



U.S. Department
Of Transportation

**Federal Transit
Administration**

**Federal Highway
Administration**

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November 1, 2011

IN REPLY REFER TO: HPL NJ
TRO 2

James S. Simpson, Commissioner
New Jersey Department of Transportation
P.O. Box 600
Trenton, NJ 08625-0600

Dear Commissioner Simpson:

The Federal Highway Administration and the Federal Transit Administration reviewed and hereby approve the 2012-2016 portion of the New Jersey Statewide Transportation Program (STIP) for Fiscal Years 2012-2021.

We find the STIP to be in compliance with the requirements of 23 USC 134 and 135 and the Statewide and Metropolitan Planning regulations set forth in 23CFR 450 and 49 USC Sections 5303-5306.

In concurrence with the United States Environmental Protection Agency, FHWA and FTA further find that conformity has been demonstrated for the 2012-2016 portion of the FY 2012-2021 STIP and each of the Long Range Transportation Plans for all non-attainment and maintenance areas of New Jersey. These findings are consistent with the Statewide Implementation Plan and adequately address and conform to the requirements contained in the Federal Conformity Rule and the Clean Air Act and its subsequent amendments.

Commendations

The following items are commendable for exceeding statutory requirements and promoting transparency:

- The STIP Narrative, Financial Tables and Project Descriptions are thorough and provide the reader with essential information.
- The Asset Management classifications assigned to each project are useful in linking projects to management systems.
- The 10 year horizon goes beyond what is required and provides a detailed summary of anticipated revenues.
- The Air Quality Codes help explain the relationship of air quality conformity to transportation and we appreciate the effort that went into including them in the project descriptions.

Recommendations:

USDOT also identified the following areas where improvement is recommended:

- **STIP DEVELOPMENT SCHEDULE:** We understand that there were unique circumstances this year in the timing of the STIP/TIP development process. However, the condensed schedule did not allow

USDOT sufficient time to review the draft STIP prior to MPO TIP approvals. We recommend that in the future, STIP development begin at least one year in advance, so that the draft can be reviewed by USDOT prior to MPO TIP Board Approvals.

- **MULTI YEAR FUNDING:** We are pleased that the Department has clarified the description of multi-year funding to make its risks more transparent; however this acknowledgement does not alleviate our underlying concerns with continued use of this funding strategy. 23 U.S.C. 135 (g) requires States to demonstrate sufficient non-Federal revenues to provide all funding for the costs of projects identified as using Advanced Construction. Since the Legislature has not authorized State funding or new bonding authority beyond FY2012, and historically the Trust Fund does not include funding for these projects, we maintain that the readily available and committed criteria are not met. Though not technically an issue with this STIP, it remains an issue in the broader context.

In addition, we note that the percentage of STIP projects that are authorized has been steadily declining. Thus the need to start more new projects, one of the Department's justifications for using Multi Year Funding strategy, is not readily apparent.

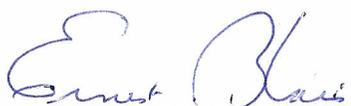
To alleviate these concerns, the Department should further refine its position on Multi Year funding to explain when and to what extent it is an appropriate strategy.

- **ELIGIBILITY**

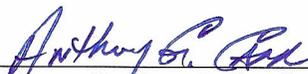
- **Bridge:** FHWA notes that many of our comments about Bridge funding eligibility in the Draft STIP were not addressed. We cannot approve any projects in this category until appropriate funding is addressed.
- **HSIP Funding** – As per FHWA's January, 2011 letter to Assistant Commissioner Kuhn, the Department is required to develop and utilize a data driven process in accordance with 23 CFR 924 for obligating HSIP funds in the STIP. This process was originally to be completed by June 30, 2011. Many of the projects that are programmed with HSIP funds in this STIP do not meet the HSIP eligibility requirements set forth in 23 CFR 924. FHWA would like to receive an acceptable process that meets statutory requirements by January 31, 2012 as we cannot approve projects in this funding category until we are satisfied that the Department is in compliance.

If you have any questions or need additional information, please feel free to contact us.

Sincerely,



Ernie Blais, Division Administrator
Federal Highway Administration
New Jersey Division



Anthony G. Carr, Acting Regional Administrator
Federal Transit Administration
Region 2