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March 11, 2020

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis MD 21401

***RE: Letter of Information – Senate Bill 557 – Maryland Transportation Authority - Vehicle Not Using Bridge – No Toll Required***

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on Senate Bill 557 but offers the following information for the Committee's consideration.

Senate Bill 557 would prohibit the MDTA from charging a toll if a vehicle goes through one of its toll facilities at a toll plaza adjacent to a bridge but does not cross the bridge. The legislation further requires MDTA to construct a bypass or to reconstruct the existing interchange at Broening Highway to direct vehicles that do not traverse the Francis Scott Key (FSK) Bridge into a toll-free lane through the toll plaza.

The FSK facility is approximately 10.9 miles in length, and extends from North Point Road to MD 10, and includes the Bear Creek Bridge, Key Bridge, and Curtis Creek Drawbridge. Tolls are collected at the mid-point of the FSK facility on the Baltimore County side of the bridge. In January 2016, the MDTA reduced the toll charged to vehicles that only traverse the Bear Creek to \$2.00 per axle for 3+ axle vehicles, providing major savings to drivers of those vehicles. Passage of Senate bill 557 would grant free passage to users entering at the midpoint of the facility and using only the northern portion. Major projects totaling \$70 million to \$93 million are required over the next five to ten years to maintain the roadway and bridges on this portion of the facility in a state of good repair.

Since 1971, the MDTA has been responsible for constructing, managing, operating and improving the State's eight toll facilities, as well as for financing new transportation projects under its purview (such as the Harry W. Nice/Senator Mac Middleton Bridge in Charles County). In accordance with MDTA's Trust Agreement with bondholders, toll revenues are first pledged to pay debt service for bonds that are used to fund major transportation projects at existing and new facilities. The MDTA is governed by a 9-member board of directors with the Secretary of Transportation serving as Chair. The organization is entirely reliant on tolls collected from its users as the MDTA does not receive any state General Fund or Transportation Trust Fund dollars.

The Honorable Delores G. Kelley  
Page Two

Passage of Senate Bill 557 may be viewed as eroding the MDTA's statutory independence which could have a negative impact on the MDTA's strong credit ratings and could potentially result in potential credit rating reductions. The MDTA's credit ratings are among the highest granted for tolling authorities. Credit rating agencies have previously cited MDTA's independent ability to set toll rates, free of political consideration or approval from an outside source, as a key factor in achieving an optimal credit rating.

The Maryland Department of Transportation and the Maryland Transportation Authority respectfully request the Committee consider this information when deliberating Senate Bill 557.

Respectfully submitted,

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