

4/07/11

PRESENTATION:

STATE

TRANSPORTATION


IMPROVEMENT

PLAN AND ROADS

TO RESOURCES


PROGRAM

<TARGET><BILL></BILL><SUBJECT>4-07-11 PRESENTATION STATE
TRANSPORTATION IMPROVEMENT PLAN AND ROADS TO RESOURCES
PROGRAM</SUBJECT><COMM>HTRA27</COMM></TARGET>




**Alaska Department of
Transportation & Public Facilities**
House Transportation

April 7, 2011




Outline

- Long Range Transportation Plan – 2030 Update
- STIP and 2011 Federal Year Funding Concern



Long Range Plan Update


- 2030 Plan approved in 2008
 - Must be updated by 2013
- Effort beginning to refresh the 2030 plan
 - Data updated
 - Integrate new DOT&PF Strategic Plan with all other plans, and performance measures



Planning Hierarchy

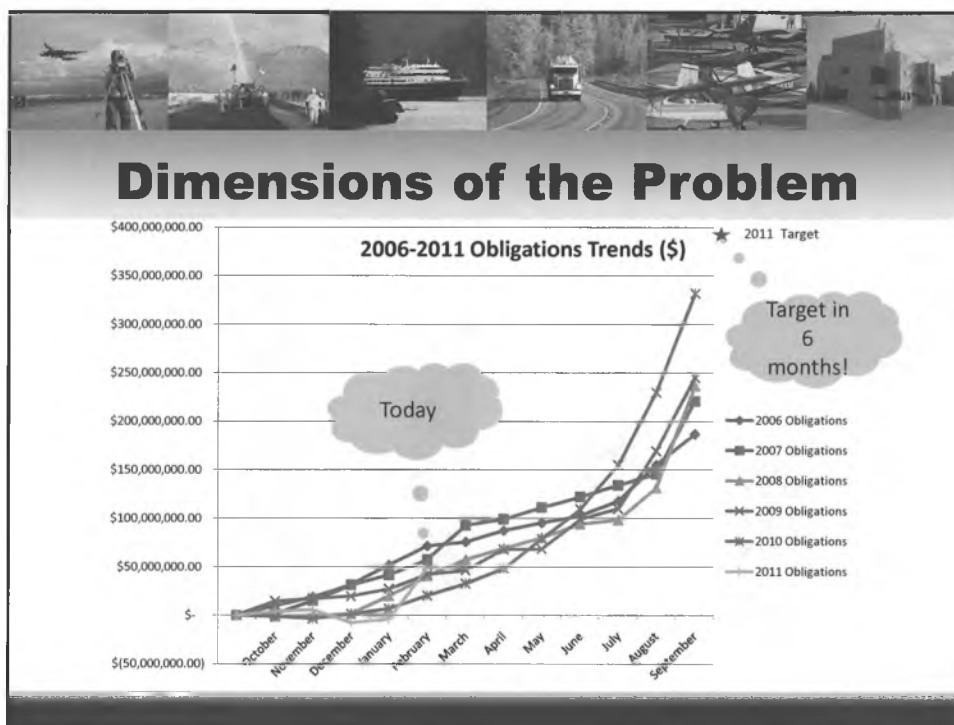
- **Strategic Plan**
 - Sets vision, broad agenda
- **Long Range Transportation Plan (2030)**
 - Details polices, fulfills federal law
- **Regional, system and corridor plans**
 - Determines project priorities and schedule
- **Subject plans (safety, bridge seismic, etc.)**
 - Detailed specific subject matter planning efforts


Performance Measures:
Identifies progress or delays, informs
next planning cycle.



STIP and 2011 Funds

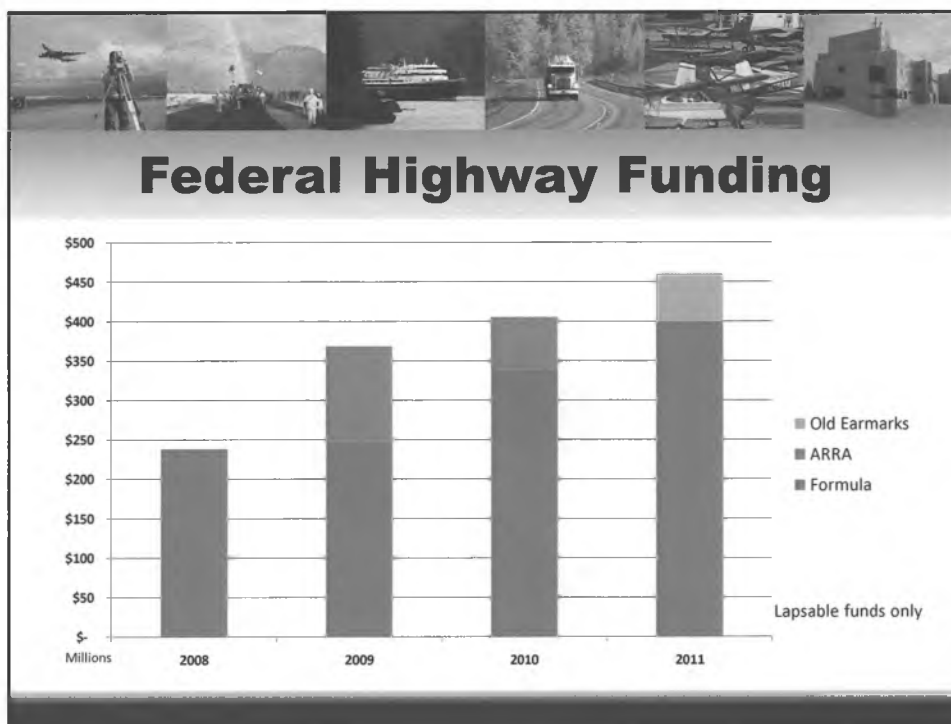
- 2009, 2010 and 2011: very large federal funding years
 - Most back-logged projects now under construction
 - Few remaining unfunded projects
- 2011 Problem
 - More funding than certain "shovel-ready" projects to capture all \$\$ available






What Changed?

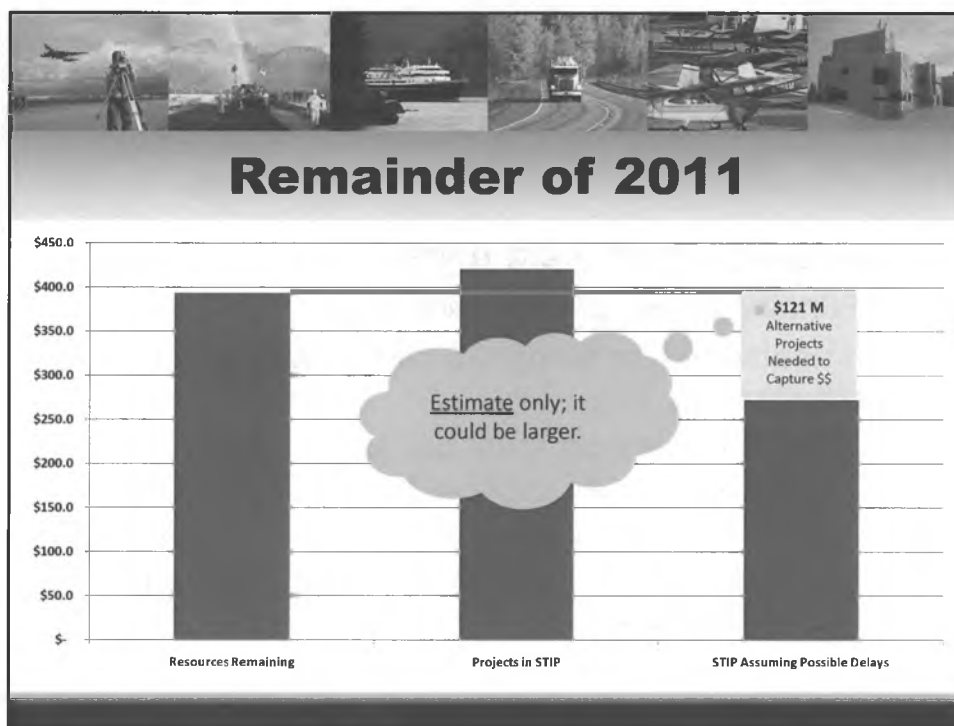
- ARRA
 - \$175 M of added funding in 2009-2010.
- Returned earmarks
 - 5 years of earmarks restored to lapsable funding after 2009.
- Low bids
 - Favorable bids means 20-30% more projects can be completed with same dollar level.






Depth of the Problem


- Remainder of 2011
 - Must “obligate” \$393 Million
 - \$259 M “likely” and \$160 M “possible” as of now
 - Discount for future delays: ~\$272 M
- Means we must find at least \$121 M of other eligible, shovel-ready work; more to be safe.





Why are Projects Delayed?

- 4 factors cause most delays:
 - Permit(s) not issued
 - Right-of-way difficulty
 - Utility relocation difficulty
 - Third-party delays
 - ~~Funding shortfalls~~ (true, prior to 2008)
- FHWA expectation:
 - Target performance measure is less than 50% of STIP delayed annually!




Rules We Work Within

- Federal-aid and state rules:
 - Funding is use or lose each year
 - If unable to use funds, \$\$ taken away and sent to other states
 - Substitute projects must be "shovel ready"
 - Full design, NEPA and permits, right-of-way secured
 - Small projects 1-2 years, typical project 5+ years
 - Projects must be in STIP and have Legislative Budget Authority



Actions Taken to Address

- Identified all feasible alternative projects
- Is additional Budget Authority needed?
 - OMB and Budget Committees are working issue
- Keep list of “shovel-ready” projects
- Tracking progress (semi-weekly)
 - Delayed projects given priority in 2012




Lessons Going Forward

- Must be working a larger universe of projects each year to ensure ready alternates
 - Must have all necessary permissions to make substitutions
- 2012 federal funding very much uncertain; but 3 years of high funding is a trend we should not overlook



Other Observations

- Federal aid program workload has doubled in just 4 years
 - No net increase in design groups staff to date
- Pace and lack of ready alternatives is a concern at this time




**Alaska Department of
Transportation & Public Facilities**

**Roads to Resources
House Transportation Presentation**


April 7, 2011

Patrick Kemp, P.E.
Deputy Commissioner




Roads to Resources Program

- Road to Resources funds have previously been used on smaller economic development projects
- Focus now on larger projects to fill the pipeline, create jobs, and increase commerce



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Roads to Resources Program

Guidelines for funding and design standards:

- Initial permitting accomplished by DOT&PF
- Initial road is “long and skinny” constructed to minimum design standards to support development startup
- Initial road is funded either by DOT&PF or in partnership with the developer
- A long-range public/private partnership agreement would be forged to best fit both partners


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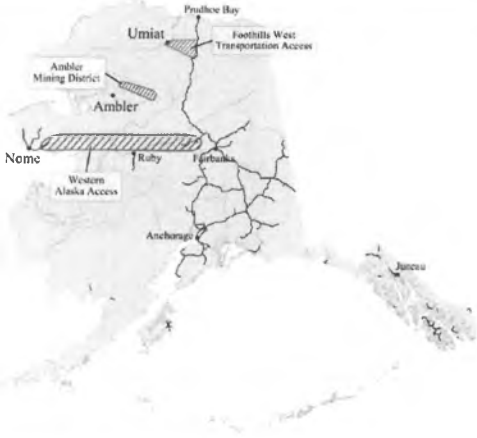
Roads to Resources Program

- Road is improved to higher standards as traffic and development dictates
- Funding to improve the road will be borne by the developers
- Roadway will be designated an “Industrial Use Highway” in order to charge tolls to industrial users (AS 44.62)
- Annual M&O costs could be funded with IUH receipts

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Current Roads to Resources Projects



DOT&PF's roads to resources projects:

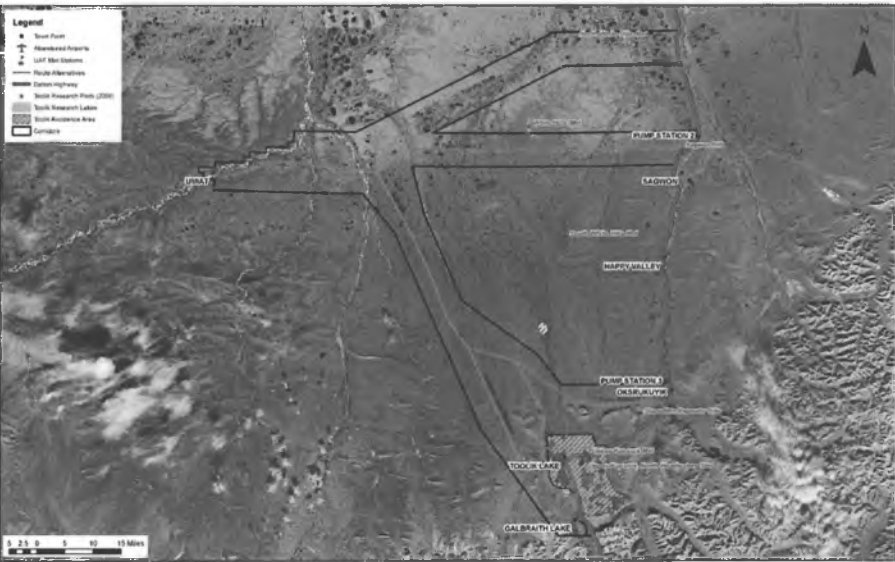
- Foothill West Transportation (Umiat Oil & Gas)
- Ambler Mining District
- Western Alaska Access (Road to Nome)

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Foothills West Transportation - Road to Umiat


Legend

- Town/Point
- ▣ Abandoned Property
- ▣ LMP Mine Systems
- ▣ Pipeline/Alleyways
- ▣ Existing Highways
- ▣ State Research Tract (2000)
- ▣ State Research Lanes
- ▣ State Access Area
- ▣ Contourline



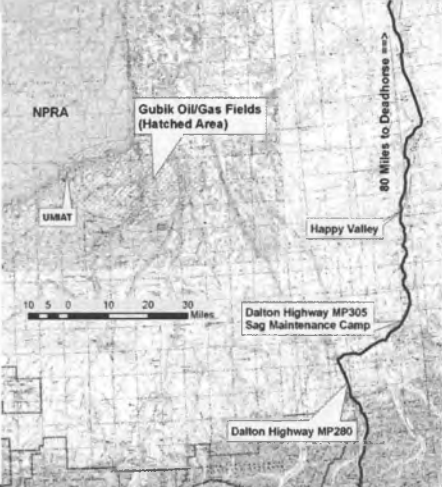
Alaska Department of Transportation and Public Facilities Foothills West Project

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Umiat Oil & Gas Fields

- Initially explored by U.S. Navy in the 1940's
- Access corridor extends 90 miles NW of Dalton Hwy, starting at Galbraith Lake
- Provides access to 250mm bbl oil and 7 trillion cubic feet of natural gas
- Road will support oil and gas lines to TAPS
- Opens adjacent lands for cost effective exploration
- COE former defense site cleanup
- Provides access portal into NPRA
- Aggressive timeline for Spring 2013 construction start
- Project EIS and permitting work begins with FY12 funding request (\$8 million)




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Ambler Mining District




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Western Alaska Access

- Long term project to access resources and connect communities to Alaska's highway system
- Fund and develop in phases because of independent utility
- Benefits to all of western Alaska
- Connects communities along the way resulting in immediate cost of living benefits
- FY12 Funding request (\$1.25 million) will be for survey, mapping and refined cost estimates




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Other Potential Projects

- Site access to Niblack Copper and Bokan Mtn. - rare earth element deposits on Prince of Wales Island
- Flat mining district in Upper Kuskokwim
- Nixon Fork Mine
- Pebble – Cu, Au
- Donlin Creek – Au
- Chuitna – Coal
- Deadfall Syncline – Coal
- MAN – Cu, Ni, PGE
- Others

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Thank you!

Questions?

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