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## Highway Trust Fund Labeled "Unsustainable" by Fitch

## AASHTO Journal

A new report released this week by the Fitch Ratings service describes the federal Highway Trust Fund as "unsustainable."

The Fitch report claims significant changes are needed either in expenditures or revenues to put the HTF "on a sustainable trajectory," according to a news release.

"The severity of the HTF imbalance is highlighted by the U.S. Department of Transportation's recent projections that the Highway Account of the HTF will run out of money as soon as this summer," said Scott Zuchorski, Senior Director in Fitch's Global Infrastructure and Project Finance Group, in a statement.

Of particular concern are Grant Anticipation Revenue Vehicles (known as GARVEE bonds), where states can leverage their future Federal-aid highway apportionments to repay the bonds. However, Fitch reports that the bonds have largely remained investment grade.

According to the Fitch report, ongoing discussions with state department of transportation officials "indicate that the flexibility states retain from their locally generated taxes and fees will most likely be used to cover liquidity issues with respect to GARVEE payments as a result of a disruption in federal funding."

For more information, visit [FitchRatings.com](http://FitchRatings.com).

Questions regarding this article may be directed to [editor@ashtojournal.org](mailto:editor@ashtojournal.org).

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