

Transportation Investment Generating
Economic Recovery (TIGER)
Discretionary Grant



Montana

US 2 – Swamp Creek

Submitted by the Montana Department of Transportation



TABLE OF CONTENTS

1. Project Name..... 1

2. Grant Request Amount 1

3. Project Data..... 1

4. Project Description..... 1

5. Project Parties 4

6. Grant Funds and Sources and Uses of Project Funds 4

7. Selection Criteria – Primary Selection Criteria 4

 7.1 Long-Term Outcomes..... 4

 7.1.1 State of Good Repair..... 4

 7.1.2 Economic Competitiveness..... 5

 7.1.3 Livability..... 5

 7.1.4 Sustainability..... 6

 7.1.5 Safety 6

 7.2. Evaluation of Expected Project Costs and Benefits..... 7

 7.3 Evaluation of Project Performance 11

 7.4 Job Creation & Economic Stimulus..... 11

 7.5 Project Schedule..... 13

 7.6 Environmental Approvals 13

 7.7 Legislative Approvals 14

 7.8 State and Local Planning 14

 7.9 Technical Feasibility..... 14

 7.10 Financial Feasibility..... 14

8. Selection Criteria – Secondary Section Criteria 15

 8.1 Innovation 15

 8.2 Partnership 15

9. PROGRAM-SPECIFIC CRITERIA..... 15

10. Federal Wage Rate Requirement 15

11. National Environmental Policy Act Requirement 16

12. Environmentally Related Federal, State and Local Actions 16

13. Protection of Confidential Business Information 17

14. Summary 17

TABLES & FIGURES

Table 1: Project Costs and Funding Breakdown..... 4

Table 2: Expected Project Benefits..... 7

Figure 1: Existing Conditions.....1

Figure 2: Location Map 2

Figure 3: Swamp Creek - Straightened Channel.....3

Figure 4: Existing Roadway Conditions.....7

Figure 5: Economically Distressed Area in Montana..... 13

Applicant for this TIGER Discretionary Grant:

Montana Department of Transportation
Contact: Director Jim Lynch
(406)444-6201
jilynych@mt.gov
Director's Office
PO Box 201001
Helena, MT 59620-1001

1. PROJECT NAME

MONTANA – US 2 – SWAMP CREEK

2. GRANT REQUEST AMOUNT - \$52,300,000

3. PROJECT DATA

State: Montana
County: Lincoln
City: South of Libby, Montana
Congressional District: MT-001
Urban/Rural: Rural
Type: Highway Reconstruction eligible under Title 23, U.S.C
DUNS Number: 878557917
Web Link: http://www.mdt.mt.gov/recovery/grant_swampcreek.shtml

4. PROJECT DESCRIPTION

The US 2 – Swamp Creek project is a reconstruction of a twelve mile portion of US Highway 2 (US 2) located in northwestern Montana within Lincoln County. US 2 is the most northern National Highway System (NHS) route that travels across the continental United States (US) from St. Ignace, Michigan to Everett, Washington. US 2 is a commercial corridor that is an integral part of national security and trade. There is a high volume of truck and bus traffic using this section of US 2; which is a concern considering the poor condition and geometrics of the roadway. This section of US 2 is often used as an alternate route when the BNSF Railway line is blocked causing the Amtrak Empire Builder to shuttle passengers around blockages.



Figure 1: Existing Conditions

The project begins approximately 12 miles southeast of Libby, Montana and extends approximately 12 miles to the south from reference post 44.9 to reference post 57.2, see Figure 2: Location Map, for project area.

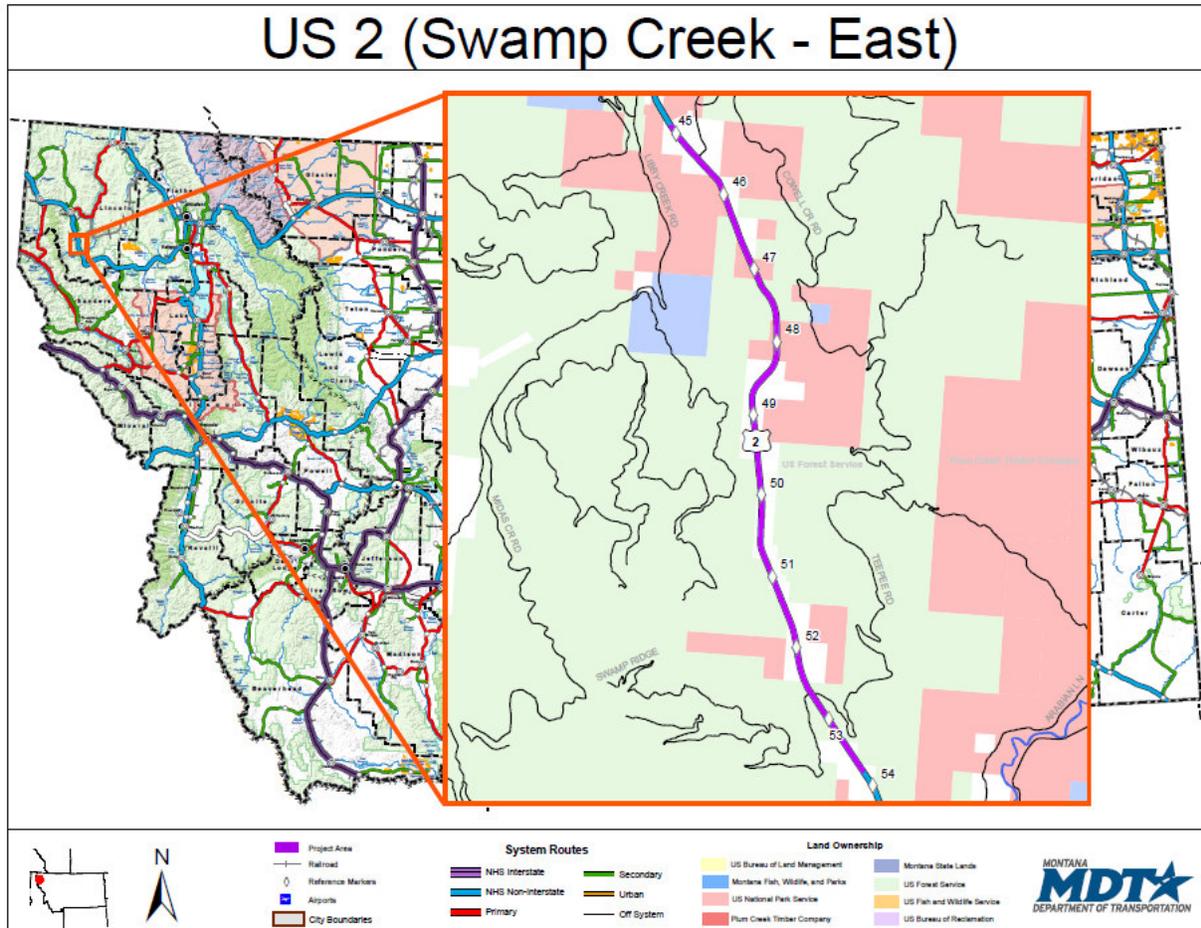


Figure 2: Location Map

The project will improve US 2 from a roadway that has no shoulders and 10-foot lanes to a two-lane roadway with 12-foot lanes and 4-foot shoulders. The roadway was originally constructed as part of the Forest Highway program in 1935 and 1936 and improved in 1939. The project runs through a narrow rural valley consisting of flat swampy bottomlands, and steep, timber-covered valley walls. Construction in this area requires careful design by balancing of existing resources and landowner impacts.

The southern most section of this project (North of Manicke-North) was completed in the fall of 2008. The remaining nine miles present very difficult construction and design challenges. Due to these challenges, for constructability purposes the remaining nine mile section has been broken into two segments, (Swamp Creek – East and Libby Creek – South). The challenges faced are existing deep deposits of extremely soft, saturated peat swamp materials that must be traversed. These deposits, which are in excess of 40 feet in depth, must be crossed by the project with nearly no intermediate transition zone between very steep rock/soil slopes and the swampy areas. These geological challenges require looking at other construction technologies such as:

lightweight fill, lightweight equipment, very high strength geosynthetics, and/or staged construction. In addition, construction seasons in this northern region of Montana are impacted by weather, typically limited to May through October.

This project also includes reconstruction and realignment of the Swamp Creek channel. The original Swamp Creek has been impacted by the current location of US 2, irrigation practices, rural development and flood control measures. Swamp Creek currently exists in a semi-stable, yet degraded condition. This project will improve the degraded Swamp Creek channel to provide a more natural design that incorporates native materials such as trees, rocks, and shrubs for channel stabilization. Incorporating this natural channel design aims to restore Swamp Creek's potential capacity to transport flows, sediment, and enhance fish habitat.



Figure 3: Swamp Creek - Straightened Channel

During the project design, the standard roadway template was modified to reduce environmental impacts, consider construction costs, and allow for constructability while maintaining the emphasis on providing a modern safe and efficient roadway. The proposed design consists of two 12-foot travel lanes, 4-foot shoulders and traversable side slopes. The revised roadway template reduces the length of retaining walls necessary. Again, these changes reduce the environmental impact of the project.

Along with minimizing the environmental impacts, the roadway improvements will bring much needed safety enhancements to the corridor. The northern portion of the project has a crash rate of 2.77, which is more than 2.5 times the statewide average for rural non-interstate NHS routes of 1.07. This same project segment has an accident severity rate of 7.59, more than 3.2 times the statewide average rate of 2.36. The 2006 Re-evaluation of the project's Environmental Assessment estimated implementation of these roadway improvements would result in a 45 percent reduction in accidents over existing conditions. Improving this section of US 2 brings significant safety benefits for this rural community as well as providing regional benefits as US 2 serves as a northern national corridor for moving goods and services between the central US and west coast and Canadian markets.

The schedule for completing construction on this segment of US-2 depends on funding availability. Currently, the project can be ready for construction by spring of 2010, but is not in MDT's funding plan. Receipt of a TIGER Grant will greatly accelerate the construction of this project.

5. PROJECT PARTIES

Montana Department of Transportation (MDT)
 Montana Division of the Federal Highway Administration

6. GRANT FUNDS AND SOURCES AND USES OF PROJECT FUNDS

The request for funding from the TIGER Grant is \$52,300,000. The breakdown of costs and funding sources are listed below.

Table 1: Project Costs and Funding Breakdown

Project Phase	NHS Funding	TIGER GRANT ¹	SAFETEA-LU Earmark	Total
Preliminary Engineering	\$3,000,000			\$3,000,000
Incidental Construction	\$600,000			\$600,000
Right-of-Way	\$4,200,000			\$4,200,000
Construction	\$6,800,000	\$47,500,000	\$5,000,000	59,300,000
Construction Engineering	\$900,000	\$4,800,000	\$500,000	6,200,000
Other	\$600,000			\$600,000
TOTAL	\$16,100,000	\$52,300,000	\$5,500,000	\$73,900,000

¹ No indirect costs applied to TIGER funds

Note: The information was gathered from project estimates not actual costs.

7. SELECTION CRITERIA – PRIMARY SELECTION CRITERIA

7.1 Long-Term Outcomes

7.1.1 State of Good Repair

The US 2 – Swamp Creek project is consistent with project recommendations developed by MDT’s Performance Programming Process (P³) asset management system goals to maintain Montana’s state highway system using preferred treatment strategies to increase performance in the areas of pavement life.

The US 2 – Swamp Creek project will reconstruct a section of US 2 in northwestern Montana that was originally constructed in the late 1930’s and is a vital transportation corridor in Montana and the continental US. Poor roadway conditions create operation and safety concerns, which impact the economic growth of the area.

The US 2 – Swamp Creek project is capitalized up front and determined necessary using MDT’s P³ system utilizes management system outputs to determine the optimal project mix to maximize performance relating to pavements, bridges and congestion conditions.

The US 2 – Swamp Creek project is located on US 2, a designated as a National Highway System (NHS) route that is maintained by MDT. The present roadway

is very narrow with 10-foot wide lanes, no shoulders in some areas, and a posted speed limit of 70 mph. Numerous trucking companies use US 2 as a northern route through Montana to bridge between west coast markets and central US. Reconstructing this roadway will substantially reduce maintenance costs that currently include preventative maintenance treatments every three to five years with reactive maintenance (patching and spot overlays) occurring as necessary. Following the reconstruction, MDT anticipates the preventative maintenance treatments will occur every seven to nine years allowing for more efficient re-allocation of the maintenance funds that are currently required on three-year cycles. As the facility continues to age, the maintenance intervals will shorten making reconstruction a better fiscal and system performance solution.

7.1.2 Economic Competitiveness

US 2 is a vital northern east/west transportation corridor for both Montana and the region. US 2 is the most northern east/west non-Interstate NHS corridor through the continental US. This corridor plays a critical role for the trucking industry, tourism, and commuters within Montana and the region. . Improving the substandard US 2 – Swamp Creek portion may bolster the economy of the area as the improved roadway may result in additional transportation or freight traffic through this section. The improved roadway will improve safety and allow for improved movement of workers and goods through the area. Lincoln County is considered an Economically Distressed Area (EDA). Having efficient transportation within the area will benefit the local citizens.

The local economic assistance corporation, Kootenai River Development Council (KRDC), is actively working with businesses to promote growth and opportunities within the community. The substandard condition of US 2 is averting growth, as many businesses have difficulties receiving freight. KRDC is developing the Kootenai Business Park and Port to allow interconnection of rail and truck freight. The port has six spur lines and if developed in connection with the US 2 improvements, would improve the opportunity for employment and allow for expansion, hiring and other growth of private and public sector jobs. US 2 is a vital link in the development of the Business Park with the rail/truck connection. The present substandard conditions appear to be deterring business from relocating and expanding into the community. US 2 is also a vital link for tourism in the area and Montana.

7.1.3 Livability

US 2 is a vital link for the City of Libby and surrounding areas. The project area of US 2 is the main route to healthcare used by residents to receive medical services. Many times inclement weather prevents air transport of accident or injury cases to the larger regional care facilities in Kalispell, Montana. US 2 is the only mode that remains open. The substandard roadway is a concern for the local emergency services. The narrow roadway results in additional hazards when transporting patients.

Libby was added to the Environmental Protection Agency's National Priorities List in October 2002 for asbestos contamination. This contamination has resulted in many health problems related to the asbestos contamination for the citizens. The only regional medical facility for these impacted citizens is located in Kalispell, Montana. Upgrading the roadway will add to the quality of life, as they must travel the existing substandard roadway on a regular basis.

Improving the roadway will enhance the interconnectivity with the Amtrak Empire Builder passenger rail service. The improved US 2 will allow for safer connections for area residents to the rail connection in Libby.

The current condition of US 2 deters some businesses from moving freight to the area. The improvements would allow for safe movement of truck traffic and should make commodities more available to the residents of the area.

7.1.4 Sustainability

The US 2 – Swamp Creek project promotes a more environmentally sustainable transportation system. The project will improve one of the vital links for truck transportation and the development of the rail port facilities in Libby; therefore, increasing the use of rail shipments with links to truck distribution. This intermodal approach will reduce greenhouse gas emissions as shipping goods by rail is two-thirds or more times as efficient as truck freight. The total amount of greenhouse gas reduction is difficult to predict until the entire infrastructure (roadway and rail facilities) are developed.

Included in the project is over 3.4 miles of channel reconstruction and restoration of Swamp Creek and minor tributaries (Blackjack Creek, Cowell Creek, and Reinhart Gulch). The restoration includes restoring the degraded channel, re-establishing a functioning riparian and wetland corridor within the floodplain. Swamp Creek was degraded due to the original US 2 roadway construction in the 1930's, irrigation, rural development, and flood control. Restoring Swamp Creek to a fully functioning stream will benefit bull trout (a listed threatened species under Section 7 of the Endangered Species Act), and other fish species that use the stream. The restoration also improves wildlife and avian habitat with the additional riparian areas being developed. Additionally, conservation easements are being investigated to maintain the reconstructed channel in a "wild" state.

7.1.5 Safety

The existing roadway currently has 10-foot travel lanes, no shoulders, non-traversable side slopes, and limited clear zones. There is no forgiveness for an errant vehicle leaving the roadway in this narrow roadway. During the five-year period from 2000 to 2005, there were 51 crashes on this stretch of road. Approximately half of the crashes involved a single vehicle running off the road. The proposed improvements, widening the travel lanes, addition of shoulders, improving the non-traversable side slopes to traversable and providing clear

zones, will reduce these types of crashes. The 2006 re-evaluation stated the improvements to the roadway would result in a reduction of 45 percent of the accidents over the existing conditions.

The statewide crash rates and severity rates have decreased from the original traffic information presented in the 1989 Environmental Assessment for Montana. However, the crash rates and severity rates for the project limits have increased. The US 2 - Swamp Creek project area severity rate is substantially above the statewide average.



Figure 4: Existing Roadway Conditions

7.2. Evaluation of Expected Project Costs and Benefits

The information listed below outlines the systematic analysis of the expected benefits and costs resulting from the completion of the US 2 – Swamp Creek project.

Table 2: Expected Project Benefits

Long-Term Outcomes	Benefits
State of Good Repair	The reconstruction of the road is estimated to save \$16.9 million in lifecycle costs for the 9 miles of roadway
Economic Competitiveness	Maintaining a vital link to national security, freight, tourism and local traffic is difficult to quantify. There is a possible connection with the improved roadway and implementation of the proposed rail port facilities.
Livability	The roadway includes shoulders for use by pedestrians and bicycles. The reconstructed roadway improves the livability for the area residents.
Sustainability	The design was modified to lessen environmental impacts and includes 3.4 miles of stream restoration and rehabilitation.
Safety	The safety benefit from the correctable crashes is approximately \$7.9 million annually in 2009 dollars.

The Swamp Creek – East project will improve a substandard roadway that was constructed in the 1930’s. The cost requested for the TIGER Discretionary Grant is \$52,200,000. This cost for the length of the project is high; however, it is offset by savings in maintenance costs, allowing for improvement to economic competitiveness, improving the livability of the citizen within the area, promotes an environmentally sustainable transportation system, and improves safety.

The offset for major maintenance work does offset approximately \$16.9 million in lifecycle costs for the nine miles of roadway or \$2.1 million per mile for the life of the roadway as compared to \$240,000 per mile if the roadway is upgraded. This is a substantial savings. The present roadway is in such poor condition, that it is under constant preventative maintenance. If there is a hard winter, the costs increase in the spring due to roadway breakup. This is difficult to predict, as predicting the weather in this area is not realistic. This would only increase the lifecycle costs for the present roadway and increase the benefit cost ratio.

The medium and long-term benefits are directly related to the improved roadway. The improved roadway condition will result in less traffic delays from the constant maintenance work within this section. If the roadway is not improved, the delays will continue, if not increase, as the roadway continues to degrade. The improved roadway will also allow for larger truckloads that are directly related to the economic competitiveness of the US.

The City of Libby is working on the development of a rail port facility using the existing spurs from the lumber mills. The developers have indicated the roadway condition directly affects the viability of the port facilities. Improvement of the roads will allow for increased truck/train freight connections.

US 2 serves as the main link for the cities of Libby and Troy and the communities of Yaak and McCormick to the rest of Montana. The communities utilize the roadway for vital regional medical and dental services in Kalispell, Montana. The substandard roadway puts citizens in jeopardy when the weather is not optimum. The improvements, not only directly benefit the local citizens, but all who travel the corridor. The local community has been directly involved in the development of the roadway plan, the main concern is the delay of construction due to the lack of funding for the improvements.

The U.S. Environmental Protection Agency added the City of Libby to the Agency's National Priorities List in October 2002 for asbestos contamination. This contamination has resulted in many health problems related to the asbestos contamination for the citizens. The regional medical facilities for these impacted citizens are located in Kalispell. Upgrading the roadway will add to the quality of life as they must travel the existing substandard roadway on a regular basis. Additional information concerning the Libby superfund status is found at <http://www.epa.gov/libby/background.html>.

The project has a large environmental component. The roadway template was reduced from a 40-foot surface to a 32-foot surface to lessen the impacts to the environmentally sensitive area, and reduce the length and height of retaining walls. MDT predicted the narrower roadway surface will be easier to construct and maintain in this difficult construction area. Determining a monetary benefit of the lessening of impacts and the 3.4 miles of stream restoration is difficult. It benefits the environmental and the quality of life for the area residents.

The economic value of the project improvements for safety were developed following guidance taken from the memorandum to secretarial officers and modal administrators, "Treatment of the Economic Value of a Statistical Life in Departmental Analyses – 2009 Revision". From this document, the value of an averted fatality was taken to be 5.8 million dollars. The fractional Value of a Statistical Life (VSL) from an averted injury was displayed in the **Relative Disutility Factors by Injury Severity Level (MAIS)** table. This table was modified to accommodate the injury classification used by law enforcement officials in Montana, as Montana uses 3 levels of injury quantification:

- Possible Injury
- Non-Incapacitating Injury
- Incapacitating Injuries

The MAIS table was spliced into the Montana Injury Classification in the following way:

- MAIS Level 3 Serious = Possible Injury
- MAIS Level 4 Severe = Non-Incapacitating Injury
- MAIS Level 5 Critical = Incapacitating Injury

The Fractions of VSL that were assigned to respective Injury Severity Levels (MAIS) were reassigned to the Montana Law Enforcement injury quantification.

In addition to the guidelines set forth in the subject memorandum, additional analysis was performed in an attempt to capture the dynamic effects of transportation investments on land use and household budgets.¹ The additional analysis attempted to quantify the property damage costs from a crash in which no injuries occurred. The Fractions of VSL shown in the Injury Severity Level table served as the guidelines for the quantification of property damage only (PDO) value. Therefore, it was calculated that a PDO crash = MAIS Level 1 Minor severity. This calculation was warranted based on professional judgment from the following economic consequences:

- Law enforcement response time to PDO crash
- Intrinsic economic value of vehicle(s) involved
- Possible roadway damage incurred (guardrail, signing, electrical, etc.)
- Time lost by involved parties
- Increased insurance costs of involved parties

From the aforementioned steps, it is believed that the following cost benefits will be seen from the averted property damage, injuries, and fatalities from the installation of the proposed project.

¹ 2 Federal Register/Vol. 74, No. 115/Wednesday, June 17, 2009/Notices

Libby Creek – South

There were 30 crashes on this section of roadway between August 31, 2003 and September 1, 2008. There were 23 crashes along this section of roadway that the proposed improvements would address.

Correctable Crash Severity Level	Number of crashes/persons	Fraction of VSL	Total Savings (over 5 yrs)
Correctable PDOs	9 crashes	0.002	\$104,400
Correctable Possible Injury	13 injuries	0.0575	\$4,335,500
Correctable Non Incap Injury	6 injuries	0.1875	\$6,525,000
Correctable Incap Injury	3 injuries	0.7625	\$13,267,500
Correctable Fatality	0	1.000	\$0
Total			\$24,232,400

From the guidelines provided in the “Treatment of the Economic Value of a Statistical Life in Departmental Analyses – 2009 Revision”, there would be a total cost savings of \$24,232,400 for the five-year data period. This results in a cost savings of \$4,868,480/year in 2009 dollars. There were four animal-vehicle collisions that were not counted toward cost savings in this analysis.

Swamp Creek – East

There were 13 crashes on this section of roadway between August 31, 2003 and September 1, 2008. There were nine crashes that the proposed improvements would address.

Correctable Crash Severity Level	Number of crashes/persons	Fraction of VSL	Total Savings (over 5 yrs)
Correctable PDOs	4 crashes	0.002	\$46,400
Correctable Possible Injury	6 injuries	0.0575	\$2,001,000
Correctable Non Incap Injury	4 injuries	0.1875	\$4,350,000
Correctable Incap Injury	2 injuries	0.7625	\$8,845,000
Correctable Fatality	0	1.000	\$0
Total			\$15,242,400

From the guidelines provided in the “Treatment of the Economic Value of a Statistical Life in Departmental Analyses – 2009 Revision” there would be a total cost savings of \$15,242,400 for the five-year data period. This results in a cost savings of \$3,048,480/year in 2009 dollars. There were three animal-vehicle collisions that were not counted toward cost savings in this analysis.

7.3 Evaluation of Project Performance

The MDT has developed a data gathering and reporting process for all American Recovery and Reinvestment Act of 2009 funded projects. The process complies with the Office of Management and Budget and Management (OMB), Transportation & Infrastructure Committee, Federal Highway Administration (FHWA), and the Montana State Governor's Office reporting requirements. If the TIGER Discretionary Grant funds are received for this project, full data collection and reporting will be implemented on this project. The reporting will evaluate the success of the project and measure the short- and long-term performance, specifically with respect to the economic recovery measures and long-term outcomes specified in this notice.

7.4 Job Creation & Economic Stimulus

JOB OPPORTUNITIES FOR LOW-INCOME WORKERS. The US 2 – Swamp Creek project will promote the creation of job opportunities for low-income workers by utilizing best practice hiring and apprenticeship (including pre-apprenticeship) programs. The MDT has MEMORANDUMS OF UNDERSTANDING (MOU) with all seven tribal governments throughout Montana. In accordance with these MOUs, a negotiated number of trainees will be hired for the project, as will any qualified tribal members. These MOU's emphasizes Montana's commitment to Indian employment as a means of strengthening tribal communities and increasing employment opportunities for Native Americans residing on or near the reservation. Each Tribal Employment Rights Office works with contractors and sub-contractors to ensure technically qualified and reasonably priced employees are available. Goals are set in each contract for Indian employment in those trades where there are qualified Indian workers available. Firms that are 100% Indian owned, operated and managed also receive the highest employment preference from the tribe. These rules ensure the local economy will benefit, provide for increased benefits from employment, and promote a stable labor force to insure the steady growth of commerce on the reservation.

MAXIMUM PRACTICABLE OPPORTUNITIES FOR SMALL BUSINESSES AND

DBE'S: The MDT Disadvantaged Business Enterprise (DBE) program encourages and supports the participation of companies owned and controlled by socially and economically disadvantaged individuals in transportation contracts. MDT's Supportive Services Program also provides business assistance to contribute to the self-sufficiency of DBE companies through skill development, training, and assistance with bonding and financing. There are currently seventy-seven (77) Disadvantage Business Entities certified throughout the state of Montana. While it is not likely to serve as the prime on large contracts, it is likely to be hired as a sub-contractor. MDT, prime contractors and the TERO officer have pledged to work together to promote DBE contractors. Given available opportunities, additional firms may develop. Small business entities are common in rural Montana areas and any construction activity will have a beneficial financial impact.

COMMUNITY –BASED ORGANIZATIONS: The US 2 – Swamp Creek project will make effective use of community-based organizations in connecting disadvantaged workers with economic opportunities. There are a variety of community and economic

development corporation throughout Montana. These organizations partner with MDT to promote development in the area by assisting in training and job skills and connecting workers with employment.

LABOR PRACTICES AND COMPLIANCE: The US 2 – Swamp Creek project will support entities that have a sound track record on labor practices and compliance with federal laws ensuring that American workers are safe and treated fairly. The MDT Director signed the STATE ASSURANCE WITH REGARD TO EQUAL EMPLOYMENT OPPORTUNITY AS REQUIRED BY THE FEDERAL-AID HIGHWAY ACT OF 1968 on April 15, 2009. This agreement assures that employment in connection with all proposed projects will be provided without regard to race, color, creed, or national origin. It also includes the requirements for a system to ascertain whether contractors and sub-contractors are complying with their equal employment opportunity contract obligations and the degree to which such compliance is producing substantial progress on the various project sites in terms of minority group employment.

BEST PRACTICES: The US 2 – Swamp Creek project will implement best practices, consistent with our nation’s civil rights and equal opportunity laws, for ensuring that all individuals—regardless of race, gender, age, disability, and national origin—benefit from the Recovery Act. Montana has a high minority population. There are firms throughout Montana capable of taking on this level of work and many low-income individuals actively seeking work.

Population Most Likely to Benefit are From Economically Distressed Areas: The project is located in Lincoln County, which is designated as an EDA in Montana as defined by section 301 of the Public Works and Economic Develop Act of 1965, as amended (42, U.S.C. 3161). See Figure 5 on page 10.

At the jobs-per-spending multiplier of one job-year per \$92,000 of government spending and no additional funding, the TIGER Discretionary Grant would generate 567.4 job-years or approximately 284 jobs in each construction season. Additional jobs are anticipated, but at this time not known, with the improvements to the roadway, allowing for development of the railroad port facility.

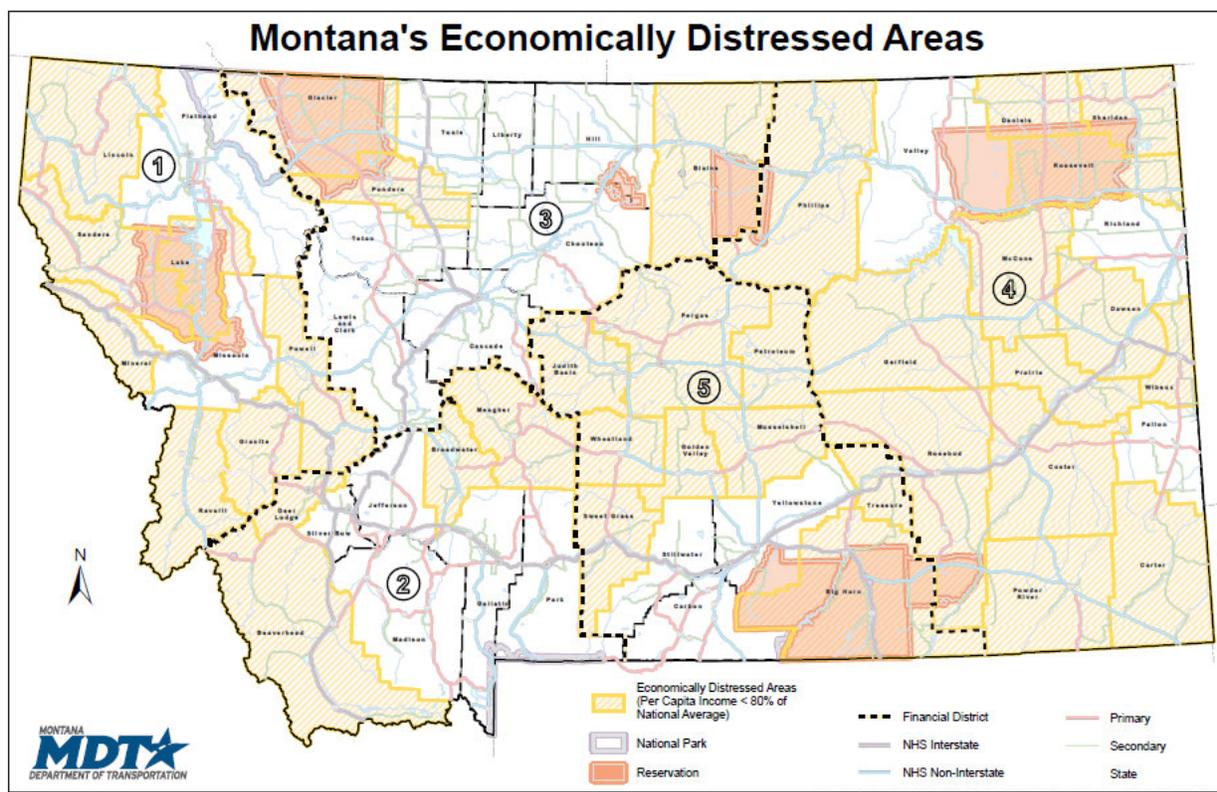


Figure 5: Economically Distressed Area in Montana

7.5 Project Schedule

Substantial preliminary engineering is complete on the US 2 – Swamp Creek project. The latest re-evaluation was completed in December 2006. The mitigation for the wetland impacts is in place and the permits should not be an issue. There will need to be final updates completed on the permit applications when the exact construction dates are known. Below is the final schedule for the two construction splits.

- Libby Creek - South: the design is scheduled to be completed at year-end 2009. The construction letting can be expedited to April 2010 with available funding. The project construction would be started expeditiously. The location and potential of weather delays result in a two-year construction schedule. This section would be completed in the 2011 construction season.
- Swamp Creek - East: the design is scheduled to be completed in February 2010. The construction letting can be expedited to June 2010 with available funding. The location and potential for weather delays result in a two-year construction period. This section would be substantially complete by February 17, 2012, with minor finish work in the 2012 construction season.

7.6 Environmental Approvals

The Federal Highway Administration signed the Re-evaluated Environmental Assessment/Finding of No Significant Impact (REA/FONSI) May 31, 1994. Since the 1994 REA/FONSI decision, there have been two additional re-evaluations (2001 and

2006) completed due to design changes to the project and environmental resource changes. All design changes actually lessened the impacts to the environmental resources while maintaining improvements to safety. The EA/FONSI, the 2001 and 2006 reevaluations can be viewed on the MDT web page:

1989 EA – http://www.mdt.mt.gov/pubinvolve/docs/eis_ea/ea_swampcreek.pdf

1994 Revised EA/FONSI -
http://www.mdt.mt.gov/pubinvolve/docs/eis_ea/ea_swampcreek_reeval.pdf

2001 Re-evaluation -
http://www.mdt.mt.gov/pubinvolve/docs/eis_ea/ea_swampcreek_reeval_letter.pdf

2006 Re-evaluation -
http://www.mdt.mt.gov/pubinvolve/docs/eis_ea/ea_swampcreek_letter06.pdf

7.7 Legislative Approvals

This project does not require additional legislative approval. The project is broadly supported by the local community and is being carried forward by MDT

7.8 State and Local Planning

The US 2 – Swamp Creek project is within the Statewide Transportation Improvement Program (STIP) for all phases except construction and construction engineering. An amendment to the STIP for the construction and construction-engineering phase is dependent on funding. Once funding is secured for the construction of the project, the STIP will be amended to allow construction to be completed. The STIP amendment will be completed prior to the construction contract award schedule.

The City of Libby provided a letter of support for this project. A copy can be found at:
http://www.mdt.mt.gov/recovery/docs/grants/swampcreek_support.pdf

7.9 Technical Feasibility

The US 2 – Swamp Creek project is technically feasible with substantial preliminary engineering being completed. The final design is wrapping up and will be completed by the end of 2009 for the Libby Creek – South section and by February 2010 for the Swamp Creek – East section. All reports are complete, the right-of-way purchases are finalized, the utilities have been moved, the wetland mitigation has been developed, and the preliminary coordination on the environmental permits is complete. Once final design is complete, the project may go to construction.

7.10 Financial Feasibility

The project has viability and completeness assuming the availability of the TIGER Discretionary Grant funds. The grant funds will accelerate the completion of the project within the near term. MDT has expended federal and state highway funds to complete the design, right-of-way purchases, utility moves, and the first construction section. The remainder of the financing package includes the TIGER funds and an existing

SAFETEA-LU earmark. MDT has a history of successful management of federal transportation projects.

When the project is let for construction, MDT commits to funding any excess above the grant request by other funding allocations.

8. SELECTION CRITERIA – SECONDARY SECTION CRITERIA

8.1 Innovation

The project requires innovation in the design and construction due to the difficult geotechnical area, steep mountain valley with swampy bottomlands. The challenges of the soils result in looking at other construction technologies that could include; lightweight fill, lightweight equipment, very high strength geosynthetics, and/or staged construction. Another challenge for this project is the shortened construction season, May to October. The innovation used in the design and construction will result in project delivery in a shortened construction season and will improve long-term operations and maintenance of the roadway.

8.2 Partnership

The project includes over 3.4 miles of stream restoration and reconstruction. This work has been coordinated with the various resource agencies (US Army Corps of Engineers, US Fish and Wildlife Service, Montana Fish Wildlife and Parks, Montana Department of Environmental Quality) and private landowners.

9. PROGRAM-SPECIFIC CRITERIA

The project meets the design standards outlined in 23 CFR 625 – Design Standards of Highways. This is a highway reconstruction to bring the present facility to current standards. Included with the project is a large stream restoration that will benefit threatened species.

10. FEDERAL WAGE RATE REQUIREMENT

The project implements best practices, consistent with our nation's civil rights and equal opportunity laws, for ensuring that all individuals—regardless of race, gender, age, disability, and national origin—benefit from the Recovery Act. Montana has a high minority population. There are firms throughout Montana capable of taking on this level of work and many low-income individuals actively seeking work.

MDT certifies it complies with the requirements of subchapter IV of chapter 31 of title 40 U.S. code regarding federal wage rate requirements in relation to the Recovery act. MDT requires contractor training certification, payroll monitoring, and a formal complaint process to assure contractor compliance with Davis-Bacon ways rates and fringe benefits.

11. NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENT

The project will not significantly impact the natural, social, and/or economic environment. The development of this project started in the 1980's. The first Environmental Assessment (EA) was signed September 1989. As the project developed, the original EA was re-evaluated and a re-evaluated EA and Finding of No Significant Impact (FONSI) were signed May 31, 1994. The difficulty of design and changes to environmental regulations have resulted in two additional re-evaluations to the re-evaluated EA/FONSI of 1994. These occurred December 2001 and December 2006. The Montana division of the Federal Highway Administration (FHWA) has concurred with all the documents in compliance with 23 CFR 771. All the documents can be found the US 2 – Swamp Creek – East TIGER Grant Web page:

http://www.mdt.mt.gov/recovery/grant_swampcreek.shtml

12. ENVIRONMENTALLY RELATED FEDERAL, STATE AND LOCAL ACTIONS

There are numerous environmentally related Federal and State actions required for this project.

The environmental documents, EAs, FONSI, and Re-evaluations, outlined above include 4(f) evaluations for historic structures. There are two historic structures or features that were determined eligible for the National Register of Historic Places (NRHP). In compliance with the Section 4(f) Programmatic Agreements applicable to the sites, a completed "Nationwide" Section 4(f) Evaluation was completed as is documented in the 2001 Re-evaluation. Included in the mitigation requirements for this project in the event that subsurface archaeological resources are encountered during ground disturbing activities, all work will stop until the MDT Staff Archaeologist evaluate the materials for Nation Register significance.

There has been and continues to be coordination with the US Army Corps of Engineers and the Montana Department of Environmental Quality concerning the required 404 and 401 certifications required by the Clean Water Act. The agencies have received preliminary permits and approved the mitigation sites for the project.

There are multiple Threatened and Endangered (T&E), rare, and sensitive species within the project area. A biological resource report was completed in 2001 and updated with the 2006 Re-evaluation. For the grey wolves, grizzly bears, and Canada lynx the project is not likely to adversely affect these species. A determination was made that the project is likely to adversely affect bull trout. The Biological Opinion issued on July 9, 2001 by the U.S. Fish Wildlife Service determined this project is not likely to result in jeopardy to the Columbia River Basin population of bull trout. The in-stream conditions from the Biological Option are included in the project's special provision. The mitigation measures included in the design increase fish passage and avoid barriers, provide and improve habitat, etc. This balances the likelihood of a fish kill with improving the current conditions for the species.

Bald eagles do use the area for foraging, as the project is constructed, it may temporarily alter the foraging patterns, but due to the bald eagle movement ability, this effect is considered insignificant and will be short-term. There are no known active nests within the project area.

There are other Montana agency permits and authorizations necessary of this project. MDT has worked closely with these agencies for preliminary permitting and will obtain or have the construction contractor obtain all necessary permits and authorizations prior to starting construction.

13. PROTECTION OF CONFIDENTIAL BUSINESS INFORMATION

All information submitted is publicly available data and the methodologies presented herein are accepted by industry practice and standards. No data in this application contains confidential business information.

14. SUMMARY

MDT is committed if the requested TIGER Discretionary Grant funds on the US 2 – Swamp Creek – East project are received to obligate and expend the funds according to grant requirements. If when the project is let additional funds are necessary, MDT commits to funding the remainder due to actual costs coming in above estimated costs.

The US 2 – Swamp Creek – East project will:

- meet the requirements of the grant by delivering programmatic results.
- achieve economic stimulus by optimizing economic activity and the number of jobs created or saved in relation the Federal dollars obligated,
- achieve long-term public benefits by improving the quality of life, investing in transportation, improving the environment, protection of the environment, that provides for long-term economic benefits, and
- satisfy the Recovery Act's transparency and accountability objectives.