



U.S. Department of Transportation



Federal Transit Administration
Region III
1760 Market Street, Suite 500
Philadelphia, Pennsylvania 19103
215-656-7100

Federal Highway Administration
Virginia Division
400 North 8th Street, Room 750
Richmond, Virginia 23219
804-775-3320

Mr. Sean Connaughton
Secretary of Transportation
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

Subject: **2012-2015 Statewide Transportation Improvement Program**

Dear Secretary Connaughton:

The Federal Transit Administration and the Federal Highway Administration have reviewed the 2012-2015 Statewide Transportation Improvement Program (STIP) that includes highway and transit projects to be federally funded and/or approved by FTA and FHWA in Virginia. Based on this review, we have found that the STIP and the process for developing it complies with the requirements of 23 USC 134 and 135, 49 USC 5303 and 5304, and 23 CFR 450. Accordingly, as requested in your July 20, 2011, letter, FTA and FHWA jointly approve the STIP as required by 23 CFR 450.218.

This approval is based on our ongoing involvement in meetings, discussions, and the planning activities of the Virginia Department of Transportation, Virginia Department of Rail and Public Transportation, Metropolitan Planning Organizations (MPOs) and others that have been ongoing since the last STIP approval was issued.

We look forward to the continued cooperation of you and your staff in efforts to carry out the statewide and metropolitan planning processes in an effective manner.

Signature on File

Brigid Hynes⁴Cherin
Acting Regional Administrator
Federal Transit Administration

Date: 9/30/11

Signature on File

for: Irene Rico
Division Administrator
Federal Highway Administration

Date: 9/30/11



Federal Transit Administration
Federal Highway Administration

FTA/FHWA JOINT TRANSPORTATION PLANNING FINDING

The Federal Transit Administration and the Federal Highway Administration, based on the Virginia Department of Transportation and Metropolitan Planning Organization (MPO) self-certifications of their statewide and metropolitan planning processes, respectively; review of the self-certifications and supporting documentation; preparation of individual MPO planning findings; TMA certification reviews conducted within the State; and our involvement in the statewide and metropolitan planning processes, hereby find that Virginia's FY 2012-2015 Statewide Transportation Improvement Program is based on statewide and metropolitan planning processes that substantially meet the requirements of 23 USC 134 and 135, 49 USC 5303 and 5304, and 23 CFR 450. This finding is made with reference to the recommendations for improving the planning process found in the attached documentation of review.

This finding is made in support of the joint approval of the STIP and is made as required by the joint Federal Transit Administration and Federal Highway Administration planning regulations at 23 CFR 450.218(b).

Signature on File

Brigid Hynes-Cherin
Acting Regional Administrator
Federal Transit Administration

Date: 9/30/11

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for: Irene Rico
Division Administrator
Federal Highway Administration

Date: 9/30/11

FHWA Division Office and FTA Regional Office Review
in support of the
FHWA/FTA TRANSPORTATION PLANNING FINDING
and approval of the
COMMONWEALTH OF VIRGINIA'S
2012-2015 STATE TRANSPORTATION IMPROVEMENT PROGRAM

I. Introduction

In order to approve the State Transportation Improvement Program (STIP) document, including Transportation Improvement Programs (TIPs) contained directly or by reference in the STIP, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) must make a determination or finding that all of the projects in the STIP are based on a planning process conducted in accordance with 23 U.S.C. 134 and 135, 49 U.S.C. 5303 and 5304, and 23 CFR 450.218. In addition, the FHWA and FTA must make a finding that each metropolitan area TIP is based on a continuing, cooperative, and comprehensive planning process. This is documentation of the review conducted to support the Planning Finding for the Commonwealth of Virginia's 2012-2015 STIP and all of the incorporated TIPs for the following metropolitan areas: Kingsport, Bristol, Blacksburg-Christiansburg, Roanoke-Salem, Danville, Lynchburg, Harrisonburg-Rockingham, Winchester-Frederick, Charlottesville-Albemarle, Richmond, Tri-Cities, Hampton Roads, Fredericksburg, and Northern Virginia.

The joint FHWA/FTA planning regulations establish the timeframe for a planning finding and STIP approval to be made "at least every four years." The last joint planning finding and STIP approval was made in September 2008.

II. Background and Overview of the Process

The FHWA Virginia Division Office and FTA Regional Office have reviewed the STIP document submitted by VDOT and the planning processes supporting it in order to make the planning finding and approve the STIP. This approval and finding is also based on our ongoing involvement in and knowledge of the statewide and metropolitan planning processes, the gathering and review of information through meetings and discussions with the Virginia Department of Transportation (VDOT), Virginia Department of Rail and Public Transportation (VDRPT), Metropolitan Planning Organizations (MPOs) and others that have been ongoing since the last planning finding and STIP approval was issued. The involvement and cooperation of Federal, State, and MPO staff was a key element in the development and completion of this documentation of review.

Developments since the last Planning Finding

Prior to the last planning finding and STIP approval by FHWA and FTA, several changes in the approach to the development of the STIP had been put in place and implemented.

For example, FHWA and VDOT conducted a process review in 2002 of the developmental process and fiscal constraint of the STIP that led to several recommendations, many of which have been implemented over time. More recently, processes had been modified to comply with changes to the planning regulations brought about by SAFETEA-LU. Development of year-of-expenditure estimates became effective in late-2007. Finally, in 2008, the FHWA, FTA, VDOT, and VDRPT adopted a Memorandum of Agreement (MOA) regarding STIP procedures. Although some minor changes were included to address revised planning requirements brought about by SAFETEA-LU, the primary feature of the MOA related to project groupings. While the MOA focuses primarily on the STIP, the MPOs have been using the agreed-to project groupings in their TIPs to streamline the amendment process.

Since the last joint planning finding and STIP approval in 2008, there have been numerous developments and changes that have affected or will affect going forward, directly or indirectly, the Six Year Improvement Program (SYIP) and STIP development process. For example:

Virginia's larger MPOs were required to develop and adopt performance measures by July 2011 as a condition of receiving a state match for their RSTP funds. All of the affected MPOs have met this state requirement.

In 2011, steps were taken at the state level to accelerate the timeframes for obligating and expending Congestion Mitigation and Air Quality Improvement Program (CMAQ), which are usually programmed by the MPOs. Under the new process, projects are selected by the Commonwealth Transportation Board district member in consultation with the MPO, VDOT, and VDRPT. The new process will focus on fully funding project phases, programming all six years of allocations, and address inactive projects.

The Virginia General Assembly passed Governor McDonnell's transportation package in 2011. As part of that package, the sale of Transportation Capital Projects Revenue (CPR) Bonds, which were approved in 2007, will be accelerated through 2013. In May, Virginia completed the first of three planned \$600 million issuances of the CPR bonds. In addition, \$1.1 billion in GARVEE bonds will be used as part of the Governor's transportation package. Finally, the Governor created the Virginia Transportation Infrastructure Bank (VTIB) which will provide low interest loans and grants to qualifying transportation projects throughout Virginia to help better leverage the dollars available for transportation. The VTIB was initially capitalized with \$283 million. In total, nearly \$4 billion is proposed to be spent on roads, rail, and transit over three years as part of the Governor's transportation package.

VDOT Central Office gave the District Offices the ability to run reports for the MPOs that track changes in obligations, schedules, cost estimates, and allocations for projects in their TIPs.

Beginning in the fall of 2010, at the invitation of the Secretary of Transportation, MPOs began giving presentations to the Commonwealth Transportation Board (CTB) about transportation priorities and issues in their metropolitan areas and to improve communication between them and the CTB. In addition, VDOT met with the MPOs in December (small MPOs) and January (large MPOs) to discuss decreasing transportation revenues and the resulting changes to the SYIP, current CTB priorities and programming guidelines for SYIP development, inactive projects, opportunities for early involvement, legislative changes, and to request information on the MPO's regional priorities. VDOT plans on conducting similar meetings in the winter of 2011.

Governor McDonnell's administration initiated a couple of audits and reviews of the State's transportation funding as well as the transportation planning and programming system. Of particular note was the Joint Legislative Audit and Review Commission (JLARC) assessment of Virginia's approach to transportation planning and programming and specifically, the alignment of Virginia's processes with federal requirements and the collaboration between the State and MPOs. That review resulted in several recommendations for improving the SYIP and STIP processes. Some of these recommendations have been implemented and others are being implemented over time.

In 2009, the Virginia General Assembly passed House Joint Resolution 756 creating the Virginia Association of Metropolitan Planning Organizations (VAMPO). In October 2010, VAMPO approved its by-laws and held its first meeting in November. VAMPO will allow state and federal agencies to exchange information with MPOs in a collective manner. It is also anticipated that VAMPO will facilitate improved regional and statewide collaboration, coordination, and communication.

Because of sharply declining state revenues and unpredictable federal revenues, VDOT initiated an effort known as the Blueprint that went into effect in June 2010 and reduced the size of the organization by 15% and the size of Virginia's construction program by 72% over a six year period.

Congress passed the American Recovery and Reinvestment Act of 2009, which provided Virginia with an additional \$694 million for transportation improvements. The focus of the act was shovel-ready projects that could be obligated in the near-term. A portion of this money was suballocated to the metropolitan areas of Richmond, Hampton Roads and Northern Virginia and programmed by the respective MPOs.

In 2009, the SAFETEA-LU highway reauthorization legislation expired but has since been extended through March 2012 in separate actions by Congress. In addition, the failure on the part of Congress to pass a budget going on three years has required several continuing resolutions to be adopted to keep the government running and programs funded. The lack

of an authorizing legislation and these continuing resolutions create a climate of unpredictability when it comes to forecasting federal revenues and making program and project funding decisions.

Like many other states, the recession saw dramatic reductions in revenue for transportation in Virginia. This required Virginia make substantial changes to its SYIP on a couple of different occasions out of cycle as allocations were brought in line with adjusted revenue projections.

Relationship between the SYIP and the STIP and Funding Priorities

There is often confusion over the State's SYIP and federal STIP and the relationship between the two documents/processes. The State's SYIP is developed to comply with State code and is a programming document that identifies allocations while the STIP is developed to comply with federal laws and identifies planned obligations. The SYIP covers six years and is updated at least annually while the STIP, minimally, covers four years and is required to be updated at least every four years. The SYIP has no standing under federal regulation and is not used by FHWA or FTA for purposes of obligating funds or authorizing projects. Notwithstanding, given the overlap in the purposes of the SYIP and STIP, the SYIP development process is used to support and satisfy many of the requirements of the STIP development process.

The SYIP development process and the relationship between the SYIP and STIP are described in greater detail in the Introduction to the STIP. Generally speaking, the SYIP development process begins with the development of state and federal revenue forecasts. As the SYIP is developed, allocations are made in each of the six years, but the first year serves as the construction budget for the upcoming state fiscal year (July-June). Allocations in the first five years of the SYIP are intended to be for projects already approved and underway in some phase. Allocations for new projects are typically added in the sixth year of the SYIP. As the SYIP is updated, allocations for previously approved projects are adjusted based on changes in revenue, project costs, and project schedules. After the draft SYIP is developed, it is made available for public comment in the spring through a series of public hearings. After considering public comment, the CTB approves a final SYIP by July 1st of each year. Additional approval by the CTB of an interim SYIP may be required in years when adjustments have to be made to state or federal revenue projections as was done in 2009 and 2010. In years when VDOT develops a new STIP, the resulting SYIP is used to inform the development of the TIPs and STIP. In off years when VDOT does not develop a new STIP, the update of the SYIP is used to inform the development of the TIPs which then may trigger amendments or adjustments to the current STIP.

The development of the SYIP and the role of the CTB in funding and programming decisions are driven primarily by State code and because of this, there is limited flexibility in how the process is conducted, how funding is prioritized, and how certain transportation decisions are made. Under State code and the current CTB priorities and programming guidelines for SYIP development, primary responsibility for selecting projects rests with VDOT, VDRPT, and the CTB. Those project decisions then form the basis for the SYIP. Once the SYIP is approved by the CTB, VDOT provides information

to the MPOs for inclusion in their TIPs. VDOT does not have the authority to put federal funds on a project through the TIP/STIP development process until the CTB approves the SYIP. The MPO policy boards then approve their TIPs based on the SYIP allocations. Ultimately, the MPO has the final authority on whether a project is included in the TIP and funded. If an MPO does not include a project in their TIP after the CTB allocates funding to it, the money would return to the CTB to be allocated to another project with no guarantee that it will be spent in the same metropolitan area.

With respect to funding priorities, the Code of Virginia establishes a statutory hierarchy of how revenue is to be used. Specifically, new interstate, primary, secondary, and urban construction projects receive the lowest priority. By law, higher priorities include debt service, funding of other agencies, maintenance and operations, and the mass transit, port, and airport trust funds. Because of this hierarchy, funding available for highway construction has dropped considerably in recent years as maintenance needs have increased. For example, in 2006, funding for maintenance and system construction represented 33% and 27%, respectively. In 2011, funding for maintenance and system construction represented 45% and 18%, respectively.

When it comes to system construction, interstate funding receives priority over primary, secondary, and urban funding. Interstate funding is largely at the discretion of the CTB. Normally, primary funding is allocated across the nine VDOT districts by formula. Funding allocations for secondary and urban road improvements are also by formula with decisions made at the local level. With the economic downturn and because of the statutory hierarchy established by State code, there was limited funding left for the lower priorities after the higher priorities were funded. Accordingly, Virginia suspended state formula distributions for the primary, secondary, and urban road systems in order to better manage the remaining revenues. Otherwise, the amount of money being distributed by formula would not have allowed meaningful improvements to be made to the transportation system in a reasonable timeframe.

When allocating funding of statewide discretionary funds for system construction (Interstate Maintenance, National Highway System, Surface Transportation Program, Minimum Guarantee/Equity Bonus), the CTB currently follows these policies and guidelines:

- Fund deficits on underway project phases;
- Maximize use of Federal funds to meet strategy;
- Fund underway projects phases as well as project phases that start in the current federal fiscal year;
- Fund deficient bridges and paving projects;
- Increase funding for preliminary engineering; and
- Support development of PPTAs;

When allocating funding for special fund categories (suballocated Surface Transportation Program (RSTP), CMAQ, Bridge, Highway Safety Improvement Program (HSIP), Transportation Enhancement (TE)), the CTB follows the priorities for that program. Specifically,

- RSTP/CMAQ funds are allocated to TMAs and nonattainment/maintenance MPOs, respectively, according to formula and established processes;
- Bridge funds are allocated based on priorities established to address structural deficiencies and other factors;
- HSIP funds are allocated based on the identification of problem safety areas and the prioritization and scheduling of countermeasures;
- TE funds are allocated based on the project selection process established by the CTB;

In addition, by Virginia law, 7% of Flexible STP, and 13% of Equity Bonus funds must be allocated for public transportation purposes.

As part of the SYIP development, VDOT compiles an illustrative project list. This list consists of projects in the current SYIP that could not advance without additional funding. These projects could be funded in the event that another project cannot advance, bids come in below the project estimate, or changes need to be made to other projects. The criteria used for identifying projects for the illustrative list include: it is already included in the existing SYIP, it is critical to improving bridge safety by improving structurally deficient bridges, it is a local and regional priority, it can start construction in three years, it is eligible for a loan or grant through the VTIF, and it is not likely to adversely impact the federal strategy. Input on the projects to be included is received from members of the CTB, VDOT District Administrators, regional entities like the MPOs and PDCs, and localities.

Role of MPO in the development of the SYIP and STIP

By law, projects to be funded with federal funds are to be selected by the MPO in consultation with the State when it comes to larger MPOs and by the state in cooperation with the MPO when it comes to smaller MPOs. When it comes to CMAQ and RSTP funds, the larger MPOs (which also coincides with the Virginia's nonattainment/maintenance areas) select the projects to be funded after the funding is suballocated to them. This funding represents approximately 14% of the federal funds that Virginia receives annually. However, when it comes to other federal funds, the role of the larger MPOs in project selection is limited because of the process for developing the SYIP under State code and the priorities and programming guidelines that the CTB has established for its development, which has been communicated to the MPOs.

This past year, at the invitation of the Secretary of Transportation, MPOs began giving presentations to the CTB about transportation priorities and issues in their metropolitan areas and to improve communication between them and the CTB. In addition, VDOT met with the MPOs in the winter to discuss decreasing transportation revenues and the resulting changes to the SYIP, current CTB priorities and programming guidelines for SYIP development, inactive projects, opportunities for early involvement, legislative changes, and to request information on the MPO's regional priorities. Finally, individual localities that comprise the MPOs are responsible for establishing priorities for secondary and urban allocations.

In an effort to begin addressing concerns raised by the MPOs through the JLARC assessment regarding their lack of influence in the project selection process, the Virginia Secretary of Transportation invited them to give presentations to the CTB regarding their transportation priorities and the issues facing their metropolitan areas. In addition, VDOT met with the MPOs in the winter to discuss the SYIP development process, opportunities for early involvement, and to request information on regional priorities.

In addition, JLARC's assessment of Virginia's approach to transportation planning and programming resulted in several recommendations for improving the process. Some of these recommendations have been implemented and others are being implemented over time. Of particular note is a recommendation to examine the feasibility of VDOT consolidating the SYIP and STIP documents as other states have. VDOT has initiated this review and met with FHWA on September 15, 2011, to discuss it and interview the principal FHWA players involved in the process in Virginia. VDOT anticipates completing this review in 2012 which may lead to additional efforts to improve the SYIP and STIP development process.

III. State/MPO Self-Certifications and Federal Reviews

Self-certification statements by the State and MPOs are an important component of the STIP development process and necessary to support the planning finding and STIP approval. These statements certify that the statewide and metropolitan planning processes are being carried out in accordance with all applicable requirements. These certifications have been completed by the Virginia Secretary of Transportation (or his designee) and the MPOs for their respective areas and reviewed to support this planning finding. Copies of these certifications can be found in Appendix D of the STIP.

TMA Certification Reviews

Under 23 CFR 450.334(b), FHWA and FTA are required to jointly review TMA's every four years and certify whether their planning process meets the applicable provisions of federal law. In conducting this review, FHWA and FTA review many elements of the planning process including planning area boundaries, 3-C planning agreements, Unified Planning Work Program development, TIP development, long range plan development, public outreach, air quality, Title VI compliance, freight, etc. As part of the certification process, corrective actions may be made to bring the planning process into compliance and/or recommendations may be given to improve the process.

The following is a summary of the date of the last certification review for the four TMAs in Virginia:

- | | |
|--|------|
| • Washington, D.C. (including Northern Virginia) | 2010 |
| • Tri-Cities | 2010 |
| • Richmond | 2009 |
| • Hampton Roads | 2007 |

The Hampton Roads certification review resulted in 12 corrective actions involving a variety of issues. All of those corrective actions have been addressed, and there are

none that are outstanding. In addition, recommendations were made for the MPO to consider best practices.

The Richmond certification review resulted in one corrective action related to Low English Proficiency populations and how the MPO will engage those individuals in the planning process. Recommendations were also made related to the Title VI program. The corrective action and recommendations will be addressed as part of the MPO's update of their 2035 long range plan.

The Tri-Cities certification review did not result in any corrective actions. There were, however, recommendations related to environmental justice, public participation, and the congestion management process. These recommendations will be addressed in the near future.

The Washington, D.C. certification review resulted in 4 corrective actions applicable to the Fredericksburg MPO. Those corrective actions had to do with the MPO's project selection process and the Title VI program. The MPO has already addressed the corrective action related to the project selection process and is working with FHWA and the MPO for the Washington, D.C. metropolitan area to address the other corrective actions.

None of the corrective actions or the recommendations summarized above create any issues that must be addressed before a planning finding can be issued and the STIP approved.

MPO Planning Findings

A planning finding is required for each MPO, and this finding is carried out by the FHWA representative assigned to it. The purpose of this MPO planning finding is to ensure that the development of each metropolitan TIP is based on a continuing, cooperative, and comprehensive planning process. The FHWA Division Office and FTA Regional Office have completed planning findings for each MPO. Issues that have been identified or concerns that were raised as a result of the MPO planning findings have been incorporated into this FHWA Division documentation of review in support of the STIP planning finding. Copies of these findings are attached to the official file copy of the STIP planning finding, and supporting documentation for each MPO planning finding is included in their respective urbanized area file.

IV. Consistency with Statewide Multimodal Transportation Plan

VTrans2035, an update of Virginia's statewide long-range multi-modal transportation plan (VTrans 2025), was completed in December of 2009 and submitted to the Governor (the final report and supporting documentation is available at the following website: http://www.vtrans.org/vtrans2035_final_report.asp). Development of a statewide multimodal transportation plan is not only required by federal requirements, it is also required by State code. In 2002, Virginia established the Office of Intermodal Planning and Investment (OIPI) within the Office of the Secretary of Transportation to encourage the coordination of multimodal and intermodal planning across the various transportation modes within Virginia. One of the responsibilities of the OIPI is to oversee the

development of the statewide transportation plan. To complete the update, OIPI established a committee with representation from transportation, aviation, rail and public transit, ports, DMV, the MPOs, planning district commissions, and FHWA. FTA's involvement was limited to the review of documents and participation at the MPO level. Seven goals were developed to guide the update of VTrans 2035 that addressed safety and security; system maintenance and preservation; mobility, connectivity, and accessibility; environmental stewardship; economic vitality; coordination of transportation and land use; and program delivery. Four investment priorities were also developed that reflected Virginia's most pressing needs. These were 1) make strategic investment in infrastructure for the future; 2) address environmental, safety, and maintenance needs; 2) enhance economic competitiveness; and 4) minimize congestion. Policy papers on congestion; mobility, accessibility, and connectivity; natural and human environment; regional and local decision making; European lessons learned; system preservation and maintenance; freight; safety; land use; economic development; security; regional accessibility; and institutional changes in transportation decision making were developed to support VTrans 2035.

In updating VTrans 2035, a comprehensive review of MPO and PDC long range transportation plans was conducted to identify the vision, goals and objectives in the plans for each of the planning areas. The review found that most of the MPOs had a similar list of issues that needed to be addressed in their areas. In addition, issues receiving increased emphasis and emerging trends were also identified. Finally, the review identified minimum elements that should be a component of planning processes and regional plans.

VTrans 2035 established 11 Corridors of Statewide Significance (CoSS), which represent multimodal connections to Virginia's activity centers. This system consists of corridors that facilitate the movement of people and goods between regions and areas outside of Virginia and must be protected to ensure appropriate levels of mobility. Legislation enacted by the General Assembly requires that corridors be noted by local governments on transportation maps and in comprehensive plans.

Specific needs, strategies, and improvements are identified in VTrans2035 in conjunction with the CoSS and in the section on investment priorities. From VTrans2035, the 2035 Virginia Surface Transportation Plan, which provides long-term multimodal transportation strategies for Virginia, was developed in 2010 by VDOT and VDRPT. It represents the first time that VDOT and VDRPT have organized multimodal proposals in a single plan. The plan provides information on potential long-term project development and investments related to transit, rail, freight, highway and intelligent transportation systems based on the goals identified in VTrans 2035. Transportation needs identified in the Surface Transportation Plan are used to inform the SYIP and STIP development processes. A copy of the Surface Transportation Plan can be found here: http://www.vtrans.org/2035_surface_plan.asp.

We find that the STIP is consistent with the statewide multimodal transportation plan.

V. Fiscal Constraint

FHWA and FTA must determine that the STIP is financially constrained based upon information provided by VDOT and VDRPT that demonstrates that funds are available to carry out the program. The STIP must be financially constrained by year and funding category and include sufficient financial information to demonstrate which projects are to be implemented using proposed revenue sources. Likewise, each project in the STIP, or identified phase thereof, must include an estimated cost along with the amount of Federal funds proposed to be obligated in each program year.

Federal Revenues

Federal revenues are the largest single revenue source for transportation in Virginia followed by motor vehicle fuels tax, motor vehicle sales and use tax, retail sales and use tax, bonds, and motor vehicle license tax). Both the FHWA and FTA provide federal funds for transportation with the bulk of the money coming from FHWA for the highway construction program. The financial constraint review includes an examination of the proposed revenue sources and a determination of their reasonableness. With the primary focus on Federal resources, this funding is compared to past federal allocations. VDOT develops projections of federal revenues for the first year of the SYIP by reviewing the most recent federal fiscal year apportionment tables; in this case, the 2010 apportionment tables. They then grow the revenues in out-years by using a growth rate based on the projected growth in fuel consumption per the Department of Taxation (1.8%). The projected federal revenues are also reduced by a factor to represent anticipated obligation authority. Planned obligations then are based on funding anticipated to be obligated by federal fiscal year based on project estimates and schedules. The resulting federal revenues totals are summarized in Table C of the STIP. For transit projects, the 2012-2015 STIP follows trends from past apportionments for FTA formula programs as guidance for financial constraint, including a growth rate that is similar to what is used for highways projects. In addition, funds for transit capital projects for Governor's apportionment grantees are consistent with past years' distributions

<p>We find that this approach for estimating federal revenues that can be expected from FHWA and FTA is reasonable and that the figures used for projected obligation authority is consistent with historical trends.</p>

State Revenues

Historically, in addition to federal revenues, Virginia's transportation revenue has come primarily from two sources: the Highway Maintenance and Operating Fund (HMOF) and the Transportation Trust Fund (TTF). The HMOF, as the name implies, is used primarily for operations and maintenance of existing transportation infrastructure. It includes all transportation revenue sources created prior to 1986. The TTF was created by the General Assembly in 1986 and includes revenues from increases pre-1986 revenue sources. The TTF is used primarily for construction of new transportation and infrastructure (there is a third fund, the Priority Transportation Fund (PTF), created in 2000 which is part of the TTF; it was developed to address critical high priority

transportation needs throughout the Commonwealth in innovative ways and has been used for debt service on Federal Reimbursement Anticipation Notes). In accordance with CTB policy, if there is a deficit in HMOF funding and the state is unable to meet its maintenance and operation obligations, funds from the TTF are directed toward the HMOF. Most of the revenue streams that fund the HMOF and TTF are fixed (as opposed to a percentage) and not indexed to inflation. For purposes of developing the SYIP, revenues are based on the official state transportation revenue forecast.

With the passage of Governor's transportation package earlier this year, VDOT will also be using other sources of funding to support the highway program. For example, over the life of the SYIP, VDOT has programmed \$1.1 billion in CPR bonds and \$1.1 billion in GARVEE bonds and is planning to use \$353 million in toll credits as a match. When it comes to the STIP, these innovative financing techniques are reviewed to ensure that where these techniques involve a commitment of future federal funds, their payback is appropriately accounted for. VDOT also relies upon advanced construction to fund projects. Where advance construction is used, the funding is shown in the project information where those techniques are used. Ultimately, the funds are shown as obligations in the appropriate funding category when they are converted. Bond revenues usually show up as "Other" in the project information. In some cases, these innovative financing techniques are not yet accounted for and won't be until it comes time to obligate the funds. In those situations, a STIP amendment or administrative modification will be processed to include the appropriate information.

Because of the Governor's transportation package, there has been a substantial increase in funding for transportation reflected in the SYIP. For example, there has been a \$3.4 billion increase in funding in the 2012-2017 SYIP compared to the 2011-2016 SYIP. The bulk of this increase is in highway construction which accounts for \$2.4 billion of the increase. When it comes to the individual transportation systems, Interstate will not see an increase while the primary, secondary, and urban systems will see an increase of \$0.7 billion, \$0.1 billion, and \$0.5 billion, respectively. Other programs like safety, enhancements, rail, etc. will see an increase of \$1.4 billion.

VDOT 2012 Budget

In 2012, VDOT will spend \$2.3 billion on highway system acquisition and construction, a \$1.2 billion increase over 2011. Again, the increase is driven largely by the inclusion of accelerated CPR bond issuances and the planned use of direct GARVEE bonds which will be a trend for just the next three years. VDOT will also spend \$1.4 billion on highway system maintenance which is an increase of \$67.3 million. Combined, construction and maintenance represent approximately 79% of VDOT's budget.

Systems Level Estimates for Operation and Maintenance

Federal planning regulations require the STIP include system-level estimates of cost and revenues that are reasonably expected to be available to adequately operate and maintain Federal-aid highways and public transportation. Typically, activities related to the operation of Federal-aid highways include work related to signage, traffic

signalization, pavement markings, guardrail, lighting, traffic calming devices, etc. Maintenance, in turn, encompasses activities that change the physical condition of core transportation assets and extends their useful life, and is often referred to as preventive maintenance. In contrast, ordinary or routine maintenance, which is not eligible for federal participation, are activities that do not normally change the physical condition of an asset. FHWA has provided letters (2005, 2006, 2007, and 2009) to VDOT that elaborate on the types of operations and maintenance activities eligible for federal participation.

Development of the budget for operations and maintenance is driven, in part, by performance targets adopted by the CTB which guide investment decisions:

- No less than 82% of interstate pavements rated fair or better;
- No less than 82% of primary pavements rated fair or better;
- No less than 92% of bridges and culverts rated not structurally deficient;
- Maintain condition of secondary pavements;

VDOT uses asset management methodology and generally accepted engineering principles and business practices to identify and prioritize operations and maintenance needs, to identify performance standards to determine those needs, and funding needed to meet those needs. Every biennium, VDOT reports to the CTB on the status of the progress they have made in achieving the performance standards. With this information, VDOT is able to establish goals and set priorities for the upcoming fiscal year. A team consisting of district and central office program managers then develop budget and allocation scenarios for achieving these goals. These scenarios are reviewed by the district maintenance managers and operations directors, who provide feedback so that detailed budgets can be developed. The final operations and maintenance budget is then approved by the Chief of Systems Operations, Chief Deputy Commissioner, Commissioner, and the CTB. Approximately 80% of VDOT's maintenance budget is outsourced.

For the most part, highway operations and maintenance is accounted for in three different project groupings in the STIP for each district: Preventive Maintenance and System Preservation, Preventive Maintenance for Bridges, and Traffic and Safety Operations. A description of the maintenance activities covered by these groupings can be found in Appendix B of the STIP. When the STIP is developed, specific maintenance activities have not yet been identified and a lump sum is set-aside in each project grouping with a note that funding will be obligated as projects are identified.

As indicated above, VDOT's maintenance budget for 2012 is \$1.4 billion dollars. This includes \$356 million for Interstate maintenance, \$470 million for primary system maintenance, and \$373 million for secondary system maintenance. Given the limitations on federal participation in maintenance activities, federal funds make up a fraction of the total funding that VDOT will spend on operations and maintenance. VDOT has demonstrated through other means that the remaining funds needed to make up the difference for operations and maintenance will be reasonably available.

For transit systems' operation and maintenance, each transit grantee conducts its own analysis, with assistance from VDRPT. In FTA's review of the STIP, funding for Operating Assistance for Governor's Apportionment transit grantees was found to be consistent with historical trends.

FTA's guidelines regarding the useful service life of revenue vehicles direct the schedule in which the vehicles are replaced throughout the Commonwealth.

We find that the process that Virginia uses to identify their operations and maintenance needs and develop system-level estimates of costs and revenues for addressing those needs is adequate. In addition, we find that this process adequately develops system-level estimates of cost and revenues that are reasonably expected to be available to adequately operate and maintain Federal-aid highways and transit systems throughout the Commonwealth..

Project Cost Estimates

Project specific cost estimates are reviewed by VDOT annually to support the update of the SYIP. Generally, when a project is in the scoping phase, VDOT only has conceptual plans available and limited engineering work has been done. At this phase, costs are estimated for preliminary engineering, right-of-way, and construction based on general scoping information and historical cost trends of similar projects. These scoping-level cost estimates are used until preliminary engineering is initiated and the estimate can be updated based upon additional information becoming "known" thereby providing a more accurate estimate of actual quantities. Historically this has resulted in increases in the cost estimate over time as more details are developed for each phase of the project.

VDOT has continued its use of their Preliminary Cost Estimation System (PCES). The PCES is an online "intranet" tool that is used statewide for the development of project cost estimates and is the central repository for construction estimates. Estimates are calculated based on an Estimate Worksheet, which can be uploaded to the PCES. This system is used for developing cost estimates for the SYIP, and those estimates carry forward into the STIP. The PCES includes an inflation factor which allows VDOT to account for year of expenditure.

For transit, major capital investment projects include FTA involvement for project cost estimates, in partnership with the transit grantee. For smaller capital projects, particularly in Governor's apportionment areas, Virginia relies heavily on STP flex funding to meet each transit grantee's capital needs. FTA works through VDRPT in assessing project costs as they are selected by the Commonwealth and transferred to FTA for obligation.

We find that the methodology employed by VDOT in developing and updating cost estimates is acceptable for use in the STIP and for tabulating planned obligations. We have not attempted to review individual project-level cost estimates in the STIP for reasonableness since VDOT's program contains countless entries; instead, we rely upon VDOT to maintain and update these estimates as needed.

Project Groupings

The STIP includes project groupings for each VDOT District with planned obligations for that district broken down by year and funding category. VDOT maintains a list of projects that support the planned obligations for each grouping in the STIP (in contrast, the SYIP does not use groupings and lists each project individually). However, there are a few exceptions. Preventive Maintenance and System Preservation, Preventive Maintenance for Bridges, and Traffic and Safety Operation are not broken down with the planned obligations to be spent in each individual district. Instead, the planned obligations listed by year represent the statewide totals and the projects to be funded under these groupings have not yet been identified. The same information of the statewide totals is included in the STIP for each VDOT district and is replicated by each MPO in their individual TIPs. While the cumulative effect of the statewide totals from these three project groupings is not reflected in Table C, it may send the wrong impression to the public, especially at the metropolitan level, of the amount of planned obligations available for a particular area. This issue is addressed further in the Conditions/Recommendations section.

For transit, the STIP includes project groupings for each urbanized area, as well as rural and statewide programs, that are broken down by year and funding category. Projects that are eligible for a Categorical Exclusion (CE) and are in accordance with projects eligible under the "exempt" project classification in EPA's transportation conformity regulation may be grouped for STIP programming purposes in the categories of Transit System Preservation, Transit Rail ROW Improvements, Transit Vehicles, Transit Amenities, Transit Ridesharing, Transit Access, and Transit Engineering.

However, it was determined that projects under the categories of Reconstruction/Renovation of transit buildings and structures, the Construction of New Bus or Rail Storage/Maintenance Facilities, and Advance Land Acquisitions could not be grouped although they fit under the CE criteria.

The grouping of transit funds helps to organize the STIP and makes it more reader-friendly for the public, FTA still requires that all transit projects are listed individually within the group, with full project information. The grouping of projects also allows for administrative modifications to the STIP, which supports the efficient review of grantee specific grant applications.

Based on our review of the STIP document and other supporting documentation, we find that the STIP demonstrates reasonable fiscal constraint as required by the planning regulations.

VI. Public/Local Involvement and Participation

Federal planning regulations require that interested parties be provided with a reasonable opportunity to comment on the proposed STIP. Federal planning regulations also require that States develop a documented public involvement process that provides opportunities for public review and comment at key decision points. VDOT has developed a guide for the public titled, Public Involvement: Your Guide to Participating in the Transportation Planning and Programming Process, which is available on their website¹. As stated in this document, the public involvement process for the STIP and SYIP occur concurrently with the public involvement requirements for the SYIP serving as the public involvement requirements for the STIP. When it comes to the SYIP, the Code of Virginia requires that a public hearing be held prior to the allocation of any transportation funds. In April and May of 2011, the CTB held four pre-allocation public hearings around the state to receive comment on the working draft of FY12-17 SYIP, which then serves as the basis for STIP. The public hearing notice for the SYIP did include a statement that SYIP projects eligible for federal funding will be included in the STIP, which documents how Virginia will obligate its federal transportation funds. Attendance at the public meetings included elected state officials, city and town officials, members of County Boards of Supervisors, representatives of advocacy groups, and the general public.

VDOT has also developed procedures for consulting with non-metropolitan local officials, including in developing the SYIP and STIP, in accordance with federal planning regulations. These consultation procedures were updated in the spring of 2011 and are also available on the VDOT website² at. As part of these procedures, numerous public information meetings are held for the periodic updates of the small urban transportation plans, which cover cities and towns with less than 50,000 population. While the primary intent of these meetings is focused on long range planning, they do provide a forum for discussing specific improvements in the localities. Information on the small urban plans is posted on VDOT's web site, and comments may be submitted electronically when those plans are being developed or updated.

When it comes to the VDOT Secondary Roads program, additional public involvement and interaction with local officials has historically been carried out. Although authority for the construction, maintenance, and control of the secondary road system is vested in VDOT, State code requires that the Department work with County Boards of Supervisors (BOS) to improve local transportation. The Code of Virginia requires that each County's governing body and VDOT's Resident Engineer jointly prepare a Six-Year Plan for secondary road improvements and hold a public hearing for citizens input. It further requires that the Residency attend a BOS meeting for the purpose of preparing a budget

¹ http://www.virginiadot.org/programs/resources/Final_PI_Guide.pdf.

² http://www.virginiadot.org/projects/resources/2011_Rural_Transportation_Consultation.pdf

for secondary road improvements. After holding a public hearing on the proposed improvements and considering citizen input, the County BOS, with the concurrence of the Resident Engineer, adopts a priority program for the upcoming fiscal year.

To enhance the availability of information to the public and local officials, VDOT also makes the SYIP and STIP available electronically on their website.³

Each of Virginia's MPOs has developed their own public participation procedures that govern the development of their TIPs and any amendments to it. Based on the MPO Planning Findings prepared by FHWA and FTA staff, each MPO has developed their current TIP in accordance with their adopted procedures. In addition, those MPO areas that are nonattainment/maintenance for air quality have additional public involvement requirements that govern the conformity process. Based on the MPO Planning Findings that were prepared, those areas subject to the conformity requirements have also satisfied their public participation procedures for the conformity process.

We find that the public involvement and participation activities carried out by VDOT and the MPOs substantially comply with the public involvement and participation requirements of the planning regulations.

VII. Air Quality- Transportation Conformity

The Clean Air Act requires that transportation plans, programs, and projects in nonattainment/maintenance areas that are funded or approved by FHWA or FTA be in conformity with the State Implementation Plans for air quality through the process described in the EPA's transportation conformity regulation. Federal planning regulations require that in nonattainment/maintenance areas, the STIP/TIP only contain transportation projects included in a regional emissions analysis.

Since the last STIP approval, the PM₁₀ requirements went into effect, but no areas in Virginia have been designated nonattainment for PM₁₀. At present, Virginia has four areas that have been designated nonattainment or reclassified as maintenance for one or more of the National Ambient Air Quality Standards:

- Richmond/Tri-Cities metropolitan area – maintenance for 8-hour ozone;
- Hampton Roads metropolitan area – maintenance for 8-hour ozone;
- Fredericksburg metropolitan area – maintenance for 8-hour ozone;
- Washington, D.C. metropolitan area (including Northern Virginia) – nonattainment for 8-hour ozone and nonattainment for PM_{2.5};

When EPA designated areas nonattainment for the 8-hour ozone standard, the Roanoke and Winchester areas did not meet the standard but qualified under EPA's Early Action Compact provisions. As such, they had their nonattainment designation deferred provided they adopted certain strategies and met prescribed milestones. Having done

³ SYIP: <http://syip.virginiadot.org/Pages/allProjects.aspx>

STIP: http://www.virginiadot.org/about/resources/STIP_External.pdf

that, EPA designated the Roanoke and Winchester areas attainment for the 8-hour ozone standard. Accordingly, they are not subject to the transportation air quality conformity requirements.

The status of the conformity process for each of the four nonattainment/maintenance areas is as follows:

- Richmond/Tri-Cities – A joint FHWA/FTA Conformity Finding for the FY2012 STIP was issued on September 29, 2011.
- Hampton Roads – A joint FHWA/FTA Conformity Finding for the FY2012 STIP was issued on September 29, 2011.
- Fredericksburg – A joint FHWA/FTA Conformity Finding for the FY2012 STIP was issued on September 29, 2011.
- Washington, D.C. (including Northern Virginia) – FHWA/FTA issued a joint conformity finding for the FY2011 TIP in February 2011. The MPO is in the process of completing the development of a 2012 TIP and associated conformity analysis; they have made it available to the public with a schedule of having a conformity finding issued later this year.

We find that the Air Quality – Transportation Conformity activities carried out by the Commonwealth and the MPOs substantially comply with the Clean Air Act requirements and Federal planning regulations.

VIII. STIP Content

In accordance with 23 CFR 450.216(g), the STIP includes capital and non-capital surface transportation projects (or phases of projects) proposed for funding under 23 U.S.C. Further, in accordance with 23 CFR 450.216(h), the STIP includes all regionally significant projects proposed to be funded by FHWA or requiring an action by FHWA whether or not it is funded under 23 U.S.C. Likewise, it includes all regionally significant projects to be funded by others.

In accordance with 23 CFR 450.216(i), the project-level information in the STIP includes sufficient descriptive information to identify the project, its scope, and phase. The project-level information also includes an estimated total cost, the amount of federal funds planned to be obligated by year and funding category, and the identification of the agencies responsible for carrying out the project.

The STIP includes projects administered by the Federal Lands Highway Division (FLHD) of FHWA (e.g. projects on public lands such as public parks, national forests, etc.). The projects administered by the FLHD have been incorporated directly into the STIP without change.

The first year of the STIP constitutes the “agreed-to list” of projects for project selection purposes. The inclusion of projects in the first year of the STIP is viewed as a

commitment to advance these projects during the STIP year unless unforeseen problems arise with specific projects.

The MPO for the Washington, D.C. metropolitan area (i.e. Transportation Planning Board (TPB)) has not yet approved a FY 2012 TIP for their area. TPB's schedule for completing their annual process is the end of the year. Accordingly, for purposes of this STIP finding, FY 2012-2014 of TPBs FY 2011 TIP has been reviewed for consistency with the STIP.

We find that the STIP contains the required projects and the required information for each project.

IX. Conditions/Recommendations

Over the course of FHWA's review of the STIP and the review of the MPOs' metropolitan planning processes and their development of the TIPs, a few issues were identified that need further attention. Accordingly, conditions and recommendations follow below:

1. Incorporation of the TIPs into to STIP

Issue: Federal planning regulations require VDOT and VDRPT to incorporate the MPO TIPs into the STIP by reference or directly without change. Projects and project-level information in the STIP is consistent with the projects and project-level information in the individual MPO TIPs. However, for those MPO TIPs which contain additional information such as expenditures, visualization techniques, grouped projects that have been ungrouped, etc., this information has not been incorporated directly into the STIP. FHWA and FTA recognize that there are advantages to having all project information presented in the STIP in a single location (as opposed to referencing documents in another location) and a consistent manner when making it available to the public and local officials. FHWA and FTA also recognize that there may be formatting and compatibility issues with trying to incorporate some of the information from MPO TIPs mentioned above in the STIP.

Recommendation: FHWA and FTA recommend that VDOT and VDRPT look at the feasibility and practicality of incorporating MPO TIPs into the STIP directly or by reference without change as required by the regulations while maintaining the ability to make the information readily available to the public and local officials in a user-friendly and searchable electronic format.

2. Project Groupings

Issue: The STIP MOA executed between FHWA, FTA, VDOT and the VDRPT in 2008 has been effective at reducing paperwork and streamlining the STIP amendment and administrative modification process. For the most part, the MPOs have adopted the same project groupings for purposes of processing TIP amendments and administrative modifications. However, the STIP MOA is not

binding on the MPOs, and they have the option of whether or not they utilize project groupings. Some MPOs have expressed concern over the lack of information on the specific projects covered by the project groupings and the need to provide project-level information to their members and the public.

Recommendation: FHWA recommends that VDOT work with the MPOs to provide them with the information they desire without compromising the benefits envisioned by the federal planning regulations for project groupings or the STIP MOA that was executed. The MPOs can maintain the project groupings in their TIP, consistent with the STIP, while maintaining a list of projects supporting a specific project grouping in an appendix to their TIP. That way, the benefits of project groupings on amendments and administrative modifications is maintained while allowing the MPO to provide project-specific information to its members and the public. A full listing of projects is already included in the transit portion of the STIP.

3. Public involvement on the STIP and its relationship to the SYIP.

Issue: Federal planning regulations require that interested parties be provided with a reasonable opportunity to comment on the proposed STIP. Historically, FHWA has allowed the pre-allocation public hearings for the SYIP to be used to satisfy the public involvement requirements for the STIP even though the STIP isn't compiled at the time of the hearings. The public hearing notices for the SYIP typically include a reference to the STIP but it is unclear how much information about the STIP, if any, is provided at the hearings themselves. Likewise, based on our reviews to support the MPO Planning Findings, the MPOs and their members have limited knowledge of the STIP and do not receive a copy for review.

Recommendation: If VDOT and VDRPT is going to continue to use the SYIP pre-allocation public hearings to satisfy the STIP public involvement requirements, then FHWA and FTA recommend that VDOT and VDRPT expand the time and attention given to the STIP at these public hearings so that those in attendance fully understand the significance of the STIP. It is further recommended that VDOT and VDRPT provide the STIP to interested parties for review and comment before it is submitted to FHWA and FTA for approval.

4. Illustrative projects

Issue: There are numerous projects in the STIP that have no federal obligations programmed in any of the fiscal years of the STIP. It is unclear what purpose these projects serve in the STIP, and they seem to just add to the volume of the document.

Recommendation: It is recommended that VDOT and VDRPT remove all projects from the STIP that do not have any federal funds obligated in the fiscal years of the STIP unless there is a compelling reason for keeping them in the STIP to satisfy federal requirements. Minimally, these projects should be separated and set-aside in a separate section of the STIP from the projects for which federal obligations are planned.

5. Planning and Investment Managers (PIM) and 3-C Agreements

Issue: Within the last several years, some of the MPOs and VDOT have undergone some degree of organizational restructuring. VDOT in particular has restructured and decentralized how it administers planning and programming activities within its central and district offices. For example, Planning and Investment Managers (PIMs) were established in the district offices to ensure the effective use of available federal and state transportation funds and serve as a liaison with the localities. These and other changes may have an impact on the sharing and distribution of information and the responsibilities for carrying out the planning process.

Recommendation: We recommend that VDOT, with the MPOs, review the 3-C planning agreements that are in place and update them as necessary to account for any changes in the roles and responsibilities for carrying out the planning process that may be brought about by organizational restructuring and decentralization.

6. Systems Level Estimates for Operation and Maintenance

Issue: Federal planning regulations require that the STIP include system-level estimates of cost and revenues that are reasonably expected to be available to adequately operate and maintain Federal-aid highways and public transportation. Based on our review of the STIP, this information is not readily apparent, and we had to rely upon information posted on the CTB website to draw conclusions on whether this requirement is being met.

Recommendation: It is recommended that VDOT and VDRPT make this information more visible in the STIP.

It is recognized that many of these recommendations can't be implemented until the next STIP development cycle. That being the case, FHWA and FTA request that VDOT and VDRPT keep them apprised of the disposition of these recommendations when that STIP development cycle is initiated.

Other Issues:

1. Fiscal Constraint and Project Groupings

Issue: As indicated under the Project Groupings discussion in the Fiscal Constraint section, under the highway portion of the STIP there are three project groupings where the planned obligations represent the statewide total and are not broken down with the planned obligations to be spent in each individual VDOT district or MPO: Preventive Maintenance and System Preservation, Preventive Maintenance for Bridges, and Traffic and Safety Operation. The same statewide information is replicated by each MPO in their individual TIPs. While the cumulative effect of the statewide totals from these three project groupings is not reflected in Table C, it may send the wrong impression to the public, especially at the metropolitan level, of the amount of planned obligations available for a particular area.

Resolution: In response to FHWA's comments on the STIP, VDOT informed FHWA that this approach was permitted by FHWA going back to 2006 for the highway portion of the STIP when VDOT started utilizing federal funds for their maintenance program. Given this, FHWA is not making any recommendation at this time to address this issue. Instead, FHWA will work with VDOT to ensure that federal requirements for fiscal constraint are being satisfied and to ensure that accurate revenue information for these project groupings is being communicated to the MPOs and the public.

2. Role of the MPO in STIP Development

Issue: By law, projects to be funded with federal funds are to be selected by the MPO in consultation with the State when it comes to larger MPOs. When it comes to CMAQ and RSTP funds, the larger MPOs select the projects to be funded. However, when it comes to other federal funds, the role of the larger MPOs in project selection is limited because of the process for developing the SYIP under State code, the current CTB priorities and programming guidelines for SYIP development, and the MPO's TIP development schedule.

Resolution: At this time, FHWA and FTA is not making any recommendations to address this issue. FHWA has been involved in the JLARC assessment of Virginia's approach to transportation planning and programming and the alignment of Virginia's processes with federal requirements. We are aware of the conclusions that have been made and the recommendations that have been offered. Some of these recommendations have been implemented and others are being implemented over time. We are also aware that VDOT and VDRPT has initiated a review of the feasibility of consolidating the SYIP and STIP document that could, potentially, address this issue. Therefore, FHWA and FTA will wait on the results of this review and continue to monitor the issue moving forward.

3. The inclusion of PE-only or partial PE projects in the TIP/STIP

Issue: On January 28, 2008, FHWA issued an informational memorandum titled "Transportation Planning Requirements and Their Relationship to NEPA Process Completion". The memorandum triggered a variety of questions which led FHWA to issue a "Supplement to January 28, 2008, "Transportation Planning Requirements and Their Relationship to NEPA Process Completion"" on February 9, 2011 (which was additionally updated on April 7, 2011). One of the planning requirements reinforced by the memorandum were that the TIP/STIP shall include a project or phase of a project only if full funding can reasonably be anticipated to be available in the time period contemplated by those documents.

Resolution: FHWA has met twice with VDOT staff representing planning, programming, and environment to discuss the memorandum, the issues that it raises, and how best to address them. Currently, an agreement is being developed that will document what FHWA and VDOT have agreed to in terms of how the issues will be addressed as part of the planning and environmental processes.

While these regulations also apply to the FTA programs, given the smaller size of transit projects included on the STIP, FTA does not find this to be an issue.

X. Conclusion and Finding

This STIP Planning Finding is made as required by 23 U.S.C. 135(g)(7) and 49 U.S.C. 5304(g)(7) Based upon our review documented above, it is our determination that the Commonwealth of Virginia's FY 2012-2015 STIP, with recommendations noted, substantially complies with the provisions of 23 U.S.C. 134 and 135, 49 U.S.C. 5303 and 5304, and 23 CFR 450. Accordingly, we find that Virginia's planning process, which supports the development of the STIP, and the MPO planning processes, which support the development of the TIPs, is consistent with required statutory and regulatory planning and related provisions.

Signature on File

Edward Sundra
Director of Program Development
Federal Highway Administration
Virginia Division Office

9/30/11

Signature on File

Tony Cito
for Michele Destra
Director of Planning and Program
Development
Federal Transit Administration
Region III

9/30/2011