

November 20, 2006

Name  
Company  
Address  
City, State Zip

Dear \_\_\_\_\_:

Thank you for nominating \_\_\_\_\_ to receive Transportation Enhancement funding. Because the Federal Government has reduced the amount of unobligated federal-aid highway funds apportioned to the states, we will not be able to continue the current call for enhancement projects. We know you invested considerable time and effort in the nomination of this project and we offer you the following information.

Over the history of the program, we at the Texas Department of Transportation (TxDOT) have awarded an estimated \$466 million to a total of 505 enhancement projects. We officially opened the current nominations under which you submitted your project, November 1, 2005, believing that we would add to our number of previously awarded projects. However, since December 2005, the Federal Highway Administration (FHWA) has made three nationwide rescissions of unobligated federal-aid highway funds apportioned to states. Texas' portion of these rescissions is in excess of \$305,000,000 – so far. Under each rescission, at FHWA's request, we provided them a list of funding categories to be cut, with the majority of the cuts coming from the Transportation Enhancement program.

We did not make this decision lightly. FHWA's rescissions put us in the position of having to choose between congestion-relief projects and enhancement projects. We clearly understand enhancement projects provide a benefit to the public. However, we also believe the enhancement program has the weakest connection to our goals of reducing congestion, enhancing safety, expanding economic opportunity, improving air quality, and increasing the value of our transportation assets. Therefore, in order to comply with the federal rescissions, and forced into choosing between enhancements and mobility, we decided it was most logical to relinquish our authority to expend enhancement funds.

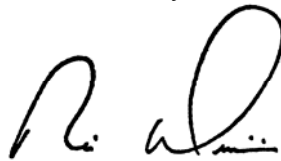
The spending authority withdrawn by the FHWA is due in part to hurricane response and the continuing war on terrorism. Considering this, we believe it is prudent to anticipate additional significant rescissions in the near future. With increasing demands on limited federal dollars, it is abundantly clear that federal funding for transportation has become unstable and unreliable. Therefore, until the federal government restores

enough funding to ensure we will be able to continue to perform TxDOT's core functions, we will not pursue any enhancement projects other than those included in the General Appropriations Act and found eligible by the FHWA.

I think you will agree from this experience that the federal government is no longer a dependable source for transportation funding. Texans have never waited on Congress to take care of Texas, and we are addressing mobility problems ourselves by using all the financial tools provided by the Legislature, by empowering local leaders to solve local problems, by reducing costs through competition and by responding to market forces through consumer-driven decisions.

Thank you for your efforts to improve and enhance transportation in Texas. If you should have any questions, please feel free to contact Mark A. Marek, Director of the Design Division, at (512) 416-2576.

Sincerely,

A handwritten signature in black ink, appearing to read "Ric Williamson". The signature is fluid and cursive, with a large loop at the end.

Ric Williamson  
Chair

Texas Transportation Commission

cc: Texas Transportation Commission  
Michael W. Behrens, P.E., Executive Director, TxDOT  
Mark A. Marek, P.E., Director, Design Division, TxDOT