

A message from
Paul Violette,
Executive Director



The decision to advance the 2010 toll adjustment

On October 15, I informed the Legislature's Transportation Committee that the Maine Turnpike's Board of Directors must consider implementing a toll adjustment by February 2009 in order to continue an essential program of highway and bridge maintenance in the face of soaring construction costs, declining revenues and the impacts of the Wall Street financial crisis.

The Turnpike Authority's long-range plan called for a toll adjustment in 2010, but a "perfect storm" of economic conditions, combined with our financial and legal obligation to maintain a safe and efficient highway requires that the toll adjustment take place a year sooner. To continue a prudent and responsible highway and bridge rehabilitation program, we must generate an additional \$20 million annually.

The specifics of the toll adjustment will be developed, considered and publicly aired in the days and weeks to come with final board approval expected by mid-December. (Visit www.maineturnpike.com for updates on public meetings and toll scenarios under consideration.)

Responsibility for the road

There is no good time to raise tolls. Our board and staff have considered every option to avoid it. But we would not be serving the people of Maine well by allowing the state's most important highway – its economic life-line – to deteriorate to a point where safety is compromised, the economy is further hindered and the eventual repairs become even more expensive.

The fact is, the Maine Turnpike was created to operate under a strict set of legal checks and balances, designed to ensure that the highway, its bridges, buildings and interchanges are always properly maintained. Sometimes those checks and balances force us to confront unpleasant realities – like toll increases – but they are also the reason the Maine Turnpike, the second oldest section of America's interstate system, has not fallen into disrepair, as have many other roads and bridges.

Soaring construction costs

Our last toll adjustment was in February of 2005. At the time, based on reasonable cost *Continued on page 2*

Those checks and balances are the reason the Maine Turnpike has not fallen into disrepair, as have many other roads and bridges.

How the Maine Turnpike compares

Among lowest rates:

The Maine Turnpike's per-mile, end-to-end toll rate is the fifth lowest of the 64 toll facilities operating in the United States. Even after the proposed toll adjustment, the Maine Turnpike's toll rate would remain among the lowest of U.S. toll agencies, many of which are faced with similar financial circumstances.

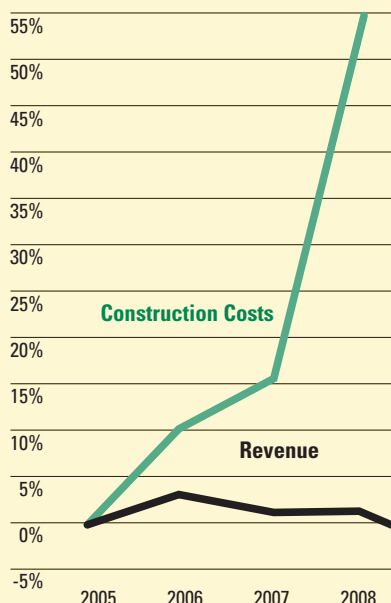
Highest percent invested in capital improvements:

According to the data compiled by the Federal Highway Administration, the Maine Turnpike Authority spends the lowest percentage of its budget on administration and the highest on capital improvements of any toll highway in the northeastern United States.

Top rated:

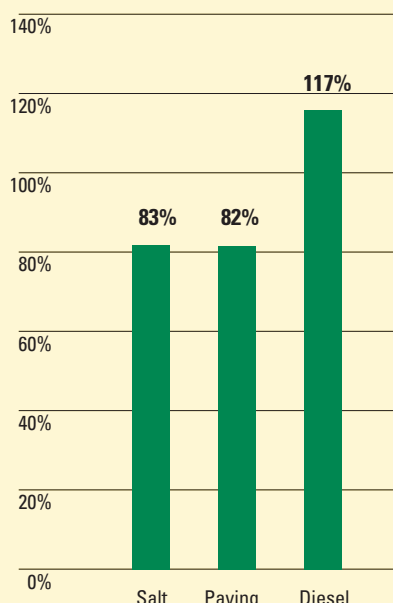
The Maine Turnpike Authority is among an elite group of six toll agencies in the nation to earn AA+ credit ratings from two of the three rating agencies, assuring the most favorable borrowing rates and lower project costs.

Percentage change in **producer prices*** for highway and street construction compared to Maine Turnpike Authority **revenue**.



*Source: AGC of America

Percent increase 2005 - 2008: **market prices** for key maintenance products.



Prices as of 8/2008

MTA obligated to maintain highway

The Maine Turnpike Authority was established by the Maine Legislature to function as an independent agency of government with the power to issue its own revenue bonds and carry its own debt – a debt that is separate from the state's debt.

The MTA operates within a system of checks and balances designed to ensure that the Turnpike is cared for properly.

This is how it works:

When issuing bonds, the Turnpike Authority must promise bondholders that the highway will be maintained to a standard that will ensure its ability to safely carry traffic and thus continue to generate revenue.

To ensure that the Authority is fulfilling its promises, a third-party general engineering consultant conducts an annual inspection of the infrastructure and recommends a program of maintenance and repair for the upcoming year. The Authority must fund and carry out the plan, or it will violate its contract with bondholders and will put its outstanding credit rating at risk. That, in turn, could significantly increase the cost of future projects.

In the long run, the interest of bondholders and Turnpike customers are the same: making sure the highway and bridges are well-maintained and safe.

Continued from page 1

and revenue projections, we estimated that the adjustment would adequately fund our capital and maintenance program through 2010. But no one could have predicted the steep and sudden rise in fuel and energy costs and the impact it would have on the cost of highway construction and maintenance.

Since 2005, the overall cost of construction has increased by more than 55 percent. As of August 2008, the market price of paving increased by 82 percent, winter deicing salt by 83 percent, and diesel fuel by 117 percent. Over the same four-year period, Maine Turnpike revenues have increased by less than 1 percent. And in fact, revenues for 2008 are expected to drop 3 percent compared to 2007.

Budget cuts

To make more money available for our highway and bridge program, we have made significant cuts from our legislatively approved operating budget. Through technology, efficiency and staff reductions, the Authority reduced its operating budget by \$1.6 million in 2007 and by \$3.2 million in 2008. In 2009, we will realize another \$4 million in operating budget cuts. We have deferred some major projects and substantially reduced the scope of others. But budget cuts alone are not able to fill the gap between rising costs and declining revenues.

In order to carry out even the most basic capital improvement program in 2009 and prevent further deterioration and higher repair costs, the planned 2010 toll adjustment must be advanced by one year. (*Visit www.maineturnpike.com for more Maine Turnpike financial information.*)

Savings and equity through E-ZPass

As our board works to hammer out the specifics of the toll adjustment, it will be guided by recommendations of the Citizens Toll Rate Advisory Committee. The committee, representing a broad range of Turnpike users, met for nine months and issued a final report last June. Chief among their recommendations was that the Authority establish a relationship between cash rates and E-ZPass rates that encourages greater E-ZPass participation. The committee supported continuation of the popular commuter and commercial discount programs and urged the Authority to work to improve the rate-per-mile equity of the regular E-ZPass program. The Turnpike Authority will not be able to achieve all of the committee's recommendations in a single toll adjustment, but significant progress is possible.

How will the revenues be used?

The overwhelming share of the revenues raised by the toll adjustment will be used to fund and leverage additional funding for the upcoming five-year capital improvement plan. The five-year plan, totaling nearly \$250 million, includes the rehabilitation of more than 30 aging bridges and repaving of more than 47 miles of highway.

Major projects slated for the 2009 construction season include the repaving of eight miles of highway between Saco and Scarborough and three bridge rehabilitation projects: two on the Falmouth spur and one in Lewiston.

Paul E. Violette, Executive Director

The big picture

109 miles and 176 bridges

Nearly all of the 176 bridges on the Maine Turnpike were built in the nine years between 1946 and 1955. The expected structural lifespan of these bridges is between 50-70 years, depending on the traffic volumes and wear and tear on each structure. That means nearly all of the bridges have or will become due for major rehabilitation or repair between 1995 and 2025, putting us at the critical mid-point of this massive undertaking.

More than a decade ago, the Authority began an aggressive bridge rehabilitation program that has resulted in construction on 80 of these bridges. That leaves 96 bridge projects to be completed by 2025 or an average of six bridges a year.

At the same time, in order to keep the roadway safe, the Authority must re-pave every mile of the 109-mile highway an average of every 12 years (approximately nine miles per year).



The completion of the new two-lane Mayall Road Bridge in New Gloucester puts the Turnpike Authority near the mid-point of its program to rehabilitate the highway's 176 aging bridges.



Major paving projects were completed in 2008, including 7.4 miles of southbound lanes between Cumberland and Gray.

Kurt Brown photo

Work done!

Turnpike tackled bridges, pavement in 2008

During the 2008 construction season, hard working and skilled Maine contractors completed \$18 million in capital improvement projects to keep the Maine Turnpike safe and efficient. You'll notice that most of the projects are on the northern section of the Turnpike. That's because so much work was completed on the southern section between 1999 and 2004 as part of the Turnpike Widening project.

Highway rehabilitation

Pike Industries of Lewiston, Maine, successfully completed the following highway rehabilitation projects, which included paving, guardrail and drainage improvements.

- 7.4 miles of southbound lanes between Cumberland (Mile 57) and Gray (Mile 64).
- 4.4 miles of north and southbound lanes between Lewiston (Mile 81 and Sabattus (Mile 85).

- Exit ramps and toll plaza approaches at the Gardiner/ I-295 Interchange.
- 1 mile of preventative surface repairs in Wells (Mile 18-19).

Bridge rehabilitation

Wyman and Simpson Inc. of Richmond, Maine, completed the new, two-lane Mayall Road Bridge at Mile 67 in New Gloucester.



A paving crew on the Maine Turnpike. Timely maintenance of the paved highway saves money and improves safety and performance for customers.

Kurt Brown photo

The old bridge was one of only three remaining single-lane bridges that pass over the Maine Turnpike. Wyman and Simpson also completed major repairs on the following bridges:

- Dutton Hill Road in New Gloucester (Mile 59).
- Route 122 in Auburn (Mile 74).
- Royal River in Gray (Mile 71).
- West Gardiner Interchange (Mile 102).

CPM Constructors of Freeport, Maine, completed major repairs on the following bridges:

- Chase's Pond Road in York (Mile 7).
- I-295 in Scarborough (Mile 44).
- Eagles Nest Bridge in Gray (Mile 71).

Bridge painting

Atlas Painting from Amherst, New York (there are no Maine bridge painting companies), completed the following painting projects to protect the steel and extend the life of the bridges.

- Dutton Hill in Gray (Mile 59).

Continued on back

E-ZPass customer service earns high marks

Customers weigh in on web site and highway speed tolling, too

A recent survey of Maine Turnpike E-ZPass users indicates that there is a high level of satisfaction with both the E-ZPass system and the Turnpike's customer service operation. A full 90 percent of all E-ZPass users said that they were "very" or "somewhat satisfied" with E-ZPass customer service.

Of the 23 E-ZPass-compatible agencies operating in 12 eastern states, the Maine Turnpike Authority is one of a very few that operates its own customer service center. Most other agencies contract their customer service out to large financial and processing firms, many operating in another state. A recent survey of Maine Turnpike E-ZPass users suggests that the decision to keep operations local is paying off.

"I'm sure that every toll agency has legitimate reasons for how they handle customer service, but here at the Maine Turnpike, we

know that we can provide more cost effective, efficient and better service to our customers by running our own operation," said the Turnpike's Chief Financial Officer Neil Libby. "Most of our representatives are former toll collectors who know the highway and care about our customers," he said.

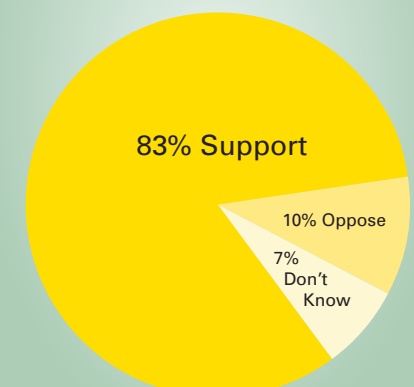
Strategic Marketing Services of Portland conducted the random phone survey of 400 Maine E-ZPass customers in August. The purpose was to find out how satisfied people are with the E-ZPass system and with the customer service they have received. The survey also measured customer attitudes about highway speed tolling and usage of the Maine Turnpike E-ZPass customer web site.

"One surprising thing we found was that customers may not be as aware of the benefits of the E-ZPass web site as they could be," said Libby. Only 49 percent of respondents reported using the web site. Still, those who are familiar with the site gave it high marks for information provided

Continued on back

E-ZPass users on highway speed tolling

Of those E-ZPass customers who have experienced highway speed tolling, 83.3% said they would support implementing the technology on the Maine Turnpike.





Maine Turnpike Authority
430 Riverside Street
Portland, ME 04103

PRSR STD
U.S. Postage
Paid
Permit #1
Portland, ME

IMPORTANT *E-ZPass* and toll information inside

Maine Turnpike Authority Board Directors

Gerard P. Conley, Sr., Portland
Chairman

Lucien B. Gosselin, Lewiston
Vice Chairman

Thomas B. Federle, Manchester
Member

Harland C. Goodwin, So. Berwick
Member

Douglas A. Volk, Portland, *Member*

Richard Valentino, Saco, *Member*

Gregory G. Nadeau, Lewiston,
*Member Ex-Officio, Maine Dept. of
Transportation*

Paul E. Violette, *Executive Director*

Editor: Dan Paradee,
dparadee@maineturnpike.com



Work Done

Continued from page 1

- Furbush Road in Sabattus (Mile 87).
- Maple Street in Farmingdale (Mile 106).
- Litchfield Road in Hallowell (Mile 107).
- Winthrop Road in Hallowell (Mile 108).

West Gardiner Service Plaza

Maine contractors, Langford and Low of Portland, Bridgecorp of Lewiston and R.J. Grondin & Sons of Gorham completed the new West Gardiner Service Plaza on November 14, three days ahead of schedule. The project completion marks the end of a three-year program to modernize and improve the Turnpike's

aging network of traveler facilities. The plaza, located just south of where the Maine Turnpike and I-295 merge in West Gardiner, is accessible to travelers on both highways.

The new facilities are expected to generate an average \$7 million a year in rental revenue over the next 30 years. That's money for highway and bridge repair that does not have to be raised from tolls.

Attention West Gardiner Plaza visitors:

E-ZPass sensors have been installed at the West Gardiner Plaza to assure that you will not be double-tolled for visiting the plaza and returning to the highway. Toll vouchers will be dispensed at the plaza to prevent cash paying customers from being double tolled.

Would you rather receive the Maine Turnpike News via e-mail?

Sign up by visiting maineturnpike.com and clicking on the Maine Turnpike News E-mail Icon. We'll remove you from our mailing list and add you to our e-mail list.



Continued from page 3

and ease of navigation.

"We were also surprised to find out how many of our customers knew about highway speed tolling and had experienced it in other states," said Libby. Highway speed tolling allows *E-ZPass* users to pay their tolls at normal highway speeds (55-65 mph) by simply passing beneath an electronic sensor. Cash-paying customers briefly exit the highway and pay at a more traditional tollbooth. More than half of Maine *E-ZPass* customers (62 percent) are familiar with the concept of highway speed tolling, and many have experienced it in other states. Of those who have experienced it, 83 percent say they support bringing the new technology to the Maine Turnpike.

Here are some highlights from the survey.

97% of respondents are either "very" (76%) or "somewhat" (21%) satisfied with *E-ZPass*.

96% either "strongly" (73%) or "somewhat" (23%) agree that the *E-ZPass* has improved the flow of traffic through toll plazas.

50% have called the *E-ZPass* Customer Service Center.

84% are "very" (65%) or "somewhat" (19%) satisfied with how quickly their phone call was answered.

92% are "very" (82%) or "somewhat" (10%) satisfied with the politeness and courtesy of the staff.

92% are "very" satisfied (79%) or "somewhat" (13%) satisfied with the knowledge level of the staff.

82% are "very" (70%) or "somewhat" (12%) satisfied with how quickly problems are solved.

92% of those who have visited the walk-in *E-ZPass* Customer Service Center, indicated that they are either "very"

(73%) or "somewhat" (19%) satisfied with their experience.

49% said that they have visited the Maine Turnpike's *E-ZPass* web site.

82% of web site visitors said they were "very" or "somewhat" satisfied with the web site.

64% know that they can replenish their account online, but only 23% have done it.

83% of those who experienced "highway speed tolling" would like it to be implemented on the Maine Turnpike.

To review the entire *E-ZPass* Customer Survey visit www.maineturnpike.com.