March 4, 1999

Mr. William O. Todd
Right of Way Officer
Federal Highway Administration
980 9th Street, Suite 400
Sacramento, CA 95814-2724

Dear Mr. Todd:

Public Law 105-178, the Transportation Equity Act for the 21st Century, Section 1303, provides that "the Federal Share of the net income from the revenues obtained by the State under subsection (a) shall be used by the State for projects eligible under this title". Caltrans desires to use the Federal share of the revenues on Title 23 projects and provides the following information:

1. The State Transportation Fund is a Special Revenue Fund used primarily for Title 23 Projects.
2. All the Federal share of revenue from sales and leases is deposited in this fund.
3. The amount expended by Caltrans for Title 23 projects exceeds $2.5 billion annually.
4. The Federal share of the revenue from sales and leases is approximately $6.6 million annually.

Therefore, since the amount of the revenue is substantially less than the amount of expenditures, Caltrans has met the intent of Public Law 105-178 and therefore will not be required to track and report the expenditures from these revenues by project.

If you have any questions regarding this matter, please call Andy Rosehill at (916) 227-9859.

Sincerely,

Mara H. Cornelius
Chief
Office of Accounts Receivable
And Program Accounting
I CONCUR:

William O. Todd
Right of Way Officer
Federal Highway Administration

DATE: 3/8/99

C: ARosehill, ASC
JPeterson, ASC
AJDodd, ASC
DShields, RWay
DTeese, FHWA