

United States Senate

WASHINGTON, DC 20510

November 5, 2010

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Dear Secretary LaHood,

We are writing to ask you to help us protect New Jersey from the short-sighted decision of its Governor to forfeit the Federal Government's unprecedented commitment of \$3 billion for the Access to the Region's Core (ARC) transit project. We all worked together to try to save this job-creating project that is essential to the region's economic growth and we must continue to work together to make sure the unwinding of the project does not do any further damage to the state.

As you know, as a consequence of the Governor's actions, 49 U.S.C Section 5309 (g)(3)(B)(iv) requires USDOT to recover from New Jersey all federal government payments made under funding agreements for the ARC Tunnel. In addition, we understand the Department has the authority to seek interest and penalties on debts owed to it by the state.

While Governor Christie was well aware of the repercussions under this statute, we worry that recovery of these federal funds plus penalties will undermine the economic health of New Jersey. We therefore ask that you utilize any and all legal means of mitigating the amount of funds that the state of New Jersey will owe the Federal Government. For example, we urge you to work with the state of New Jersey to reprogram funds to replenish the Congestion Mitigation Air Quality Improvement (CMAQ) funds New Jersey spent on ARC.

While Governor Christie acted imprudently in forfeiting these funds and abandoning a critical infrastructure project, we want to do all we can to mitigate the ramifications of this terrible decision.

Sincerely,


FRANK R. LAUTENBERG


ROBERT MENENDEZ