

**2010 STRATEGIC PLAN
PLANNING FOR THE FUTURE**



Maryland
Transportation
Authority



WHO WE ARE AND WHAT WE DO

Established in 1971, the Maryland Transportation Authority (MDTA) is an independent State agency that acts on behalf of the Maryland Department of Transportation (MDOT). By law, the MDTA is a group of eight citizens who are appointed by the Governor (and confirmed by the Senate) and the Secretary of Transportation, who serves as Chairman. Each Member serves a four-year term, and term expirations are staggered. Members are eligible for reappointment; however, since 2007, there is a limit of three consecutive terms. MDTA's Executive Secretary administers the day-to-day business of the agency and its 1,700 employees.

The MDTA is a non-budgeted agency that relies solely on revenues generated from its transportation facilities. Disposition of these toll revenues is governed by a Trust Agreement between MDTA and its Trustee, for the benefit of its bondholders. The State enjoys a unique benefit by having all of Maryland's toll facilities operated by one agency. Toll revenues are pooled to cover financing, construction, operating, maintenance and law-enforcement costs, thus providing the strongest possible security for financing transportation-improvement projects. Financial stewardship is the backbone of our operations. In addition to creating and maintaining safe and efficient toll facilities, MDTA provides conduit financing for revenue producing transportation projects like parking garages and the rental-car facility at Baltimore/Washington International Thurgood Marshall Airport (BWI).

The nationally-accredited Maryland Transportation Authority (MDTA) Police force is one of the largest law-enforcement agencies in Maryland, with more than 600 sworn and civilian professionals. Every day, officers keep thousands of Maryland's citizens and visitors safe and secure as they use vital transportation assets like MDTA toll facilities, the Motor Vehicle Administration Headquarters, the Port of Baltimore and BWI Marshall Airport.

TABLE OF CONTENTS

Who We Are and What We Do	2
The MDTA's Facilities	4
Mission, Vision, Employee Guiding Principals	6
Factors Contributing to Goal Accomplishment	7
Roadmap To Achieve Our Vision	9
Goal – Efficiency and Effectiveness: Moving People and Goods	9
Goal – Safety and Security: Enhancing Customer and Employee Safety While Protecting People and Property	10
Goal – Strategic Financing and Financial Stewardship	11
Goal – Service: Improving Performance and Customer Service	13
Goal – Environmental Compliance and Stewardship: Adhere to Environmental Law and Regulations While Incorporating Sustainability Into Daily Operations	14
Plan Monitoring & Evaluation	15

THE MDTA'S FACILITIES

MDTA's network of toll facilities includes more than 100 road miles of major highways, two harbor tunnels and five bridges -- "Creating EZ passage throughout Maryland." This network will expand to include the Intercounty Connector (ICC/MD 200) -- Maryland's first all-electronic toll facility. Working as a system, these facilities serve as vital links in the State's transportation network.

Baltimore Harbor Tunnel (I-895)

The 1.4-mile, four-lane tunnel handled its first vehicles in November 1957. Designated I-895, this facility crosses under the Patapsco River and connects major north/south highways and many arterial routes in Baltimore City's industrial sections. Including the tunnel and approach roadways, the facility is 17 miles in length.

Fort McHenry Tunnel (I-95)

The largest underwater highway tunnel, as well as the widest vehicular tunnel ever built by the immersed-tube method, the Fort McHenry Tunnel opened to traffic in November 1985. The eight-lane tunnel is nearly two miles long. The facility includes more than 11 miles of roadway.

Francis Scott Key Bridge (I-695)

This outer crossing of the Baltimore Harbor opened in March 1977 as the final link in I-695 (Baltimore Beltway). Including the bridge (1.8 miles long) and connecting roadways, the facility is 10.3 miles in length, crossing over the Patapsco River.

Governor Harry W. Nice Memorial Bridge (US 301)

Opened in December 1940, this 1.7-mile, two-lane bridge is located on US 301 and spans the Potomac River from Newburg, Md., to Dahlgren, Va.

Thomas J. Hatem Memorial Bridge (US 40)

The oldest of the MDTA's facilities, this 1.3-mile, four-lane bridge opened in August 1940. It spans the Susquehanna River on US 40 between Havre de Grace and Perryville in northeast Maryland.

William Preston Lane Jr. Memorial (Bay) Bridge (US 50/301)

The Bay Bridge crosses the Chesapeake Bay along US 50/301. At 4.3 miles, the spans are among the world's longest and most scenic over-water structures. The original span opened in July 1952 and provides a two-lane roadway for eastbound traffic. The parallel structure opened in June 1973 and has three lanes for westbound travelers.

John F. Kennedy Memorial Highway (I-95)

Opened in November 1963, the Kennedy Highway is a 48-mile section of I-95 from the northern Baltimore City line to Delaware. The Kennedy Highway is also home to the agency's Maryland House and Chesapeake House travel plazas and to the I-95 Express Toll LanesSM project.



Intercounty Connector (ICC/MD 200)

The ICC/MD 200 will be a new six-lane toll highway that connects I-370 in Montgomery County to I-95 in Prince George's County. The first segment of the ICC/MD 200 scheduled to open is the 7.2 miles, of which 5.56 are

tolled between I-370 and MD 97 (Georgia Avenue) in early 2011. The ICC/MD 200 is different from other toll facilities in Maryland because it is a variably priced toll facility, with higher tolls during peak-travel times and reduced tolls when volumes are lower.

MISSION

The Authority will be financial stewards of our dedicated revenue sources to provide vital transportation links that move people to promote commerce in Maryland by:

- Creating and maintaining a transportation network of highways, bridges and tunnels where safety and transportation efficiency are priorities.
- Operating and securing our facilities with innovative technologies.
- Financing transportation facilities that offer convenient choices to travelers.

VISION

Creating EZ Passage Throughout Maryland

EMPLOYEE GUIDING PRINCIPLES

Safety: we provide safe and secure facilities for our customers, employees and the communities we serve.

Employee Empowerment and Accountability: our employees conduct routine business without excessive oversight and accept responsibility for their actions.

Responsiveness: we adjust quickly to unforeseen and sudden events.

Vigilance: we proactively keep watch over our facilities to protect the public and the environment.

Integrity: we work within our legal and ethical framework with honesty.

Communication: we work to keep our stakeholders informed and value their feedback.

Equal Opportunity: we value our diversity and provide opportunities regardless of our differences.

FACTORS CONTRIBUTING TO GOAL ACCOMPLISHMENT



External and Internal Assessment

MDTA considered a number of internal and external factors during the development of this strategic plan. These factors contribute to the accomplishment of the agency's mission and present opportunities for continued improvement.

The pride of MDTA's employees has enhanced its ability to accomplish its goals. MDTA has been successful at hiring qualified employees and has consistently exceeded the national benchmark in the area of retaining employees. Those factors have led to outstanding levels of teamwork consistent with MDTA's values. Future workforce efforts will aim at expanding employee skill sets and capturing institutional knowledge.

MDTA has been successful at managing customer satisfaction. Surveys have indicated satisfaction with our efforts that involve direct interaction with our customers. MDTA is not alone in these efforts. Its strength in delivering services can also be credited to its ability to develop and sustain relationships with its strategic partners. Future efforts will focus on continuous quality improvement in our routine processes and internal flow of information.

MDTA's organizational framework is critical to its success. Its Trust Agreement

continued on pg. 8

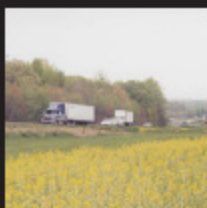
FACTORS CONTRIBUTING TO GOAL ACCOMPLISHMENT (cont.)

with its bondholders contributed to receiving the highest possible ratings (underlying AA) from all three bond-rating agencies as recently as December 2009. The agency's strong bond ratings secure its position to finance transportation solutions for Maryland's citizens. MDTA's ability to obtain the products and services that it deems necessary has contributed to the accomplishment of its goals and its ability to respond to and manage crisis situations as they arise. Future efforts will focus on organizing MDTA to manage change and on enhancing its strategic focus.

A number of external factors have the potential to influence MDTA's ability to accomplish its goals. Pending legislation at both the State and federal levels could alter the way transportation is funded, improve the interoperability between agencies and alter the monitoring and evaluation of program performance. New technologies offer unrealized benefits that improve legacy processes. The way we interact with our natural environment also continues to change. This new focus on the environment will require both short-term and long-term changes to our operations, but offers immeasurable benefits to both the MDTA and the larger global community. MDTA, through its strategic planning process, is positioning itself to capitalize on the opportunities that present themselves and to mitigate challenges as they arise.

Fort McHenry Tunnel (I-95)





ROADMAP TO ACHIEVE OUR VISION

The MDTA Strategic Plan focuses on five goals that support the agency's mission and encourages the realization of its vision to "Create EZ Passage Throughout Maryland."

GOAL – Efficiency and Effectiveness: Moving People and Goods

A continued challenge for MDTA's capital planning is applying expenditures effectively among needs for preserving facilities, maximizing facility performance, enhancing safety and expanding capacity.

■ Maintain traffic capacity through technology while maximizing facility performance.

MDTA and E-ZPass® Maryland contractor ACS State and Local Government Solutions (ACS), a Xerox Company, processed more than 117 million toll transactions in fiscal year 2009. More than 60% of MDTA's toll transactions are collected electronically. In its continuing efforts to create EZ Passage throughout Maryland, MDTA completed a variety of E-ZPass upgrades aimed at enhancing customer service and improving operations at its seven toll facilities. The Intercounty Connector, MD 200, will feature All Electronic Tolling (AET), the latest advancement in tolling industry technology. AET eliminates toll plazas and affords

motorists the full benefits of electronic toll collection by allowing transactions to occur while driving at highway speeds.

■ Preserve and improve facilities.

As MDTA's facilities continue to age, it faces intensive investments much larger than any undertaken in the past. MDTA's current six-year Consolidated Transportation Program (CTP) is more than \$4 billion and continues to preserve existing facilities to serve Marylanders for years to come. In 2008, MDTA launched a major effort to review and improve its facility inspection program, which resulted in a program-specific strategic plan in late 2009. Improved asset management practices, including the development of standard operating procedures based on best practices from each facility and the industry, will focus future capital investments within a framework of system preservation.

■ Effectively manage the MDTA capital program and internal business processes.

MDTA has implemented several measures to improve the management of our capital program and internal business processes. Those measures include:

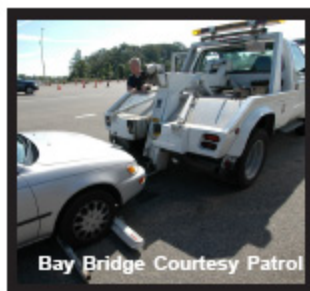
- implementation of a project-management database (Primavera) to track milestones throughout the project-development process;

- implementation of monthly Advertisement/Notice to Proceed review meetings to more closely monitor project-delivery schedules;
- implementation of Quarterly Project Reviews, where project managers update internal stakeholders;
- modification to the capital program's construction cash flows to more closely match actual spending patterns;
- and an updated Information Technology strategic plan that reflects the overall needs and direction of the organization.

**GOAL –
Safety and Security:
Enhancing Customer
and Employee Safety
While Protecting
People and Property**

- Maintain fatal and injury vehicle-crash rates below the National Average.
- Improve traffic-safety and law-enforcement effectiveness.

The MDTA makes every effort to prevent traffic fatalities and injuries by enforcing motor vehicle laws and coming to the aid of stranded motorists. MDTA's facilities consistently experience lower accident rates than the national average thanks to the vigilance of its employees. MDTA Police actively participate in organized safety events such as Child Safety Seat Checks, Smooth Operator, Click It or Ticket and Maryland SafeZones Automated Speed Enforcement program. The implementation of electronic citations reduces the length of time an officer needs to issue a citation, increasing officer and



Bay Bridge Courtesy Patrol

motorist safety while enforcement activities are completed. Annually, MDTA Courtesy Patrols assist thousands of disabled vehicles. Vehicle Recovery Technicians generally respond to disabled vehicles within five minutes. About 90% of these vehicles are back on the road within 10 minutes, thereby reducing the risk of accidents.

- Reduce workplace accidents.
- Continue to reduce work-related injuries and time lost through safety training of employees.

Many MDTA operations such as incident management; law enforcement; roadway, tunnel and bridge design and construction; facility maintenance; toll collection; and roadway Courtesy Patrols involve hazardous conditions. Factors like weather add to work-related risks. Lost-time injuries reduce employee morale and productivity and increase workers' compensation costs. The key to injury prevention is effective safety procedures and practices, proper use of protective equipment and ongoing training.



Bicycle Patrols at BWI Airport

- **Improve security, incident-preparedness and emergency-response plans.**
- **Enhance initiatives to protect the public and employees from criminal activity.**

Increased security is the “norm” in today’s world, especially for our transportation assets. The facilities patrolled by the MDTA Police are vital transportation links critical to our State and region. In addition to security concerns, recent history has shown our preparedness to handle severe weather and natural disasters is just as important. Improved technologies such as the use of a geographic information system have enabled MDTA to put detailed information in the hands of first responders to assist in those efforts. MDTA is a lead agency as the state of Maryland converts to a state-wide 700 MHz radio system for emergency responders. It will facilitate the transmission of timely, accurate, complete and up-to-date information to decision makers at all levels and across jurisdictions.

GOAL – Strategic Financing and Financial Stewardship

Strategic Financing: Invest, Finance and Build New Transportation Facilities with the Maryland Department of Transportation and Other Agencies to Meet Maryland’s Transportation Needs

Maryland’s ability to sustain its strong economy and quality of life relies on safe and appropriate transportation capacity. New highways, roadway expansion and new aviation, transit and port projects are helping meet our growing transportation needs.

- **Invest – Partner to build transportation facilities projects to facilitate economic growth, mobility and travel choices.**

The significant financial and technical complexities of creating major highway corridors often dictate multiple financing sources and lead to collaboration among the MDTA, the Maryland Department of Transportation (MDOT) and other agencies to deliver new projects. With its partners, MDTA is constructing two new highway projects: The Inter-county Connector (ICC/MD 200) and the I-95 Express Toll LanesSM Project (ETLsSM). The ICC/MD 200 will be a new six-lane highway that connects I-370 in Montgomery County to I-95 in Prince George’s county. The ICC/MD 200 will be a variably priced toll facility, with higher tolls during peak-travel times and reduced tolls

when volumes are lower. Providing a travel alternative -- with more predictable travel times -- to overcrowded local roads, the ICC/MD 200 will be a multi-modal roadway with limited points of access. The ETLs will help manage traffic in the most congested area of I-95 north of Baltimore City. They represent a new approach to increasing capacity along Maryland's existing interstates. ETLs are about giving drivers a choice: the choice to use general-travel lanes at no cost or pay a toll to drive in a separate, relatively free-flowing highway lane.

■ **Finance – Partner to use MDTA's bonding capacity for revenue-backed infrastructure.**

MDTA has worked with MDOT to finance aviation, transit and port projects, including construction of the Seagirt Marine Terminal. It also owns the Canton Railroad Company, which provides short-line rail access to Seagirt. MDTA has issued revenue-secured bonds for a number of capital improvements at BWI Airport, including the international terminal and rental-car and parking facilities. MDTA-issued bonds also financed parking garages at three Washington Metropolitan Area Transit Authority Metrorail stations. The bonds are not repaid with toll revenues, but with the future revenues that the projects generate. With its financial and legal expertise, as well as strong reputation in capital markets, the MDTA supports MDOT in financing needed transportation projects.

Financial Stewardship: Maintain a Fiscally Sound and Innovative Financial System

MDTA is financially independent from Maryland's Transportation Trust Fund and State General Funds. The financing, construction, operation and maintenance of all MDTA facilities are financed through tolls, concessions, investment income, revenue bonds and other miscellaneous sources. As the national economy faced a recession, which began in late 2007, MDTA was faced with declining revenues. Compounding this downturn was MDTA's obligations pertaining to its two mega-projects (the ICC/MD 200 and ETLs) and an increased need for system preservation. These factors have required MDTA to increase its strategic focus, especially regarding fiscal matters. In fact, in January 2009, the Members of the board approved a cost-recovery initiative that provides a partial recovery of *E-ZPass* operating costs.

- **Maintain prudent investment and debt-management strategies.**
- **Comply with policies and legal covenants.**
- **Provide comprehensive forecasts and budgets.**
- **Maintain stable credit ratings that facilitate lower financing costs.**

MDTA's strong bond ratings allow for cost-effective financing of its projects. To support continued fiscal improvements, MDTA centralized its financial program under a Chief Financial Officer (CFO)

in 2008. The CFO has strengthened fiscal policies and procedures to ensure MDTA can continue to meet the needs of its stakeholders.

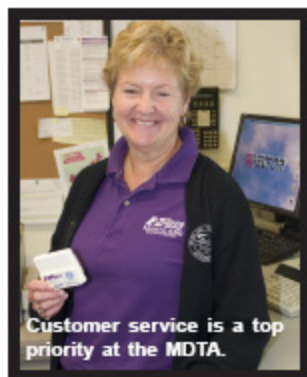
- Increase non-toll revenues.
- Recover costs.
- Public Private Partnerships (P3).

Innovative P3 projects, such as the rehabilitation of MDTA's Maryland House and Chesapeake House travel plazas, have the potential to improve the appearance, functionality and revenue generation of the facilities while allowing MDTA to maintain its capital for other projects. Non-toll revenue approaches include effective lease management of MDTA-owned facilities. Recovery of routine costs, such as insurance claims for property damages and administrative costs for permits, reduce expenditures for non-revenue generating programs. In addition, as mentioned previously, a cost-recovery initiative was adopted to provide a partial recovery of E-ZPass operating costs.

**GOAL –
Service: Improving
Performance and
Customer Service**

- Communicate and respond professionally to customers' needs for assistance and information.
- Improve and expand customer services.

Serving more than one-hundred million vehicles a year and managing more than a half-million active E-ZPass accounts



is no easy task. MDTA and ACS work diligently to meet the needs of customers and continuously look for opportunities to improve product offerings. Thanks to improved communications and products such as E-ZPass "On the Go," MDTA has seen electronic toll collection climb from 54% in 2007 to more than 60% in 2009.

- Develop internal business systems.
- Improve resource allocation and communication.
- Strengthen human-resource capabilities and skill sets.
- Capture institutional knowledge.
- Improve and streamline information technology, management systems and business practices.

In 2009, the National Academy's Transportation Research Board outlined major challenges facing transportation agencies in the near and long-term. According to the Board:

"Given the complexity of the issues to be addressed, workers will need a wider range of skills and training than the current workforce possesses. The future workforce will need

to address an ever increasing reliance on technology; alternative means of finance; increased contracting for services; more partnering with private freight modes; operating transportation as a system; and new approaches to balance transportation objectives with goals for energy, environment, equity, security, and safety."

MDTA identifies with those issues and has initiated efforts to address them systemically. The challenge is to find the right mix of resources by leveraging outside expert resources to augment existing staff, implementing a comprehensive workforce development plan to build workforce knowledge, skills and career development; and strengthening recruitment programs.

**GOAL –
Environmental
Compliance &
Stewardship: Adhere to
Environmental Laws
and Regulations While
Incorporating
Sustainability into
Daily Operations**

MDTA has taken its environmental commitment to a higher level with the establishment of an environmental office in the Division of Operations to ensure compliance with local, State and federal regulations.

Environmental Compliance

- Develop standard operating procedures.
- Develop and implement training programs.



In 2010, the MDTA began a pilot dual-stream recycling program that will be rolled out at all facilities.

- Evaluate existing equipment and processes.
- Monitor activities of each facility.
- Coordinate and oversee mitigation projects.

The MDTA voluntarily entered into a Self-Audit Agreement with the Environmental Protection Agency (EPA) in September 2008. As a result, all MDTA facilities will be audited by a third-party between February 2009 and July 2011 with all findings of non-compliance reported to the EPA. These findings will be addressed with procedures to reduce the likelihood of recurrences of non-compliance.

The Environmental and Sustainability Oversight Committee (ESOC) established in 2010 provides a means of more effectively and efficiently coordinating sustainability efforts between MDTA divisions. ESOC members meet

on a regular basis to review and discuss pending MDTA projects and initiatives and how sustainable elements can be incorporated and communicated to stakeholders.

As a result of its actions to reduce impact on the environment and its willingness to share the actions with others, the MDTA was accepted into the **Maryland Green Registry**. The Maryland Green Registry is a voluntary, self-certification program offering tips and resources to help organizations set and meet their own goals on the path to sustainability.



Environmental Sustainability

- Coordination with local, State and federal agencies on environmental compliance efforts.
- Increase recycling efforts.
- Utilize green products.
- Reduce the use of consumable office supplies.

- Reduce energy consumption.
- Improve fuel utilization.
- Sustainable design and construction.
- Incorporate environmental performance goals for project planning.
- Promoting a culture where sustainability is integral.

The Federal Highway Administration honored MDTA, the Maryland Department of Natural Resources (DNR) and numerous partners with a 2009 **Exemplary Ecosystem Initiative Award** for creating the Asquith Creek Oyster Reef in the Severn River in fall 2008. Partners created the three-acre oyster sanctuary with four million juvenile oysters and demolished concrete from the Bay Bridge Preservation Project.



The Patricia Campbell seeds juvenile oysters on the Asquith Creek reef site.

PLAN MONITORING & EVALUATION

The MDTA Strategic Plan is complemented by the annual business plan and performance reports. As the strategic plan provides the management team with direction, the annual business plan outlines strategies and management's short-term actions to follow that direction. The annual performance report outlines the previous year's accomplishments and serves a role in the continued cycle of

business plan development. This system of regular monitoring and evaluation is supported by the Division of Strategic Development (DSD) and the cross-functional Performance Management Team (PMT). The DSD and the PMT meet regularly to discuss performance metrics associated with the business plan and evaluate the overall success of the organization in meeting its strategic direction.



Martin O'Malley, Governor



Anthony Brown, Lt. Governor



Maryland
Transportation
Authority

Beverley K. Swaim-Staley, Chairman

Members

Peter J. Basso
Rev. Dr. William C. Calhoun, Sr.
Mary Beyer Halsey
Louise P. Hoblitzell
Richard C. Mike Lewin
Isaac H. Marks, Sr., Esq.
Michael J. Whitson
Walter E. Woodford, Jr., P.E.

Ronald L. Freeland, Executive Secretary

2310 Broening Highway
Suite 150
Baltimore, MD 21224
410-537-1000
1-866-713-1596 (toll-free)
410-537-1090 (fax) 711 (MD Relay)
e-mail: mdta@mdta.state.md.us
www.mdtamaryland.gov • www.baybridge.com
www.ezpassmd.com • www.i-95express tolllanes.com
www.hatembriidge.com