



**Contact: Cary Hegreberg, MCA**  
**406-442-4162**

September 15, 2008

## **Congress responds to Highway Trust Fund crisis**

The Montana Contractors' Association applauds the U.S. House of Representatives and U.S. Senate for swift passage of HR 6532, legislation that will transfer \$8 billion from the general fund of the Treasury to the Highway Trust Fund (HTF). Passage in the House follows approval of the same bill last Wednesday by the U.S. Senate. House and Senate leaders addressed the shortfall in a bipartisan fashion. The bill will prevent a shortfall in federal funds available to reimburse states for work undertaken on federal aid highways around the country. The delay in repaying the states would have jeopardized future state highway projects and slowed down the work on on-going federal-aid highway construction projects.

“This is critical legislation to keep our highways updated and safe for motorists,” said MCA’s Executive Director Cary Hegreberg. “If full federal funding had not been approved, the Montana Department of Transportation would not have been able to award vital construction contracts this fall and winter, which would have been disastrous to employment and would have delayed or halted much-needed highway improvement projects.”

Hegreberg praised Senator Max Baucus who worked tirelessly to prevent the Highway Trust Fund from going bankrupt. “Senator Baucus understood the brevity of this issue and pushed hard to make sure the HTF kept solvent,” he said, adding that the money transferred from the general fund was actually monies that had been taken out of the HTF years ago.

The legislation will now move to the President's desk for signature. Once the bill is signed, the Federal Highway Administration will resume its long-standing procedure of reimbursing states on a daily basis for the full amount submitted.

Hegreberg points out the next step will be to focus on Congress to ensure a strong, well-funded program in the future. "A state like Montana depends on federal highway dollars for its infrastructure. We will work hard with the Associated General Contractors of America – AGC – to keep Montana's road in great shape and our highway contractors busy."

The Highway Trust Fund, which funds highway and bridge construction projects and is funded by the 18.3 cents federal gas tax, was 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. Numerous state departments of transportation announced that if the full federal funds were not forthcoming they would be forced to cancel contract lettings, slow down work on on-going projects and, in some cases, be forced to issue debt to make payments to contractors for work that is already under way.

*MCA is a Helena-based trade association representing commercial and industrial construction firms across Montana, and is a chapter of the Associated General Contractors of America.*