from all relevant authorities
  - Give emphasis to economically distressed regions

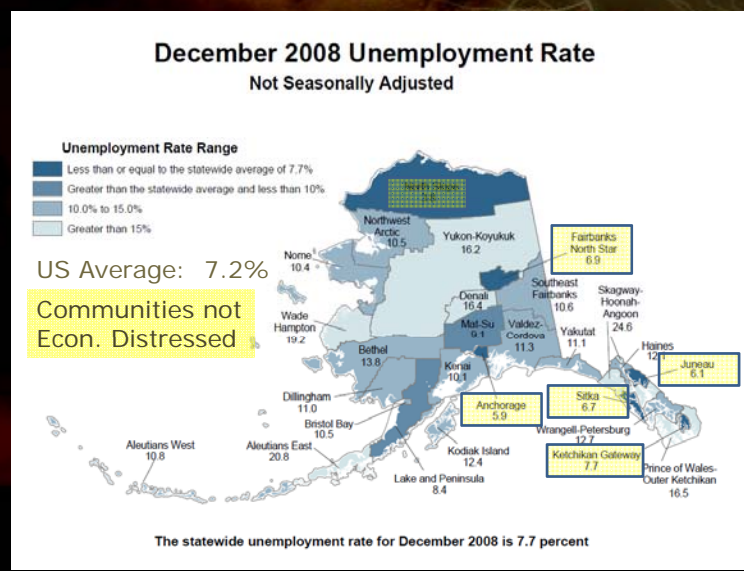
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# Economically Distressed

- H.R. 1 encourages projects in economically distressed areas
- 42 USC 3161 defines:
  - Unemployment rate > US rate + 1%
  - All areas of Alaska meet this definition, except:
    - Boroughs at: North Slope, Fairbanks, Anchorage, Juneau, Sitka and Ketchikan

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# DOL Unemployment Data



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## Use or Lose Provision

- Congress demands fast use of funds
- Use 50% of funds in 90 days (HR 1)
  - AMATS & FMATS to use in 75 days
- Funds not used will go to states who can use
- This means:
  - Must use >50% by ~May 15
  - Be ready to obligate further to capture funds other states lose

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## Maintenance of Effort

- 30 days from enactment: Governor to certify the state will maintain state funding scheduled for highways
  - Can not supplant stimulus funds for state funds to transportation
  - Certification must extend to Sep 2010 (SFY 09 – SFY 11)
- Non-certification will trigger loss of funds entirely

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## Big Picture (H.R. 1)



\$829 Billion Total



\$46 Billion for  
Transportation

Alaska Receives:



\$500+ Million  
Transportation for  
AK

## How Much Funding to Alaska?

Type of Funds	House H.R. 1	Senate S. 1
Hwy & Bridges	\$238.3 Million	\$131.5 Million
--AMATS Hwy. Share	\$22.4 M	\$23.0 M
--FMATS Hwy. Share	\$8.1 M	\$5.1 M
--Enhancements	\$7.4 M	--
--CMAQ Share	--	\$5.2 M
--State & non-MPO Share	\$187.0 M	\$79.6 M
Transit	\$74.3 Million	~\$35.0 Million
--AMATS Share	\$40.0 M	~\$27.0 M
--Buses and related	\$9.5 M	~\$8.0 M
--Ferries and trains	\$25.8 M	--
Use or Lose Rule	90 days; 18 months	6 months; 12 months

Funding breakdown subject to near daily adjustments and revisions.

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## How Much Funding?

Type of Funds	House H.R. 1	Senate S. 1
Aviation	Up to \$231 M	Up to \$84.7 M
<u>FAA determines how much \$ and priorities to state.</u>		
<b>Rural Aviation Program</b>		
Number of Possible Projects	27	Same
Dollar value of Possible Projects	\$271.3 M	Same
<b>International Aviation Program</b>		
Number of Possible Projects	12	Same
Dollar value of Possible Projects	\$104.7 M	Same
Use or Lose Rule	90 days; 18 months	6 months; 12 months

Funding breakdown subject to near daily adjustments and revisions.

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## Steps Taken Already

- DOT&PF has been proactive
  - Identified universe of eligible projects that can meet criteria
  - Prioritized the list
  - STIP amendment (#18) released
  - Authorized work needed to get projects bid ready (bi-weekly meetings)
  - Prepared supplemental budget request

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## Further Steps Needed

- Complete designs, permits and other clearances on *fast list* projects by April (all modes)
- Highway and Transit Funding:
  - Take public comments on *fast list* STIP amendment #18; then final
  - Seek FTA and FHWA approval of STIP
  - Issue Federal Aid Agreements on *fast list* projects
  - Issue bid advertisements on *fast list*
- Aviation Funding: advised FAA of our list

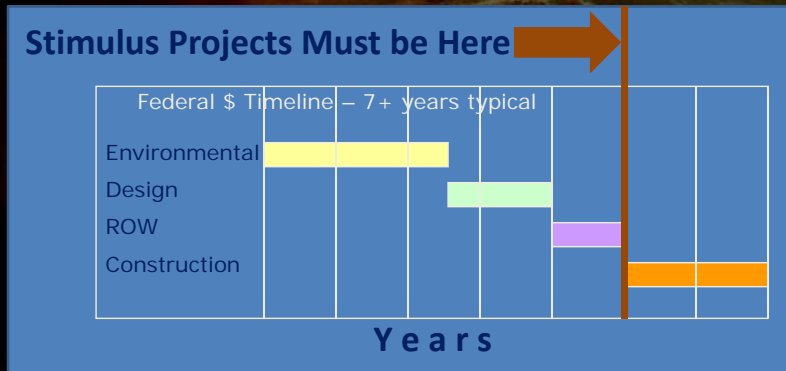
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## How were Projects Selected?

- Know the rules:
  - Eligibility
  - Rapid Timing expected
  - Economic distress criteria
  - Mandatory set-asides in law
  - STIP, NEPA, permits not waived
- A small list of eligible projects met the criteria
  - No NEPA, no ROW purchase, and no long-lead projects could be considered
- Success requires laser-like focus on above
- Aviation: FAA decides projects to fund

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# Stimulus Funds Prerequisite



Implication: Virtually impossible for a new project to meet the stimulus timeline.

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## Criteria to Prioritize (Highways)

- Mandatory set-asides
- Governor's Gas Line readiness announced projects
- Safety
- Economic Distress criterion
- Leverage other dollars
- Jobs created in 2009 season
- (FAA decides for Aviation Funds)

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## Fairbanks and Anchorage

- The two MPOs, AMATS and FMATS will select projects in their boundaries
  - Same rules apply
  - Each MPO amending their TIP to show stimulus projects
  - Focus, must be to projects that are soon bid-ready
  - \$72.9 M sub-allocated to two MPOs (transit and highways in HR 1)

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## Why did DOT look to Existing Projects?

- Congressional rules quickly focused the universe of relevant projects to a very small list...
  - Already federally started
    - Meet eligibility rules
    - Many steps previously completed
  - Fast track: can be obligated in 90 days
    - Few projects meet this goal
  - Existing projects have strong support
    - Prior community and/or legislative actions

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## Summary of Work Funded (HR 1)

- 272 center line miles of roads resurfaced (+18 miles trails)
- 16 bridges replaced or repaired
  - 5 local class bridges
- 2 new ferries (partial)
- Ferry rehabilitation & two terminals
- Safety: passing lanes, lighting, roundabout
- Buses/vans in 8 communities
- Airports: 2 Internationals + up to 18 other (possible)

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## 'Slow' List

- Q. Could projects be added and make the due date for the slow list?
- A. No.
  - Federal aid projects take 2-7 years
  - Even slow list projects must be in capital budget this year
    - Jul 2010 (SFY '11) is too late to obligate slow funding under Senate goal of Feb. 2010
    - Only practical slow projects are those still well along in a current design effort

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## New Projects Are Helped Too

- Q. How can new projects benefit from Stimulus?
- A. Every Stimulus project accomplishes work that would have been priority for 2010 STIP or AIP funds
  - HR 1: More than a typical year's worth of Highway and Aviation construction is being funded, opening up room for the next generation of projects

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## Adding Other Projects

- It's understood communities want other projects considered...
  - But, the rules are tight and fixed in law
  - Success means we focus limited resources on what can proceed
  - Time and resources diverted will harm outcome

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## Sub-Allocation

- Q. Can DOT&PF sub-allocate to communities and let them proceed?
- A. No. DOT&PF remains responsible and the federal rules (Highways and Aviation) are too complex for this to successfully occur.
  - FHWA concurs:  
<http://www.fhwa.dot.gov/economicrecovery/qandas.htm>
  - AMATS and FMATS projects mostly undertaken by DOT&PF
    - MPOs select projects; DOT&PF executes

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## Why Two STIPs underway?

- 2009 STIP year must be amended for Stimulus projects
  - Draft amendment to 2009 out now
- 2010 – 2013 STIP document requires a new effort:
  - Project nominations and scoring occurring now
  - Draft then Final STIP covering 4 years (May to August)
- Both efforts are legally required and both must be started at this time

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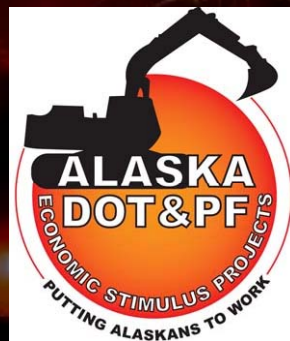


## Impact to DOT's Workload (All modes)

- By May: Must obligate > \$240 M in stimulus projects
- Jun - Aug '09: Must obligate > \$450 M in regular federal-aid
- Oct – Aug '10: Must obligate \$650 M in regular federal-aid + stimulus
- Bottom line: >50% increase in workload for next 18 months!
  - Work is now occurring on a sprint-like pace

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## Questions/Comments:



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