

January 5, 2017

Judith S. Kaleta  
Designated Agency Ethics Official  
U.S. Department of Transportation  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Kaleta:

I am committed to the highest standards of ethical conduct for government officials. The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of the U.S. Department of Transportation.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am the sole proprietor of Firebird International, LLC, a pass-through entity established to receive my fees from speaking engagements and compensation from directorships. During my appointment to the position of Secretary, this entity will remain dormant and will not advertise. I will not perform any services for this entity, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the entity while it is in an inactive status. As Secretary, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Firebird International, LLC.

Upon confirmation, I will resign from my position with the Hudson Institute. For a period of one year after my resignation from this entity, I will not participate personally and substantially in any particular matter involving specific parties in which I know this entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position with Ford's Theatre. For a period of one year after my resignation from this entity, I will not participate personally and substantially in any particular matter involving specific parties in which I know this entity is a party or

represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I resigned from my position with The Heritage Foundation on June 13, 2016. For a period of one year after my resignation from this entity, I will also not participate personally and substantially in any particular matter involving specific parties in which I know this entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position with News Corporation. I hold unvested deferred stock units with News Corporation. I do not hold any vested deferred stock units, stock options, restricted stock or common stock. Pursuant to the terms of the company's Directors' Deferred Stock Unit Plan, my unvested deferred stock units will vest upon separation from service on the Board, and I will receive a cash payout based on the closing price of the company's Class A common stock on the date of termination. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know News Corporation is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position with Ingersoll Rand. I hold vested and unvested retainer stock units with Ingersoll Rand. I do not hold any stock options, restricted stock or common stock. Pursuant to the terms of the company's Directors' Retainer Stock Unit Plan, my unvested retainer stock units will vest upon separation from service on the Board, and I will receive a cash payout for all of my retainer stock units based on the closing price of the company's common stock on the date of my separation. For a period of one year after my resignation from this entity, I will not participate personally and substantially in any particular matter involving specific parties in which I know this entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position with Vulcan Materials. I hold vested deferred stock units with Vulcan Materials. I do not hold any unvested deferred stock units, stock options, restricted stock or common stock. Pursuant to the terms of the company's Directors' Deferred Stock Unit Plan, I will receive a cash payout for all of my vested deferred stock units in April of the year following the year of my separation from service. The cash payout will be determined based on the closing price of the company's common stock at the time payment is made that April. Until the deferred stock units are redeemed, I will continue to receive deferred stock unit equivalents, which track dividends on the company's common stock. Until I receive the cash payment of my vested deferred stock units, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Vulcan Materials, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

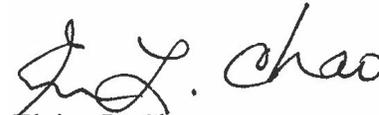
Upon confirmation, I will resign from my position with Wells Fargo & Company. I hold common stock and vested deferred stock compensation with Wells Fargo. I do not hold any stock options or restricted stock. Pursuant to the terms of the company's Directors Stock Compensation and Deferral Plan – Stock Award Deferrals, I will receive a cash payout for my deferred stock compensation (all of which is fully vested at the time of grant) based on various

elections I have made each year that I have served on the Board. The cash payout will be determined based on the closing price of the company's common stock at the time payment is made, and I will continue to receive deferred stock compensation equivalents, which track dividends on the company's common stock until I receive the cash payout. If I resign my position on the board after December 31, 2016, the approximate portion of my deferred stock compensation to be paid out is as follows: July 2017 – 48%; March 2018 – 29%; March 2019 – 15%; March 2020 – 4%; and March 2021 – 4%. Until I receive the final payment, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Wells Fargo, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know Wells Fargo is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

As a former director of Northwest Airlines, which merged with Delta Airlines in 2009, I receive discounted travel on Delta Airlines. I have never been a director of Delta Airlines, and this benefit is taxable on such discounted airfare at rates established by the Internal Revenue Service. I will forgo this discounted airfare for the duration of my appointment as Secretary. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Delta Airlines to provide this benefit, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

  
Elaine L. Chao