



Oregon

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Department of Transportation

Office of the Director

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November 2, 2004

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RE: Section 115 Surface Transportation Projects

On July 23, 2004, I wrote to all of you in an effort to explain the emerging status of Section 115 Surface Transportation Projects federal funding that was caught up in Congress' attempt to reauthorize the federal highway bill. I am happy to write to you today that we have received good news on this issue from the Federal Highway Administration (FHWA). The \$2 billion of remaining 2004 funding that was set-aside by Congress in the latest extension of TEA-21 now has been fully allocated to states. As a result, all of the Section 115 projects in Oregon will receive the full amount earmarked in the FY 2004 Omnibus appropriations bill and the state will receive its full share of formula funding.

Now that we know we will all be made whole, the approaches to coping with the previous shortfall that I outlined in my July letter to you no longer need to be pursued. I know that this has been a difficult issue to grapple with, particularly because of the uncertainty of the timing and nature of a solution, and I appreciate that you have all stayed engaged with us and with our delegation while this was worked to conclusion.

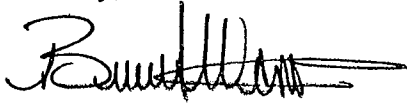


The immediate future of federal highway funding has become increasingly uncertain since the expiration of TEA-21 last year. We just received our final allocation of fiscal year 2004 funding, a month into fiscal year 2005, and the earliest we may know about fiscal year 2005 funding is the end of November, or two months into the fiscal year.

With more uncertainty likely in the coming months, it is important that the state and Metropolitan Planning Organizations (MPOs) plan accordingly. We will continue to share information with you as we receive it from FHWA. In the meantime, I encourage you to work closely with your local ODOT region office with support from our Highway Finance Office to review your federal programs for the coming year so that we are all prepared to react quickly and appropriately when we do learn what reauthorization, or more extensions, look like for Oregon.

I appreciate your involvement in this important issue, and I especially want to acknowledge the excellent support and effort of our Congressional delegation to bring this to a good end.

Sincerely,



Bruce A. Warner
Director

cc: Stuart Foster, Chair, Oregon Transportation Commission
Gail Achterman, Member, Oregon Transportation Commission
Randy Papé, Member, Oregon Transportation Commission
Michael Nelson, Member, Oregon Transportation Commission
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