

Welcome to the 3rd quarter of 2019 in the 19th year of the I-395/Rte. 9 study—how the DOT plans to build a new road from a twice removed alternative that the MaineDOT acknowledged as potentially hazardous in 2003 that met only 20% of the study's five purpose and needs in 2009 that had decade-long long-term needs deferred for 20 years from commissioning in 2010 for the new low price of only \$79,250,000.00!



The MaineDOT 2019-2020-2021 Work Plan states: "we are losing ground to the capital goals established in 23 MRSA §73(7). In the near term, the needs of the transportation system in Maine, as in all other states, continue to outpace available federal and state resources...in any event, there is clearly a substantial unmet need. Depending upon policy goals to be established, it is anticipated that the amount of this need is in excess of \$125 million per year. Maine is currently in the fourth year of a 10-year bonding plan...this Work Plan also assumes...approval for \$100 million in G.O. bonding in CY 2020 and \$100 million again in CY 2021."

February 2019

KEY FACTS ABOUT MAINE'S SURFACE TRANSPORTATION SYSTEM AND FEDERAL FUNDING | March 2019 | TRIP

Current Road and Bridge Conditions, Travel Trends and Traffic Congestion:

- Fifty-four percent of Maine's major roads are in poor or mediocre condition.
- Driving on roads in need of repair costs Maine motorists \$541 million a year in extra vehicle repairs and operating costs \$529 per motorist [per year].
- Thirteen percent of Maine's bridges are structurally deficient, meaning there is significant deterioration to the major components of the bridge.

These are the latest facts—yet the MaineDOT plans to squander \$79.25 million of limited state and federal funds on one single project even as 11 other projects, including the must-construct-first-Wilson St./I-395 bridge, had to be deferred from the bidding process on May 9, 2019!!

Repost—What you need to know about Bridge #1564:

MAINE PUBLIC BRIDGE STRUCTURES IN THE MUNICIPALITY OF Brewer

Link to Map Viewer

IDENTIFICATION

Bridge Road Width (Feet) 51

Bridge or Minor Span Bridge on State Highway

CLASSIFICATION

Owner Structure Length (Feet) MaineDOT Maintainer Structure Length (Feet) MaineDOT Federal Bridge Indicator Y

AGE AND CONDITION

Deck Condition 7 - Good Condition (some minor problems) 6 - Satisfactory Condition (minor deterioration) Year Built 1984 Culvert Condition Channel Condition Approach Condition Annual Average Daily Traffic 15,824

INSPECTION AND APPRAISAL

Date of Inspection 05/30/17 Federal Sufficiency Rating 77

STRUCTURE TYPE AND MATERIAL

Span Material Steel Span Type Stringer/Multi-beam or Girder

Number of Main Spans 1

LOAD RATING AND POSTING

Posting Status	Open	Posted Weight (Tons)	
POSTING TYPE			
4-Axle			
One-Truck			
Spacing			

10 of 18

Produced by MaineDOT Bridge Maintenance October 10, 2018

Click here to view MaineDOT online data.



The Wilson Street/I-395 Bridge is only being replaced because of the suspect decision by state and federal officials to select 2B-2 as the preferred alternative for this controversial project.

45 other alternatives, out of 79+ studied routes, satisfied the original-decade-long "Route 9 east of Route 46" system linkage need and did not require this bridge to be replaced.

2B-2 does not satisfy the "Route 9 east of Route 46" system linkage need, thus an \$11.9 million replacement of a perfectly good bridge is required as the first phase of the 2B-2 project.

The DEIS/FEIS concedes that 2B-2 meets the system linkage need only in the near-term (20 years from commissioning), while documentation in September 2010 changed the original "Route 9 east of Route 46" system linkage need to a long-term need. The DOT refuses to discuss the near-term vs. long-term needs of 2B-2 and the unfunded cost of that long-term need.

- Maine's bridges are rated as 14% poor/structurally deficient in their May 2019 TRIP report.
- The average age of Maine's bridges is 52+ years old. Bridge #1564 was built in 1984 and at 35 years old is a relatively new bridge when compared to the rest of Maine's bridges.
- Bridge #1564 is rated as good to satisfactory by the DOT.

Why replace this bridge while other older and deficient bridge repairs or replacements go unfunded? Isn't it time to halt this controversial project and allocate all remaining funds to the unmet transportation needs of the state of Maine??



<u>Janet Mills OKs [\$500,000] study</u> that could lead to consumer takeover of CMP, Emera



Gov. Janet Mills signs a bill on June 12, 2019, in her office in Augusta. On July 3, 2019, she signed a bill into law to have the Maine Public Utilities Commission evaluate the feasibility of a proposal to replace Central Maine Power and Emera Maine with a consumer-owned utility.

By Lori Valigra, BDN Staff • July 3, 2019

A proposal to create a <u>consumer-owned electric utility</u> in Maine moved a step forward Wednesday as Gov. Janet Mills <u>signed a bill</u> to study the feasibility of the project, which would replace Maine's two largest electric utilities.

The controversial proposal would create the Maine Power Delivery Authority to replace Central Maine Power Co. and Emera Maine. It would be owned and controlled by Maine consumers.

Only one other U.S. state, Nebraska, has a statewide consumer-owned utility to deliver electricity.

The new law requires the Maine Public Utilities Commission, which regulates electric utilities, to conduct a study of the recommendation and submit it to the Legislature's energy committee by Feb. 15, 2020.

Money to fund the study [\$500,000] will come from the commission's reimbursement fund, which derives primarily from fines from the Dig Safe program, Mitchell Tannenbaum, a lawyer for the PUC, told the energy committee in <u>June</u>.

The feasibility study is a quickly conceived compromise to another controversial Berry proposal, <u>LD 1646</u>, which called for the creation of the consumer-owned utility system <u>in response to frustration</u> over rates, renewable energy policies and ongoing customer service problems at CMP. LD 1646 has been carried over to the next legislative session.

Even as it is under fire, CMP on Monday asked the PUC to <u>raise its distribution rate</u>. The utility's rates and bills are the subjects of a series of <u>upcoming PUC public hearings</u> in July.

Rep. Seth Berry, D-Bowdoinham, co-chair of the Legislature's energy committee, proposed the legislation. He and others also contend that the profits for CMP and Emera don't stay in Maine. Both companies are owned by foreign parents that are publicly traded.

Emera spokeswoman Judy Long said the utility is concerned about the impact a government takeover would have on its customers.

She said a study is critical to ensure all parties, most importantly customers, are better informed about the significant implications, timelines, costs and complexities of the government power proposal.

"The cost for the people of Maine to purchase the state's two investor-owned utilities could be \$7 billion to \$9 billion, and that doesn't include the costs of a new government power bureaucracy," she wrote in an email. "This bill does not guarantee more reliable service or lower costs for Maine customers.

"Maine has a strong regulatory framework to protect customers. If any utility fails to meet the expectations of its customers and its regulator, it can and should be held accountable," she said.

Long said Emera Maine is looking forward to participating actively in the study process. She cited a <u>recent study in Hawaii</u> examining the same issues found customers may pay higher rates if the state moves to a different ownership model.

CMP spokeswoman Catharine Hartnett said the PUC should conduct the study.

"Although our company is not for sale, CMP believes the PUC is the proper organization to undertake the feasibility study of the many complex business and infrastructure issues surrounding power delivery in Maine," she said.

The new law says the PUC study must include an analysis of the short- and long-term costs and benefits of the proposal. It also must examine the legal, regulatory, technical, financial and operational issues related to the proposal and its implementation.

It must assess the anticipated impacts, both positive and negative, of the proposal on the state. That includes how it would affect electricity rates, utility employees and ratepayers.

And it must develop alternatives or amendments to LD 1646 to address any obstacles identified by the study.

The PUC is to hire an independent consultant with relevant expertise to conduct the study.

 The governor is willing to spend \$500,000 on this study, but would not spend a paltry \$25,000 to validate the I-395/Route 9 connector project, which is heavily flawed and controversial.





Here's more evidence that Maine needs to spend more to fix the roads

Rich Beauchesne | The York Weekly | Construction vehicles work on a York Beach connector road, off Route 1 near York's Wild Kingdom, in this September 2018 file photo.

By The Editorial Board. The BDN Opinion Section operates independently, and does not set newsroom policies or contribute to reporting or editing articles elsewhere in the newspaper or on bangordailynews.com. • June 27, 2019 12:00 pm | Click here to view online.

Last month, the Maine Department of Transportation pulled the plug on a dozen construction projects because they were going to cost much more than expected. More recently, a national group ranked Maine the ninth worst state in the country for the condition of its rural roads and seventh for rural bridge conditions.

This is yet more evidence that the state needs to devote more funding to the maintenance and improvement of our transportation infrastructure. Money, of course, isn't the only solution to problems. But, in this case, more money is clearly needed.

TRIP, a national transportation research group, found that 22 percent of Maine's rural roads are rated in poor condition – the ninth highest rate in the nation – and 21 percent are rated in mediocre condition. Nationally, 15 percent of rural roads are rated in poor condition by TRIP.

Fourteen percent of Maine's rural bridges are rated as poor or structurally deficient, compared with 9 percent nationally. Maine has the seventh highest share of deficient bridges in the US.

The group notes that rural roads offer essential connectivity between rural areas and the country's larger communities that are vital to the economic vitality of both. The roads are used to bring goods grown and produced in rural areas to markets and also to bring travelers to rural areas, which are often home to national parks and other recreational spots and dependent on tourism dollars.

The report came less than a month after the Maine Department of Transportation said it is shelving several construction projects this year because they would cost much more than anticipated. A bid for road and bridge resurfacing on Interstate 295 in the Portland area was rejected because it was more than twice the department's estimate. The department put another 11 projects on hold last month.

This isn't a one-year bump in the road that will be smoothed by changing economic or political conditions. Rather, it is a stark warning that, given current resources, Maine can't afford to maintain, let alone improve, its roads and bridges.

Combined state and federal funding falls short of meeting transportation goals set in state statute by more than \$100 million per year, Transportation Commissioner Bruce Van Note told lawmakers earlier this year. That gap will only grow as projects continue to exceed state cost expectations.

The Department of Transportation gets the bulk of its funding from three sources: the state highway fund, which is funded largely by state fuel taxes; bonds; and the federal government.

In recent years, state lawmakers and voters have approved \$100 million bonds annually for transportation work and the Department of Transportation expects this to continue. This is a critical source of funding, but borrowed money should not be used for repair projects that may not last as long as the interest payments. And as the Legislature's failure to pass a bond package before adjourning last week shows, relying on an imperfect bonding process to fund this important and continual work is not a safe or sustainable bet. Deputy Transportation Commissioner Nina Fisher told the BDN that the department "can't function" as it needs to in the coming year without the proposed transportation bond of more than \$100 million. It's unfortunate that this needed and popular bond succumbed to timing and political differences at the end of the legislative session. Legislators and the administration should find a way to get it in front of voters this November. "We have to have that bond," Fisher emphasized.

Some lawmakers, especially Republicans, have suggested devoting more state general fund money to transportation work. This is an important discussion, but consistently devoting more general funds to transportation means less money for other departments or a tax increase to bring in more revenue, both difficult choices.

Although politically unpopular, lawmakers should consider raising the gas tax. The tax, which makes up a substantial portion of the state's highway fund revenue, is now 30 cents per gallon for gasoline and 31 cents per gallon for diesel fuel. This is unchanged since 2011. These tax rates were adjusted annually for inflation until 2011, when <u>indexing was repealed</u>. Now, like federal fuel taxes, the state gas tax is not keeping pace with transportation needs.

Simply put, Maine needs more money to pay for its transportation needs. With the current legislative session over, policy makers should start now to lay the groundwork for the difficult — and sometimes unpopular — decisions that must be made to cover the rising costs of maintaining and improving the state's infrastructure.

Once again, the DOT is saying the sky is falling whilst \$25 million of state funds are tied up to guarantee the 2018 \$25 million Federal INFRA grant for the construction of the controversial I-395/Rte. 9 connector that Brewer and its citizens do not support. The rest of the \$79.25 million construction cost (\$29.25 million) will come from STIP funds, a source of funds that should have and could have funded a multiple of other projects. Maybe if the DOT was more fiscally responsible, our roads and bridges wouldn't be in such bad shape today; wouldn't 2B-2's funds be better spent on Maine's unmet transportation needs?



Yet another reason to invest in Maine's transportation infrastructure



"...borrowed money should generally not be used for repair projects that may not last as long as the interest payments."

Ashley L. Conti | BDN

Construction crews worked in 2014 to cut up the road near the intersection of State Street and Exchange Street in Bangor.

By The Editorial Board. The BDN Opinion Section operates independently, and does not set newsroom policies or contribute to reporting or editing articles elsewhere in the newspaper or on bangordailynews.com. | July 22, 2019 | Click here to view online.

Maine has the fourth worst infrastructure in the country, according to a new evaluation. "Roads and bridges are in terrible shape," CNBC said of Maine in its annual rankings.

Maine lawmakers should not need another report to know that much more money needs to be allocated to repairing and upgrading the state's roads, bridges and other infrastructure. There is a growing library of these reports that demonstrate Maine's failure to adequately invest in our infrastructure. In May, for example, a national transportation research group found that 22 percent of Maine's rural roads are rated in poor condition — ninth worst in the nation.

Combined state and federal funding falls short of meeting transportation goals set in state statute by more than \$100 million per year, Transportation Commissioner Bruce Van Note told lawmakers earlier this year. That gap will only grow as projects continue to exceed state cost expectations.

The funding need is even more perilous this summer after the Legislature failed to agree on a package of state borrowing before adjourning and heading home last month.

The Maine Department of Transportation has come to rely on about \$100 million in bonds each year to cover the cost of road and bridge maintenance and repairs. Although borrowed money should generally not be used for repair projects that may

not last as long as the interest payments, this remains a vital source of funding for MDOT.

Deputy Transportation Commissioner Nina Fisher told the BDN last month that the department "can't function" as it needs to in the coming year without the roughly \$100 million proposed bond funding, which is still up in the air after lawmakers failed to reach a bond agreement in June.

The expectation — and our hope — has been that the Legislature will reconvene for a special session to complete a bond package this summer, but time is running short to get a proposal prepared by voter consideration in November. The Maine Secretary of State's Office says it needs any potential bonds by the end of August in order for ballots to be printed on time ahead of the election this fall.

The short-term imperative to address this bond situation in time for November is clear. But in the long term, Policymakers must look beyond this impending problem to consider more sustainable and predictable sources of funding for infrastructure projects. Raising fuel taxes, at the state and federal level, must be part of the solution.

The tax, which makes up a substantial portion of the state's highway fund revenue, is now 30 cents per gallon for gasoline and 31 cents per gallon for diesel fuel. This is unchanged since 2011.

These tax rates were adjusted annually for inflation until 2011, when indexing was repealed. Now, like federal fuel taxes, the state gas tax is not keeping pace with transportation needs. Nobody likes talking about raising taxes, but given this lag and Maine's well-documented need for transportation investment, it's time for a difficult conversation.

- End of article -

Squandering \$79.25 million of Maine's limited transportation dollars on the controversial I-395/Route 9 Connector—a project that does not meet the original system linkage need to provide a connection to the east of Route 46—a project that citizens and governing officials of Brewer do not support—at a time when the state cannot afford to maintain existing roads and bridges—and at a time when "Maine has the fourth worst infrastructure in the nation" is fiscally irresponsible, 2B-2's funds would be better spent on Maine's unmet transportation needs that exist today.



These 5 crumbling states have the worst infrastructure in America

PUBLISHED WED, JUL 10 2019 | 8:00 AM EDT UPDATED THU, JUL 11 2019 | 10:26 AM EDT

Scott Cohn @SCOTTCOHNTV

(Excerpt of original article) click this link to view entire CNBC article on line.

America's infrastructure is a mess. And with the Trump administration and Congress unable to fast-forward a bipartisan plan to address the issue, things are only getting worse. According to the 2017 American Society of Civil Engineers report card, published every four years, the U.S. needs to spend some \$4.5 trillion by 2025 to fix the country's roads, bridges, dams and other infrastructure. Yet some states are in much rougher shape than others, putting them at a competitive disadvantage when it comes to attracting business and jobs.

Infrastructure is one of the 10 categories of competitiveness in CNBC's annual America's Top States for Business rankings. We use government data from the U.S. Department of Transportation, the Census Bureau and the Environmental Protection Agency to evaluate each state's roads, bridges, railways, waterways, ports, airports and utilities, as well as the size of the population within a day's drive.

Some states are <u>weathering the storm quite nicely</u>, but these five states are the most in need of an infrastructure overhaul.

4. Maine



Air traffic controllers work in the control tower at Portland International Jetport Derek Davis | Portland Press Herald | Getty Images

What else would you suspect in the state that is said to have originated the phrase "You can't get there from here"? Roads and bridges are in terrible shape. Maine's busiest airport serves only about 20 destinations, none of them international. About 2 million passengers used Portland International Jetport last year. That is about 2% of the traffic at Atlanta's Hartsfield-Jackson International.

2019 Infrastructure score: 125 out of 350 points (Top States grade: F)

US population within 500 miles: 49,364,126 Average commute to work: 23.8 minutes

Bridges in poor condition: 13.1%

Roads in unacceptable condition: 13% 20-year water-system needs: \$1.35 billion

"The Maine Department of Transportation has come to rely on about \$100 million in bonds each year to cover the cost of road and bridge maintenance and repairs. Although borrowed money should generally not be used for repair projects that may not last as long as the interest payments. this remains a vital source of funding for MDOT."

Portland Press Herald

Transportation officials fear delay of state bonds jeopardizes entire highway repair program

Lawmakers have less than a month to get a \$105 million borrowing package on the November ballot or risk upending the state's highway repair program. Click here to view online.

BY PETER MCGUIRE STAFF WRITER | 8.14.2019



A Wyman and Simpson worker guides a pier into place to support the temporary bridge spanning the headwaters of Echo Lake in Mt. Vernon in June. The Richmond construction company is replacing the old bridge on Route 41 for the Maine Department of Transportation. The DOT is hoping \$105 million in bonds will get legislative backing before the end of the month so they can go on November ballots. If passed, the bonds would provide money for next year's transportation projects. *Kennebec Journal photo by Andy Molloy*

The state's top transportation official says next year's entire highway repair program is at risk if lawmakers don't return to Augusta in the next two weeks and vote to put a highway borrowing package on the November ballot.

"We normally bid out \$350 million for just our core highway and bridge program; if we don't get a bond, half of that could be gone," said Maine Transportation Commissioner Bruce Van Note in an interview Tuesday.

"This bond is mission-critical," Van Note added. "They have to do it this month or we are going to be in a world of hurt."

In June, Gov. Janet Mills proposed borrowing \$239 million over two years for economic development, environment and transportation programs. That proposal included a \$105 million bond to fund work on highways, ports, rail and airports next year.

But lawmakers <u>failed to pass the bond package</u> before they adjourned in June, leaving state transportation planners and private contractors uncertain when, or if, the money will come through.

An Aug. 30 deadline to get bond language on the ballot looms and there's still no date to reconvene the Legislature. That's put transportation planners on edge as they start to prepare next year's work plan.

The transportation bond is the latest in five consecutive years of state borrowing to <u>shore</u> <u>up a chronically underfunded maintenance and repair program</u> for Maine's aging highways and bridges. The sale of state bonds is anticipated to fund 20 percent of the state's highway program next year and provide critical matches for federal funding.

"Is this really the best way to fund transportation programs?" Van Note said. "I get why people say 'why are we bonding all the time' – right now we appear to be overly reliant on it."

Mills is contemplating a special session to consider bonds near the end of August, but no firm date has been set, said spokeswoman Lindsay Crete.

"Gov. Mills is continuing to bring lawmakers together to pass a bond package that invests in our economy and addresses the most critical challenges facing our state," Crete said in an email. "Gov. Mills believes strongly in sending a bond package that tackles these challenges head on to the Maine people for consideration in November."

House Republicans support a vote on the transportation bond, but want to consider the rest of Mills' package when lawmakers reconvene in January, said House Minority Leader Kathleen Dillingham, R-Oxford, in an interview. The same conflict sank bond issues in the final hours of the legislative session. General obligation bonds need two-thirds support in both houses of the Legislature and a majority vote by state voters.

"We fully support the transportation bond, especially the piece of it specifically for the road infrastructure and bridges," Dillingham said.

Stakeholders on both side of the aisle believe lawmakers will eventually come back to settle the issue because the transportation funding question is too critical to ignore.

"We have to do something by the end of the month and I fully expect we will," said Sen. Bill Diamond, D-Windham, Senate chairman of the Legislature's Transportation Committee. "The crux of the matter is we need a transportation bond and both Republicans and Democrats agree to that."

This is unfortunately a familiar situation, said Matt Marks, CEO of Associated General Contractors of Maine. The state's reliance on annual bonding for highway funding makes it vulnerable to hiccups such as legislative delay and executive action. Bonds are also subject to voter approval, which has historically been overwhelming, but never guaranteed.

"What we put ourselves in is this 'just in time' thing which really doesn't benefit the state or companies," Marks said. "It is really just a lot of heartache all around."

A conflict between former Gov. Paul LePage and Treasurer Terry Hayes in 2017 <u>held up the</u> sale of transportation bonds and the former governor <u>stalled on bond sales</u> again last year.

That means construction companies can't be sure of state highway contracts, making it a gamble to line up equipment and labor. For the state, delays mean pushing bidding further into the season and into heavier competition with public and private work. That's amid skyrocketing construction prices that forced the state to cancel \$59 million in highway projects this year.

"We are so far behind, we are passing this stuff literally months before they have to go out to bid," Marks said. "It is costing the state more to do it this way," he added. "Why we decide to do this on an annual basis is beyond me."

There is a consensus that Maine's highway funding system needs serious reconsideration. Without bonding, the state would have an annual highway shortfall of about \$160 million. The last time the gas tax was raised – the highway fund's primary financing method – was in 2011. Years of proposals for new funding, from fees <u>on electric vehicles</u>, seasonal gas taxes or added fees and sales tax allotments, have gone nowhere.

A new bipartisan blue ribbon commission set up this year is expected to consider a full range of options to fund the highway program. It is supposed to submit a report and suggested legislation to the Legislature by early December.

-End of Article-

MaineDOT project update: "In consideration of the complexity of traffic management during [2B-2] construction, the decision was made to build the bridge on Rte 1A over the connector in a separate phase of the construction. This phase is set to advertise late 2019 with construction beginning in 2020. The remainder of the connector is scheduled to advertise late 2021 with construction to begin in 2022." This \$11.9 million project was "scratched" in May as one of the eleven projects that the DOT was unable to fund; that bridge is the first phase of an overhyped, controversial and extremely expensive \$79.25 million project that many of us vehemently do not want and do not support; a project that does not satisfy original, established purpose and needs!!

"The Maine Department of Transportation has come to rely on about \$100 million in bonds each year to cover the cost of road and bridge maintenance and repairs.

Although borrowed money should generally not be used for repair projects that may not last as long as the interest payments, this remains a vital source of funding for MDOT." BDN Editorial 6.22.2019

"Is this really the best way to fund transportation programs?" Van Note said. "I get why people say 'why are we bonding all the time' – right now we appear to be overly reliant on it." DOT Commissioner 8.14.2019

The loss of this year's transportation bond would finally force our legislators to face the real issue of future transportation funding to satisfy Maine's unmet transportation needs. Bonding is not the answer — Mr. Van Note knows it — fix the roads and bridges we have now before building any new ones that we will not be able to maintain...

WEATHER: Partly sunny and pleasant High 78 Details, B6

pressherald.com

State transportation officials sound alarm over bond delays

WITHN GOV. JANET MILLS' PROPOSED two-year, \$239 million bond package is \$105 million in transportation projects. The proposed bond is expected to draw \$137 million in matching federal and other funds. According to the Office of the Governor, here's how the transportation money would be used:

\$80 MILLION to construct, reconstruct or rehabilitate state roads, highways and bridges

\$20 MILLION for ports, rail and air facilities

\$4 MILLION for culverts and stream crossings

\$1 MILLION for Gulf of Maine Research Institute to protect working waterfronts and restore a commercial fishing wharf An. Aug. 30 deadline looms to get language on November's ballot, but there's still no date to reconvene the Legislature.

By PETER McGUIRE

The state's top transportation official says next year's entire highway repair program is at risk if lawmakers don't return to Augusta in the next two weeks and vote to put a highway borrowing package on the November ballot.

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An Aug. 30 deadline to get bond language on the ballot looms and there's still no date to reconvene

Please see **BONDS**, Back Page

Continued from Page A1

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TOO CRITICAL TO IGNORE

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BRUCE VAN NOTE

Commissioner, Maine Department of Transportation

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'HEARTACHE ALL AROUND'

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A new bipartisan blue ribbon commission set up this year is expected to consider a full range of options to fund the highway program. It is supposed to submit a report and suggested legislation to the Legislature by early December

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Statewide edition

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No deal yet on bonds as Maine lawmakers face key deadline for road funding

By Michael Shepherd, BDN Staff • August 15, 2019

AUGUSTA, Maine — Maine lawmakers are mulling a bond package that could be at least \$70 million smaller than one proposed by Gov. Janet Mills two weeks from a deadline to put crucial transportation borrowing on the November ballot.

Democrats who lead the Legislature <u>deadlocked with minority Republicans</u> on a \$239 million package from Mills before the legislative session's June end, but an end-of-month deadline to get the widely supported transportation bond on the ballot could bring them back to Augusta.

<u>Maine relies on borrowing</u> to fund infrastructure. Voters have approved transportation bonds in four consecutive years, and <u>the Maine Department of Transportation's work plan</u> assumes roughly \$100 million in annual borrowing matched by federal money to fill a funding gap.

Transportation Commissioner Bruce Van Note said his agency would be in "a world of hurt" ahead of the 2020 construction season if it does not get the bond, saying it would risk half of a \$350 million fund largely dedicated to bridge replacements, road construction and paving. Still, he was optimistic legislators would strike a deal.

"Even though it's unsettling and it's a little bit scary, I fully expect they're going to do it because they have in recent years," Van Note said.

The Democratic governor <u>proposed her bond package in June</u>, slating \$189 million in borrowing for the 2019 election and \$50 million for 2020. It was centered on \$105 million for transportation and more for conservation, broadband, economic development and other infrastructure.

It would go to voters as four different questions, but Mills presented it as one package since Republicans — who could withhold necessary two-thirds votes in both chambers required to send bond proposals to the ballot — would spike certain items if popular transportation funding was considered separately.

Republicans voted against the whole package in July, saying they wanted to vote on items separately. <u>House Democrats spiked a Republican bid</u> to approve the transportation bond alone. Negotiating has gone on behind the scenes since then.

On Wednesday, legislative leaders were considering a framework from Senate President Troy Jackson, D-Allagash, slimming the package to \$169 million leaving transportation at the same mark as it was, but lowering funding in other areas. Jackson spokeswoman Christine Kirby said that did not constitute a firm proposal and was meant to gauge negotiations.

Little has changed for House Minority Leader Kathleen Dillingham, R-Oxford, who said a majority of her caucus would support a transportation bond but made no guarantees on other items.

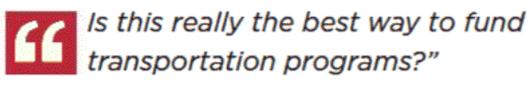
"The caucus is of a mind, all of us together, that if they are all bundled together, they will not have the support of the House Republicans," she said.

Sen. Bill Diamond, D-Windham, a moderate dealmaker and co-chair of the Legislature's transportation committee, said Wednesday he was optimistic about a deal and expected something resembling Jackson's pared-down framework to be presented separately to lawmakers upon a return to Augusta in two weeks.

"I know what a deadline does, and it's always good to have one," he said.

Click here to view this article online.





— BRUCE VAN NOTE

Commissioner, Maine Department of Transportation

Portland Press Herald 8.14.2019

NO, bonds are not free!! Last year's bond will cost Mainers \$29 million over the next 10 years until the bond matures. This article claims that Mainers have voted approval of transportation bonds for the last consecutive 4 years – that's \$116 million that will be owed in interest payments. Think before you vote...



Home / Road Conditions / Article

Maine DOT officials worried about future of the highway repair program due to no bond deal



By Paul Dwyer | Posted: Wed 5:43 PM, Aug 14, 2019 | Updated: Wed 9:13 PM, Aug 14, 2019



AUGUSTA, Maine (WABI) State transportation officials are worried about the future of the highway repair program if state lawmakers don't meet and vote on bonds by the end of this month.

Lawmakers did not pass the bond package during regular session, which includes \$105 million for transportation.

Department of Transportation Commissioner Bruce Van Note says up to half of the program could be cut if the bond isn't passed.

He says lawmakers should look at a different way than bonds to fund highways and roads in the future.

"I'm very hopeful that they will be coming back," said Van Note.
"History shows that they probably will, but it's a little scary until they do."

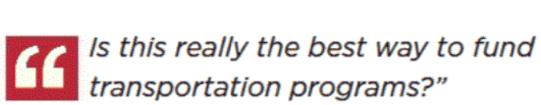


"If you're talking about cuts to your program of half, that's statewide. Every region will be effected."

If lawmakers do pass the bond package by a two-thirds vote, it goes to a state wide vote in November.

Click here to view this online video.





- BRUCE VAN NOTE Commissioner, Maine Department of Transportation

The above is from a Portland Press Herald article dated 8.14.2019 and refers to a proposed transportation bond that has yet to be approved for November ballots—at a time when the MaineDOT is sitting on a \$25 million federal INFRA grant for the I-395/Route 9 Connector—that the state has matched dollar for dollar—with the rest of 2B-2's \$79.25 million construction cost (\$29.25 million) coming from State Transportation Improvement Program (STIP) funds that will take money away from other crucial projects.

Approving this bond will allow our legislature to once again ignore the real problem of infrastructure funding—bonding for maintenance actions is fiscally irresponsible—bonds are not free—last year's \$100 million bond will cost Mainers \$129 million over the bond's ten year maturity. L. Adams 8.15.19





Linda Coan O'Kresik | BDN

Janet Mills calls Maine lawmakers back to vote on slimmed-down bond package

Gov. Janet Mills speaks at a Bangor event honoring Maine's bicentennial in July. On Monday, she called the Maine Legislature back in for votes on borrowing proposals.

By Caitlin Andrews, BDN Staff • August 19, 2019 5:56 pm

Updated: August 19, 2019 7:22 pm

AUGUSTA, Maine — Republicans say they will support popular transportation borrowing when lawmakers head back to the State House next week for a special session, but the fate of three other bond items they successfully pushed to vote on separately is still undecided.

"Our position is that we will be supporting the transportation bond," said John Bott, director of communications for House Republicans. "Any other bonds will be left up to individual legislators and what they feel they need to do in terms of their district."

Gov. Janet Mills, a Democrat, released a proclamation Monday evening announcing a revised \$163 million bond package will be voted on by legislators when they return to Augusta next Monday for the first time since the regular 2019 legislative session ended in June.

The package includes \$105 million for Maine's roads, bridges, rail and air transportation system, a figure that has remained unchanged since Mills proposed her \$239 million initial bond package in June. That money is critical for Maine's infrastructure system, as the state relies on borrowing to fund its improvements. Department of Transportation Commissioner Bruce Van Note said his department would be in "a world of hurt" last week if the bond wasn't approved.

Republicans <u>balked at Mills' proposed package in June</u> because it presented the transportation monies as a single package along with additional funds for conservation, broadband, economic development and other infrastructure, and they wanted to vote on them separately.

The governor ceded to that wish Monday, when she said the transportation bond proposal will be considered separately alongside three other slimmed-down items — \$23 million for infrastructure and economic development initiatives including high-speed internet; \$15 million for environmental protection and energy efficiency; and \$20 million for conservation.

"This revised proposal is a fair compromise that should garner bipartisan support in the Legislature," Mills said in a news release. "I am asking lawmakers to take advantage of low interest rates, pass these critical bonds and send them to Maine voters for their consideration this November."

Mills told <u>Maine Public</u> on Monday she was "convinced" there is support for "a variety of bonds" after talking to leadership on both sides. But Senate Minority Leader Dana Dow, R-Waldoboro, said there is still work to be done, and he plans to speak with Senate President Troy Jackson, D-Allagash, on Tuesday to discuss the bonds further.

"At this point I don't have a prediction on what is going to happen when we get together next Monday," he said.

Jackson spokeswoman Christine Kirby said Jackson is confident Democrats will back the measures. In a statement, Jackson said he will "proudly be voting to approve each of these bonds and I hope my colleagues in the Legislature will join me."

Lawmakers will have to approve the items with two-thirds votes in each chamber to put them on the statewide ballot in November, where voters would see the proposals as four separate items. Click here to view article online.



The \$105 million transportation bond will be approved for November's ballot—once again Mainer's will blindly vote yes to said bonding thinking it is free money—once again the executive and legislative branches of our state have failed to act on the challenges of our infrastructure funding—and once again punted the issue to next year's session where they will—once again—ignore the issue...

Portland Press Herald



Mills calls lawmakers back to put infrastructure bonds on the ballot

The governor scales back her previous request, asking for \$163 million for transportation and broadband projects.

BY **SCOTT THISTLE** STAFF WRITER | AUGUST 19, 2019

Gov. Janet Mills is calling Maine lawmakers back to work next Monday so they can vote on a state borrowing package that will be critical to ongoing highway and bridge repair and renovations, expansion of broadband internet connections and other key public services.

Without the borrowing package, which will need to go to voters for approval in November, progress on about <u>half of the projects on the Maine Department of Transportation's work list</u>would be halted or stalled indefinitely, transportation officials have said.

The proposed package released by Mills on Monday includes some \$163 million in borrowing, which is \$76 million less than a proposal that the Legislature did not act on this summer.

Mills' new package includes funding for transportation projects, rural broadband expansion and land conservation, among other things.

"This revised proposal is a fair compromise that should garner bipartisan support in the Legislature," Mills said in a prepared statement. "I am asking lawmakers to take advantage of low interest rates, pass these critical bonds and send them to Maine voters for their consideration this November."

For the bonding proposals to make it on the ballot for the November election, the legislation would have to be completed by Aug. 30, state officials have said.

Sen. Dana Dow, R-Waldoboro, said there was broad agreement between Republicans and Democrats on \$105 million in transportation bonds and that a scaled-down package may be more palatable to Republicans, but he had yet to meet with other State House leaders or his caucus specifically and had yet to see details of the proposal.

To pass the Legislature, the borrowing package needs two-thirds support in both the House and the Senate, under the state's constitution.

Mills detailed her proposal Monday, with \$105 million for transportation, \$15 million for broadband internet expansion, \$4 million for the state's career and technical education centers, \$4 million for Maine National Guard facilities, \$5 million each for wastewater infrastructure, hazardous materials cleanup, and weatherization and energy efficiency funds.

The proposal also includes \$20 million for the Land for Maine's Future land conservation program.

Most of the borrowing proposals will, if approved by lawmakers and voters, also draw down matching local and federal funds. The transportation funds, for example, are expected to draw down as much as \$137 million in federal matching funds.

Dow also said he believed there are tentative plans for separate votes on each of the four proposals to borrow funds. This was a key sticking point during the last legislative session, when Democrats wanted to vote on the entire package of bonding proposals in one measure.

Dow said talks have largely been informal, but lawmakers have been anticipating being called back to work on the borrowing package since the legislative session adjourned earlier this summer.

"I haven't had a chance to sit down with leadership, we haven't sat down to hammer out anything, so we got to wait and see, I guess," Dow said.

In June, Mills proposed borrowing \$239 million over two years for economic development, environment and transportation programs. That proposal included a \$105 million bond to fund work on highways, ports, rail and airports next year.

Mills' proposed bond package, which was endorsed by the Legislature's budget-writing committee, included \$105 million for road, bridge and infrastructure repair; \$50 million for research and development, expanding broadband and fishing/farming infrastructure; \$65 million for wastewater treatment projects,

renewable energy and the Land for Maine's Future program; and \$19 million for career and technical education or child care.

Republicans insisted they wanted separate votes on each of the four packages and not a single bill with all of the borrowing included. They said they were concerned that the state was taking on too much debt, after passing a two-year budget of close to \$8 billion. Lawmakers were unable to reach an agreement on the borrowing plan before the legislative session ended.

Once the Legislature is back in formal session, lawmakers could take up additional bills, but Democratic leaders have said they intend to keep the session focused exclusively on the borrowing packages.

Dow said Monday that end-of-session negotiations around borrowing never really got serious because most in the Legislature believed they would be called back this summer to work things out.

Democratic leaders said in prepared statements that they intend to support all of Mills' new borrowing package.

Senate President Troy Jackson, D-Allagash, said ultimately it would be up to Maine voters to approve the measures.

"To me, the question is simple: do you support giving Maine voters a voice or not?" Jackson asked. "I will proudly be voting to approve each of these bonds and I hope my colleagues in the Legislature will join me."

House Speaker Sara Gideon, D-Freeport, said the package was an investment in Maine's future.

"Securing needed investments in broadband expansion, conservation and environmental protection will help drive Maine forward and help determine our economic success," Gideon said.

State Treasurer Henry Beck, also a Democrat, said borrowing for the state now made sense as interest rates remained at an historic low.

Mills also noted that the current state budget, signed into law in June, includes enough money to service up to an additional \$300 million in debt.

Click here to view article online.

Tuesday. August 27, 2019

Portland Press Herald

WEATHER: Mostly sunny and nice High 75 Details, B6

pressherald.com

Republicans limit Mills' borrowing proposals

The transportation bond can now go to voters, but other initiatives remain blocked, angering Democrats.

By SCOTT THISTLE and KEVIN MILLER

AUGUSTA Democratic and Republican lawmakers coalesced Monday behind a \$105 million bond proposal for highway and road repairs but dead locked over taking on additional state debt to finance land conservation, broadband expansion and environmental programs.

Gov. Janet Mills had summoned the Legislature back to Augusta for a special session to deal with bonds after the parties failed to strike a deal before adranked-choice voting for presidential primary/B1

■ Senate OKs journing in June. The final product by the end of Monday's gathering was much the same as it would have been in June, however,

with Republicans supporting bonds for transportation projects but blocking state borrowing for other initiatives.

Republicans' opposition to \$58 million in bonds frustrated Democratic legislative leaders and Mills.

Please see BONDS, Back Page

"I'm sorry it's come to this. I'm kind of sorry I called them in (for a special session). ... The people are going to know who decided not to let the people decide." - GOV. JANET MILLS

"To spend every penny of available money now ... and then ask to borrow hundreds of millions of dollars on top of it is reckless and irresponsible." - REP. BILLY BOB FAULKINGHAM



Joe Phelan/Kenn While lawmakers passed Gov. Mills' \$105 million transportation bond, they rejected \$15 million to expand broadband access and millions more for improving National Guard facilities, land conservation and municipal sewer and water projects.

A6 Portland Press Herald / Tuesday, August 27, 2019

CONTINUED FROM A1

BONDS

Continued from Page A1

"I'm sorry it's come to this," Mills said Monday afternoon when it became clear that three of the four bond measures would likely fail to pass. "I'm kind of sorry I called them in."

Mills said voters would know who blocked their opportunity to weigh in on the borrowing packages. She also pointed out that interest rates were at historic lows, which could save the state millions over time.

"The people are going to know, who decided not to let the people decide in November, to support the National Guard and the crumbling buildings and facilities that they are trying to work in," Mills said. "The people will know who voted not to let the people decide to support high-speed internet in rural Maine."

Republicans, in turn, blasted Democrats for opposing their proposal in June for a transportation-only bond measure and continued to accuse the majority party of going on a "spending spree" with the current \$8 billion budget and borrowing proposals

"Republicans did not have enough votes to stop Democrats from spending 99.995 percent of all available state monies (including the budget surplus) and protecting businesses, ers and taxpayers from onerous new regulations," Assistant House Minori-Leader Trey Stewart, R-Presque Isle, said in a statement. "Today, we did have the votes to stop them from adding to their irresponsible spending spree. Transportation infrastructure has to become a core priority when we budget, not a last-minute borrowing request after Democrats

pend all the money." Mills had initially proposed a \$239 million state borrowing package, whittled it down to \$163 million before Monday's special session.

The Senate voted 32-0 to approve the transportation while the House assed it on a vote of 127-8. But the other three bond measures failed in both they chambers because fell short of the two-thirds majorities needed to send the borrowing questions to Maine voters.

In addition to \$105 million for highway, bridge and transportation projects, the package proposed borrowing \$15 million for broadband expansion as well as \$8 million for improvements to career and technical centers, and National Guard facilities. Mills also proposed \$20 million in bonds to replenish the Land for Maine's Future conservation program and \$5 million each for municipal sewer and water projects, hazard-ous waste cleanup and an Efficiency Maine fund for heat pumps.

general obligation bonds, all of the measures would need approval from voters during the Novem-ber election. Fiscal notes attached to the bills assume interest rates of between 4.25 percent and 4.75 percent for 10 years, although actual rates could be lower because of current market conditions.

Democrats highlighted that the \$8 billion, two-year state budget adopted in June assumes up to \$300 million in new debt, and the spending being proposed was modest but still critical to the state's safety and economy.

"Mainers deserve to rest easy knowing the Maine National Guard is going to be there when we need them most," said Sen, Erin Herbig, D-Belfast. She added that improvements to the state's career and technical education facilities were also coming at a time when skilled tradespeople are in high demand.

"Electricians, plumbers, Very practical skills that our economy de-mands right now," Herbig

But Republicans argued that the state should wait to see what the economy does before tacking on more to the state's debt load. They said none of the borrowing needs to be approved and could wait until the Legislature reconvenes in January.

"Anvone who is not economically illiterate knows that you borrow money when revenue is down and pay it back where revenue is up," said Rep. Billy Bob Faulkingham, R-Winter Harbor. "To spend every penny of available money .. and then ask to borrow hundreds of millions of dollars on top of it is reckless and irresponsible

But Rep. Drew Gattine, a Westbrook Democrat who co-chairs the budget-writing Appropriations and Financial Affairs Committee, said the \$8 billion budget passed by lawmakers along bipartisan lines earlier this



Rep. Drew Gattine called Gov. Janet Mills' borrowing proposals "a very modest level of bonding compared to what other states bond and compared to what Maine voters have voted on and supported in the past."

year includes "debt service" payments for an even larger bond package.

"This is a very modest level of bonding compared to what other states bond and compared to what Maine voters have voted on and supported in the past," Gattine said. "And money to support this bond was included in the budget."

lawmakers Republican had insisted in June that the large borrowing package be split up into individual bills so that members could vote for the borrowing they supported - particularly for transportation - while opposing bonds they opposed. Unable to strike a deal, lawmakers adjourned in June without a bond package with the understanding that they could revisit the issue

during a special session. On Monday, Republicans

accused Democrats and the Mills administration of failing to consult with them over the bond proposals. But Democrats countered that Republican leaders were consulted on the bond packages and were well aware of the plans for Monday. Maine State Treasurer

Henry Beck, whose office handles bond sales, had called on lawmakers to pass the four bills.

"I urge the Legislature to send a bond package to voters this November," Beck said in a statement. "If voters approve, we will then have the option of going to market under the right conditions. There is no requirement that the treasurer sell bonds only in the month of June. This is an issuer's market and we should not assume market conditions will improve between now and an unknown distant date."

Lawmakers could consider additional borrowing proposals in January following the failure of the three bond measures Monday. Advocates for land conservation, for instance, are likely to continue pushing for additional funding for the Land for Maine's Future program, which uses bonds to leverage federal and private matching dollars to preserve forests, farmlands and working waterfronts. Voters consistently approve LMF bond measures by wide margins at the polls.

"Maine has missed an important opportunity to make smart investments in the Land for Maine's Future program that would have helped protect high conservation recreational lands as well as working waterfronts and valuable farms in our Maureen Drouin, state." executive director of Maine Conservation Voters, said in a statement. "Land for Maine's Future is a popular and effective program that has earned the overwhelming support of Maine voters time and again.'

"It's a shame that legislative Republicans have sacrificed the conservation values of Maine people for broader political gain."

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Portland Press Herald

BUSINESS

Posted 5:53 PM | 8.27.2019

Maine, N.H. to pay \$5 million to Cianbro to settle bridge dispute

The payment ends a legal conflict between the states and the Pittsfield company that built the new Sarah Mildred Long Bridge between Kittery and Portsmouth.

BY PETER MCGUIRE | STAFF WRITER



The 2018 construction of the Sarah Mildred Long Bridge between Portsmouth, New Hampshire, and Kittery was delayed seven months. On Tuesday, the two states agreed to settle a \$5 million claim to contractor Cianbro for cost overruns. Shawn Patrick Ouellette/Staff Photographer

Maine and New Hampshire are expected to jointly pay \$5 million to Pittsfield contractor Cianbro Corp. to settle its claim that inadequate design created cost overruns and delayed the opening of a major bridge between the two states for months.

The payment caps a contract dispute about construction of the Sarah Mildred Long Bridge between Kittery and Portsmouth that has dragged on for more than a year.

The final price of bridge is \$181.2 million, about \$4.5 million more than estimated two years ago. Maine and New Hampshire share that cost equally.

Cianbro earlier filed a request for reasonable adjustment asking to be compensated \$16.9 million for cost overruns and time extensions due to deficiencies of the original bridge design, according to a memo sent this month from New Hampshire Department of Transportation to Gov. Chris Sununu and the executive council.

Cianbro agreed to accept \$5 million after mediation.

"The Maine and New Hampshire departments of transportation have resolved Cianbro's request for equitable adjustment regarding the Sarah Mildred Long Bridge project," said Maine DOT spokesman Paul Merrill in a written statement.

"The agreed-upon amount represents less than 3 percent of the total project costs. We'd like to thank the negotiators involved for their hard work to help the taxpayers of our two states avoid more costly litigation."

The \$4.5 million in added construction costs, plus the \$5 million in Cianbro settlement costs, brings the total cost to settle the dispute to \$9.5 million.

New Hampshire has already agreed to pay \$1.8 million for its portion to settle the Cianbro claim. The state's executive council is expected to vote Wednesday on its entire \$4 million payment. Maine is responsible for the remaining \$5.5 million.

In response to an interview request and explanation for its initial settlement claim, Cianbro spokesman Scott Tompkins said the company declined to comment.

The bridge opened to traffic in March 2018, seven months behind schedule.

In the lead up to its opening, Maine Department of Transportation officials and Cianbro executives spent months <u>trading blame for the delay</u>. Communication between the company and state officials acquired by the Press Herald through a freedom of information request showed increasing frustration on both sides as repeated deadlines to open the bridge passed.

The state accused the company of violating its contract, removing key staff from the project and threatening to withdraw work. Underlying its message was a possible \$1,000 per-day penalty for not delivering the bridge on time.

Cianbro argued the plans it was given had to be changed during construction, creating substantial delays and costing the company millions of dollars.

The Sarah Mildred Long Bridge is a lift-span bridge that can be raised and lowered for vessel travel over the river. The bridge replaced a span that was closed in August 2016 after the lift span got stuck in the open position. It was demolished two months later.

About 15,000 vehicles cross Route 1 over the bridge daily and it is part of a three-bridge system between Kittery and Portsmouth maintained jointly by Maine and New Hampshire.

Click here to view article online.

Lisa DeSisto

Cliff Schechtman

Steve Greenlee
Managing Editor

Greg Kesich Editorial Page Editor

OUR VIEW

Bond package puts Maine further behind

Republicans cost Maine a chance to weigh investments in projects voters care about.

Click here to view editorial.

"...the money,
earmarked for
transportation
projects, is insufficient
to keep up with road
and bridge
repair...infrastructure
has worn down...watch
as Maine falls further
behind."

If Maine voters approve the bond now on the ballot in November, the state will spend \$105 million – and continue to fall behind on necessary investments.

It's not just that the money, earmarked for transportation projects, is insufficient to keep up with road and bridge repair, or that the whole system for funding these projects is <u>in need</u> of an overhaul.

More than that, the problem with the bond package is that it leaves so much on the table.

Maine has an undeniable need for public investment as well as the capacity. But because of <u>Republican opposition</u>, voters won't get a chance to weigh in on items that enjoy widespread support, and for good reason – land conservation, vocational training and high-speed internet expansion are important to Maine's future.

Votes from Republican legislators at the State House on Monday kept off the ballot \$58 million in additional bond spending proposed by Gov. Mills. The proposal was down from the \$239 million package the governor <u>put forth in June</u>.

Republican leaders said Monday that legislators should wait and consider the additional borrowing in January, when they'll have a better idea of how the two-year budget that began in July is performing.

But waiting is the problem. Maine failed to keep up on its investments during the administration of then-Gov. Paul LePage. Infrastructure has worn down. Broadband expansion – crucial to the business interests of rural Maine and supposedly a bipartisan priority – is in <u>desperate need of public funding</u>. The popular <u>Land for Maine's Future</u> program, which conserves waterfront for the fishing industry, farmland for farmers and open space for everybody, has not been replenished since 2012.

The spending cast aside by Republicans will have to happen at some point. If funding from Land for Maine's Future is not available, Maine will lose out on important conservation projects. When it comes to broadband expansion, state money is necessary to attract private and federal funds, and improve the ability to live and do business in every corner of the state. Career and technical centers are critical to training workers and raising incomes.

Maine's debt and debt spending are <u>low compared to its budget</u>. Interest rates are low, but could rise between now and next year, costing Maine taxpayers millions of dollars in extra interest payments.

Despite the dangers of holding off on these important investments, both in lost opportunities and increased interest, Republican leaders tried to cast their votes as protective of taxpayers. "Today, we did have the votes to stop them from adding to their irresponsible spending spree," Assistant House Minority Leader Trey Stewart said, referencing the \$8 billion two-year state budget passed earlier this year by the Democratic-controlled Legislature.

However, a \$300 million bond package is already baked into the budget. The \$163 million on the table this week would not have raised the budget one cent, nor would have the \$239 million package originally proposed by Gov. Mills, most of which would have gone on the November ballot.

The earlier, bigger proposal included substantial investments in clean energy, land conservation, broadband expansion and workforce development – all important to achieving shared prosperity across the state.

Had it been approved, the large bond package would have had a good chance with voters, not because they love spending but because Maine residents have always backed smart investments that protect the things they care about.

Voters would have looked well upon Gov. Mills' second, lesser proposal too.

But instead they'll only be able to vote on the same, insufficient transportation bond that's been put forward the last four years – and watch as Maine falls further behind.



How Maine could raise \$100 million more for roads and bridges — and why it needs to



Chris Bouchard | Aroostook Republican

Construction crews with the Maine
Department of Transportation work on
reconstructing storm drains on High Street
in Caribou earlier this year.

By Michael Shepherd, BDN Staff • September 1, 2019 7:00 am

Click here to view article online.

AUGUSTA, Maine — As the Maine Turnpike expects 1 million travelers alone over the Labor Day weekend, policymakers are gearing up for a sprint to solve one of the state's most intractable problems: a long-standing — and growing — transportation funding gap.

Last month, Maine lawmakers <u>agreed to send a \$105 million transportation</u> <u>bond</u> to voters, who are likely to vote for the fifth consecutive year in November to approve borrowing that the state Department of Transportation relies on to fund routine road and bridge maintenance.

Even with the bond, Transportation Commissioner Bruce Van Note pegged the annual gap between funding and Maine's goals for highway maintenance at \$108 million. After that, runaway construction costs led the state to cancel road work. Now, the department says the shortfall is at an estimated \$140 million for roads and bridges.

But it now looks like there is political will in Augusta to address the problem. The Democratic-led Legislature set up a commission set to start meeting later

this month with a bipartisan goal of proposing legislation in 2020 that could set up a more sustainable funding system.

Matt Marks, the CEO of the Associated General Contractors of Maine, said the exercise would be "totally a waste of their time" if lawmakers found less than \$100 million in annual funding to supplant borrowing. The politics could be tricky, but here's how they could do it.

Lawmakers would almost certainly have to go where the money is — and gas taxes and registration fees are dominant. Transportation funding comes from a mix of sources. Over two years, 39 percent of the funding for projects in the department's work plan will come from the state's Highway Fund, 32 percent from the federal government and 20 percent from bonding.

Transportation funding is a state and national problem. The federal gas tax of 18.4 cents per gallon hasn't been raised since 1993. Maine has a middle-of-the-pack state gas tax of 30 cents and <u>indexing of the tax was eliminated in 2011</u>under former Republican Gov. Paul LePage.

During that time, the gas tax has become a less efficient way to fund transportation as higher-efficiency vehicles have become prevalent. Maine's Highway Fund had more money in it in 2006 than it did in 2017. The diminished gas taxes still account for 69 percent of the fund with vehicle registrations and fees making up most of the rest at 26.5 percent.

A one-cent increase in Maine's gas tax would raise \$7.5 million, according to transportation department spokesman Paul Merrill. For illustrative purposes, a 10-cent hike could generate \$75 million for roads and bridges and \$27 million could be raised with a 15 percent increase in registration fees relative to current levels, getting the state above the \$100 million mark.

Such a large tax increase could be politically unpalatable, so transfers and smaller tax hikes could be mixed in to offset them. Gas tax and registration fees increases have been the centerpiece for funding bills — including from Rep. Andrew McLean, D-Gorham, the co-chair of the Legislature's Transportation Committee — floated in Maine alongside smaller-scale changes that would likely be part of any omnibus solution. They haven't gone anywhere yet.

In <u>a wide-ranging bill</u> earlier this year, McLean also proposed a \$9.5 million increase in special fuel taxes, a \$1.9 million tax increase on short-term vehicle rentals and a \$1.3 million transfer of sales tax revenue from transportation-related items.

Two years ago, a Republican-led proposal would have shifted all sales tax revenue from sales of vehicles and other products to the Highway Fund from the state budget. They have proposed \$3 million in annual fees on hybrid and electric vehicles opposed by environmental groups.

The revenue transfer would have <u>brought an estimated \$230 million into the fund</u> annually, but it would have created the need for tax increases or spending reductions in the state budget. However, a similar — though smaller — transfer could be part of a grand bargain.

Members of the commission aren't showing their cards yet, but there seems to be a willingness to negotiate. LePage stood against state gas tax increases during his tenure, which made it difficult to consider funding changes. They're supported by groups including the U.S. Chamber of Commerce, the Maine contractors' group, AAA and the American Trucking Associations as the easiest way to increase funding.

Over the long term, <u>taxes on vehicle miles traveled</u> or increased tolling — which are being tested in other states — could supplant the gas tax. The new, <u>15</u>-member commission is tasked with looking at short- and long-term funding and reporting a bill back to the Legislature in 2020.

The administration of Democratic Gov. Janet Mills is staying quiet on funding proposals until the first meeting on Sept. 17. Merrill, the transportation department spokesman, said the commission should "start with a clean slate and do the work it's been tasked to do."

Peter Mills, the executive director of the Maine Turnpike Authority and the governor's brother, said the group's work will depend on two things: where Van Note wants to go and "where does he have permission to go" from Janet Mills.

McLean, who will co-chair the commission, said it was "totally fair" to discuss tax and fee increases along with potential transfers smaller than the one proposed in 2017 as a possible solution. Rep. Tom Martin, R-Greene, a commission member, said no solution was off the table.

"The folks who worked on this commission didn't do it so we could sit around and twiddle our thumbs," McLean said. "We want to come up with a solution and we want to push it forward this year."

APPROVED CHAPTER

JUNE 26, 2019 97

BY GOVERNOR RESOLVES

STATE OF MAINE

IN THE YEAR OF OUR LORD TWO THOUSAND NINETEEN

H.P. 700 - L.D. 945

Resolve, To Establish the Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation establishes the Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems; and

Whereas, the study must be initiated before the 90-day period expires in order that the study may be completed and a report submitted in time for submission to the next legislative session; and

Whereas, adequate, sustainable and predictable transportation funding is critical to the safety and economic well-being of all the State's citizens; and

Whereas, funding for transportation infrastructure in the State and the nation is seriously lacking; and

Whereas, the shortfall in funding related to the State's state highway and bridge system is at least \$160 million per year, without consideration of general obligation bonding; and

Whereas, general obligation bonding levels are unpredictable due to the current short-term focus of the process that determines bonding levels and priorities, a process that usually takes place late in a legislative session after finalization of the biennial budget, if at all; and

Whereas, higher fuel efficiency vehicles and alternative fuel vehicles continue to erode the funding provided by per gallon fuel taxes and increases the inequity between drivers in terms of the fee paid per mile for use of the state highway and bridge system; and

Whereas, fuel prices are relatively low but will likely rise in the years ahead; and

Whereas, about 37 million people visit the State each year, which has a year-round population of about 1.3 million people, and the capacity and a significant portion of the cost of the State's transportation systems are driven by seasonal traffic volumes that swell due to our valued visitors from away; and

Whereas, through years of capital planning, prioritization and efficiency initiatives, the Department of Transportation has proven that it uses funding efficiently and effectively and can be trusted to do so with additional funding; and

Whereas, federal transportation funding is unpredictable, the federal Fixing America's Surface Transportation Act will expire in 2020 and there is no guarantee, in this federal environment, of a stable funding solution in the future; and

Whereas, other states are finding transportation funding solutions, the State has an obligation to all the State's citizens to seek funding solutions now; and

Whereas, a bipartisan blue ribbon commission charged with analyzing options and recommending legislation is the best way to reform and supplement transportation funding in Maine; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

- Sec. 1. Commission established. Resolved: That the Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems, referred to in this resolve as "the commission," is established.
- Sec. 2. Commission membership. Resolved: That, notwithstanding Joint Rule 353, the commission consists of 15 members as follows:
- Three members appointed by the President of the Senate, at least one of whom is from the minority party in the Senate, including at least one member of the Joint Standing Committee on Transportation, and at least one member of either the Joint Standing Committee on Appropriations and Financial Affairs or the Joint Standing Committee on Taxation;
- One member appointed by the President of the Senate representing an organization of municipal or public works officials;
- 3. Four members appointed by the Speaker of the House of Representatives, at least one of whom is from the minority party in the House, including at least one member of the Joint Standing Committee on Transportation, and at least one member of either the Joint Standing Committee on Appropriations and Financial Affairs or the Joint Standing Committee on Taxation;
- One member appointed by the Speaker of the House of Representatives representing freight or passenger rail interests;

- One member appointed by the Governor representing an organization advocating for proper maintenance and funding of the State's transportation networks, including construction companies that build and maintain or engineer and design the State's transportation infrastructure;
- One member appointed by the Governor representing an organization advocating for the interests of commercial companies moving bulk goods on the State's road networks;
- One member appointed by the Governor representing an organization advocating for public transportation services;
- One member appointed by the Governor representing bicyclist or pedestrian needs;
 - 9. The Commissioner of Transportation, or the commissioner's designee; and
- The Executive Director of the Maine Turnpike Authority, or the director's designee.
- Sec. 3. Chairs. Resolved: That, notwithstanding Joint Rule 353, the first-named Senate member of the Joint Standing Committee on Transportation and the first-named House member of the Joint Standing Committee on Transportation shall serve as cochairs of the commission.
- Sec. 4. Appointments; convening of commission. Resolved: That, notwithstanding Joint Rule 353, all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. After appointment of all members, the chairs shall call and convene the first meeting of the commission. If 30 days or more after the effective date of this resolve a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the commission to meet and conduct its business.
- Sec. 5. Duties. Resolved: That the commission shall study how to reform and adequately supplement funding for the State's transportation infrastructure to promote equity, sustainability and predictability so that the State can responsibly provide safe and reliable state transportation systems. The commission shall focus on funding the state highway and bridge system and shall also develop findings or recommendations on the need and potential funding solutions for multimodal transportation infrastructure. Specific study topics may include, but are not limited to, the following:
- A review related to the funding levels necessary to achieve the capital improvement plan goals set forth in the Maine Revised Statutes, Title 23, section 73, subsection 7, including anticipated shortfalls for the next 10 years, and a review of whether the capital improvement plan goals set forth in Title 23, section 73, subsection 7 are still appropriate and valid;

- Mechanisms to increase the predictability of general obligation bonding levels for capital planning at the Department of Transportation for the state highway and bridge system and multimodal infrastructure for the next 10 years;
- Mechanisms to address the erosion of Highway Fund receipts and the rising inequity between drivers caused by higher automobile fuel efficiency and alternative fuel vehicles such as adding a registration fee surcharge on hybrid, electric or other alternative fuel passenger automobiles;
 - 4. A voluntary vehicle miles traveled pilot program for passenger automobiles;
- Methods to more equitably share the costs of the highway system between residents and nonresidents;
 - 6. Consideration of new highway tolling opportunities;
- Consideration of dedicating a portion of sales tax receipts from transportationrelated sales to fund transportation needs; and
- An increase of state funding for multimodal transportation, including increasing or augmenting the existing funding from the automobile rental sales tax.

The commission shall meet up to 6 times over the course of 2019 and shall hold public hearings and review recommendations from the people of the State and qualified experts when appropriate at no fewer than 3 locations throughout the State. The chairs shall also provide the opportunity for knowledgeable stakeholders to submit written comments throughout the study process and to provide oral testimony on the commission's draft recommendations. Knowledgeable stakeholders must include representatives from organizations representing economic development, transportation engineering and construction firms, highway users, the Maine State Chamber of Commerce, municipal and public works organizations, trucking and shipping firms, bicyclists and pedestrians, conservation and environmental professionals and the tourism industry.

- Sec. 6. Staff assistance. Resolved: That, notwithstanding Joint Rule 353, the Legislative Council shall provide necessary staffing services to the commission, except that Legislative Council staff support is not authorized when the Legislature is in regular or special session.
- Sec. 7. Report. Resolved: That, no later than December 4, 2019, the commission shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the Joint Standing Committee on Transportation. The Joint Standing Committee on Transportation may submit legislation for presentation to the Second Regular Session of the 129th Legislature.
- Sec. 8. Appropriations and allocations. Resolved: That the following appropriations and allocations are made.

LEGISLATURE

Study Commissions - Funding 0444

Initiative: Allocates funds on a one-time basis for the costs to the Legislature of Legislators participating in the work of the Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems.

HIGHWAY FUND	2019-20	2020-21
Personal Services	\$1,540	\$0
All Other	\$2,210	\$0
HIGHWAY FUND TOTAL	\$3,750	\$0

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.



A better way to fund road repair? State commission will look for it

Maine DOT says its current budget is about \$130 million short each year of meeting the needs for road and bridge repair.

Author: Don Carrigan | September 11, 2019

WINDHAM, Maine — Traffic is typically heavy on Route 302 in North Windham. Cars and trucks roar through the busy shopping area between the Sebago Lake region and Portland.

Sen. Bill Diamond stands in front of his business office, and talks about why Maine needs to find better ways to pay for those roads.

"I'm convinced we have a problem. I'm not convinced a lot of other people are," Sen. Diamond says.

Diamond is co-chairman of a new state commission, formed by the Legislature, that will start work next week. Its job is to determine if Maine's current method of paying for road and bridge repair is working and, if not, recommend changes.

The Maine Department of Transportation says its current budget is about \$130 million short each year of meeting the needs for road and bridge repair. The biggest share of that money comes from the 30 cent per gallon gasoline tax, paid by drivers, with another \$100 million a year coming from borrowing through bonds passed by voters.

But increasing popularity of electric cars is a threat to the gas tax, and legislators say borrowing large amounts each year isn't good, either.

Diamond, a Democrat, says the gasoline tax cannot be raised enough to replace the annual borrowing.

"A penny on the gas tax generates \$7 million," says Diamond. "Imagine what it would take to make that kind of total. So whatever options we look at there is no one of them that will solve the problem."

And GOP Sen. Brad Farrin, R-Norridgewock, who is also a member of the commission, says they need to look at all the choices, and not just try to raise the gas tax.

"Some folks think the easy answer is just to raise the gas tax and representing rural Maine, a gas tax hits us pretty hard because we have to drive further," Farrin says.

Diamond says the first step will be to find out if all members of the commission agree on the need for a new funding method. Beyond that, the senators say all options should be on the table. They say those could include ideas like expanding tolls to other roads besides the turnpike, taxing vehicle miles driven or even shifting money from other taxes, such as sales taxes on motor vehicles, into the highway fund.

That commission holds its first meeting next week, and is expected to look at what ideas are working in other rural states with a similar number of roads. But that would likely not include New Hampshire. The MDOT says Maine has nearly three times the state road mileage of New Hampshire. Click here to view article online.



Click here to view video.



Remember, all of this is happening at the same time that the MaineDOT has managed to squirrel away \$79.25 million of our limited state/federal transportation funds to construct the controversial I-395/Rte. 9 Connector (a.k.a. 2B-2). The Brewer City Council unanimously resolved non-support of this project by choosing the NO-build alternative in January 2012.

WE vehemently question this large of an expenditure on one single project, especially a project that does not satisfy the original study purpose and needs as established by state and federal transportation professionals in 2000. The system linkage need criteria—for the study's first decade—was to provide a DIRECT connection from I-395 to Route 9 EAST of Route 46 at or near the Eddington/Clifton border.

Yes, we do need money to fix our roads and bridges, but spending money on a road that we do not want (or need) is fiscally irresponsible. That \$79.25 million would be better spent on Maine's well documented unmet transportation needs.



Rough road ahead: Maine needs more diverse source of transportation funding



Nick Sambides | BDN

A road crew hired by the Maine Department of Transportation caused a backup of traffic more than a hundred yards long on West Broadway in Bangor as it patched paving on the road in this 2009 file photo.

By The Editorial Board. The BDN Opinion Section operates independently and does not set newsroom policies, or contribute to reporting or editing articles elsewhere in the newspaper or on bangordailynews.com. • September 3, 2019 8:23 pm

Last week, Maine lawmakers agreed to send <u>a \$105 million bond for transportation work</u> to Maine voters this fall. That is good news, but lawmakers need to take a hard look at other ways to pay for maintenance and upgrades to Maine's highways, bridges and other transportation infrastructure.

This November will be the fifth in a row when Maine voters have been asked to approve borrowing to pay for routine work on the state's bridges and roads. Voters should approve the bond in November, but bonding is not a sustainable — or prudent — way to repeatedly cover the costs of routine work. Borrowing should be devoted to construction of new facilities or substantial upgrades to existing infrastructure, known as capital investments.

Even with the \$105 million bond, Maine won't have enough money to pay for work that is already included on a long list of priority transportation work. In May, the Maine Department of Transportation said it is shelving several construction projects this year because they would cost much more than anticipated. A bid for road and bridge resurfacing on Interstate 295 in the Portland area was rejected because it was more than twice the department's estimate. The department put another 11 projects on hold.

With increasing costs for construction projects and a funding shortfall, Maine's Commissioner of Transportation Bruce Van Note pegged the annual gap between available resources and construction needs at \$140 million.

That gap won't be filled without tapping both new and existing funding sources. This means lawmakers must give strong consideration to raising the state's gas tax and levying new fees on vehicles, including hybrid and electric automobiles.

<u>A commission</u>, which was established by the Legislature earlier this year, is examining a variety of funding sources with a goal of identifying \$160 million in annual funding. Those potential sources include new tolls, levies on electric and hybrid vehicles, and dedicating a portion of sales tax revenue to transportation.

Identifying potential funding sources won't be especially difficult. Selling them to lawmakers — many of whom are loathe to increase taxes or impose new fees — and to the public will be the hard part.

The Department of Transportation gets the bulk of its funding from three sources: the state Highway Fund, which is funded largely by state fuel taxes and vehicle registrations and fees; bonds; and the federal government. Over the next two years, 39 percent of the funding for projects in the department's work plan will come from the state's Highway Fund, 32 percent from the federal government and 20 percent from bonding. Maine's Highway Fund had more money in it in 2006 than it did in 2017.

The gas tax, which accounts for 69 percent of the state's highway fund revenue, is now 30 cents per gallon for gasoline and 31 cents per gallon for diesel fuel. This is unchanged since 2011.

These tax rates were adjusted annually for inflation until 2011, when <u>indexing was</u> <u>shortsightedly repealed</u>. Now, like federal fuel taxes, the state gas tax is not keeping pace with transportation needs.

At the same time, the gas tax has become a less efficient way to fund transportation as higher-efficiency vehicles have become prevalent.

The bond that lawmakers sent to Maine voters represents an important investment in the state's infrastructure. But, without additional funding sources, the state will fall further behind in maintaining and improving that infrastructure.

Click here to view this BDN editorial online.

The DOT could find \$79.25 million—right now—by terminating the I-395/Route 9 Connector; a controversial project that does not satisfy the project's identified system linkage need of a Route 9 connection to the EAST of Route 46 and a project that many of us and the Brewer City Council see no need for.

9.12.2019 - Number 9th worst in the nation - why is the DOT promoting a questionable new \$79.25 million connector when our existing roads (and bridges) are in poor shape?

TOP 25 STATES WITH HIGHEST PERCENTAGE OF MAJOR RURAL ROADS IN POOR CONDITION





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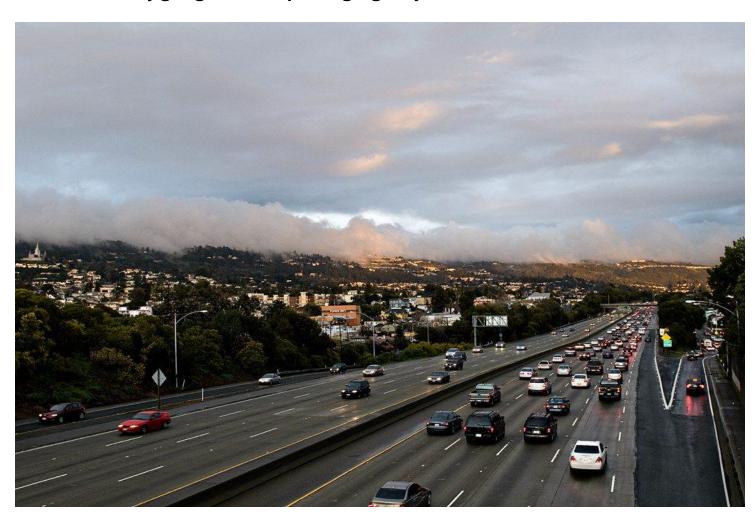
T4AMERICA **BLOG**

News, press releases and other updates

USDOT touts major investment in infrastructure, but it all goes to highways

4 Sep 2019 | Posted by Emily Mangan | 0 Comments | BUILD, grants, usdot

The INFRA grant program was intended to repair our crumbling infrastructure. So why is half of the money going toward expanding highways?



The Trump administration recently <u>announced</u> \$855 million in infrastructure grants through the Infrastructure for Rebuilding America (INFRA) discretionary competitive grant program. INFRA grants have been touted by this administration as a major way the federal government is rebuilding our crumbling roads and bridges, but after examining the project list, much of the funding is going to highway expansion, not repair.

INFRA Grants, established by the FAST Act in 2015, are supposed to promote regional economic vitality goals and are evaluated by a set of criteria, including the project's potential for innovation. But we know that highways alone don't achieve economic vitality and are not innovative investments.

So what kind of infrastructure projects received grants from USDOT? We took a look at the latest round of grants and analyzed the type of projects receiving funding. Of the \$855 million awarded in this most recent round, 78 percent, or \$667 million, went to highway projects and only a fraction went to projects that contained a multimodal or resiliency component as described in the project fact sheets.

And while politicians and policymakers continue to pay lip service to the notion of prioritizing repair and "fix-it-first," we continue to have little to show for all the rhetoric. Repair Priorities showed that states are spending just as much on expansion as repair with their core federal transportation dollars. That trend extends to these INFRA grants, where about equal amounts were given to projects that expanded or added new capacity as repaired existing roads and bridges.

As with the BUILD grant program, the Trump administration is also steering a greater share of this program's dollars toward rural areas. Though 25 percent of the INFRA program's grants are required to go to rural projects, the USDOT has far exceeded that requirement with 54 percent of all funding going toward rural areas in this most recent round of grants. Funding only road projects in rural areas, rather than innovative multimodal projects, leaves many of these communities without transportation options and stuck in their cars.

The INFRA grants announcement is unfortunately another example of USDOT prioritizing building more highways over multimodal investment. States are already guaranteed over \$40 billion in federal funding for highways, but too many states spend that on expanding highways rather than maintaining what they already have.

And just like with the BUILD program, this begs the obvious question: Why use a new, flexible, competitive grant program ostensibly for "fixing our nation's infrastructure" (as DOT says) merely to fund new highways when highways already receive billions in dedicated federal funding?

If DOT does want to "repair our crumbling infrastructure," a decent start would be to award 100% of INFRA grants towards projects that actually prioritize repair. And perhaps after that, Congress could take the logical step of requiring states to actually reduce their maintenance and repair backlogs rather than creating new grant programs to fulfill what should be a core function of the overall federal program: taking care of our existing assets.

Click here to view article online.

The I-395/Route 9 Connector project was awarded a \$25 million Federal INFRA grant in June of 2018 (2017/2018) with the written agreement (via the application for grant) that the state of Maine would match that \$25 million with state funds.

The DOT recently received a \$36 million (2019) INFRA grant for the replacement of the Madawaska International Bridge.

Portland Press Herald



State panel gets rolling on effort to solve highway funding shortfall

The independent commission will look into ways to overcome the state's \$140 million yearly funding gap for roads and bridges.

By Peter McGuire | Staff Writer | 9.16.2019

Click here to view article online.

The co-chair of a blue ribbon commission charged with reforming the state's chronic highway funding shortfall pledged that the group will consider all options to reduce the state's reliance on annual transportation bonds.

The 15-member panel is scheduled to hold its first meeting in Augusta on Tuesday. Made up of lawmakers from both parties, private and nonprofit interests, the commission is tasked with examining and proposing ways to bridge a \$140 million annual gap between the highway budget and what the Maine Department of Transportation says it needs maintain the state's roads and bridges. Maine borrows annually to shore up its \$393 million yearly highway budget.

"The point of the commission is to do two things," said commission co-chairman Rep. Andrew McLean, D-Gorham. "One, to provide education to the public and stakeholders about the need for more transportation funding, and two, to come up with any solutions we think are viable."

Related: <u>Transportation bond continues practice of shoring up budget shortfalls</u>

The commission is expected to draft a report of its findings and recommendations by December. It may also draft a bill addressing issues for lawmakers to consider when the Legislature reconvenes in January.

"It's really not that complicated of an issue," McLean added. "Everyone who drives over roads and bridges knows the conditions of them are poor. What do we need to do? We simply need to spend more money on road infrastructure."

Lawmakers, including McLean, have for years <u>proposed ways</u> to reform the state's highway fund, used to pay for repair and maintenance of the state's sprawling network of roads and bridges. The state's 30-cent a gallon gasoline tax is the fund's primary funding source, but it hasn't increased in years and some worry it won't keep pace as vehicles with more fuel-efficient engines and electric vehicles take to the road.

Related: Maine lawmakers consider raising fuel tax to boost road, bridge repairs

Commissioners will consider a range of options, including a gas tax increase, directing vehicle sales tax to the highway fund, proposing fees on hybrid and electric vehicles, a pilot program that would charge a fee on the number of miles driven, new highway tolling, and sharing highway funding between residents and non-residents.

"We are going to take everything into account, there is nothing that is off the table, there is nothing that is on the table," McLean said.

The commission, formally named the Blue Ribbon Commission to Study and Recommend Funding Solutions for the State's Transportation Systems, includes Republican and Democrat lawmakers, representatives from private trucking, construction and rail companies companies, a town manager, public transportation and bicycling advocates and the heads of the Maine Department of Transportation and the Maine Turnpike Authority.

Commissioners are supposed to meet up to six times over the four months, including at least three meetings in locations around the state to take public comments. Knowledgeable stakeholders will be given an opportunity to submit written testimony.

Taking the discussion out of the halls of the State House may insulate it from political partisanship and disinterest that doomed earlier attempts to fix the highway fund, said Sen. Matt Pouliot, R-Augusta, one of the commissioners.

Related: Climbing costs drive state to pass up 12 more road and bridge projects

"I think the time is long past for us to identify and actually commit to long-term and sustainable funding solutions to transportation infrastructure in our state," Pouliot said.

This is the first time in at least a decade the state has taken a hard look at how it funds transportation infrastructure. At least 27 states and the District of

Columbia have increased gas taxes and added funding sources since 2013, according to the National Conference of State Legislatures. Maine's tax last increased in 2011, but it is no longer indexed to rise with inflation.

Maine Department of Transportation was forced this year to cancel \$59 million in road and bridge work because it could not afford high construction prices. State transportation planners also worried about project timing when a crucial \$105 million bond was held up in Augusta last month, not the first time that bond complications threatened Maine's road program.

Maria Fuentes, executive director of the Maine Better Transportation Association, said the commission offers hope things will change after years of inaction from Democratic and Republican administrations.

"Anything we can do to raise awareness and have the public better understand what we are facing is a good thing," she said. "Then there will be a better shot at making something happen for some funding that is a little more sustainable than what we have now."

Related: Climbing costs drive state to pass up 12 more road and bridge projects

-End of PPH article-

In two failed efforts to legislate the 2B-2 alternative out of consideration for the I-395/Route 9 Connector project, I provided hundreds of pages of MaineDOT's own documentation in written and oral testimony that demonstrated—in DOT's own words—2B-2 was a questionable selection for a \$79.25 million project:

See <u>LD47 Testimony</u> and <u>LD783 Testimony</u>.

2B-2 does not satisfy the study's original purpose and needs, specifically the system linkage need criteria:

"Prior to the eleventh PAC meeting on February 20, 2002, the system linkage need was examined in greater detail to further aid in reducing the number of preliminary alternatives. To meet the need of improved regional system linkage while minimizing impacts to people, it was determined that an alternative must provide a limited-access connection between I-395 and Route 9 east of Route 46." October 2003 MaineDOT/FHWA Technical Memorandum - page 5

The DOT also made disparaging statements in 2003 that any route to the west of Route 46 would negatively impact the local communities:

"Alternatives that do not provide a limited access connection to Route 9 east of Route 46 would not be practicable because that would not provide a substantial improvement in regional mobility and connectivity and would negatively affect people living along Route 9 in the study area."

"Alternatives that would connect to Route 9 west of Route 46 would severely impact local communities along Route 9 between proposed alter-native connection points and Route 46."

October 2003 MaineDOT/FHWA Technical Memorandum - page 5

How can anyone have a discussion about not having money to repair our roads and bridges when the DOT is being allowed to squirrel away \$79.25 million for a project that the Brewer City Council has resolved non-support in at least three times since January 2012?

One of those <u>projects that had to be passed on this past year</u> was the Wilson Street/I-395 Bridge in Brewer, an \$11.9 million project that is essentially the first phase of the connector project—this bridge would not need to be replaced if it wasn't for the connector project and specifically the selection of 2B-2 as the preferred alternative.

Yes, this is a much needed commission, but I doubt anything constructive will come out of it; it doesn't matter where it is being held as politics will be always be front and center.

So, please don't put much faith in the process, as it hasn't helped us so far...

Do we need \$79.25 million right now? Cancel the connector project!!!!



Home / Local / Article

New commission has been tasked with transportation funding



By Owen Kingsley | Posted: Tue 6:04 PM, Sep 17, 2019 | Updated: Tue 11:44 PM, Sep 17, 2019



AUGUSTA, Maine (WABI) - The newly formed Blue Ribbon Commission is beginning work on creating a new transportation budget.

Click here to view video and article online.

"Every single year, the DOT says we need an additional roughly \$110 million dollars just to keep up with our basic maintenance."

Representative Andrew McLean Chair 129th JSC Transportation

"...Maine roads...the condition of them is pretty poor...about the bridges, how many of them are in poor shape...We're getting by, but that's about it."

Rep Andrew McLean/Senator Bill Diamond Chairs 129th JSC Transportation

"Everyone who drives on Maine roads knows that the condition of them is pretty poor, and so we have to find a way to fix our infrastructure, and this commission is beginning that conversation," said Representative Andrew McLean.

Tuesday's meeting was held to better understand the road that's in front of them.

"The department of highway transportation is underfunded we just learned by two hundred million dollars. One hundred million of that could be made up if the bond passes in November, but there's a serious shortfall. We've learned today about the bridges, how many of them are in poor shape, and we're also learning that we're not keeping up with the maintenance and construction. We're getting by, but that's about it," said State Senator Bill Diamond.

"Every single year, the DOT says we need an additional roughly \$110 million dollars just to keep up with our basic maintenance. All that becomes deferred maintenance every single year. So that doesn't even include any sort of transformational projects, building of new roads, any sort of emergency that comes up. So we have to figure out a way to find an additional, at a minimum \$110 million dollars each year to keep up with maintaining our infrastructure," said McLean.

Lawmakers would not comment about any plans or ideas to come up with the approximately one hundred million dollars needed.

The next meeting of the Blue Ribbon Commission is scheduled for October 1st.



Blue ribbon commission looks at Maine's aging infrastructure

by WGME | Tuesday, September 17th 2019





Tuesday, a blue ribbon commission made up of lawmakers, town officials and transportation experts gave some of the aging infrastructure in Maine another look. (WGME)







PORTLAND (WGME) – Tuesday, a blue ribbon commission made up of lawmakers, town officials and transportation experts gave some of the aging infrastructure in Maine another look.

The group is tasked with finding ways to improve the infrastructure problem.

The biggest hurdle is convincing lawmakers to provide the money needed to make the fixes.

"While funding is inadequate, the costs are going up at the same time, so we're into a critical point where the state is going to have to look at their funding mechanisms to fund highways and bridges," Madawaska Town Manager Gary Picard said.

According to the Maine DOT, the commission will be looking at toll and fuel fees as well.

Click here to view this report online.





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SEN. DIAMOND APPOINTED TO SERVE ON BLUE RIBBON COMMISSION TO STUDY AND RECOMMEND FUNDING SOLUTIONS FOR THE STATE'S TRANSPORTATION SYSTEMS

Posted: July 24, 2019 | Senator Diamond

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AUGUSTA — Sen. Bill Diamond, D-Windham, has been appointed to serve as chair of the Legislature's Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems by Senate President Troy Jackson, D-Allagash.

"Maine drivers know how dangerous our deteriorating roads can be to drive on," said Sen. Diamond. "I look forward to working with the rest of the Blue Ribbon Commission to find real, workable solutions to improve our transportation infrastructure without unnecessarily borrowing money to pay for it. It's going to take a bipartisan effort to solve our highway funding needs."

The commission includes members of the legislature, representatives of various transportation interests, the Department of Transportation and Maine Turnpike Authority. The commission will study how to reform and adequately supplement infrastructure funding so that the State can provide safe and reliable roads, bridges and other transportation infrastructure.

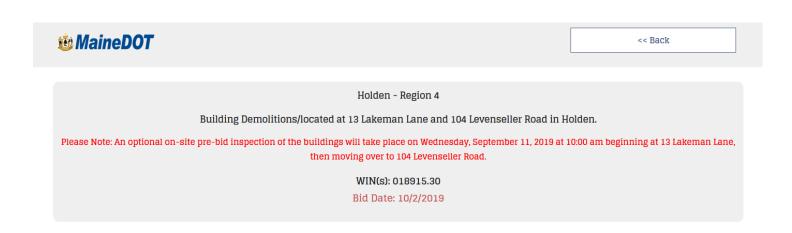
The shortfall in funding related to Maine's highway and bridge system is at least \$160 million per year. Last year Maine voters authorized a \$106 million bond to fund transportation improvements.

The commission will meet up to six times in 2019 and submit a report, including recommended legislation, to the Legislature's Transportation Committee no later than December 4, 2019. Sen. Diamond serves as Senate Chair of the Transportation Committee.

Click here to view online.

As a blue-ribbon panel is meeting to figure out how to fund the maintenance of our crumbling roads and bridges, the MaineDOT is still actively squandering our limited state and federal transportation dollars to demolish two more homes for the I-395/Route 9 Connector; several homes have already been razed.

This is happening at the same time that there is a \$140 million shortfall in the MaineDOT's Bridge and Highway Program!!!



It's disingenuous to claim you have no capitol to maintain existing roads and bridges when you are wasting money elsewhere.



Click here to view article online:

Recommendations

1) As our nation's bridges continue to age, Congress needs to provide states with increased resources to repair and rebuild them. The federal transportation program currently provides only a fraction of the funds needed for maintenance and repair. Although a number of states are making repair of existing assets a priority, more support from the federal government is essential. The nation's bridges are aging and traffic demands are increasing, even as state and local revenues are shrinking. Though the size of the federal program increased by 14 percent between 2006 and 2009, state-level needs increased at the same time by 47 percent.



- 2) Congress also must ensure funds sent to states for bridge repair are used only for that purpose. Today, states can transfer up to 50 percent of their bridge funds to other purposes even if they have bridges clearly in need of repair. These funds should only be used for other purposes if the state's bridges are in a state of good repair. In addition, states should be given the flexibility to develop long-term programs that prioritize both keeping bridges in good condition and fixing or replacing deficient bridges. Even in instances where it is more cost-effective to perform regular repair on a bridge to prevent it from becoming deficient, the current federal program only allows states to fix a bridge that is structurally deficient with a low sufficiency rating.
- 3) Upgrade bridges so that they are safe and accessible for all who use them. Congress should adopt a "complete streets" policy to ensure that when our aging bridges are replaced, they are designed to provide safe access for all who need them, whether in vehicles, on foot or bicycle, or using public transportation.

Overview

Despite billions of dollars in annual federal, state and local funds directed toward the maintenance of existing bridges, 68,842 bridges – representing more than 11 percent of total highway bridges in the U.S. – are classified as "structurally deficient," according to the Federal Highway Administration (FHWA). Structurally deficient bridges require significant maintenance, rehabilitation or replacement. A number of bridges also exceed their expected lifespan of 50 years. The average age of an American bridge is 42 years.

The maintenance backlog will only worsen as bridges age and costs rise. According to FHWA's 2009 statistics, \$70.9 billion is needed to address the current backlog of deficient bridges. This figure will likely increase as many of our most heavily traveled bridges —

including those built more than 40 years ago as part of the Interstate System — near the end of their expected lifespan.

The good news is that some states have worked hard to address the problem and have shrunken the backlog of deficient bridges. The bad news is that, critical as these efforts are. they are not nearly enough. Two key problems persist: First, while Congress has repeatedly declared bridge safety a national priority, existing federal programs offer no real incentives or assurances that aging bridges will actually get fixed. Second, the current level of investment is nowhere near what is needed to keep up with our rapidly growing backlog of aging bridges.

The Tension Between Fixing the Old and Building the New

In recent years, most transportation agencies have delayed needed repairs and maintenance while focusing their energy on new construction. In 2008, all states combined spent more than \$18 billion, or 30 percent of the federal transportation funds they received, to build new roads or add capacity to existing roads. In that same year, states spent \$8.1 billion of federal funds on repair and rehabilitation of bridges, or about 13 percent of total funds. States currently have the ability to "flex" or transfer out up to 50 percent of their bridge repair money into other projects or programs.

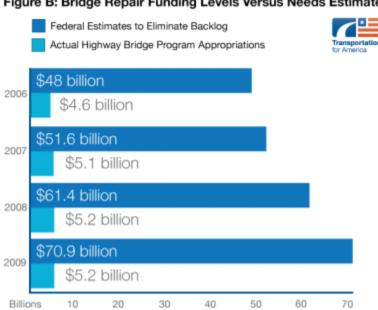


Figure B: Bridge Repair Funding Levels Versus Needs Estimate

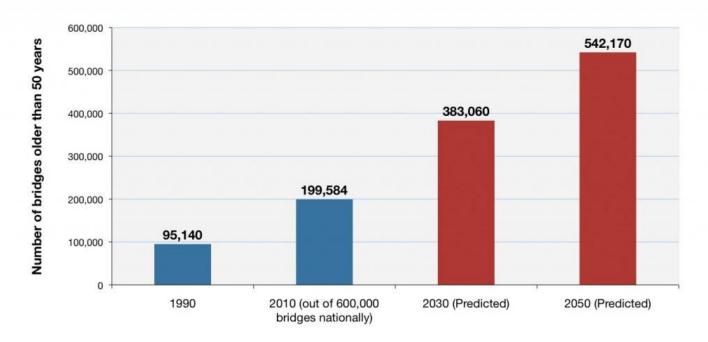
After decades of aggressive highway building, maintenance bills are mounting and coming due. The aging of bridges alone makes a compelling case for Congress to allocate a much larger share of funds toward rebuilding the existing system in the upcoming, six-year transportation funding bill.

For years, the federal government has run a special bridge repair program, but a combination of the program's shortcomings and the sheer growth in aging bridges has prevented its success. Between 1992 and 2010, the number of vehicles traveling across structurally deficient bridges declined just 2 percent, despite billions of dollars spent annually on bridge construction and repair.

Needs are growing faster than the funding

Congress created the Federal Highway Bridge Program to fix and replace deficient bridges throughout the country, but current funding is insufficient to keep up with rapid deterioration. The graphic above compares the size of the bridge program from 2006 through 2009 with FHWA estimates of the sums needed to catch up on the current repair backlog. While appropriations have increased by \$650 million, bridge needs over the same time period have increased by \$22.8 billion.

By the end of the last decade, nearly 200,000 of the nation's roughly 600,000 highway bridges were 50 years old or older. By 2030, that number could double without substantial bridge replacement. At the current rates of aging and replacement, almost half of the nation's bridges will require major structural investments within the next 15 years.



States Cannot Keep Up Without Federal Support

Bridges provide crucial access between regions and cities, linking workers to jobs, goods to markets and people to essential services. According to the FHWA, transportation agencies would need \$70.9 billion to overcome the current backlog of deficient bridges. This investment would be money well spent, as poor bridge conditions have major implications for traveler safety, mobility and economic activity.

Allowing roads and bridges to slip into disrepair ultimately costs state and local governments billions more than the cost of regular, timely repair. Over a 25-year period, deferring maintenance of bridges and highways can cost three times as much as preventative repairs. The backlog also increases safety risks, hinders economic prosperity and significantly burdens taxpayers.

Preservation efforts can also extend the expected service life of a road for an additional 18 years, preventing the need for major reconstruction or replacement. In addition to the safety imperative, investing in the construction, expansion and repair of our nation's transportation infrastructure creates jobs today while laying the foundation for long-term economic prosperity. Repair work on roads and bridges generates 16 percent more jobs than construction of new bridges and roads.

For all these reasons, Congress has repeatedly declared the condition and safety of our bridges to be of national significance. However, the current federal program does not ensure transportation agencies have enough money and accountability to get the job done.

This must change.



"Repair work on roads and bridges generates 16 percent more jobs than construction of new bridges and roads."

When you hear MaineDOT's talking point that the I-395/Route 9 connector will bring much needed construction jobs—that is a false statement—fixing the roads and bridges we already have will generate 16% more jobs than the connector!!