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For Immediate Release

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Johnstown, PA - Congressman John Murtha announced today that a stalled Fayette County sewerage project can begin construction with the approval of more than \$1.6 million in additional funding provided by USDA Rural Development.

The funding - a \$1,515,600 million grant and a \$128,800 loan - will cover cost overruns in a Yough Sanitary Authority project that will serve Vanderbilt and Dawson boroughs and parts of Franklin, Dunbar and Lower Tyrone townships. The increased costs, caused by skyrocketing prices for fuel and materials after Hurricane Katrina, increased the tab for the project to \$11 million from \$7.8 million.

"Like so many of our other sewerage and water projects, bids came in substantially higher than expected, which delayed work that is so important to residents' health, to potential job creation, and to housing and community development," Murtha said. "I'm delighted that the USDA was able to come up with the funding, especially since 85 percent of it is in the form of a grant, which relieves some of the authority's potential financial obligation and helps keep rates reasonable for users."

The remainder of the overruns will be covered by a PennVEST loan of \$928,000 and a grant of \$624,000, announced in February.

"Part of the reason we've been so successful with these projects in Southwestern Pennsylvania is because USDA and PennVEST cooperate so well in this part of the state," Murtha said. "It's a great example of the progress that can be made when state and federal agencies work together."

The new USDA funding is in addition to a \$4.2 million grant and a \$3.2 million loan, both from USDA, that Murtha announced in September 2003.