



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

April 3, 2008

The Honorable Elizabeth Dole
United States Senate
Washington, DC 20510-3307

Dear Senator Dole:

Thank you for your letter regarding the importance of replacing the Interstate 85 bridge over the Yadkin River in Davidson and Rowan counties. The Department agrees that this is a much needed project, given the national significance of the corridor and the functional obsolescence of the bridge and adjoining freeway sections.

Most congressionally-directed or "discretionary" funding outside a multi-year reauthorization bill is not subject to the State Equity Formula and would not have a negative impact on other projects in the area if most of the project cost is provided. However, when limited congressionally-directed funding is earmarked, funds must be redirected from other projects to actually build the congressional priority. Current right-of-way and construction cost estimates for this project could amount to more than \$400 million, requiring a large special appropriation to fully fund the project. This project funding is greater than the entire congressionally-directed North Carolina highway funding in SAFETEA-LU, and in the 2005 to 2008 Appropriations bills.

Transportation revenues nationally and in our state have been flat or declining while road construction costs have increased by more than 10 percent annually in recent years. A recent FHWA report stated that due to the construction cost increases the purchasing power of federal highway funds provided in SAFETEA-LU would be reduced by as much as 60 percent of its value between 2005 and 2009, if highway project inflation continued at its 2006 pace. The North Carolina Department of Transportation maintains the second largest public roadway system and the second largest ferry system for the ninth most populated state in the country; however, we also have the third lowest rate of return from the federal Highway Trust Fund.

The fiscal health of the federal Highway Trust Fund, the flat or declining state revenues, the aging infrastructure, the increase in construction cost, and the growth in population paint a grim picture for our future. These issues have been captured in the December 2007 report issued by the National Surface Transportation and Revenue Study Commission on transportation needs. The report outlines possible solutions to avoid this looming fiscal crisis and enable our nation's transportation infrastructure to begin to catch up to the demands that have already been placed on it.

Thank you again for your letter and as always, I appreciate your efforts on behalf of our state and please do not hesitate to call on me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Lyndo Tippett".

Lyndo Tippett

LT/mis

cc: Nancy Dunn, Member, Board of Transportation
Pat Ivey, PE – Division 9 Engineer