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December 4, 2012

The Honorable Benigno R. Fitial  
Governor  
Commonwealth of the Northern Mariana Islands  
Caller Box 10007  
Saipan, MP 96950

Dear Governor Fitial:

In order to set the record straight and in the interest of public transparency I consulted again with Federal Highway Administration (FHWA) to verify that the Commonwealth of the Northern Mariana Islands currently has \$28.7 million in federal highway funds available for expenditure. This question is important to answer because expenditure of such a significant amount of money could provide a much-needed boost to the Commonwealth's economy, creating jobs for our local workers and demand for goods and services from our local businesses. In addition, the resulting improvements would make our highways safer and more comfortable for residents and tourists alike.

In response to my request for more detail regarding the available funds, the Federal Highway Administration provided the attached spreadsheet. It contains data on 35 outstanding Territorial Highway Program awards in the Northern Marianas, detailing the amount of federal funds available, the amount remaining to be expended, and the date the funds were authorized. The data is current as of November 29, 2012.

Of the \$28.7 million that FHWA identifies as available for expenditure, \$4.1 million is for projects on Rota, \$1.2 million is for projects on Tinian, \$21.4 million is for Saipan projects, and \$2.1 million is for projects having Commonwealth-wide application.

In addition to these Federal Highway Program funds, FHWA also reported on the \$13.5 million earmarked for the East Coast Highway/Route 36 in Saipan in 2005. \$12.8 million of this one-time grant remains to be expended.

In all, therefore, federal highway construction funds now available for expenditure by the Commonwealth total \$41.5 million.

Beyond the significance of the amount, there is also concern about the length of time this money has been available to the Commonwealth. Funds listed in the FHWA spreadsheet were authorized as early as 2002. A November 26 press release from your office represents that \$11.9 million of the unexpended funds have only recently been received and could not possibly have been spent "within a two-month window." Yet, according to the FHWA, \$5.3 million of

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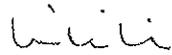
this amount was actually fiscal year 2011 funding that the Commonwealth had failed to obligate and which was therefore carried over and redistributed in January and July of 2012. So, there was clearly more time to expend these funds than the press release from your office suggests. Even putting aside the balance of \$6.5 million in new money, the Commonwealth has \$35 million to expend.

All of this data provided by the FHWA is the basis for Transportation Secretary Ray LaHood's recent letter to me, stating that the Commonwealth had expended only 23 percent of its available Territorial Highway Program funds. As you can appreciate, this low rate of expenditure by the Commonwealth undercuts my efforts to convince the Secretary to revise the current allocation of Program funds among the territories and, thus, increase the annual highway grant to the Northern Marianas. You should also know that the Republican leadership of the House of Representatives ended earmarking of highways funds and other appropriations beginning in January of 2010. So the alternative of congressionally directed funding, or earmarking, suggested in your press release is likely to remain closed to us until there is a change in the House leadership.

I hope you find this information helpful and that you will be encouraged to step up the pace of expenditure of the millions of dollars of federal highway funds at your disposal. If spent, much of this money would go directly into our local economy in the form of wages to workers and revenues to local businesses on Rota, Tinian, and Saipan.

Please let me know if you have any question about the information the Federal Highway Administration has provided.

Sincerely,



GREGORIO KILILI CAMACHO SABLAN  
Member of Congress

enc: as noted

cc: Lt. Governor Eloy S. Inos  
Senate President Paul A. Manglona  
Speaker of the House Eli Cabrera  
Members of the Northern Mariana Islands Legislature  
Mayors Rota, Tinian, Saipan, Northern Islands