



THE SECRETARY OF TRANSPORTATION

WASHINGTON, DC 20590

May 7, 2014

Director John Cooper
Alabama Department of Transportation
P.O. Box 303050
Montgomery, AL 36130

Dear Director Cooper:

The approaching Highway Trust Fund shortfall matter is of great concern to all of us who are engaged in the work of building our Nation's infrastructure, particularly because the Highway Trust Fund supplies a significant portion of the funds that each State depends upon for critical infrastructure repairs and new construction. Given its imperiled status, I am writing to give you a brief status report.

When Congress adopted the Moving Ahead for Progress in the 21st Century Act (MAP-21) in the summer of 2012, it was expected that sufficient funds would be deposited in the Highway Trust Fund to support our Nation's transportation investments through the end of the current fiscal year in September. It now appears that the fund may face insolvency as soon as August. The reason is simple—not enough revenue is coming into the fund to support the ongoing work necessary to maintain our roads, bridges, highways, and transit system.

Since January, we have published a "Highway Trust Fund Ticker" to show our latest projections on the looming insolvency. The enclosed chart, which also can be found on our website at <http://www.dot.gov/highway-trust-fund-ticker>, shows the current status of the Highway Trust Fund and the funding trajectory for the coming months.

As you can see from the chart, the highway account of the trust fund is likely to dip below the critical \$4 billion funding level as soon as July, and the transit account will fall below \$1 billion sometime in October. Going forward, I will be sharing revisions to this chart with you on a monthly basis and updating the website as new information becomes available.

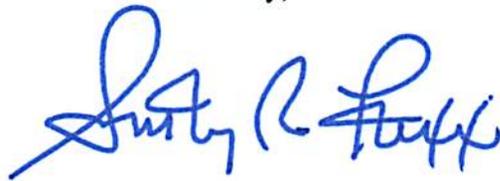
I know first-hand the difficulties that each of you face in trying to plan construction work, significant infrastructure projects, and even state of good repair work, without a clear sense of how—or even whether—that work will be funded.

As Secretary, it also is my responsibility to let you know of the measures that the U.S. Department of Transportation will be required to take in the coming months if Congress does not take action to replenish the Highway Trust Fund. While we will take every step possible to continue to fully reimburse your State for as long as possible, these measures will effectively require us to delay reimbursements that are owed to your agency and the transit agencies in your State. In the coming months, I will continue to keep you apprised of our specific cash management plans and when they are likely to go into effect.

As you may know, many members of the Administration have been sounding the alarm on this concern for several months. President Obama spoke publicly about this threat as recently as last month and called upon Congress to significantly increase investments in transportation so that you and your agencies can continue to address the many road, rail and transit needs in your State. We plan to take an active role in helping Congress commit to a longer term agreement on surface transportation funding on a bipartisan basis.

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

Sincerely,

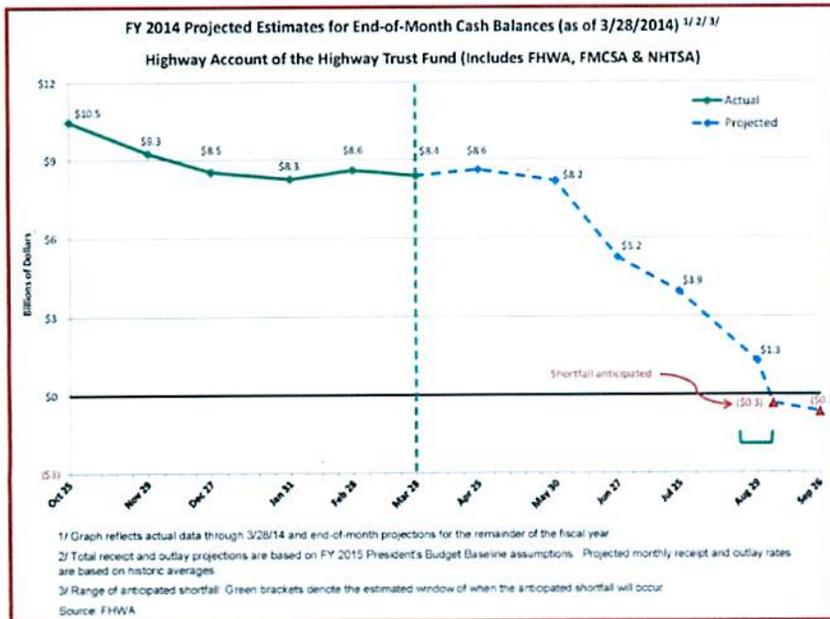
A handwritten signature in blue ink, appearing to read "Anthony R. Foxx". The signature is fluid and cursive, with the first name "Anthony" being the most prominent.

Anthony R. Foxx

Enclosures

Highway Trust Fund Ticker

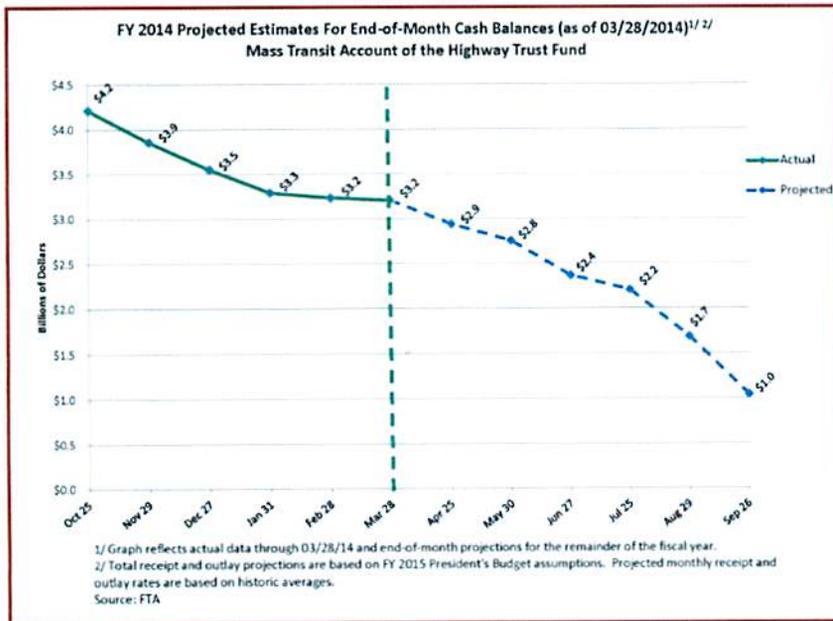
Highway Account



Based on current spending and revenue trends, the U.S. Department of Transportation estimates that the Highway Account of the Highway Trust Fund will encounter a shortfall before the end of fiscal year (FY) 2014.

- The Highway Account began FY 2014 with approximately \$1.6 billion in cash.
- A \$9.7 billion transfer from the General Fund to the Highway Account was processed shortly after the start of the fiscal year (\$10.4 billion authorized in MAP-21, reduced by sequestration).
- The surface transportation program continues to outlay at a greater pace than receipts are coming in. As a result, the cash balance has dropped by nearly \$3.5 billion since the General Fund transfer occurred. As of March 28, 2014, the Highway Account cash balance was \$8.4 billion.
 - Updated: Tuesday, April 15, 2014

Mass Transit Account



Based on current spending and revenue trends, the U.S. Department of Transportation estimates that the Mass Transit Account of the Highway Trust Fund will have a balance of approximately \$1 billion at the end of FY 2014.

- The Mass Transit Account began FY 2014 with approximately \$2.5 billion in cash.
- A \$2 billion transfer from the General Fund to the Mass Transit Account was processed shortly after the start of the fiscal year (\$2.2 billion authorized in MAP-21, reduced by sequestration).
- As of March 28, 2014, the Mass Transit Account cash balance was \$3.2 billion.

Updated: Tuesday, April 15, 2014