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John Bel Edwards, Governor
Shawn D. Wilson, Ph.D., Secretary

April 22, 2020

The Honorable John Kennedy
United States Senate
416 Russell Senate Office Building
Washington, D.C. 20515

Dear Senator Kennedy:

I am writing to follow up on the request made by the American Association of State Highway and Transportation Officials (AASHTO) on April 6, 2020, to provide \$49.95 billion as an immediate revenue backstop for state DOTs in Phase 4 of COVID-19 response. This request is comprised of \$16.7 billion for the remainder of Federal Fiscal Year (FFY) 2020 based on an estimated 30% state revenue shortfall prorated over six months and \$33.3 billion for all of FFY 2021 based on an estimated 30% state revenue shortfall for a full year. Favorable Congressional action will prevent major disruptions in our ability to operate and maintain our nation's transportation systems during this unprecedented emergency, as well as prevent cancellations and delays of projects, which could otherwise result in abundant job losses in Louisiana.

Preliminary projections from AASHTO, and concurred with by LA DOTD, shows an estimated 30% decline on average for the next 18 months. Most recent national data shows that personal travel dropped 47% nationally through the week ending April 3, 2020, and may worsen in the coming weeks, and there is no justification to think Louisiana's experiences will be any different. Given the urgent nature of states' needs in the coming weeks and months, we request these backstop funds be essentially treated as state revenues that would otherwise have been collected for a wide range of state DOT activities without the COVID-19 pandemic.

Specifically, to Louisiana, a 30% decline in excise tax revenues results in a \$249 million State Transportation Trust Fund (TTF) shortfall for the remainder of this fiscal year and the next. Louisiana is realizing the 30% decline in traffic throughout the State and is starting to see a decline in truck weight permits. Revenue collection data from the Louisiana Department of Revenue will not be available until May 2020 before actual reduction impacts can start to be determined, but I remain confident the impact will be significant.

This federal assistance is urgently needed in order able to continue to perform critical functions in transportation and infrastructure in Louisiana, such as preconstruction and construction activities, purchasing right-of way and relocating utilities, pavement and bridge routine maintenance, maintenance of guardrails and cable barriers and culvert and draining system maintenance. During this time, the Engineering and Operations Divisions of DOTD have continued to move projects forward with no delay. These critical functions affect both DOTD staff and private sector companies – suppliers, preconstruction contractors, construction contractors, maintenance contractors, and operations contractors. If not properly funded, these functions also affect the delivery of capital projects resulting in delays and even cancellations.

Over the next 15 months, an estimated \$249 million shortfall in the TTF could jeopardize a substantial portion of our Federal share, resulting in a major disruption in our available funds.

Recognizing that significant amount of work that needs to be done, the DOTD currently has 236 Highway and Bridge projects programmed for letting between April 2020 and the end of June 2021. This reduction could jeopardize many projects, including, but not limited to:

- 1) Nelson Road Extension and Bridge in Calcasieu Parish
- 2) Bridge rehab and additional onramp at Earhart Expressway in Jefferson Parish
- 3) Rehabilitation and overlay including ADA compliant curbs on MLK Blvd in Orleans Parish
- 4) Intersection improvements on US 190 at LA 22 in St. Tammany Parish
- 5) Additional turning lanes on LA 93 and I-10 ramp in Lafayette Parish
- 6) Pavement resurfacing on LA 5 between LA3015 and LA 172 in Desoto Parish
- 7) Pavement preservation on LA 70 in Ascension Parish

One potential option for future appropriations and emergency action could be the elimination of state matching requirements for the regular federal highway and transit appropriations this federal fiscal year and next. In addition, a federal stimulus package that does not require state matching funds is needed, or possibly allowing 100% of obligation authority of current apportionment balances without any matching funds. Whatever path the United States Congress decides to take, this crucial action is desperately needed to prevent major disruptions in our ability to operation and maintain our transportation system during this unprecedented emergency, as well as prevent cancellations and delays of projects that are critical to our transportation and infrastructure system. LA DOTD agrees with the AASHTO request and the \$500 billion request by the National Governor's Association for additional funding assistance to states.

Thank you for your bold leadership during this unprecedented crisis and for your consideration of our request for the next COVID-19-related legislation. I appreciate your partnership with DOTD and I look forward to continuing to work together to deliver a safe and reliable transportation and infrastructure system for the people of Louisiana.

Sincerely,



Shawn D. Wilson, Ph.D.
Secretary

SDW/jm

c: Governor John Bel Edwards