



U.S. Department
of Transportation

**Federal Highway
Administration**

Michigan Division

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Lansing, Michigan 48933

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STATE OF MICHIGAN



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DEPARTMENT OF TRANSPORTATION

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JAN 25 2010

January 22, 2010

Mr. K. John Egelhaaf, Executive Director
Southwest Michigan Planning Commission
185 East Main Street, Suite 701
Benton Harbor, Michigan 49022

Dear Mr. Egelhaaf:

As you know, creating more jobs and stimulating growth in the economy continues to be a significant challenge for government and the private sector at all levels. To address this challenge, the U.S. House has taken action on a "Jobs for Main Street" bill that would provide additional funding for infrastructure and jobs investment similar to the American Recovery and Reinvestment Act (ARRA). It is possible that the Senate could pick this up for consideration in February with full passage in March 2010. While full enactment of this legislation is still uncertain, the push to move quickly is very evident.

Under the House Bill, most of the provisions we saw under ARRA would be continued. All Title 23 and Title 49 requirements must be met. Total funding is proposed at the same \$27.5 billion level with the same approach for apportionment to the states, and for distribution within each state. For Michigan, this means a package totaling \$847 million. One change is a provision for getting 50 percent of the full program under contract within 90 days. Getting projects under contract (not just obligated) will present a new level of difficulty. Under ARRA, sub-allocated funds were exempt from the 50 percent requirement; whereas under the "Jobs for Main Street" bill, the requirement applies to all funds.

Clearly, we will need to move fast to meet the requirements. Although "Jobs for Main Street" is not yet law, and there is no guarantee, we can begin certain critical actions now to be prepared. Technical work should be started on any Transportation Plan amendments and/or air quality conformity finding that may be needed for projects not already in adopted plans. Work should also begin immediately on necessary Transportation Improvement Plan (TIP) and State Transportation Improvement Program (STIP) amendments. Because of the uncertainty of passage, such work should proceed consistent with the illustrative list approach used in the past. For fiscal constraint purposes in preparation for this potential new program, we have agreed on a statewide funding level of \$847 million, which could spread over two program years. For planning purposes, use the amount of funding you received under ARRA as the guide for project selection.

MDOT is reviewing projects that could be under contract within the 90-day deadline and would help the department meet the goals set forth by the Transportation Commission. MDOT is in the process of identifying projects that would be candidates for "Jobs for Main Street" funding. We anticipate being able to

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provide you with a list of state trunkline projects during the week of January 25, 2010. In order to be prepared to meet the 90-day to contract deadline, the Federal Highway Administration (FHWA) and MDOT would like to encourage illustrative lists for the TIPs and the STIP be completed by March 1, 2010. While we realize the burden that this exercise places on everyone, should "Jobs for Main Street" or similar legislation fail to pass, FHWA and MDOT make no commitments to the dollars or projects identified in the planning for this special program.

If you have any questions, please contact Marsha Small, Statewide Planning Section, Bureau of Transportation Planning at 517-373-9193.

Sincerely,



Susan P. Mortel, Director
Bureau of Transportation Planning
Michigan Department of Transportation



Donald J. Cameron, Planning and Program
Development Manager
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