



STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR
P.O. BOX 001
TRENTON
08625
(609) 292-6000

CHRIS CHRISTIE
GOVERNOR

April 6, 2010

The Honorable Ray LaHood
Secretary
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary LaHood:

Thank you for your letter of March 26, 2010. I appreciate your efforts on our behalf to advance the Access to the Region's Core (ARC) project, which is critical for the transit riders of New Jersey and the region.

I want to restate my commitment of those funds controlled by the State of New Jersey, specifically funding from the New Jersey Turnpike Authority (NJTA), the Federal Highway Administration and the New Jersey Transportation Trust Fund (TTF). Also attached is a reconfirmation of the Port Authority of New York and New Jersey (PANYNJ) \$3 billion commitment to the project.

As you may know, the New Jersey Turnpike Authority Board authorized the use of \$1.25 billion of toll revenue for the ARC project in October of 2008. Subsequently, New Jersey Transit entered into an agreement with the NJTA to utilize these funds for the project in November of 2009.

New Jersey also reaffirms the allocation of Federal Highway Flex funding for the ARC project. While this funding is dependent on the reauthorization of SAFETEA-Lu, I am confident Congress will reauthorize the surface transportation program. At the local level, the North Jersey Transportation Planning Authority (NJTPA), the Metropolitan Planning Organization (MPO) of jurisdiction, acted to authorize the flex of these funds to the ARC project in May of 2007.

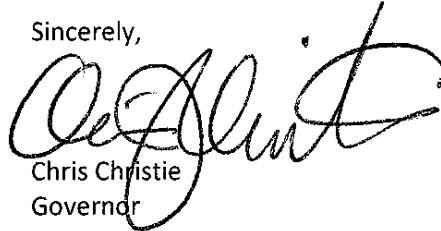
The TTF funding allocated to ARC is provided for cash flow purposes only, in order to lessen the demand for Federal New Starts funding in the early years of the project. Ultimately, TTF funds will be reimbursed once the requisite Federal funds become available. Importantly, all of the TTF funding for ARC is provided in FY11 and prior and has already been authorized.

Given time constraints of current contractor bids, I look forward to an expeditious award of the second Early Systems Work Agreement.

Regarding the Full Funding Grant Agreement, I am directing New Jersey Transit Executive Director Jim Weinstein to begin work with your Department to finalize the agreement as soon as possible. *Jim and his team are currently finalizing internal reviews and will shortly provide you with the Portal Bridge financial plan, as well as an up-to-date budget, schedule and cash flow for the ARC project and a revised 20-year financial plan for the entire agency. The Portal Bridge financial plan will make use of the TTF funding that is being provided to ARC for cash flow purposes (once it is reimbursed by the Federal Transit Administration), as well as other available sources. Furthermore, the 20-year financial plan for New Jersey Transit will demonstrate our ability to recapitalize the entire system.*

With respect to the reauthorization of the TTF as it relates to the recapitalization of the transit system, the State of New Jersey has a long history of reauthorizing the TTF on time and I will not let the TTF expire on my watch.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Christie". The signature is fluid and cursive, with a large initial "C" and "C".

Chris Christie
Governor

c: U.S. Senator Frank R. Lautenberg
U.S. Senator Robert Menendez