

**Testimony of Mainers for Smarter Transportation
In Support of LD 1292:**

An Act To Codify The Maine Turnpike Authority's Contributions To The Highway Fund With
Regard To The Sensible Transportation Policy Act

April 8, 2025

Senator Nangle, Representative Crafts, and Honorable Members of the Joint Standing Committee on Transportation. My name is Myles Smith, I live in Portland, and I am one of the volunteer organizers of Mainers for Smarter Transportation, an all-volunteer group. We are here today to support LD 1292.

When we set out a year ago to stop the wasteful and destructive expansion of the Maine Turnpike to Gorham, none of us were particularly knowledgeable about or even curious about MTA's larger revenue or spending policies. What we found is an unsustainable and unjustifiable imbalance in how we fund our transportation system.

On the one hand, we have the Turnpike Authority, which generates a surplus of over \$40 million per year. On the other hand, we have the state Highway Fund, which is about \$150 million short of what it needs next year, mostly to maintain existing roads. Then there's our municipalities, which pay \$300 million per year for their road costs, and MMA reports they can not afford to pay this either.

Meanwhile, the Sensible Transportation Policy Act, enacted by the Legislature as the result of a citizen referendum in 1991, "Require(s) that the full range of reasonable transportation alternatives be evaluated for all significant highway construction or reconstruction projects and give(s) preference to transportation system management options, demand management strategies, improvements to the existing system, and other transportation modes before increasing highway capacity through road building activities." The Legislature set this policy, but it does not actually limit the road building activities of the MTA.

The STPA did not slow down the MTA in spending \$145 million to widen the Turnpike in the Portland area, despite the fact that traffic on state-owned I-295 was 30% higher. It did not stop the Gorham Connector, despite the fact that all of the MTA's projections of future traffic growth were wrong. Next, the MTA wants to continue its widening campaign north to the Falmouth Spur to a ridiculous six lanes, even though there are never traffic delays on this segment.

None of these projects align with the STPA. Yet, the MTA is set to borrow and spend hundreds of millions, mostly because it can.

So, this bill attempts to bring our funding for transportation back towards balance. We estimate this bill would transfer \$200 million in MTA reserves and surpluses to the highway fund over the upcoming biennial budget period.

While the DOT and MTA describe a system that works well and is not broken, we see a system that ensures that the MTA never actually contributes any toll surpluses to the DOT. Instead, the MTA simply counts some selected projects in its own work plan as its 5% contribution. The Maine DOT does not choose these projects, they are often not good value-for-money choices, and they are almost always directed back to the Maine Turnpike itself.

We would welcome amendments to this proposal that would increase the 5% contribution significantly, while also providing real cash transfers to the Maine DOT with the flexibility needed to program those funds to our state's actual priorities. Maine DOT is currently advancing projects like the Deer Isle-Stonington Causeway, the Machias dike bridge, and North Windham moves street safety and mobility project and many others. All of these projects come with significant federal funding, the availability of which is under serious doubt. We need to mobilize every dollar we can to our most critical projects, which we know will pay dividends in increased safety, mobility, and economic activity.

Maine's current law allows for the MTA to issue bonds to finance DOT projects, and that the Authority may be maintained specifically for this purpose. Should certain bonds require retirement or reissuance in the case of the cancellation of a project, nothing in this law would prevent those actions, either. Nothing in this bill would question the obligation of the MTA to repay its debts.

The MTA and its supporters will argue that it is unfair to ask toll payers to fund non-turnpike purposes. Well, according to the MTA, they're already doing so with the 5% operating revenue formula. Also, is it fair that drivers heading from Sebbatus or Leeds or Poland need to pay a toll to get to Portland, but those from our richest towns like Falmouth or Cumberland or Yarmouth do not? The historical coincidence of the MTA's creation before the Federal Highway Act results in an inherently unfair toll system, which persists decades later.

LD 1292 is a reasonable approach to closing our Highway Fund gap. It recognizes the Turnpike is a key part of the state's transportation system, with both benefits and obligations to the rest of the system. The MTA enjoys a state-created monopoly on nearly all commerce coming in and out of the state. No one lives on the Turnpike. It is merely a segment of a journey to and from the places where we live and work and visit, and where goods and services are produced and delivered. All of those places are accessed by Turnpike users, who pay for one segment of their journey directly, but not for other segments. All of these other pieces of the transportation system must function well in order for the Turnpike to be of any use. This bill aims to close this unsustainable imbalance, largely with revenue from out-of-staters.

Instead of allowing the MTA to spend its surplus on itself, often in ways that encourage sprawl, increase pollution, and raise costs for municipalities, we should use these resources to benefit all Mainers. As such, we urge you to pass LD 1292.

Thank you and I look forward to the discussion.

Mail body: Transfer estimate

	A	B	C	D	E	F	G
			<u>2024 Amount</u>		<u>Amount Allowed</u>		
2	Account		<u>(12/31/24)</u>		<u>Under New Bill</u>		
3	REVENUE FUND	\$	31,473,413	\$	56,641,227		
4	DEBT SERVICE FUND	\$	43,881,455	\$	43,881,455		
5	DEBT SERVICE RESERVE FUND	\$	22,336,138	\$	22,336,138		
6	RESERVE MAINTENANCE FUND	\$	22,064,850	\$	42,000,000		
7	GENERAL RESERVE FUND						
8	Interchange Account	\$	24,478,909				
9	Improvement Account	\$	93,478,076				
10	DOT Provision Account	\$	231				
11	Subordinated Debt (MDOT)	\$	2,542,109	\$	2,542,109		
12	SUM	\$	120,499,325	\$	2,542,109		
13							
14	TOTAL	\$	240,255,181	\$	167,400,929		
15							
16	Surplus of Reserves at FY 2024 End:		\$		72,854,252		
17							
18	<u>2025 Approved Budget</u>			<u>2026 Proposed Budget</u>			
19	Estimated Net Tolls	\$	171,670,527	Estimated Net Tolls	\$	173,816,409	
20	Estimated Concession Rental	\$	5,905,052	Estimated Concession Rental	\$	5,964,103	
21	Estimated Investment Income	\$	8,581,000	Estimated Investment Income	\$	8,581,000	
22	Estimated Miscellaneous	\$	3,949,454	Estimated Miscellaneous	\$	3,949,454	
23	Estimated Total Revenues	\$	190,106,033	Estimated Total Revenues	\$	192,310,965	
24							
25	Total Operating Expenses	\$	51,492,024	Total Operating Expenses	\$	56,132,905	
26	Debt Service Fund	\$	41,488,028	Debt Service Fund	\$	44,392,528	
27	Reserve Maintenance Fund	\$	42,000,000	Reserve Maintenance Fund	\$	42,000,000	
28	Subordinated Debt Service Fund	\$	2,442,800	Subordinated Debt Service Fund	\$	2,442,800	
29	Total Expenses	\$	137,422,852	Total Expenses	\$	144,968,233	
30							
31	Additional 2025 Surplus	\$	52,683,181	Additional 2026 Surplus	\$	47,342,732	
32							
33	TOTAL CURRENT RESERVE AND BUDGETED SURPLUS THROUGH 2026: \$172,880,165						
34							

The Maine Turnpike Authority
 MTA - MDOT Cooperative Projects
 FY 2016 - 2030

	ACTUAL (2023 UNAUDITED)													Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Revenues MTA	107,456,469	109,621,835	127,026,371	128,998,031	134,062,167	140,379,635	144,053,341	148,067,147	151,488,525	121,507,315	145,672,342	172,356,640	184,400,947	185,518,801	184,343,207	188,892,731	190,882,037	238,462,279	241,179,214	250,563,543
5% of MTA Operating Revenues - for Joint MaineDOT MTA Projects	5,372,823	5,481,092	6,351,319	6,449,502	6,703,108	7,018,982	7,202,807	7,403,957	7,576,426	6,075,366	7,283,617	8,617,832	9,220,847	9,275,940	9,217,160	9,444,637	9,544,102	11,923,114	12,058,961	12,528,177
Joint Projects (Estimated)																				
Alternative Transportation Initiatives																				
Go Maine Shuttle Bus (ZOOM)	133,474	78,458	78,435	74,637	75,574	75,747	134,473	113,762	113,042	152,554	18,566	78,816	106,136	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Park & Ride lots	123,434	304,157	139,470	179,873	180,210	142,674	125,774	158,488	139,344	70,299				135,000	135,000	135,000	135,000	135,000	135,000	135,000
I-95 Southern end & Park & Ride lots Maint. (Lighting, Plowing, Mowing, Signing, Striping, ETC)		286,672	301,845	218,799	218,505	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559	189,559
MaineDOT Paint Striping (I-295 mm 0 to mm 10)																				
Corridor Studies																				
York County connector (Approx. 20% of study cost)	126,053				10,143	10,000														
Gorham connector (Approx. 80% of study cost)	174,072	108,629	76,129	9,000	1,061	28,651	6,811	500												
Gorham Connector Revenue Study																				
Saco Route 112/Exit 36 Study																				
Trail Bridge - Kennebec Trail Design & Build	1,339,149																			
I-95 Corridor Coalition			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Route 236 Wildlife Passage																				
Wells Transportation Center Upgrades																				
Transportation Planning Joint DOT Studies/Initiatives																				
Real-Time Message Signs																				
Interchanges & Intersection Improvements																				
Auburn Interchange (Route 100)	42,016	536,248	38,832																	
Exit 19/Route 109 Interchange Improvements																				
Auburn Interchange (Reimburse MaineDOT per MDA)																				
Lewiston Interchange	133,649	868,719	874,135	733,879	6,561,950	4,734,072	50,000													
Gray Interchange																				
Saco Interchange																				
Biddeford Interchange																				
Wells Interchange																				
Exit 102 Interchange Modifications																				
Exit 25/Route 35 Intersection Improvements																				
West Gardiner Service Area Round-about (MDA with MaineDOT)																				
West Gardiner Groundwater Salt Contamination Impact																				
Malne DOT - MTA Subordinated Debt Service (ends in 2018)	2,447,813	2,442,463	2,463,400	2,454,858	2,442,318	2,463,113	2,444,800	2,444,800	2,444,800	2,442,250	2,444,000	2,445,200	2,441,530	2,444,050	2,442,800	2,442,800	2,442,400	2,445,900	2,441,750	2,441,750
Malne DOT - MTA Subordinated Debt Service for Kittery Purchase (ends 2034)																				
Malne DOT Capital Improvement & Repair Credits for Kittery Purchase																				
MTA Freeway Approach to High-Rise Bridge Improvements	1,057																			
Intelligent Transportation Systems/Signage for HI-Rise Bridge shoulder use																				
Gorham Connector Design																				
Gorham Connector Land Purchases																				
Gorham Connector Construction																				
Joint Projects Total Costs	5,218,247	4,420,343	3,791,331	18,481,178	11,808,342	18,379,582	8,296,204	8,481,424	8,472,028	11,197,347	14,534,572	11,327,520	33,267,488	23,623,609	24,887,359	70,278,609	66,276,403	74,984,722	62,275,463	34,890,346
(Over)/Under Payment	156,576	1,060,749	2,619,988	(4,041,876)	(5,103,494)	(12,340,540)	(2,091,599)	921,729	902,398	(5,122,021)	(7,300,860)	(2,709,688)	(24,047,440)	(14,347,669)	(15,470,199)	(60,833,972)	(56,734,301)	(63,061,608)	(50,216,502)	(22,362,169)
Rolling 3 Year Average																				

Note: The 5% law (23 M.R.S.A Sec. 1961) took effect in 2012 with the three year rolling average becoming effective in 2014.