

Exhibit D

Response to COE Question 4

PROJECT PURPOSE

COE Question 4

"Although we have clarified and revised the project purpose since the initial application, we believe the current project purpose is too narrowly defined, resulting in an alternative evaluation that is too limited. We believe that the project purpose should be revised so it is broad enough to reflect the need for the project identified in the May 2004 Environmental Assessment (EA). Therefore, we plan to use the following project purpose to identify alternatives available for this project: To accommodate anticipated traffic on US-95 within the Sandpoint area for the next 20 years, until 2024, provide a non-stop facility between Sagle and Ponderay, and to maintain and enhance bicycle and pedestrian facilities in the US-95 corridor."

Response:

In the letter dated October 14, 2004, the COE commented: "In reviewing your application and attendant materials, the alternatives for the above noted project purpose have already been fully evaluated in the Final Environmental Impact Statement (FEIS) for Sandpoint North and South and the Environmental Assessment Additions and Changes to US – 95 Sandpoint North and South. We participated as a cooperating agency in development of the FEIS and do not need to reevaluate the preferred alternative for Sandpoint North and South.

The FEIS concluded that the "Sand Creek Two – Lane Alternative" was the least damaging alternative that meets the project purpose. Accordingly, the U.S. Department of Transportation, Federal Highway Administration selected this as the preferred alternative in its May 23, 2000 Record of Decision. The project purpose of your section 404 permit application is based on the preferred alternative described in the Federal Highway Administration's Record of Decision ("ROD"). Consistent with the ROD, we believe the purpose of the project proposed in your application would be more correctly stated as follows:

"To construct the Sandpoint Byway segment of the Sandpoint North and South project in accordance with the "Sand creek Two-Lane Alternative" (preferred alternative) described in the Sandpoint North and South Final Environmental Impact Statement, approved September 9, 1999 and the Environmental Assessment Additions and Changes to US-95, Sandpoint North and South approved May 7, 2004, and the Record of Decision issued by the Federal Highway Administration, entitled "US-95, Sandpoint North and South", and dated May 23, 2000."

ITD agreed to the above wording and the project purpose in the current JAFP is accurate as stated. On the other hand, for the purposes of the Clean Water Act Section 404 permit, ITD does not object to the following purpose and need statement which we believe is encompassed into the current purpose and need statement as elaborated on in the FHWA Record of Decision supporting NEPA documents: *"To accommodate anticipated traffic on US-95 within the Sandpoint area for the next 20 years, until 2024, provide a non-stop facility between Sagle and Ponderay, and to maintain and enhance bicycle and pedestrian facilities in the US-95 corridor."*

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