

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

January 23, 2025

1:02 p.m.

MEMBERS PRESENT

Representative Ashley Carrick, Co-Chair
Representative Ted Eischeid, Co-Chair
Representative Genevieve Mina
Representative Louise Stutes
Representative Elexie Moore

MEMBERS ABSENT

Representative Kevin McCabe
Representative Cathy Tilton

COMMITTEE CALENDAR

PRESENTATION: OVERVIEW OF METROPOLITAN PLANNING ORGANIZATIONS
AND UPDATES ON STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JACKSON FOX, Executive Director
Fairbanks Area Surface Transportation
Fairbanks, Alaska

POSITION STATEMENT: During the Overview of Metropolitan
Planning Organizations and Updates on Statewide Transportation
Improvement Program presentation, offered a PowerPoint, titled
"STIP Perspective & 2025 Outlook."

AARON JONGENELEN, Transportation Planning Manager/MPO
Coordinator

Anchorage Metropolitan Area Transportation Solutions
Anchorage, Alaska

POSITION STATEMENT: During the Overview of Metropolitan
Planning Organizations and Updates on Statewide Transportation
Improvement Program presentation, offered a PowerPoint, titled
"2024-2027 STIP."

ACTION NARRATIVE

[1:02:29 PM](#)

CO-CHAIR ASHLEY CARRICK called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives Mina, Stutes, Moore, Eischeid, and Carrick were present at the call to order.

[In response to an invitation from Co-Chair Carrick, committee member introductions were made, including key points of focus projected for the committee.]

PRESENTATION: Overview of Metropolitan Planning Organizations and Updates on Statewide Transportation Improvement Program

[1:07:13 PM](#)

CO-CHAIR ASHLEY CARRICK announced that the first order of business would be the Overview of Metropolitan Planning Organizations and Updates on Statewide Transportation Improvement Program presentation.

[1:09:02 PM](#)

The committee took an at-ease from 1:09 p.m. to 1:13 p.m.

[1:13:46 PM](#)

JACKSON FOX, Executive Director, Fairbanks Area Surface Transportation, as part of the Overview of Metropolitan Planning Organizations and Updates on Statewide Transportation Improvement Program presentation, offered a PowerPoint, titled "STIP Perspective & 2025 Outlook" [hard copy included in the committee packet.] He preceded the slides by sharing that he had been invited by Co-Chair Carrick to talk about the Statewide Transportation Improvement Program (STIP) from the perspective of a metropolitan planning organization (MPO) and the outlook for 2025. As a disclaimer, he specified that the information presented is from his observations from working daily with Department of Transportation & Public Facilities (DOT&PF) staff, official written correspondence, and discussion and dialogue in meetings; he is not a state employee and did not working on STIP; and FAST planning, an independent 501(c)(3) non-profit

organization, manages its own transportation improvement program (TIP), which is part of STIP.

[1:16:07 PM](#)

MR. FOX directed attention to slide 3, titled "MPOs - Who we are & What we do," which read as follows [original punctuation provided]:

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

MR. FOX moved to slide 4, which is a map of the Fairbanks and North Pole area with an overlay of the boundary of the Fairbanks MPO, and explained the boundaries of the Fairbanks MPO.

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MR. FOX continued to slide 5, "The STIP," which read as follows [original punctuation provided]:

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

MR. FOX moved to slide 6, "STIP: 4-year Funding Plan," which read as follows [original punctuation provided]:

The last STIP (FFY 2020-23) was set to expire on
September 30, 2023 (4th 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

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MR. FOX, in response to a question from Co-Chair Carrick, explained it was normal for the STIP to receive multiple amendments through its four-year life alongside administrative modifications. He stated that the original STIP was partially approved in March 2024, the first amendment was released in July 2024, and the expected release for the second amendment was January 7, 2025, which had already passed. He offered his understanding that the preliminary review draft of the second amendment has been provided to the federal review partners.

[1:24:24 PM](#)

MR. FOX continued the presentation on slide 7, "Development of the new FFY2024-27 STIP," which read as follows [original punctuation provided]:

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)

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MR. FOX, in response to questions from various committee members, clarified that the FAST Planning's TIP is a four-year plan that is in sync with STIP and was completed March 2023, which provided adequate time to be incorporated into STIP. He stated that FAST Planning had a collaborative relationship with DOT&PF on the previous STIP but had not received any preliminary drafts for the most recent STIP. He added that projects within FAST Planning's boundary had been well coordinated. He was not aware of the DOT&PF Office of the Commissioner taking over development of STIP before, which caused anxiety with FAST Planning's technical board. He had heard that it may have additionally caused discord in DOT&PF which saw an exodus of staff at that time.

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MR. FOX continued the presentation on slide 8, "Public Review Draft... Early Concerns," which read as follows [original punctuation provided]:

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)

MR. FOX, in response to a question from Co-Chair Carrick, opined that the bridge replacement projects were within the boundary of the MPO and needed to have been in the local TIP per the regulations.

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MR. FOX moved to slide 9, "Early Concerns (cont'd)... Financial Analysis," which read as follows [original punctuation provided]:

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

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MR. FOX, in response to questions from Co-Chair Eischeid, agreed that the mistakes in STIP were fundamental budgetary mistakes but did not wish to speculate on the causes. He clarified that both STIP and TIP must demonstrate fiscal constraint, which requires tables to show spending not exceeding revenue.

[1:41:27 PM](#)

MR. FOX continued to slide 10, "Early Concerns (cont'd)... Plan Alignment," which read as follows [original punctuation provided]:

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'

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MR. FOX transitioned to slide 11, "Looming Deadline & an Extension," [which mentions the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA)]. Slide 11 read as follows [original punctuation provided]:

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

MR. FOX continued to slide 12, "Draft STIP Resubmittals," which read as follows [original punctuation provided]:

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

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MR. FOX moved to slide 13, "STIP Amendment 1," which read as follows [original punctuation provided]:

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"

MR. FOX continued to slide 14, "STIP Amendment 1 (cont'd)," which read as follows [original punctuation provided]:

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

[1:49:56 PM](#)

MR. FOX moved to slide 15, "How did 2024 go?," which read as follows [original punctuation provided]:

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 5th 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

MR. FOX, in response to questions from various committee members, related that Alaska has received up to \$100 million from August redistributions and Alaska only receiving \$19 million out of the requested \$71.4 million is unusual. He clarified that the \$170 million shortfall on obligations could possibly be carried forward due to the period of availability of the funds.

[1:54:28 PM](#)

MR. FOX returned to the presentation on slide 16, "STIP Amendment 2," which read as follows [original punctuation provided]:

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

MR. FOX continued on slide 17, "What's the outlook for 2025?," which read as follows [original punctuation provided]:

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

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MR. FOX moved to slide 18, "Things to Watch for...," which read as follows [original punctuation provided]:

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?

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MR. FOX, in response to a question from Co-Chair Eischeid, opined that the lack of organization will reduce construction and possibly cause workers to leave the community from lack of employment.

[2:02:59 PM](#)

The committee took an at-ease from 2:02 p.m. to 2:07 p.m.

[2:07:20 PM](#)

AARON JONGENELEN, Transportation Planning Manager/MPO Coordinator, Anchorage Metropolitan Area Transportation Solutions, as part of the Overview of Metropolitan Planning Organizations and Updates on Statewide Transportation Improvement Program presentation, offered a PowerPoint, titled "2024-2027 STIP" [hard copy included in the committee packet.] He began the presentation on slide 2 and outlined the boundary of Anchorage Metropolitan Area Transportation Solutions (AMATS). Referring to slide 3, he described the responsibilities of AMATS and clarified that it is both an MPO and transportation management area (TMA) due to having a population larger than 200,000. To slide 4, he stated that AMATS had submitted two letters to DOT&PF on the original STIP and first amendment, as well as a letter in support for an extension. To slide 5, he stated the biggest concern from AMATS was the lack of coordination from DOT&PF.

[2:11:54 PM](#)

MR. JONGENELEN, in response to a question from Co-Chair Eischeid, clarified that the coordination between AMATS and DOT&PF is usually sparse but the lack of outreach about the development of STIP was unusual.

[2:14:18 PM](#)

MR. JONGENELEN continued the presentation on slide 6, titled "Projects in the STIP not in the MTP and TIP," and stated that

there were multiple projects in the STIP that were missing in the Metropolitan Transportation Plan (MTP) and TIP due to the lack of coordination. To slide 7, he discussed the technical errors in the STIP and emphasized the issue of the total project costs not matching the amounts provided in tables, which caused confusion about which total was used for fiscal constraint.

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MR. JONGENELEN, in response to a question from Co-Chair Eischeid, opined that if DOT&PF had coordinated with the different MPOs, the issues with fiscal constraint would have been caught prior to public review.

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MR. JONGENELEN, referring to slide 8, discussed the technical errors in the first amendment to STIP, which more directly affected AMATS and did not correct the inconsistency in project cost totals. To slide 9, he stated that AMATS was concerned about the amount of advanced construction funds used in the STIP and the lack of coding for conversions in future years. He moved to slide 10 and stated that there was no information being provided to the MPOs about several Tier II corrective actions that need to be addressed. To slide 11, he asserted that the six corrective actions provided to AMATS were all addressed with the help of regional DOT&PF. He moved to slide 12 and stated that the in the response from DOT&PF to the comment on the first STIP amendment from AMATS, it did not address the raised concerns and instead raised novel concerns on the second AMATS TIP amendment. To slide 13, he commended DOT&PF for its drafting of a "3C Process Document," setting up a peer exchange to discuss corrective action toward concerns, and the increased coordination between DOT&PF and MPO staff. Following with slide 14, he expressed concern about the lack of formal communication on the continuing development of STIP and the perception of AMATS being a hinderance instead of a benefit.

[2:27:43 PM](#)

MR. JONGENELEN, in response to questions from various committee members, stated that past STIP development was managed by DOT&PF Planning & Programming Development but changed to the Office of the Commissioner, and that AMATS had received comments from DOT&PF during meetings about the length of time it takes for public testimony and incorporation of TIP hindering the development of STIP. He stated that the match rate varies but

Alaska typically receives a 90.97 percent match rate from the Federal Government, where Alaska only pays 9.03 percent of a project's cost.

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MR. FOX, in response to questions from various committee members, stated that there is an example of the Idaho Transportation Department having its special match rate being threatened when it didn't align with its federal partners. He expressed concern that the state's share of project costs would increase if the federal partners decreased the federal match rate. He opined that the root cause for the issues with STIP development stemmed from moving the project to the DOT&PF Office of the Commissioner.

[2:32:51 PM](#)

MR. JONGENELEN, in response to a question from Co-Chair Eischeid, offered his understanding that DOT&PF disagreed with the process of STIP development.

[2:34:44 PM](#)

MR. FOX, in response to a question from Co-Chair Carrick, provided his understanding that between the original STIP and the first amendment, more outreach had occurred between DOT&PF and tribal entities.

[2:37:28 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:37 p.m.