



INFORMATION RELEASE

Office of the Director

ARKANSAS STATE HIGHWAY AND
P. O. Box 2261 – Little Rock, Arkansas
Telephone (501) 569-2227

TRANSPORTATION DEPARTMENT
ArkansasHighways.com
Twitter: @AHTD

Contact:
Danny Straessle

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Federal Transportation Funding for Arkansas to Cease at End of Month

FHWA Outlines Immediate Consequences of Congressional Inaction

LITTLE ROCK (5-12) – The Arkansas State Highway and Transportation Department (AHTD) received word Monday that Federal transportation funds for projects in the State will discontinue after May 31st, according to Agency officials.

In the attached letter addressed to AHTD Director Scott Bennett, and through similar letters to departments of transportation across the Country, U.S. Secretary of Transportation Anthony Foxx outlined how the Federal Highway Administration (FHWA) will be unable to make new obligations of Federal-aid funds to the States. Additionally, Secretary Foxx stated that Federal-aid reimbursements on all projects – including those under construction – will be halted completely, not delayed.

“We knew this would happen if Congress did not take appropriate action in time,” said AHTD Director Scott Bennett. “Although we have been preparing for reductions or delays in Federal-aid reimbursements, we now have to consider the impacts of a complete FHWA shut-down.”

Since December 2014, AHTD has evaluated its scheduled Federal-aid projects prior to each bid opening to ensure sufficient State funds are available to fulfill commitments during anticipated reductions or delays in Federal reimbursements. To date, AHTD has withdrawn 70 projects worth an estimated \$282 million construction dollars from the 2015 bid opening schedule.

“This places all of our Federal-aid projects – including those currently under construction – at risk,” added Bennett. “Congress must act now or work in many construction zones across the Country will come to a complete stop.”



THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

May 11, 2015

Mr. Scott E. Bennett
Director
Arkansas State Highway
and Transportation Department
P.O. Box 2261
Little Rock, AR 72203

Dear Director Bennett:

As you know, the most recent Congressional extension of the current surface transportation authorization, Moving Ahead for Progress in the 21st Century, is set to expire on May 31, 2015, less than three weeks from now.

Unless Congress acts prior to this date, the Federal Highway Administration (FHWA) will be unable to make new obligations of Federal-aid funds for your department's highway projects. Furthermore, unlike last summer's cash shortfall when States faced the prospect of delayed payments, under a lapse in authorization, reimbursements on all projects will be halted completely, not simply delayed.

More specifically, as you may recall from the two-day surface authorization lapse that occurred in March 2010, while revenue will still be deposited in the Highway Trust Fund, FHWA will not have the authority to provide States with any additional contract authority for new projects. Furthermore, FHWA will be forced to furlough non-essential employees and will therefore be unable to process obligations or reimbursement requests, or provide technical support to projects. For all intents and purposes, Federal support for highway infrastructure programs will stop.

In an effort to provide long-term stability, the Administration's GROW AMERICA proposal and Fiscal Year 2016 budget request call on Congress to enact a six-year, \$478 billion surface transportation reauthorization proposal in an effort to move away from the uncertainty caused by short-term extensions that undermine State transportation programs. Not only does this proposal provide States with extended funding certainty, it also increases overall transportation investment by 45 percent, providing funding growth and smart policy reforms to strengthen the American economy.

Please do not hesitate to contact me if I can provide additional information on this matter.

Sincerely,

A handwritten signature in blue ink, which appears to read "Anthony R. Foxx".

Anthony R. Foxx