

May 8, 2017

Marybeth Richardson, Hearing Officer
Department of Environmental Protection
312 Canco Road
Portland, ME 04103

Hearing Officer Richardson:

On behalf of the Maine Turnpike Authority (“MTA”), we have received and reviewed the Intervenor’s request for additional information pursuant to Chapter 3, Section 16(A)(1) of the Maine Department of Environmental Protection (“Department”) Rules. Enclosed from Executive Director Mills is his discussion of the timeline and cost of revising the CDM Smith model to provide the information requested.

In short, this request would delay this process for an additional five to six months and cost the MTA over \$100,000 and hundreds of hours of staff time. Intervenor participated extensively in the ten year process leading up to its request for this public hearing. It is troubling that Intervenor has waited until this late date to request that the MTA complete additional modeling and that alleged need for this additional work is entirely unsupported by any expert technical foundation. The record is clear that AET for York will cause a loss of about 40% of the Turnpike's cash receipts, will require a significant surcharge to abate that loss, and will divert traffic onto nearby roads unsuitable for through-traffic. This is not an acceptable financial or policy outcome for the Turnpike given the feasibility of ORT and its minimal impacts.

Before a public hearing request can be granted, pursuant to Chapter 2, the Department must determine that the MTA application is complete for processing. Thereafter, interested parties have 20 days to file a request for public hearing and “specify the reasons why a hearing is warranted.” 2 DEP Rules §7(A). The public hearing request submitted by Intervenor and all subsequent pre-hearing consultations with Intervenor were silent regarding any request that the MTA revise its AET model. Intervenor’s request for new modeling was not timely made and it is not a request for existing information. As such, Intervenor’s request is outside the scope of Chapter 3, Section 16(A)(1). For these reasons, the MTA respectfully requests that the Department deny Intervenor’s request that the MTA undertake new AET modeling.

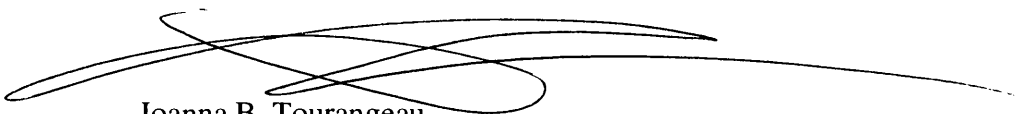
The MTA also reviewed Intervenor’s notation by email of May 5, 2017 of their intent to request

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that the MTA present Ms. Elizabeth Roberts as a witness for cross examination. Again we are concerned by the last minute nature of Intervenor's request. Pre-hearing meetings included no such requests from Intervenor and the MTA has not presented testimony from Ms. Roberts nor have we included her on our witness list. On April 19, 2017, in response to our objection that the Intervenor had presented no credible conflicting technical evidence in the record such that this public hearing is warranted, the Intervenor wrote: "it is for CRTC to choose its witnesses and MTA has no say in this matter." Without any direct testimony in the record we respectfully decline Intervenor's request that we present Ms. Roberts for cross examination.

Sincerely,



Joanna B. Tourangeau

Maine Turnpike Authority

2360 Congress Street
Portland, Maine 04102

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Robert D. Stone, Auburn, Vice Chairman
Thomas Zuke, Kennebunk
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Karen S. Doyle, Chief Financial Officer MaineDOT, Ex-Officio

Peter Mills, Executive Director
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May 8, 2017

Attorney Joanna Tourangeau
Drummond Woodsum
84 Marginal Way
Portland, Maine 04101-2480

Re: Building another model for toll options

Attorney Tourangeau:

The decision to reject AET in early 2014 was based on models containing data through the end of 2013. Using this data, CDM Smith analyzed the likely consequences for eliminating highway cash collection at York and Gardiner. In 2013, 18 to 24 months appeared to be a reasonable permitting timeline. Therefore, 2015 was selected as the implementation year.

Based on outcomes modeled from 2015 through 2030 for all levels of surcharge and resulting traffic diversion, AET was rejected. AET failed in both modeled locations even though projections forward from 2013 included conservative assumptions in every regard as discussed extensively in our direct and rebuttal testimony (including, for example, continued success in converting cash to E-ZPass) thus reducing the long term risk of AET conversion.

If we were now to create a new model based on three more years of data through 2016, the model would have to reflect that the Turnpike has since encountered more cash collections at York than the former model predicted: 267,000 more cash transactions in 2015 and 452,000 more in 2016. While York cash transactions are still diminishing each year, from 4.877 million in 2013 to 4.387 million in 2016, they are attenuating less rapidly than predicted and the rate of attenuation is itself diminishing. Our Exhibit FF charts the data from 2011 through 2016.

The earlier models for York and West Gardiner were produced over a span of more than two years from late 2011 through early 2014 and cost over \$300,000 for both locations. A survey of 407,000 license plates in the cash lanes cost an additional \$176,000 but was important to add the benefit of a traffic profile.

The Intervenor now suggests that we advance the clock several years and run a new model beginning in 2019 or 2020. It would take several months to query and extract the necessary new data from the Turnpike's voluminous electronic files and then several months more for the

consultant to build the model and produce the analysis. Revising the AET model to incorporate three more years of data would cost over \$100,000 in consulting fees, require hundreds of hours of work from the Turnpike's IT and accounting staffs, and impose a delay of five to six months in these proceedings.

Over the decade that the AET option has been under study, certain conclusions have remained relatively constant:

- About 40% of cash revenue is lost to any agency with our profile that converts to AET.
- To preserve present revenue requires a surcharge commensurate with the loss.
- The surcharge combined with the annoyance of being billed by mail will divert many motorists onto other roads near the Turnpike.

On the basis of the best information available in 2014, the Turnpike rejected AET as impracticable from a financial and policy standpoint and began what has turned out to be a three year process of site selection, design, and preparation of permit applications to replace the old York plaza with an ORT facility that is long overdue.

The building of an ORT plaza creates a positive diversion by attracting motorists onto the Turnpike from other streets and roads. The appeal of high speed E-ZPass combined with the convenient option to pay cash is the best way for the Turnpike to fulfill its primary mission: to draw motorists away from congested local roads and onto the interstate where through-traffic belongs.

An ORT plaza increases Turnpike revenue, reduces operating costs, and provides convenience, safety and environmental benefits for the many millions of freight haulers, tourists, delivery truckers, and commuters who have welcomed these improvements elsewhere on the Maine Turnpike. The Turnpike has two ORT plazas in full operation and they are working well. A third opens this August and a fourth is under construction.

To spend another five or six months and more than \$100,000 to create still another AET model for a future year would be a time wasting diversion of its own. We respectfully request that the Maine Department of Environmental Protection proceed with the public hearing on the Turnpike application as scheduled so as to minimize what has already been an exhaustive, decade long process.

Yours truly,


Peter Mills
Executive Director