



INFORMATION RELEASE

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UNCERTAINTY IN FEDERAL FUNDING CAUSES AHTD TO WITHDRAW JOBS FROM JANUARY BID OPENING

LITTLE ROCK (12-23) – The Arkansas State Highway and Transportation Department (AHTD) has withdrawn three construction projects from the planned list of projects scheduled for consideration in its January 27, 2015 bid opening as a result of the uncertainty of Federal-aid reimbursements available from the Federal Highway Trust Fund.

The United States Department of Transportation has projected that the Federal Highway Trust Fund will run short of funds as early as July of next year without Congressional action. Because of this uncertainty, the AHTD has evaluated State and Federal funding that will be available and reduced the number of construction projects planned because of the possible inability of the Federal Highway Trust Fund to provide timely and full reimbursements to Arkansas.

The three Federal-aid projects that have been pulled from the Department's January bid letting total slightly more than \$30 million and include:

County	Roadway	Project Description
Lee and Phillips	Highway 1	Major widening
Crawford	Highway 220	Paving a gravel highway
Franklin	County Road 72	Cedar Creek bridge replacement

AHTD Director Scott Bennett explained the situation. "All our bills are paid with State funds, then we seek reimbursement from the Federal Highway Trust Fund for the Federal portion of those payments. So we are constantly monitoring our projections and cash flow of State funds. If our Federal reimbursements are reduced or delayed, we must account for that on the front end to ensure we have adequate State funds to fulfill all our commitments.

"Based on our current projections, if we execute all contracts that are scheduled for the January letting, the Department may not have adequate State funds available to pay our bills during the period of reduced or delayed Federal reimbursements next summer," Bennett stated.

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An evaluation of scheduled Federally-funded projects will occur prior to each Department letting until Congress acts to correct the funding shortfall. Additional scheduled letting dates in 2015, after January, are March 10th, April 21st, June 9th, July 21st, September 1st, October 13th, and December 1st. The Department delayed 15 projects with an estimated cost of nearly \$70 million in 2014 because of the same Highway Trust Fund issue.

“Same song, second verse,” Bennett noted, referring to this round of cutbacks. “The Federal government is putting the States in a real bind regarding the implementation of much-needed highway projects. We are hoping that a long-term revenue solution for the Federal Highway Trust Fund can be found so we in Arkansas and across the country can continue to award planned construction projects and adequately invest in our nation’s infrastructure,” Bennett added.

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