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DOT REVERSAL ON HIGHWAY TRUST FUND FIX IS WELCOME NEWS
Prompt Congressional Action Needed to Avert Construction Stoppages, Layoffs

Washington, D.C. — The Associated General Contractors of America (AGC) today applauded Secretary of Transportation Mary Peters' reversal of policy to support an immediate fix of the Highway Trust Fund (HTF). The HTF, which funds highway and bridge construction projects and is funded by the 18.3 cents federal gas tax, is projected to run out of money by the end of the month. The funding shortfall is primarily due to continuing reductions in vehicle miles traveled by the nation's drivers who are reacting to high gas prices.

“Unless Congress acts quickly to fix this shortfall, highway contractors will be forced to lay off workers at the peak of the construction season,” noted Stephen E. Sandherr, chief executive officer of AGC. “Significant layoffs in the construction industry coupled with today's disappointing unemployment numbers should be of grave concern to anyone running for President or Congress this year,” Sandherr added.

AGC has been calling on Congress and the Administration to work together to guard against insolvency since its financial instability became apparent in the President's 2007 budget proposal, submitted to Congress in February 2006. Prior to today's announcement, the Department of Transportation had rejected Congressional plans to make the HTF solvent.

The U.S. House of Representatives overwhelmingly passed H.R. 6532 in July, which would replenish the HTF's balance and prevent insolvency. AGC urges the Senate to heed the Department's call to enact this legislation by the end of next week and send it to the President's desk.

The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 33,000 firms, including 7,500 of America's leading general contractors, and over 12,500 specialty-contracting firms. More than 13,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. Visit the AGC Web site at www.agc.org.

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