



AGC MAINE

THE CONSTRUCTION ASSOCIATION

Testimony of Matthew Marks in Support of LD 1804
An Act Concerning Funding and Oversight of Transportation
May 6, 2025

Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation, I am Matt Marks, a Principal at Cornerstone Government Affairs, and submitting testimony on behalf of my client the Associated General Contractors of Maine (AGC Maine).

I'm pleased to be here today in support of LD 1804. This bill addresses long-overdue challenges to transportation funding and oversight, providing stability to the transportation market. Stability is critical; as you heard with Senator Farrin's companion bill last week, the transportation industry is stronger when consistent funding and management are set in motion.

Jurisdiction

Since this Committee oversees Maine's transportation matters and is presented with MaineDOT's operations, it's sensible that it is best equipped to make financial decisions on transportation matters. The Appropriations and Financial Affairs Committee doesn't have the time or relevant presentations from transportation officials. As each of you is aware, the extensive work plan has been developed to ensure the safe travel of Maine residents and visitors. The comprehensive review of the plan and funding resources considered in the development is a significant product of the Department's team. It considers state funding, federal funding, match programs, grants, and the allocation to local programs.

Funding

For decades, funding has been shifted between various bond mechanisms, the liquor cascade, and other creative, inconsistent models that have a chain reaction for the entire industry when one spoke in the wheel fails. AGC Maine has been involved in those creative models, often leaving Maine's transportation system with a band-aid instead of properly repairing our infrastructure assets. Increasing the portion of automobile-related sales and use tax was a monumental positive adjustment. Increasing the percentage is sensible, the tax directly relates to transportation, and from our perspective, it should be 100% of the tax. Still, we understand the proposed change is a significant shift in policy. The pressures from an increase in vehicle efficiency as cars increase their miles per gallon, efforts to increase EV adoption, will continue to erode funds dedicated to our roads and bridges. The average fuel efficiency of U.S. passenger vehicles increased from 20 miles per gallon in 2010 to 24.5 miles per gallon in 2020. Average fuel efficiency is expected to increase by another 31 percent by 2030, to 32 miles per gallon, and by 51 percent by 2040, to 37 miles per gallon. The share of electric vehicles of total passenger vehicle sales in the U.S. is expected to increase to five percent in 2023 and 60 percent by 2040. Electric vehicles will represent approximately 30 percent of the nation's passenger vehicle fleet by this time.

Redefines Transportation Infrastructure

As we move to the future of transportation, using what is now considered alternative modes, including trails and bicycle paths, transit, and rail, is essential. The proposed language recognizes this potential use as the Department develops future work plans.

Deferred Maintenance

A national transportation non-profit, TRIP, released a report in October 2024 on Maine's transportation infrastructure. Consider these points:

- Due to inadequate state and local funding, 19 percent of major state and locally-maintained roads and highways in Maine are in poor condition. Driving on rough roads costs the average Maine driver \$609 annually in additional vehicle operating costs – a total of \$637 million statewide.

Chart 1. Pavement conditions on major roads in Maine's largest urban areas and statewide.

Location	Poor	Fair	Good
Bangor	18%	27%	54%
Lewiston-Auburn	14%	26%	60%
Portland	18%	33%	50%
Maine Statewide	19%	35%	47%

Source: TRIP analysis of Federal Highway Administration data.

- Fifteen percent (388 of 2,518) of Maine's bridges are rated in poor/structurally deficient condition, the fourth highest share in the nation. Bridges that are rated poor/structurally deficient have significant deterioration of the bridge deck, supports or other major components. Sixty percent of the state's bridges are rated in fair condition and the remaining 25 percent are in good condition.
- Congested roads choke commuting and commerce and cost Maine drivers \$300 million each year in the form of lost time and wasted fuel.
- From 2019 to 2023, 792 people were killed in traffic crashes in Maine, an average of 158 fatalities each year. The fatality rate per 100 million miles of travel on Maine's rural, non-Interstate roads in 2022 was more than three times higher than all other roads in the state (1.80 vs. 0.57). And although 55 percent of travel in the state takes place on Maine's rural, non-Interstate roads, 79 percent of fatalities occur on its rural, non-Interstate roads
- Traffic crashes imposed a total of \$1.9 billion in economic costs in Maine in 2023; traffic crashes in which a lack of adequate roadway safety features, while not the primary factor, were likely a contributing factor imposed \$641 million in economic costs.

We urge the Committee to support Senator Farrin's bill and thank each of you for the dedication and work on transportation matters. I am happy to answer any questions.