APPENDIX A

Federal Highway Administration Oversight of the Preparation of the Cost-to-Complete Estimate

U.S. Department of Transportation
Federal Highway Administration

Office of the Administrator

400 Seventh St., S.W.
Washington, DC 20590

November 8, 2007

In Reply To:
HIPA-10

Ms. Anne P. Pope
Federal Co-Chairman
Appalachian Regional Commission
1666 Connecticut Avenue, NW
Washington, DC 20009

Dear Ms. Pope:

The Federal Highway Administration (FHWA) is pleased to inform you that our work in assisting the Appalachian Regional Commission (ARC) to develop the 2007 estimate of the cost to complete the Appalachian Development Highway System (ADHS) has been completed. We are pleased with the product and the process that was used to produce the estimate. The completion of the ADHS is an important part of the mission of the FHWA. We consider the accessibility, mobility, and economic stimulation provided by the ADHS to be entirely consistent with the goals of our Agency. Accordingly, the FHWA devoted significant staff time and effort to assure that the cost estimate was developed accurately and in a timely manner.

We were pleased that the entire effort was achieved through extensive cooperation among the State departments of transportation (DOT), the ARC, Rahall Transportation Institute (RTI) and the FHWA. Each party played a strong role to assure that the estimate was fair and accurate.

Development of this cost estimate, the latest in a long series of estimates, was a significant effort from the very beginning. Using the latest technologies (a new Web-based system developed by RTI) and building on the experience gained from previous estimates improved the efficiency for all those involved.

The effort began many months ago with the creation of an advisory group to help in crafting the cost estimate manual and establish milestone dates for assuring the timely development of the final product. The FHWA has devoted significant time and effort to making sure that the estimate is as accurate as possible. Early on, the FHWA partnered with the staff of the ARC to provide training to the FHWA field staff and State DOT personnel on the cost estimate development process. The FHWA, both at the division office level, and in our Washington Headquarters, acted independently from the State DOT's to assure all aspects of the estimate preparation was accurate. The FHWA field staff participated in field reviews of the corridors to assure that the work to be estimated reflected the actual field conditions and reviewed unit prices used to estimate proposed work before they were allowed to be used for estimate purposes. In addition, the FHWA field offices provided oversight to assure that only eligible work and costs were included in the estimate.

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2

The FHWA was especially pleased with the close cooperation between the staff of the ARC, RTI, and the FHWA divisions and Headquarters offices. All of the critical decisions that went into producing the cost estimate were made jointly. Our review of the estimates was performed at the field and Headquarters level to assure consistency and thoroughness.

In summary, we believe the 2007 estimate of the cost to complete the ADHS is as accurate as possible and it provides a sound basis for apportioning the future funding to complete the system. We will continue to work with the staff of the ARC to address any questions that may come up about the cost estimate. If you have any questions about the cost estimate or the final report, please contact Mr. Vince Barone of our Office of Program Administration at 202-366-4652.

Sincerely,

J. Richard Capka
Administrator