

Statewide: National Highway System Weight Restriction Remediation **FY2012 Request: \$10,000,000**
Reference No: AMD 51895

AP/AL: Allocation **Project Type:** Construction
Category: Transportation
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Pat Kemp, Deputy Commissioner
Estimated Project Dates: 07/01/2011 - 06/30/2018 **Contact Phone:** (907)465-3906
Appropriation: Surface Transportation Program

Brief Summary and Statement of Need:

This project is being included in the FY2012 amended request due to changes in the scheduled obligation of federal funds to other DOT&PF projects that occurred after the release of the budget on December 15, 2010. This amendment is a new capital request to provide the department sufficient legislative authority to ensure obligation (put under contract with Federal Highways Administration (FHWA)) of federal funds each year. If the department is not able to obligate projects under the Federal Highway Administration annual program funding, the FHWA program funding is at risk of being reallocated to other states.

Funding:	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
Fed Rcpts	\$10,000,000						\$10,000,000
Total:	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

None, this is the first year for this project.

Project Description/Justification:

Under the FHWA federal-aid rules, obligation of construction funds requires the project be fully designed, permitted, and right-of-way certified. It must also be in a Surface Transportation Improvement Program (STIP). Timeframes that impact the ability to obligate STIP projects with FHWA include:

STIP Timeline = 4 years

Federal Fiscal Year = October 1 – September 30 (Normal deadline for obligating for FFY August 30.)

State Fiscal Year = July 1 – June 30

Due to the FHWA obligation requirements, adjustments to the FFY year-end STIP list of obligated projects are necessary to avoid loss of the federal funding. In FFY2010, the year STIP list of obligated projects was 75% different from the start of the year list. FHWA performance metric requires less than 50% turnover of projects. Adaptability of STIP projects is required to avoid losing federal funding allocated to Alaska.

- In 2009, \$368 M in projects was obligated with FHWA, including \$120 M of ARRA funding;
- In 2009, \$405 M in projects was obligated with FHWA, including \$65 M in ARRA funding; and
- In 2011, the department has \$400 M to obligate.

In early 2009, the department anticipated less than \$750 M available for '09-'11. In reality almost \$400 M more than that was processed for obligation with FHWA during that period.

In reviewing obligation trends from FY2006-2011, the obligation trend continues to rise. This budget request of \$10 M will provide the department the federal budget authority to move projects from one fiscal year STIP to another when project timelines slip due to certification of ROW, environmental permitting, or other issues that delay the project obligation from happening in the originally planned year. One single parcel awaiting certified ROW can hold up a major project for years, and until the ROW issue is resolved it cannot go through final obligation with FHWA. At that point, another STIP project would be identified to fill that obligation gap to avoid loss of the federal funding. The previous project would be placed into a future FFY obligation plan.

The National Highway System (NHS) Weight Restriction Remediation projects have been selected for this funding allocation, as they are highways projects most likely to be available and ready for obligation in these instances.

Examples of projects in the STIP that would fall into this category are:

Parks Highway – currently seasonal weight restrictions on approximately 128 miles on the highway place an economic burden on Alaska's economy for 4-6 weeks each spring, thus impacting the cost of goods to Alaskans.

Seward Highway - The highway is weight restricted to 85% from Seward to MP 114, Potter Weigh Station.

Alaska Highway - Many sections of this corridor are adjusted to 85% of maximum legal loads. The 15% reduction can only come from the freight load not the vehicle tare weight.

- Dalton Highway
- Southeast routes from barge lines to businesses.
- Sterling Highway- milepost 37 – milepost 179 is adjusted to 85% of maximum legal loads

If the department were to forward fund the legislative authority for federal receipts for the FHWA program, it would be a much larger number than the \$10 M requested in this project. Additionally, in a separate capital project request the department has requested state and federal funding to jump start project design. As described above, the increased obligation levels in FY09, FY10, and for FY11 have resulted in more projects getting through the process and obligated. The downside of this is fewer "on the shelf" projects ready to move forward to fill gaps in obligating projects with FHWA requirements.