



U. S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON DIVISION
SUITE 501, EVERGREEN PLAZA
711 SOUTH CAPITOL WAY, SUITE 501
OLYMPIA, WA 98501

FEDERAL HIGHWAY ADMINISTRATION
OREGON DIVISION
530 CENTER STREET NE, SUITE 420
SALEM, OR 97301

April 19, 2013

HDA-WA/CRC

Ms. Lynn Peterson, Secretary
Washington State Department of Transportation
310 Maple Park Ave SE, Room 1d7
Olympia, WA 98501

Mr. Matthew Garrett, Director
Oregon Department of Transportation
355 Capitol Street NE, MS 11
Salem, OR 97301-3871

**I-5 Columbia River Crossing Project –
PE Cost Reimbursement 10-year Rule**

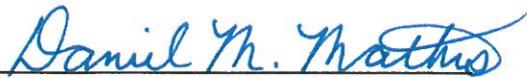
Dear Ms. Peterson and Mr. Garrett:

As we continue to follow the discussions around the I-5 Columbia River Crossing (CRC) project, we believe it's appropriate to remind you of the longstanding 10-year rule for expenditure of federal-aid funds and the possible need to repay those funds. Federal regulations call for the repayment of funds on any project that has expended federal-aid on preliminary engineering (PE) without going on to right-of-way purchase or construction within 10 years. 23 Code of Federal Regulations states:

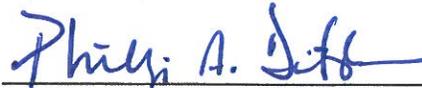
630.112(c)(2) Preliminary engineering project. In the event that right-of-way acquisition for, or actual construction of, the road for which this preliminary engineering is undertaken is not started by the close of the tenth fiscal year following the fiscal year in which the project is authorized, the STD will repay to the FHWA the sum or sums of Federal funds paid to the transportation department under the terms of the agreement. The State may request a time extension for any preliminary engineering project beyond the 10-year limit with no repayment of Federal funds, and the FHWA may approve this request if it is considered reasonable.

We note the first obligation of federal-aid funds on the CRC project for PE occurred on April 22, 2004. Our records indicate that \$187.5 million in federal-aid funds have been obligated by both states (\$108.5 million in Oregon and \$79.0 million in Washington) to date, of which over \$113 million has been expended. It is these funds which may be subject to repayment should the CRC project, as represented in the December 2011 Record of Decision, fail to materialize.

Should you have questions or wish to discuss in greater detail please feel free to contact either one of us.



Daniel M. Mathis, P.E.
Washington Division Administrator
Federal Highway Administration



Phillip Ditzler
Oregon Division Administrator
Federal Highway Administration