



U.S. House of Representatives
Committee on Transportation and Infrastructure

James L. Oberstar
Chairman

Washington, DC 20515

John L. Mica
Ranking Republican Member

March 4, 2009

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

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The Honorable Jim Dunnam
Chairman, Select Committee on Federal Economic Stabilization Funding
Texas House of Representatives
Room 4S.2, Capitol Building
Austin, TX 78701

Dear Chairman Dunnam:

I congratulate you on being appointed Chairman of the Select Committee on Federal Economic Stabilization Funding of the Texas House of Representatives. This Committee faces the important task of coordinating the dispersal of Federal funding under the American Recovery and Reinvestment Act (P.L. 111-5) ("Recovery Act"). I look forward to working with you on implementation of this critical legislation.

I understand that questions have recently been raised regarding whether the Texas Department of Transportation is in compliance with Federal law regarding implementation of the Recovery Act.¹ The Recovery Act specifically requires that, in selecting projects within the Federal Highway Administration, Highway Infrastructure Investment program to be carried out with funds apportioned under the Recovery Act, States give priority to projects that are located in economically distressed areas as defined by Section 301 of the Public Works and Economic Development Act of 1965, as amended.² Pursuant to the Public Works and Economic Development Act, an economically distressed area includes an area that has "a per capita income of 80 percent or less of the national average" or an unemployment rate "at least 1 percent greater than the national average".³ I have enclosed a list of Texas counties that the Economic Development Administration of the U.S. Department of Commerce considers economically distressed under this definition.⁴

To obligate Federal-aid Highway funds made available under the Recovery Act, the Federal Highway Administration must approve the specific projects recommended by the Texas Department of Transportation. The Federal Highway Administration is statutorily required to ensure that all requirements of the Recovery Act, including giving priority to economically distressed areas, are satisfied.

¹ April Castro, *Lawmaker Questions Compliance with Stimulus Law*, HOUS. CHRON., Mar. 2, 2009.

² American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Title XII (2009).

³ Public Works and Economic Development Act of 1965, 42 U.S.C. § 3161 (2006).

⁴ The Economic Development Administration of the U.S. Department of Commerce administers the Public Works and Economic Development Act of 1965.

The Honorable Jim Dunnam

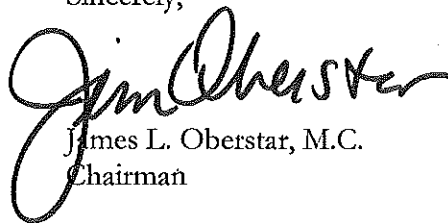
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I applaud your efforts to ensure that the Texas Department of Transportation works closely with the Federal Highway Administration and the Economic Development Administration to meet the requirements of the Recovery Act.

If you have any questions regarding this letter, please have your staff contact Joseph Wender, Counsel of the Committee on Transportation and Infrastructure, at (202) 225-4472 or Joseph.Wender@mail.house.gov.

Sincerely,

A handwritten signature in black ink that reads "Jim Oberstar". The signature is written in a cursive, flowing style.

James L. Oberstar, M.C.
Chairman

cc: The Honorable Solomon P. Ortiz, M.C.
The Honorable Eddie Bernice Johnson, M.C.
The Honorable Deirdre Delisi, Chair, Texas Transportation Commission
Mr. Amadeo Saenz, Executive Director, Texas Department of Transportation
Mr. Jeffrey F. Paniati, Acting Deputy Administrator and Executive Director, Federal Highway Administration
Ms. Sandi Walters, Chief Administrative Officer and Chief Financial Officer, Economic Development Administration

Enclosure: List of Texas counties considered economically distressed