



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 25, 2007

The Honorable Pete Hoekstra
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Hoekstra:

In response to your letter yesterday regarding the state budget and an environmental mitigation project on U.S. 31, it is unfortunate that your offer to improve federal funding flexibility is accompanied by so many factual errors and rhetorical distortions. I speak for many in the state Capital in rejecting your offer to convene a state budget working group, and instead urge you to focus on the vast amount of unfinished federal business, including your rejection of common-sense, bipartisan children's health care legislation. You will have a chance to change your mind with another vote today; I hope you will do the right thing for our kids and our state.

On the U.S. 31 project, the Michigan Department of Transportation responded in writing to your concerns June 1, 2005, by pointing out that federal transportation law requires states to expend a portion of their federal highway funds on non-construction purposes and expressly allows environmental mitigation to reduce wildlife mortality. At the time, you were in the congressional majority and a key participant debating final decisions on this federal transportation law, which was completed eight weeks later. You could have used your position to change the law to disallow wildlife protection. Did you attempt to change the law, and if so, why were you not successful?

Further, you state in your letter and have repeated a few times to the media over the past week that I never asked for more flexibility on highway spending. In fact, I believe you were present at the May 2003 hearing of the House Transportation and Infrastructure Committee when I came to Washington and testified on the federal transportation bill and specifically asked for more state flexibility under federal highway laws. In fact, MDOT thanked you and other members of the delegation after the transportation law was approved two years ago, in part for added flexibility in the new transportation law.

The Honorable Pete Hoekstra

10/25/2007

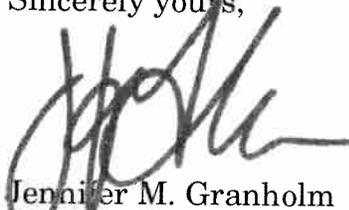
Page 2

Finally, you have attacked "Lansing officials and bureaucrats" for a lack of creativity in implementing our transportation programs. Again, you are dead wrong. In fact, in March 2006, I notified you that my Administration would advance more than \$300 million in new federal transportation funds to build ready-to-go, local transportation projects through our innovative *Local Jobs Today* program. As a result, a total of \$495 million is being invested in local projects that are creating more than 8,000 jobs, many in communities you represent. Also, while your recent statements are correct about federal money being critical to Michigan's road building efforts, you apparently have forgotten the majority of state transportation spending comes from state and local sources.

Your recent assertions on kids' health care uses the same sort of tortured facts you apply to transportation funding. The SCHIP bill you rejected would have allowed Michigan to insure up to 80,000 more Michigan children using private health plans. And while you claim that Michigan children are not getting covered, the truth is that, thanks to SCHIP, Michigan has one of the lowest rates of uninsured children in the country, at about half the national rate.

Your elected leaders in Lansing have not had the luxury you have had of repeatedly rubberstamping unbalanced federal budgets. In fact, the federal budgets of the past several years have grown at an average annual rate of more than seven percent since 2002, while Michigan's general fund spending was lower in 2007 than it was in 2002. With all due respect, I do not believe your state budget advice would advance our state's budget or economic climates.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Granholm", written over a circular stamp or seal.

Jennifer M. Granholm
Governor