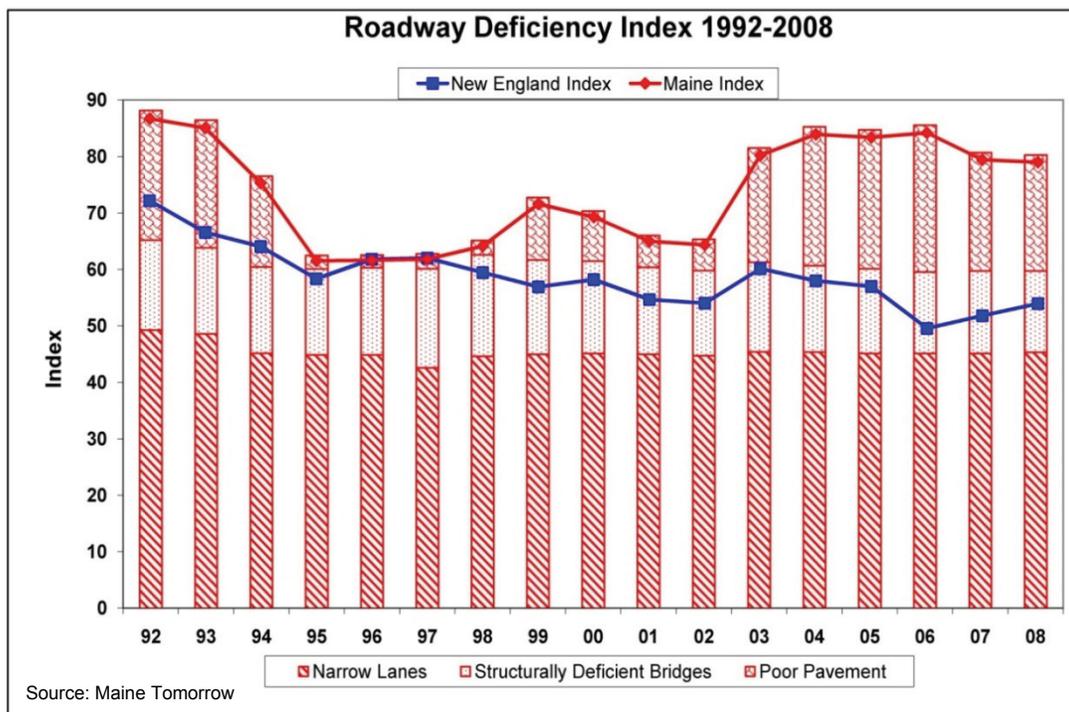


## Transportation

*“Transportation is the key to unlocking Maine’s potential. It is what connects us as people, as communities, and to the bigger world. As such, it drives economic vitality and quality of life.”*

Maine Department of Transportation Commissioner David Cole,  
Connecting Maine Through Transportation: What Maine Businesses Have to Say, 2009

Quality transportation is critical for economic growth. Improvements in all modes – roads, rail, air, and ports – make Maine more attractive to those interested in living here and doing business here. It connects us to one another, to the region, to the rest of the country and the world. Transportation improvements involve large capital investments that must be maintained over time. Even though the upfront investment can be daunting, the return on investment over the longer-term is a great benefit in terms of productivity enhancements and, ultimately, growth in the economy.



## Facts and Findings

### **Maine's economy and people are highly dependent on Maine roads and bridges.**

According to the Maine Department of Transportation:

- 95% of all passenger movement takes place over Maine roads compared to the U.S. average of 78%-80%

According to TRIP, Falling Behind: The Condition and Funding of Maine's Roads, Highways & Bridges, October 2009:

- 78% of the goods shipped from Maine (\$32 billion) and 80% of the goods shipped to Maine (\$29 billion) are carried by truck

### **Maine's transportation system is in disrepair and continues to deteriorate.**

According to the Maine Economic Growth Council (above chart), Measures of Growth in Focus 2010:

- Maine's roadways are significantly (43%) more deficient than New England's
- In recent years, the miles of poor pavement have grown to be a larger issue

According to TRIP, Falling Behind: The Condition and Funding of Maine's Roads, Highways & Bridges, October 2009:

- 25% of Maine's roads were rated in poor (13%) or mediocre (12%) condition in 2008 as compared to 20% just 3 years earlier - adding costly repairs and increasing commutes and safety concerns
- 33% of Maine's bridges are structurally deficient (14%) or functionally obsolete (19%) - impacting both safety and mobility
- 1,646 miles (18%) of state roads and highways need significant repair and by 2014, that number will grow to an estimated 2,100 miles (24%)
- 2,212 miles of road were posted (weight restricted during the spring thaw) in 2008 and, without further investment, that number will grow to 2,400 miles by 2011

According to the Maine Section of the American Society of Civil Engineers, Report Card for Maine's Infrastructure, December 2008:

- Maine received a **D** for roads:
  - Poor pavement increased from 2% in 1996 to 26% in 2006
  - Roads rated good and fair decreased from 81% in 2005 to 73% in 2006
  - Maine motorists spend an average of \$285 annually in additional vehicle operating costs due to the conditions of our roadways
- Maine received a **D+** for bridges:
  - 34% of Maine's bridges are deficient (U.S. average is 25%)
- Maine received a **C** for railroads:

- Maine ranks 48<sup>th</sup> in the U.S. in tonnage shipped by rail with only 1,162 miles of active railroad
- Maine received a **B-** for airports:
  - Conditions in Maine airports are good overall
  - Airports face funding challenges for development needs
- Maine received a **C-** for ports:
  - Maine's industrial ports are in fair to good condition

**The Maine Turnpike is a key component of Maine's transportation infrastructure.**

According to the Maine Turnpike Authority (MTA):

- The Maine Turnpike runs 109 miles from Kittery to Augusta, maintains 523 paved lane miles, 176 bridges, 19 interchanges, and 5 service plazas
- 90% of all goods and services entering and leaving Maine travel over the turnpike and in the next decade, 1.1 billion vehicles are expected to travel the turnpike
- The MTA does not receive state or federal funding and is completely funded by user fees and is one of five toll agencies in the nation with the highest credit rating
- The turnpike carries 8.6% of the total traffic in Maine but represents only 1.1% of the total lane-miles
- The turnpike is in the top 25% of the nation's toll agencies for lowest tolls (less than 5 cents per mile)
- Over the next decade, MTA will make capital investments of \$617 million, supporting more than 9,000 private-sector, construction-related jobs in the local economy
- MTA pays for and houses its own State Police force to monitor safety

**Maine under-invests in transportation infrastructure, and current funding streams are inadequate to keep up with even basic maintenance.**

According to TRIP, Falling Behind: The Condition and Funding of Maine's Roads, Highways & Bridges, October 2009:

- Maine DOT is currently only able to fund 50% of pavement preservation projects (pavement preservation is different from maintenance paving which is typically used as a holding action on poor quality roads)
- Pavement preservation projects are an investment in maintaining road quality to avoid the need for reconstruction (reconstructing roads costs four times as much as timely resurfacing)
- Maine DOT estimates that \$6.5 billion of necessary transportation system improvements will be needed for 2009-2018, but only \$3.2 billion will be available
- Of the \$3.3 billion funding gap, \$2.8 billion of the gap is in highways and bridges and \$500 million is in all other modes of transport
- A safe, efficient, and well-maintained system of roads, highways, bridges and public transit, requires an increase in funding from local, state, and federal governments, further modernization, and further state and federal surface transportation funding

According to John Melrose, President of Maine Tomorrow and former MDOT Commissioner:

- The average fuel efficiency of the entire fleet of vehicles in Maine is 17-18 miles per gallon of gas/diesel
- To reduce carbon emissions, President Obama is seeking a 35.5 miles per gallon efficiency rating for all vehicles by 2016
- Given that Maine's fuel efficiency is roughly half of the proposed efficiency standards, Maine's current gas tax structure (a tax per gallon), if unchanged, would produce dramatically less revenue for funding necessary road maintenance

According to the Maine Section of the American Society of Civil Engineers, Report Card for Maine's Infrastructure, December 2008:

- Airports: Maine received federal funding of over \$25 million in 2007, and expects a \$100 million shortfall over next 20 years
- Bridges: Maine DOT needs \$1.3 billion over 10 years, resulting in a \$440 million budget gap
- Passenger Transportation: Passenger rail is expanding, but has no sustainable funding, ferry services serve as primary transportation for island communities. Increase in funding is needed to meet demands.
- Ports: Industrial Ports require \$12 million in short-term funding and require long-term funding due to projected increase in cargo traffic
- Railroads: State funding has improved efficiency and productivity, but further funding is needed to facilitate greater consumer choice and competition
- Roads: Insufficient road funding – pavement preservation program only addresses half its needs

**Investment in transportation infrastructure provides good returns and avoids much greater costs down the road.**

According to the Federal Highway Administration:

- Return on investment – there is a 5 to 1 return on every dollar invested – every \$100 million spent on improvements results in \$540 million in benefits from improved traffic safety, reduced travel delays and reduced vehicle operating costs
- Job creation – every \$100 million invested in highway construction supports 2,780 construction jobs
- Lives saved – every \$100 million invested in roadway improvements saves an average of 145 lives over 10 years
  - An average of 178 people were killed on Maine roads from 2004-2008
  - The traffic fatality rate of 1.57 per 100 for Maine's non-interstate roads is more than triple the rate of all other roads

## Survey Says

MDF worked in partnership with several Maine trade and professional associations to distribute a survey to their members to understand their experiences with investment and policy issues in the state. 1,039 business leaders responded to the survey. The following is a summary of responses concerning transportation.

### **When asked to choose the top three priorities for Maine's next Governor and Legislature to tackle to help grow the economy, Maine's transportation system ranked relatively high, particularly for small businesses:**

- Investment in Maine's Transportation System ranked 5<sup>th</sup> of 19 categories
- For small businesses (fewer than 50 employees), investment in Maine's transportation system ranked 4<sup>th</sup> highest
- For larger businesses (50 or more employees), investment in Maine's transportation system ranked 9<sup>th</sup> of 19

## Experts Recommend

The following is a summary of key recommendations from various reports, committees and efforts around transportation over the past few years.

### Maine Section of the American Society of Civil Engineers, [Report Card for Maine's Infrastructure, December 2008](#):

- Maximize existing funding sources for road investments including state's general fund, bonds, impact fees, tolls, car registration fees
- Fully fund the Pavement Preservation Program (\$181 million per biennium)
- Fully fund Maine DOT's bridge program ([Keeping Maine's Bridges Safe](#) report)
- Decrease the percentage of Maine's structurally deficient bridges to 10% or more below U.S. average
- Upgrade containerized cargo capacity
- Make improvements to ports to facilitate intermodal connections
- Continue funding of Industrial Rail Access Program

### Maine Department of Transportation, [Moving People and Goods: The Governor's Rail and Port Investment Plan, 2009](#):

- Improve connections between the rail system and the state's marine and inland ports
- Continue marketing, investment and expansion of ports at Sears Island, International Mariner Terminal (Portland), and Eastport
- Build connection between Sears Island and potential new inland port at Bangor
- Improvements and expansions to the Amtrak Downeaster
- Invest in rail connections between Portland and western mountains
- Targeted investment in the triangle between Portland, Brunswick and Lewiston-Auburn (rail and intermodal facilities)

- Invest in the Bangor to Aroostook rail corridor
- Use east-west rail corridor (Bangor to Montreal) as an energy corridor

Joint Select Committee on Future Maine Prosperity, Time for Change, 2008:

- Support multi-modal for businesses and passenger movement
- Create strategies and policies to discourage sprawl and encourage trade opportunities
- Create and support east-west and north-south connections

## Investment Imperatives

A modern, robust, state-of-the-art transportation infrastructure is critical to increasing productivity and, ultimately, the economic development of Maine. We must address both the infrastructure needs and the funding mechanisms that pay for those needs. Just talking about roads and bridges will miss the target.

## Recommendations

*Increase funding and identify new funding sources*

- Increase gas tax to offset declining revenues due to improved fuel efficiency in vehicles
- Rely on user fees that target users and cover true costs across all modes of transit
- Provide tax credits for people who live within a certain distance of their employment

*Improve existing infrastructure*

- Meet industry's need for an east-west corridor through a public and private hybrid financing and management model that uses the network of existing privately owned timber roads allowing for heavier loads and charges users directly
- Support ongoing efforts to review jurisdictional responsibility and cost sharing for the public road network needs to improve performance, accountability and economies
- Expand the miles of roadway for which MTA has responsibility (example: the 295 corridor from Portland to Gardiner), making these miles toll roads

*Invest in and expand multi-modal*

- Fully integrate all modes of transportation to meet passenger and freight needs
- Finish investment plan outlined in the 3-Port strategy
- Upgrade containerized port facilities at Sears Island in order to connect freight to rail and road that reach national and international markets
- Governor should convene rail owners, rail freight carriers and industry users to reach agreement on strategy to meet Maine's rail freight needs for coming decades
- Develop and improve regional air transport around the state with an emphasis on better connects to Boston and the Mid Atlantic