



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

APR 20 2009

Dear Governor:

Our Recovery Act investments in transportation are off to a great start. In just 7 weeks, the U.S. Department of Transportation has approved over \$7.5 billion in State requests for highway, road, bridge, and airport construction and repairs nationwide. Projects have been approved in every State. Our economists estimate that over 39,000 job-years will be created just from the projects that we have approved so far.

It is especially gratifying to read reports that contractor bids to build and repair our transportation networks are coming in substantially below State expectations. Across the country, bids are 10-20 percent less than the engineers' estimates. As you hold the line on costs, Americans benefit. We can build more projects with the savings, reducing traffic congestion and creating more jobs. We are, quite literally, getting America moving again.

Obviously, these additional jobs and infrastructure benefits happen only if the cost savings are put to work in new transportation projects. President Obama's policy is that all savings will be reinvested in eligible transportation projects, and only in those projects. This was also the clear intent of Congress when it approved the Recovery Act.

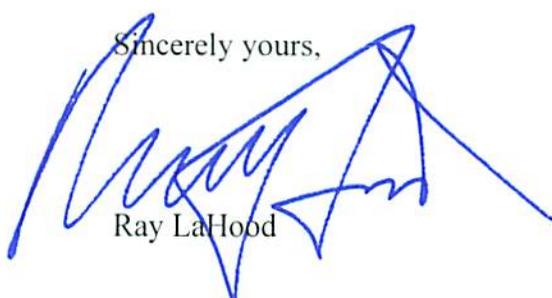
Therefore, whenever federally-assisted Recovery Act transportation projects are awarded, or constructed, at less than the originally estimated cost, any Federal dollars that are not used for that particular project must be used for other projects consistent with the original Recovery Act appropriation. Money saved from Recovery Act-funded highway projects, for example, may be used for transit and rail. But funds saved must only be used for eligible transportation projects.

We will work with you to ensure that your State benefits from your frugality. Savings you accrue from awarding low bids and from reduced construction costs due to your oversight and project management should remain in your State to be spent on other eligible transportation projects.

The transportation community is the public face of the Recovery Act. As the summer road construction season begins, motorists will see workers at work, thanks to the Recovery Act. We are creating jobs. Just as importantly, we are creating hope.

I look forward to working with you to make that hope a reality.

Sincerely yours,



Ray LaHood