

## Commonwealth Transportation Fund Bond Program

\$2.0bn outstanding (as of 04/30/2016)

### Overview:

- Issued Pursuant to [Ch 233 of the Acts of 2008](#) and [Section 20 of Chapter 29 of the Massachusetts General Laws](#)
- Secured by the certain pledged revenues of the Commonwealth Transportation Fund, including a pledge of a portion of the Commonwealth's 24-cent motor fuels taxes and Registry of Motor Vehicle fees and surcharges
- Issued to finance approximately \$2bn of the \$3bn [Accelerated Bridge Program](#) and MBTA and rail improvement projects under the [Rail Enhancement Program](#)
- Sold as consolidated loans, with allocation of bond proceeds to capital spending done in arrears
- Bonds rated 'AAA/Aaa' by S&P and Moody's, respectively

### Composition:

- \$1.2bn in annual pledged funds
- 4.0x Additional Bonds Test
- 13.5x MADS coverage in FY 16
- Projected MADS coverage of no less than 6.0x through FY48
- Rate Covenants
  - Constitutional and statutory requirement that all pledged revenue must be used for transportation purposes only
  - No pledged funds may be applied for any other use until an appropriation has been made that is sufficient to pay principal and interest
  - Trust agreement prohibits a decrease in RMV fees and motor fuels taxes unless pledged revenues exceed 4.0x MADS

