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FHWA to Announce Implications of Highway Trust Fund Shortfall This Week

At a meeting of the AASHTO-AGC-ARTBA Joint Committee earlier this week Federal Highway Administration (FHWA) participants indicated that an announcement on the status of Highway Trust Fund reimbursements to states will be made as early as this week. Indications are that the increased drop in revenue into the HTF that has resulted from the decline in travel over the past year due to high gas prices are creating an immediate cash flow crunch. FHWA may be forced to slow down its payments to states as early as September or October. State DOT participants indicated that a slow down in Federal payments to states would most likely result in a delay or cut off of payments to contractors for ongoing contracts. The AGC contractors who participated pointed out that this action is very likely to result in worker layoffs and could lead to termination of contracts. FHWA responded that it is examining the current situation and would alert states to the actions it will be forced to take.

The Joint Committee discussed the need to urge Congress to move expeditiously to provide the HTF with additional revenue to prevent the funding shortfall. The following resolution was adopted which will be communicated expeditiously to Congress and the President.

AASHTO-AGC-ARTBA Joint Resolution

Whereas, the insolvency of the Highway Trust Fund is imminent;

Whereas, the impact to the Nation's economy will be harsh and immediate:

- Construction and engineering businesses will struggle to remain solvent.
- Layoffs in the construction, supplier and related industries are occurring and will increase; up to 379,000 jobs are at risk.
- Infrastructure projects which serve as an economic stimulus will be delayed or canceled.
- Roads and bridges that desperately need repair or reconstruction will not be addressed.
- Project delays and cancellations will result in added infrastructure costs to the taxpayers.
- Some State DOTs may not be able to make payments on contracts if USDOT is forced to delay reimbursements.
- Some states may not be able to make payments on debt service obligations if USDOT

is forced to delay reimbursements thereby jeopardizing State bond ratings.

Whereas, Congress only has 20 legislative days until it adjourns at the end of September, 2008, and is not scheduled to return until late January, 2009;

Whereas, the U.S. House of Representatives has passed legislation restoring \$8 billion to the Highway Trust Fund which addresses the immediate insolvency issue;

Now therefore, be it resolved, that AASHTO, AGC and ARTBA call upon the Congress to immediately enact and the President to sign legislation to restore \$8 billion to the Highway Trust Fund.

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