

Brian Parke

From: Brian Parke
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To: Brian Parke
Subject: FW: Maine Turnpike Authority announces plans for Fall 2021 toll adjustment



Maine Turnpike Authority announces plans for Fall 2021 toll adjustment

Meetings scheduled for early August to take public comment

PORTLAND, Maine-Maine Turnpike Authority (MTA) is preparing for a toll adjustment in 2021 to offset losses to revenue caused by the COVID-19 pandemic, to complete important capacity projects, and to preserve the MTA bond rating. MTA will hold Public Meetings in early August to provide information on the changes and take public comment.

MTA receives all its revenue through tolls paid by Turnpike users – it receives no federal funds or state gas tax revenue. Due to the decrease in traffic during the COVID-19 pandemic, MTA collected \$60 million less in revenue than had been projected. During the 2020 pandemic year, MTA kept Maine contractors employed by investing \$106 million in reserves to help sustain the Maine economy, to allow contractors to work safely in reduced traffic, and to complete projects of major significance to the public.

MTA's planned future work includes projects that are necessary to manage mobility throughout the region and add the capacity needed to accommodate future traffic growth. Adjusting tolls and discounts will help ensure that future projects can be completed as scheduled.

Bond rating agencies have recently adopted more stringent levels of operating revenue needed to secure bonds. These criteria require MTA to maintain higher levels of revenue to keep its strong bond rating and access to low interest rates.

"Recently, traffic on the Maine Turnpike has recovered and is nearing pre-pandemic levels," said executive director Peter Mills. "However, the loss of revenue during the pandemic combined with new bonding constraints make it infeasible to complete future capital plans without raising tolls or adjusting discounts."

Although MTA is reluctant to raise tolls while the economy is still recovering, MTA has not raised tolls in nearly nine years. It is one of the few agencies in the US that has not done so. Nationally, over 50% of all toll facilities have increased tolls during the pandemic to offset losses.

“After weighing the options, the MTA Board has determined that to defer important capacity projects would cause greater harm than to adjust tolls upward to sustain them,” said Mills.

The Board directed MTA staff to identify a fair combination of adjustments to the toll and discount program that would increase annual revenue by approximately \$18 million in order to preserve MTA's capacity to complete important capital projects.

The MTA Board resolved to take the steps necessary to implement changes in toll structure to take effect as of November 1, 2021, either by implementing the proposed Toll Adjustments or by adopting alternative measures to raise equivalent revenue. This will increase toll revenue by nearly 13%.

Proposed Toll Adjustments:

- Increase the cash rate at York from \$3.00 to \$4.00 for a passenger car (Class 1) and corresponding rates for remaining toll classes.
- Increase the current Maine E-ZPass rate per mile from 7.7 cents to 8.0 cents.
- Adjust the Class 1 Personal Volume Discount thresholds from a 25% discount to a 20% discount for Maine E-ZPass users making 30 or more trips per month and from a 50% discount to a 40% discount for Maine E-ZPass users making 40 or more trips per month.
- Limit or eliminate image tolls (I-tolls) that count toward the Class 1 Personal Volume discount. I-tolls are created when an E-ZPass transponder is not present or not read to a valid Maine E-ZPass account.

The approximate value of these toll adjustments is \$17.3M. The proposed toll and discount adjustments are intended to limit impacts to those who have a Maine E-ZPass account. 71% of the increase will be borne by out-of-state users. The increased cost for in-state users is an average of about 20 cents per trip.

Public Meeting Schedule

The MTA plans to hold three public meetings to provide information and take comment on the proposed toll adjustments. Meetings are currently scheduled for:

- Tuesday, August 3rd at 6:00 pm at the Turnpike Maintenance Facility in York
- Wednesday, August 4th at 6:00 pm at the Ramada Inn in Saco (Virtual participation available)
- Thursday, August 5th at 6:00 pm at the Ramada Inn in Lewiston

The public is encouraged to attend in person or virtually. In addition to hosting in person opportunities to participate, the meeting on Wednesday, August 4th will be hosted on a web platform, enabling those who do not wish to attend in person to listen and participate by submitting questions and comments.

Materials will be available on the web platform and comments on the proposed changes will be accepted through Friday, August 20th, 2021. More information can be found on www.maineturnpike.com/2021tolls.