



MARTIN O'MALLEY
GOVERNOR

STATE OF MARYLAND
OFFICE OF THE GOVERNOR

February 5, 2007

Senator Ulysses Currie, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
11 Bladen Street
Annapolis, Maryland 21401

Dear Chairman Currie:

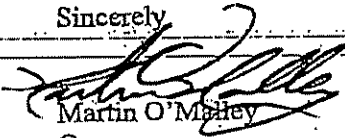
For more than 50 years, the Intercounty Connector (ICC) has been the subject of study and great debate. Today, as Maryland's economy continues to grow and we work to break the grasp of traffic congestion diminishing the effectiveness of our existing transportation network, let there be no doubt that construction of the ICC must be part of our overall transportation solution. The funding is in place and the regulatory agencies have approved our plans. And I am committed to building the ICC. It is time to move forward.

You will recall that the 2005 General Assembly passed legislation addressing the repayment of \$265 million that the prior administration transferred from the Transportation Trust Fund (TTF) to the General Fund. The legislation directed the repayment to be utilized specifically for the ICC, with installments to be paid back to the TTF through fiscal year (FY) 2010.

The State Highway Administration is responsible for the project's engineering and construction. The Administration regularly revises its cash flow needs for the project as the design progresses. Based on the latest cash flow analysis, Transportation Secretary John D. Porcari has informed me that the \$53 million repayment from the General Fund to the Transportation Trust Fund will not be required for the ICC in FY 2008. However, it will be required in FY 2009 and FY 2010. Given the Department of Transportation's long-standing practice of not allocating construction funding to a project until it is actually needed, our FY 2008 budget will retain the \$53 million in the General Fund.

Senate Bill 73 will authorize the deferral of the \$53 million payment to the Transportation Trust Fund in FY 2008, while retaining the mandate of repaying the entire \$265 million to the TTF by FY 2010. I believe this action is fiscally prudent and has no impact on the ICC construction timetable, the project's funding package or its standing with the Federal Highway Administration. I respectfully urge you and the members of the Senate Budget and Taxation Committee to vote favorable on Senate Bill 73.

Sincerely,



Martin O'Malley
Governor