



STATE OF TEXAS

DAVID DEWHURST
LIEUTENANT GOVERNOR
P.O. Box 12068
Austin, Texas 78711-2068
(512) 463-0001

RICK PERRY
GOVERNOR
P.O. Box 12428
Austin, Texas 78711-2428
(512) 463-2000

TOM CRADDICK
SPEAKER OF THE HOUSE
P.O. Box 2910
Austin, Texas 78768-2910
(512) 463-3000

August 19, 2008

Ms. Deirdre Delisi
Chairman
Texas Transportation Commission
125 East 11th Street
Austin, Texas 78701

Dear Chairman Delisi:

As you are well aware, our state faces significant transportation funding challenges. Due to a variety of factors including the steady population growth of our state, inflation in the construction industry, rescissions in the federal highway funding program, and the Texas Mobility Fund reaching its bond capacity, our ability to fund needed transportation projects in the future is limited.

Recognizing this, we, as the elected leadership of this state, have been in a consistent dialogue to identify solutions to these ongoing challenges. We have agreed to work together to implement the following solutions in the 81st Legislative Session:

- Implement a plan that sets a definitive course to end the practice of funding the Department of Public Safety (DPS) with gas taxes that are needed for road construction, and return to funding the DPS with general revenue.
- Create a Transportation Finance Corporation or similar entity that will allow public Texas-based investment funds to invest directly in Texas transportation projects that offer a potential solid long-term return.
- Pass authorizing legislation and appropriation for the Proposition 12 bonds approved by voters in the November 2007 constitutional election.

We believe these measures to be a good start to addressing the long-term challenges of financing a world-class transportation system. However, we believe the ten-year priority needs assessment you are working on will show that more is needed, and we intend to keep working toward consensus on additional solutions to further ensure that this state and its communities have access to the necessary funding tools to meet our transportation needs.

Ms. Deirdre Delisi

August 19, 2008

Page 2

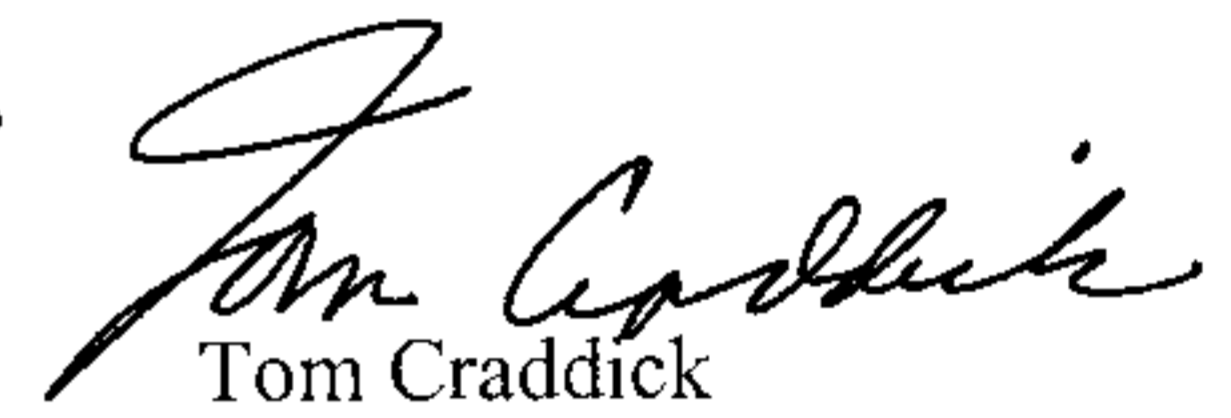
Additionally, we believe that immediate funds are needed and strongly urge you to take advantage of the Proposition 14 highway fund bonding authority approved by voters in 2003 and increased by the legislature in 2007. The immediate sale of up to \$1.5 billion in voter and statutorily authorized Proposition 14 bonds will ensure that greater road funding levels are maintained through the fall and spring until we can work with other elected officials to provide additional solutions. Please prepare your staff for an August 29 Bond Review Board Meeting and September sale of Proposition 14 bonds.

Sincerely,



Rick Perry
Governor

David Dewhurst
Lieutenant Governor



Tom Craddick
Speaker of the House

cc: The Honorable Steve Odgen
The Honorable John Carona
The Honorable Warren Chisum
The Honorable Mike Krusee