

**STATE OF MARYLAND
OFFICE OF THE GOVERNOR**



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TTY USERS CALL VIA MD RELAY

March 16, 2010

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

Re: Revised Certification under Section 1201 of the American Recovery and Reinvestment Act (ARRA)

Dear Secretary LaHood:

In accordance with Title XII, Section 1201 of the ARRA (Pub. L. 111-5 [February 17, 2009]) and subsequent guidance, enclosed please find a certification to the Secretary of Transportation that the State of Maryland will attempt to maintain its effort with regard to State funding for the types of projects in U.S. Department of Transportation (DOT) "covered programs" funded under ARRA. Attached to the certification is a list of DOT "covered programs" that identifies the amounts of funds the State planned to expend from State sources as of February 17, 2009, from February 17, 2009 to September 30, 2010, for the types of projects under the DOT "covered programs" funded under ARRA. The basis for this certification is the State's Consolidated Transportation Program (CTP) and financial forecast that was submitted to the Maryland General Assembly in January 2009 as required by statute.

Please note that the identified amounts of State funds by program, where applicable, are based on official revenue projections and the projected use of transportation resources as of the date of enactment. Based on guidance received by the USDOT, we have also included approximately \$780 million in local highway funds that were originally part of our transportation spending plans in January 2009. As you can imagine, Maryland's transportation revenues have continued to decline and meeting the maintenance of effort requirements will be difficult. Based on declining revenues and in order to balance the state budget in fiscal year 2010, the State of Maryland was forced to reduce local transportation aid by more than \$360 million during the ARRA reporting period. Further reductions may be required to fund operating costs related to the severe winter weather in the Mid-Atlantic Region over the past two months.

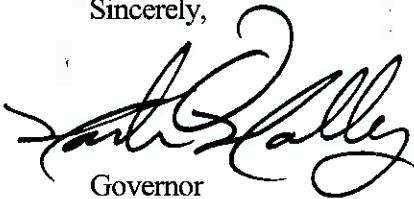
Despite these adjustments, the State of Maryland will continue to invest in transportation to the best of our ability and seek to fully utilize all available transportation resources. Maryland's commitment to aggressively invest in our transportation infrastructure is evidenced by our status as the first state to have a highway stimulus project under contract. We were also the ninth state to obligate 100 percent of our highway funds and the only state in that group to provide ARRA funding to local governments.

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Given this commitment, I hope the Administration and the Congress will reconsider the criteria by which transportation maintenance of effort is being determined. Continued federal investment in transportation funding is crucial during this economic downturn. In my opinion, it is inappropriate to penalize states relying on the annual redistribution of surface transportation funding. If this policy stays in place, states like Maryland, that increased state support for transportation investments just prior to the economic downturn, will be disproportionately penalized by the faltering national and global economy that washed away those gains.

I thank you for your support for transportation infrastructure needs in Maryland. If you need further assistance, please do not hesitate to contact Ms. Beverley Swaim-Staley, Maryland Secretary of Transportation. She can be reached at (410) 865-1000 or at 7201 Corporate Center Drive, Hanover, MD 21076.

Sincerely,

A handwritten signature in black ink, appearing to read "Art Staley", written in a cursive style. The signature is positioned above the printed name "Governor".

Governor

Enclosures

MO'M: lca

CERTIFICATION UNDER SECTION 1201 OF
THE AMERICAN RECOVERY AND REINVESTMENT ACT

Pursuant to Title XII, section 1201 of the American Recovery and Reinvestment Act (Pub. L. 111-5 [February 17, 2009]) (ARRA), I Martin O'Malley, the Governor of the State of Maryland, hereby certify to the Secretary of Transportation that the State of Maryland will maintain its effort with regard to State funding for the types of projects in U.S. Department of Transportation (DOT) "covered programs" funded under ARRA. The enclosed list of DOT "covered programs" identifies the amount of funds the State planned to expend from State sources from February 17, 2009 to September 30, 2010, for the types of projects under the DOT "covered programs" funded under ARRA.

I understand that if the State of Maryland is unable to maintain the level of funding identified in this list of the types of projects under the DOT "covered programs" funded under ARRA, the State of Maryland will thereafter be prohibited by the Secretary of Transportation from receiving additional limitation on obligations for federal-aid highway and highway safety construction programs that occurs after August 1 for Fiscal Year 2011.

Signed this 16th day of March, 2010.



Governor, State of Maryland

Attachment

Attachment to Maryland Certification of Funds under Section 1201

LIST OF DOT "COVERED PROGRAMS" UNDER ARRA AND THE SPECIFIC MARYLAND FUNDING AMOUNTS FOR THE TYPES OF PROJECTS UNDER THE DOT "COVERED PROGRAMS."

The following list is an estimate of state expenditure amounts under ARRA "covered programs." These estimates represent the planned state expenditures for types of projects under the ARRA "covered programs" as of February 17, 2009 and excludes projects and types of expenditures that are not eligible to receive federal aid.

- "Supplemental Discretionary Grants for a National Surface Transportation System" – Office of the Secretary of Transportation – To the extent that the state provides funding in this federal category, it is included in the "Highway Infrastructure Investment" category.
- "Supplemental Funding for Facilities and Equipment" – Federal Aviation Administration – To the extent that the state provides funding in this federal category, it is included in the "Grants-in-Aid for Airports" category.
- "Grants-in-Aid for Airports" – Federal Aviation Administration - \$7,752,500
- "Highway Infrastructure Investment" – Federal Highway Administration - \$1,162,990,000.
- "Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service" – Federal Railroad Administration – To the extent that the state provides funding in this federal category, it is included in the "Transit Capital Assistance" category.
- "Capital Grants to the National Railroad Passenger Corporation" – Federal Railroad Administration – \$0.
- "Transit Capital Assistance" – Federal Transit Administration - \$195,105,000
- "Fixed Guideway Infrastructure Investment" – Federal Transit Administration – To the extent that the state provides funding in this federal category, it is included in the "Transit Capital Assistance" category.
- "Capital Investment Grants" – Federal Transit Administration – To the extent that the state provides funding in this federal category, it is included in the "Transit Capital Assistance" category.
- "Supplemental Grants for Assistance to Small Shipyards" – Maritime Administration – \$0.