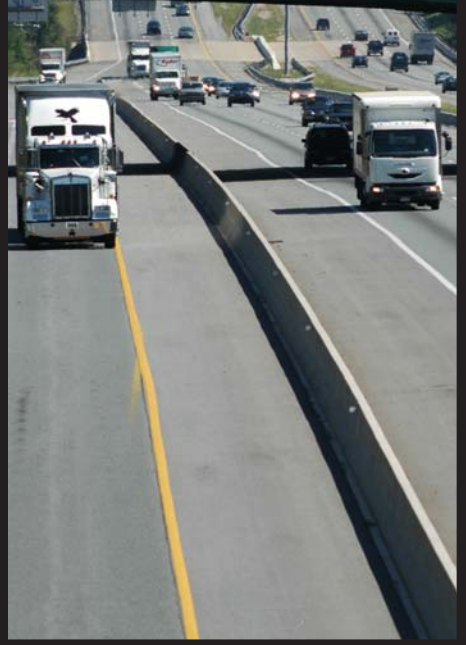




PLANNING FOR THE FUTURE



**MARYLAND TRANSPORTATION AUTHORITY
2006 STRATEGIC PLAN**



PLANNING FOR THE FUTURE

VISION

“Creating EZ passage throughout Maryland.”

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 efficiency are priorities
- Operating and securing our facilities with innovative technologies
- Financing transportation facilities that offer convenient choices to travelers

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A MESSAGE FROM THE CHAIRMAN



For all of us involved with transportation in the State of Maryland, these are historic days. Upon taking office, Governor Robert L. Ehrlich, Jr., laid out a vision for transforming Maryland's transportation system into one that improves citizens' quality of life and supports the State's economic development – in essence a More Mobile Maryland. Today, we continue to make dramatic strides toward achieving that vision.

As an independent State agency created by the General Assembly more than 30 years ago, the Transportation Authority has a strong financial standing and is well-positioned to fund important preservation, improvement and expansion projects for the seven toll facilities it now owns and operates. At the same time, its ability to issue revenue bonds allows it to assist the State in financing new transportation projects, such as the Intercounty Connector and Express Toll

Lanes, to help ease congestion along our busiest corridors and ensure more reliable travel times for drivers and transit users. Put simply, we're *"creating EZ passage throughout Maryland."*

In the years ahead, we will continue to focus on initiatives that improve roadway safety, mitigate congestion and help to ensure that Maryland's transportation network meets the needs of our citizens for years to come. Together with our stakeholders, we can ensure that the Authority plays a major role in delivering vital transportation projects to the citizens of Maryland.

A handwritten signature in black ink that reads "Robert L. Flanagan". The signature is written in a cursive, flowing style.

Robert L. Flanagan
Chairman

A MESSAGE FROM THE EXECUTIVE SECRETARY

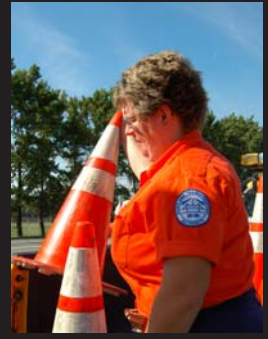
Thank you for your interest in the Maryland Transportation Authority. As the Authority's Executive Secretary, I have the pleasure of working with a team of 1,600 employees, each of whom plays a vital role in ensuring that our facilities and services meet the growing transportation needs of the 150-million motorists we serve each year.

With strong leadership from Authority Chairman Robert L. Flanagan and the Authority's six governing Members, we are working diligently to achieve the goals set forth by Governor Robert L. Ehrlich, Jr., in his transportation vision of delivering a More Mobile Maryland.

I invite you to consider the Authority's strategic plan and learn more about how the agency and its police force are positioning for the future. In the pages that follow, you will read of our commitment to *"creating EZ passage throughout Maryland"* and how providing safe, secure and efficient transportation for all customers is at the heart of what we do. I hope you're just as excited as I am as the Authority brings convenient travel choices to Maryland's citizens with innovative transportation investments.

A handwritten signature in black ink that reads "Trent M. Kittleman". The signature is written in a cursive, flowing style.

Trent M. Kittleman
Executive Secretary



WHO WE ARE AND WHAT WE DO

Established in 1971, the Maryland Transportation Authority (“MdTA” or the “Authority”) is an independent State agency that acts on behalf of but is separate from the Maryland Department of Transportation (MDOT). By law, the Authority is a group of six citizens who are appointed by the Governor (and confirmed by the Senate) and the Secretary of Transportation, who serves as Chairman. The Authority’s Executive Secretary administers the day-to-day business of the agency and its 1,600 employees.

The Authority is a non-budgeted agency that relies solely on revenues generated from its transportation facilities. Disposition of these revenues is governed by a Trust Agreement between the Authority and its Trustee, for the benefit of the 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, the Authority provides conduit financing for revenue-producing transportation projects like parking garages and the new rental-car facility at Baltimore/Washington International Thurgood Marshall Airport (BWI).

The nationally accredited Maryland Transportation Authority Police is the seventh-largest police force in the State, with more than 500 sworn and civilian law-enforcement professionals. Maryland Transportation Authority Police officers are responsible for law enforcement and security at the Authority’s toll facilities, BWI Airport and the Port of Baltimore.

THE AUTHORITY'S FACILITIES

The Authority's toll facilities network includes more than 100 road miles of major highways, two harbor tunnels and five bridges – “creating EZ passage throughout Maryland.” Working as a system, these facilities serve as vital links in the State's transportation network.

The **Baltimore Harbor Tunnel** (I-895) is 1.4 miles and is part of a 20-mile system of approach roadways and ramps.

At 1.5 miles in length, the **Fort McHenry Tunnel** (I-95) is the largest underwater highway tunnel and the widest vehicular tunnel ever built by the immersed tube method. The tunnel and its more than 11 miles of roadways are vital links in I-95.

The 1.8 mile **Francis Scott Key Bridge** (I-695) and its 10.9 miles of connecting roadways opened in March 1977 as the final link in I-695 (the Baltimore Beltway).

The **Governor Harry W. Nice Memorial Bridge** (US 301) extends 1.7 miles across the Potomac River and is part of a 2.4-mile segment of approach roadways.

Spanning the Susquehanna River, the **Thomas J. Hatem Memorial Bridge**

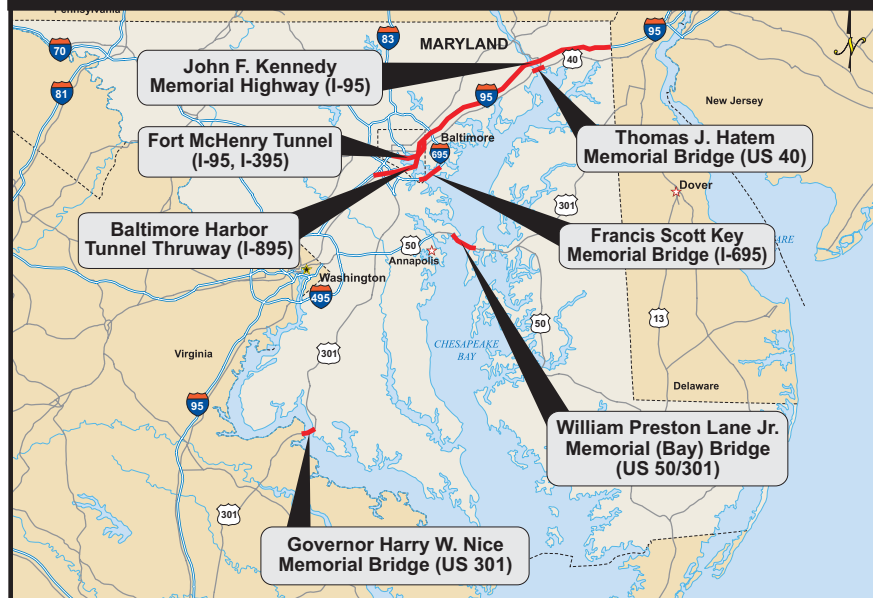
(US 40) is .7 miles in length and part of a 2-mile facility.

The 4.3 mile **William Preston Lane Jr. Memorial (Bay) Bridge** spans the Chesapeake Bay along US 50/301. The spans are among the world's longest and most scenic over-water structures and are included among the 6 miles of roadway at this facility.

The **John F. Kennedy Memorial Highway** is a 50-mile section of I-95 from the northern Baltimore City line to the Delaware state line.

The most significant project in the Authority's capital construction program is the **Intercounty Connector** (ICC). The Authority has programmed \$2.4 billion for planning, design and construction of the ICC. The ICC is a proposed 18- to 20-mile-long, six-lane controlled-access toll highway that would link the I-270 and I-95/US 1 corridors in Montgomery and Prince George's counties. The Authority will own and provide substantial funding for the project. Maryland's State Highway Administration is acting on the Authority's behalf as the lead agency in project development.

Toll Facilities Network of the Maryland Transportation Authority





ROADMAP TO ACHIEVE OUR VISION

The Authority's strategic plan focuses on four goals linked to the agency's mission and is designed to foster its vision of efficiently delivering quality services to both customers and partners.

GOAL – Efficiency and Effectiveness: Moving People and Goods

Traffic congestion and disruptions are growing throughout the mid-Atlantic region. Existing infrastructure is reaching its designed capacity – particularly during peak-travel times. Managing increasing traffic volumes from regional population and commerce growth is a necessity. Construction, incidents and weather further constrain traffic-management efforts. Recent national surveys suggest an increase in public concern about delays from congestion, incidents and roadway construction. Drivers also are becoming more concerned with lowering vehicle emissions and improving reliability, safety and convenience.

A principal challenge for the Authority's capital planning is applying expenditures effectively among important needs for expanding capacity, preserving facilities and maximizing performance.

- Enhance traffic capacity with *E-ZPass*SM
- Maximize facility performance with new technology and other improvements

Conventional cash and/or ticket toll collection is labor intensive and limits traffic

volumes with its standard toll-plaza design. The Authority's use of *E-ZPass* technology speeds toll processing and gives more efficient vehicle throughput. While *E-ZPass* use is up Authority-wide, opportunities exist to target specific customer groups like seasonal travelers. The "next generation" of *E-ZPass* will bring higher-speed passage to a number of Authority toll plazas, with new toll facilities designed to use open-road tolling. Other engineering and operational changes – including plaza modifications and signing upgrades – will help the Authority enhance traffic flow.

At some Authority facilities, expansion has become necessary to manage increased traffic volumes. One such example is the I-95 Master Plan improvements on the Kennedy Highway that began fall 2005. The Authority also is studying the Bay and Nice bridges to identify existing and future transportation needs. The Task Force on Traffic Capacity Across the Chesapeake Bay was created to explore the many issues that must be considered in determining how to address growing traffic-capacity needs at the Bay Bridge.

■ Preserve and improve Authority facilities

The Authority has well-established programs for maintaining its highways, tunnels, bridges and related assets like interchanges and overpasses – an essential long-term financial and service strategy. As its facilities age, the Authority faces intensive investments much larger than any undertaken in the past. Major renovation at the Hatem

and Bay bridges, the Baltimore Harbor Tunnel Thruway and the Fort McHenry Tunnel are indicative of the complex projects required to maintain this vital infrastructure.

The Authority relies on a wide range of support assets such as office, police and maintenance facilities and a large fleet of vehicles and equipment. Maintaining and upgrading these assets also is crucial to Authority operations. Future needs include additional facilities for police, dispatch, customer service and vehicle maintenance and periodic investment in toll-plaza service centers.

- **Expand project-delivery capabilities**
- **Build effective systems and processes for project management**

To better support its operations, the Authority is implementing a comprehensive information-technology plan that includes enterprise business systems and special-applications software. It also is streamlining procurement processes to improve efficiency, product and service delivery and inventory management.

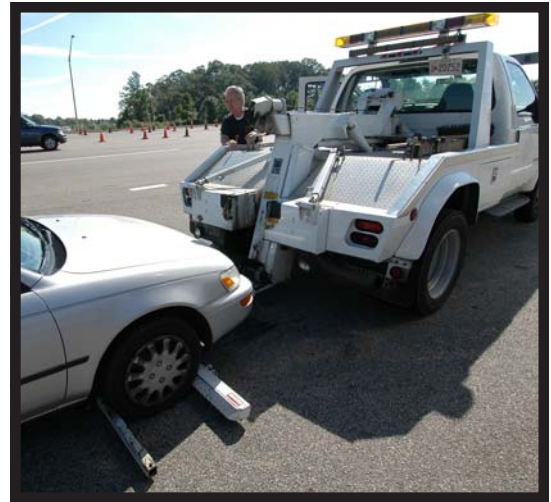
As the Authority faces significant increases in capital expenditures, it will need to improve its project-delivery capabilities. This will require expanding internal capacities and partnering with other organizations and the private sector to extend project-delivery capabilities and knowledge.

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

- **Reduce fatal and injury vehicle crash rates**
- **Improve traffic-safety and law-enforcement effectiveness**

The Authority has successfully reduced fatal and injury vehicle-crash rates on its roadways.

However, providing safe and secure travel with rising vehicle volumes is an increasing challenge. Effective traffic-safety and law-enforcement programs play clear roles in such efforts. The MdTA Police



Bay Bridge Courtesy Patrol

participates annually in efforts to curb impaired and aggressive driving and enforce seatbelt laws. Engineering and operations enhancements are ongoing to improve traffic safety.

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

Many Authority 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.

- **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 Port of Baltimore, the Baltimore/Washington International Thurgood Marshall Airport (BWI) and the Authority's toll facilities – patrolled by the Maryland Transportation Authority Police – are vital transportation links, critical to our State and



ATV Patrols at BWI Airport

region. Ensuring public safety requires MdTA Police to continually evaluate security risks, coordinate with federal, state and local agencies and stay abreast of security technology. Officers work with explosives- and narcotic-detecting canines and staff a Marine Unit that patrols the waterways around our bridges and ports. Governor Ehrlich also named the MdTA Police the primary agency to oversee security for MARC rail. Periodic simulation drills, security checkpoints and readiness evaluations help test the effectiveness of our preparedness as we work diligently to help reduce threats to the State's transportation assets and to the employees and customers who use these facilities.

GOAL – 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 adequate transportation capacity. New highways,

roadway expansion, Express Toll Lanes (ETLs) and new aviation, transit and port projects are helping meet our growing transportation needs.

■ **Invest – Partner to build new toll facilities, expand highways and add Express Toll Lanes 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 Authority, the Maryland Department of Transportation (MDOT) and other state agencies to deliver new projects. With its partners, the Authority is constructing Maryland's first ETL project – the I-95 Express Toll Lanes Project. ETLs will help manage traffic in the most congested area of I-95 north of Baltimore City, and 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 or pay a toll to drive in a separate, relatively free-flowing highway lane on any given trip. Using ETLs has many advantages, such as providing an option for faster and more reliable travel times during peak hours, providing highway infrastructure needed to support express bus service and offering traffic management for the long term.

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

The Authority has worked with MDOT to finance aviation, transit and port projects including construction of the Seagirt Marine Terminal. It also has vested interest in the Canton Railroad Company, which provides short-line rail access to Seagirt. The Authority has issued revenue-secured bonds for a number of capital improvements at BWI Airport, including the international terminal and rental-car and parking facilities.

Authority-issued bonds also financed parking garages at three Washington Metropolitan Area Transit Authority Metrorail stations.

With its financial and legal expertise, as well as strong reputation in capital markets, the Authority will help MDOT finance new projects at the Port of Baltimore and in Maryland's urban transit systems. It also will use its bonding capacity to finance revenue-secured investments in aviation, port and transit facilities so that MDOT can maximize direct-service revenues and minimize the need for tax-supported debt.

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

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

The Authority will build on its successful record of service to meet the needs of its customers. Opportunities to improve customer services are emerging, and many are underway.

The Authority made getting *E-ZPass* easier with on-line enrollment and *E-ZPass* "On-the-Go" available for purchase in retail outlets. In summer 2005, the Authority partnered with State and local agencies to introduce *Taking the Heat Out of Summer Travel* to help ease congestion for drivers traveling to the Eastern Shore. The Authority's Maryland House and Chesapeake House travel plazas on I-95 serve more than five million customers each year, and the agency is exploring options to modernize and provide new customer services at both plazas. Looking ahead, opportunities exist to increase *E-ZPass* use by casual travelers and commercial-vehicle operators, to expand e-screening programs for commercial vehicles and to continue efforts in *Taking the Heat Out of Summer Travel* at the Bay Bridge.

Communications initiatives support the Authority's mission. Initiatives include toll-lane handouts, brochures and flyers, news

releases, media and community events, variable-message signs, web sites, paid advertising and the toll-free BAYSPAN Hotline (1-877-BAYSPAN) for Bay Bridge traffic conditions.

- **Develop internal resources and business systems**
- **Improve resource allocation and communication**
- **Strengthen human-resource capabilities and skill sets**
- **Improve and streamline information technology, management systems and business practices**

With a large number of managers and other experienced staff retiring in the next five to 10 years, the Authority recognizes it faces significant organizational-development challenges. The continued implementation of intelligent-transportation systems and other information technologies requires new skills and expertise. As such, the Authority will utilize employee resources to meet future work demands and strengthen agency-wide communication and relationships.

The challenge is to find the right mix of internal and external resources by leveraging outside expert resources to augment existing staff; developing a comprehensive human-resources plan to manage senior-staff retirements and build workforce knowledge, skills and career development; and strengthening recruitment programs.



Using *E-ZPass* at the Key Bridge toll plaza.

OUR VALUES

Service

Employee Empowerment
and Accountability

Responsiveness

Vigilance

Integrity

Communication

Equal Opportunity





Robert L. Ehrlich, Jr., Governor



Michael S. Steele, Lt. Governor



**Robert L. Flanagan
Chairman**

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