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MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

MAINE TURNPIKE AUTHORITY

The GOC added the review of the Maine Turnpike Authority (MTA) to OPEGA's workplan at its meeting on May 8, 2009. OPEGA conducted preliminary research over March and April of 2010 with a focus on gaining a fuller understanding of MTA's operations, learning what legislative questions exist about the Authority and reviewing prior audits or studies conducted of MTA or its peers in other states. On April 29, 2010 the GOC considered OPEGA's Recommendation for Project Direction on a review of MTA and voted to have OPEGA focus on the following questions:

1. Why hasn't MTA been transferring operating surplus to MDOT as required by statute? Does MTA have an operating surplus as defined by 23 MRSA §1964? What other types of financial support has MTA been providing to DOT, if any? To what degree can MTA provide financial support to DOT without driving increases in toll rates?
2. What factors most significantly affect MTA's bond rating? How is the bond rating affected by legislative oversight actions, including OPEGA reviews, or by changes in MTA's operations, governance structure, revenue stream, etc?
3. What specific obligations does MTA have to its bondholders as expressed in the Bond Resolution? Are these typical obligations for an entity that issues revenue bonds?
4. Is the amount of bond debt currently held by MTA reasonable, and has the full amount of that debt been necessary to ensure the Authority could effectively carry out its mission?
5. Are MTA's policies, procedures and processes for selecting contractors and administering contracts adequate to ensure that MTA receives best value for contracted services?
6. What entities have a role in governing and overseeing MTA? What role is each entity supposed to play and how effectively does each entity carry out that role? How does MTA's governance structure (including statutory budgetary approval by the Legislature's Transportation Committee and appointments to the Authority's board by both the Legislature and Governor) compare to that of comparable authorities in other states?
7. What is MTA spending its toll revenue on? How does MTA define reasonable expenditures? Are the Authority's expenditures reasonable?
8. How does MTA compare to toll authorities in other states on financial and performance measures such as personnel and management costs and cost per mile?

A final report on this project is currently expected during the fall of 2010.