



FOR IMMEDIATE RELEASE

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## TOLL 49 – SEGMENT 5 PROGRESS HALTED INDEFINITELY

Tyler, Texas – June 3, 2009 – The North East Texas Regional Mobility Authority (NET RMA) has learned that Toll 49 Segment 5, which was scheduled for construction letting this summer, has been halted indefinitely due to issues with Proposition 14 bonding. The Texas Transportation Commission (TTC) approved the issuance of up to \$1.5 billion in Proposition 14 bonds at its October 30, 2008 meeting, with \$20 million in funding designated for Toll 49 Segment 5 between FM 756 and SH 110.

Under Proposition 14, the TTC was authorized to issue bonds to accelerate projects by borrowing money up front and paying it back over time. On August 19, 2008 the TTC received a letter from Governor Rick Perry, Lieutenant Governor David Dewhurst, and former Speaker of the House Tom Craddick (see attachment) requesting that the TTC use any funds available under Proposition 14, and indicated that legislative leadership would end funding diversions by an amount sufficient to cover debt service payments on the bonds. However, neither the House nor Senate achieved that goal during this legislative session, so projects that are scheduled to be funded with Proposition 14 bonds will be halted.

NET RMA Chairman Jeff Austin, III said that the inability for the legislature to reach an agreement regarding Proposition 14 bonds is hurting economic development locally and statewide.

"I am very disappointed in the attitude and leadership of the legislature in not reaching a consensus to help solve these problems," Austin said. "We are experiencing a lot of finger pointing, when what we need are solutions. The citizens of Texas are getting tired of seeing projects stop and start over and over again."

Toll 49 Segment 5 is the only segment slated to be funded through Proposition 14 bonds; Segment 3A will receive funding through the Federal economic stimulus package, and the NET RMA is in planning to submit Segment 3B to the bond market.

### **About the NET RMA**

The NET RMA is an independent government agency created to accelerate the development of transportation projects in North East Texas. Our mission is to implement transportation solutions that will enhance the quality of life and the economic environment in our area. The NET RMA is governed by a 19-

member board of directors that represent each of the member counties: Bowie, Cass, Cherokee, Gregg, Harrison, Panola, Rusk, Smith, Titus, Upshur, Wood, and Van Zandt. Texas RMAs were made possible through an initiative passed by state legislature in 2001. The NET RMA was established in October 2004.

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DRAFT



STATE OF TEXAS

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RICK PERRY  
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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 11<sup>th</sup> 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 81<sup>st</sup> 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

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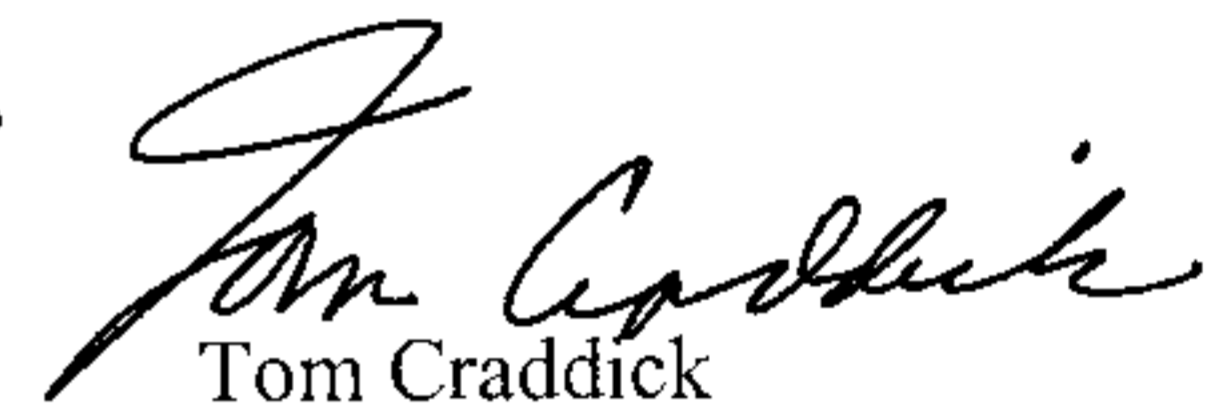
Additionally, we believe that immediate funds are needed and strongly urge you to take advantage of the Proposition 14 highway fund bonding authority approved by voters in 2003 and increased by the legislature in 2007. The immediate sale of up to \$1.5 billion in voter and statutorily authorized Proposition 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