June 10, 2010

Mr. David Chapin
Senior Policy Analyst
Maryland Transportation Authority
2310 Broening Highway
Baltimore, MD 21224

Re: **MdTA TFP Revenue Bonds Series 2010 – ICC T&R Update**

Dear Mr. Chapin:

Wilbur Smith Associates (WSA) is pleased to submit this letter, including a traffic and revenue update for the ICC for use in your financial planning and issuance of TFP Revenue Bonds Series 2010. Recent forecasts used for financial planning and revenue bonds have been based on "Scenario 1", originally shown in our October 2009 traffic and revenue report, as updated in Exhibit A of our November 2009 letter report.

The current updated forecast is a modification of Scenario 1, and assumes the following:

- An initial $0.25 per mile peak period / $0.20 per mile off peak period / $0.10 overnight period toll rate for two axle vehicles, (with higher rates for three or more axles);
- A minimum toll equal to the greater of $0.40 or 2 miles travelled; and
- A potential modified opening date for Contract A of April 1, 2011.

The minimum toll and per mile rates in the first two bulleted items above are consistent with the Maryland Transportation Authority's December 17, 2009 announcement of ICC tolling parameters and the forthcoming announcement concerning toll rates applicable to Contract A. In regard to the last bulleted item, it is our understanding that there is a possibility that Contract A might not open as currently planned in late 2010. If it opens later, the revenues predicted in our earlier work, based on a November 1, 2010 opening date, would be optimistic during the early years of operation. We have therefore estimated revenues assuming a potential later opening date for this segment of the roadway. Contract B and C are assumed to open January 1, 2012; Contract E is assumed to open in May 2013.

In addition to updating our traffic and revenue forecast for the ICC with the above assumptions, we have also reviewed key economic indicators and traffic trends in the study area to confirm the

continued validity of the basic underlying assumptions used in the preparation of the October 2009 traffic and revenue study.

Economic Indicators

Official and independent data on historic and forecasted socio-economic variables have been reviewed to verify that the growth assumptions used for the 2009 Study remain valid. Key variables reviewed include employment and population forecasts for Montgomery and Prince George's Counties. These assumptions are the key inputs in estimating the amount of trip making that occurs in the regional demand model and ultimately in the ICC corridor.

Figure 1 demonstrates that the region has experienced an increase in unemployment since mid-2008. Although Montgomery County has seen unemployment rates of double its historic natural levels, unemployment barely exceeded 6% at its worst point this year. Since the peaking of unemployment levels earlier this year, levels have fallen quickly back to 5% in Montgomery County. The MSA is currently at around 6% unemployment compared to the national level of more than 9.5%.

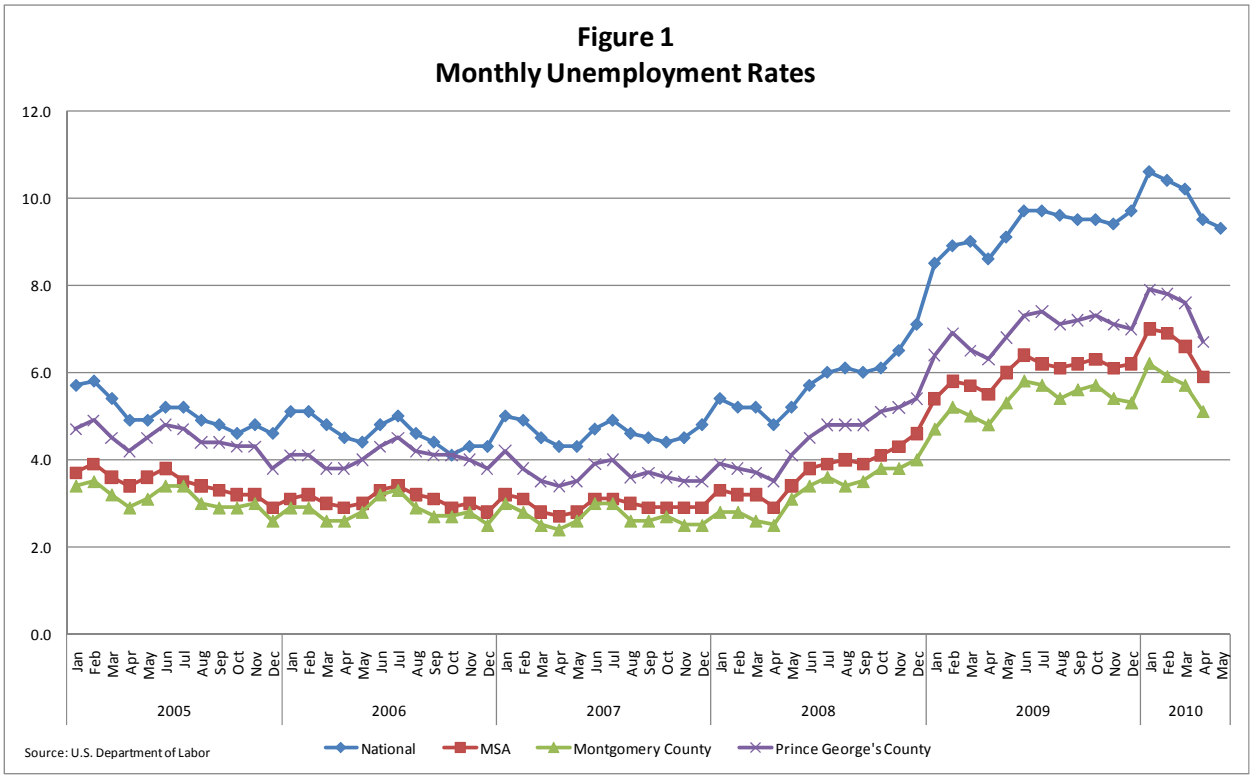
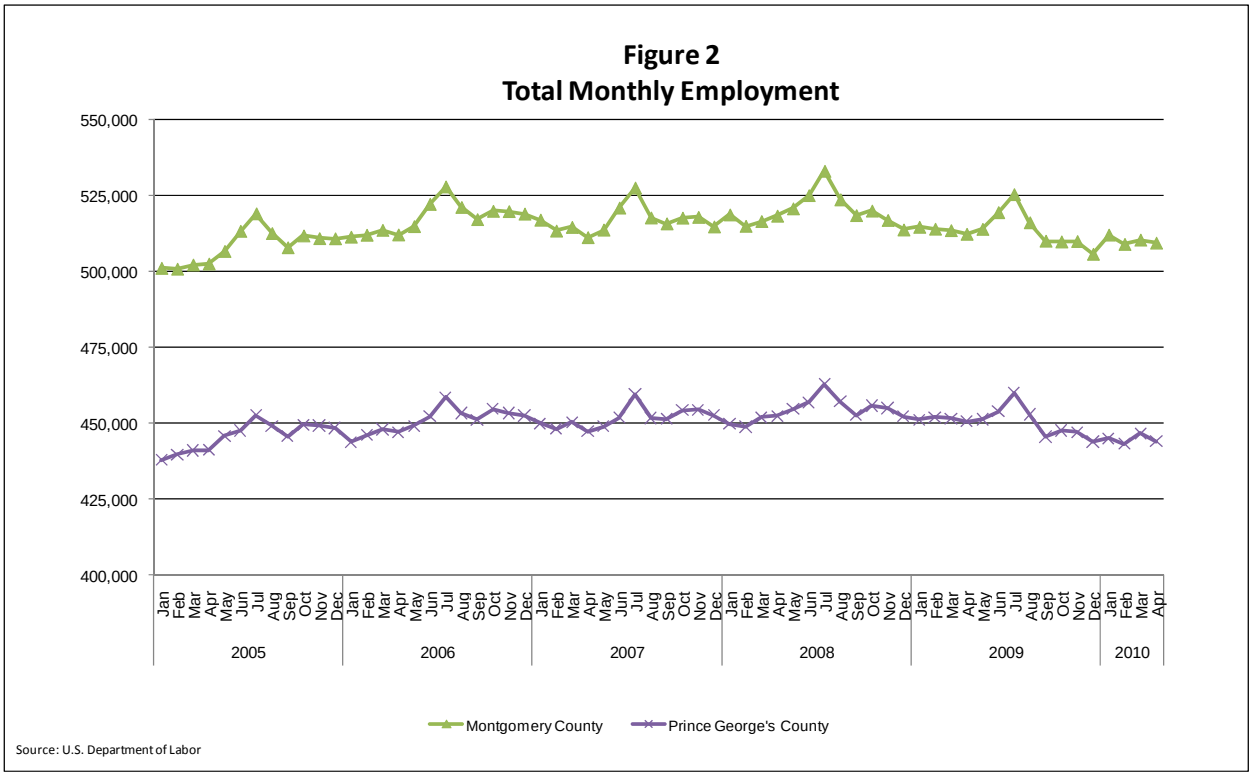


Figure 2 shows historic employment levels for Montgomery and Prince George's Counties. Of note is the decrease in employment levels beginning in the last quarter of 2008, with further decreases during 2009 reflecting the significant rise in unemployment levels. A month over month comparison between 2009 and 2008 showed a 3.5% to 4% reduction in employment levels. Beginning in 2010, a month over month comparison to 2009 employment levels shows signs of improvement and initial recovery taking place. A reversal in trend emerges with a 2.1% reduction of employment in January 2010 versus January 2009, improving to a 0.9 percent reduction of employment in April 2010 versus April 2009. This pattern is consistent with the national trend and is consistent with the assumed slow recovery pattern for the nation going forward.



At the time of the 2009 traffic and revenue update study we obtained the latest Metropolitan Washington Council of Governments (MWCOG) model and socioeconomic data files (version 7.1). Our independent economist reviewed the underlying economic assumptions in the model against the latest trends, pipeline of future development, and initial drafts of updated forecasts that MWCOG was developing. Findings from that assessment resulted in downward adjustments being applied to the model socioeconomic data files of population and employment. These

updated files were then used in developing our base forecasts included in the 2009 traffic and revenue report and all subsequent scenario submissions.

MWCOG released another socioeconomic data set late in 2009 after our modeling was completed called version 7.2a. Population and employment forecasts for version 7.2a and assumptions used in our 2009 traffic and revenue study are shown in Table 1. As shown, population forecasts for Montgomery County used in our 2009 study are nearly identical through 2020 when compared to 7.2A. By 2030, 7.2A is actually higher than what was assumed in our 2009 study. Most of the ICC project is located in Montgomery County and therefore, usage of the facility will be heavily influenced by activity and growth in Montgomery County. Employment forecasts for Montgomery County between what was used in WSA's 2009 study and those later produced by MWCOG (version 7.2A) show minor differences, with the 7.2A forecast showing higher employment numbers than what was used in WSA's 2009 study. Prince George's county forecasts under 7.2A are somewhat more conservative than what was used in WSA's 2009 study. These differences would not be expected to significantly influence travel demand for the ICC.

Table 1
Population and Employment Forecast Comparison

Population Forecast

	2010			2020			2030		
Geographic Area	WSA Study	7.2A	Diff	WSA Study	7.2A	Diff	WSA Study	7.2A	Diff
Montgomery County	968,114	968,300	0.0%	1,078,624	1,077,254	-0.1%	1,113,069	1,144,383	2.8%
Prince George's County	893,362	869,714	-2.6%	954,193	922,535	-3.3%	985,838	964,469	-2.2%
District of Columbia	609,569	610,732	0.2%	677,764	679,001	0.2%	727,627	735,893	1.1%

Employment Forecast

	2010			2020			2030		
Geographic Area	WSA Study	7.2A	Diff	WSA Study	7.2A	Diff	WSA Study	7.2A	Diff
Montgomery County	506,808	510,600	0.7%	589,995	590,675	0.1%	666,049	673,725	1.2%
Prince George's County	365,090	362,286	-0.8%	416,557	398,536	-4.3%	486,956	454,207	-6.7%
District of Columbia	788,210	788,162	0.0%	840,745	860,915	2.4%	922,420	922,419	0.0%

Table 2 displays the average annual growth rates for the two forecasts discussed above, as well as a forecast from Woods & Poole (W&P). As shown, growth rates between the forecast used in WSA's 2009 traffic and revenue study are similar to those in MWCOG's latest forecast (version 7.2A). Long term growth between 2010 and 2030 are also similar among all three sources.

Table 2
Population and Employment Growth Forecast Comparison

	Population Forecast Average Annual Percent Growth Rates								
	2010 - 2020			2020 - 2030			2010 - 2030		
Geographic Area	WSA Study	7.2A	W&P	WSA Study	7.2A	W&P	WSA Study	7.2A	W&P
Montgomery County	1.1%	1.1%	0.8%	0.3%	0.6%	0.8%	0.7%	0.8%	0.8%
Prince George's County	0.7%	0.6%	0.5%	0.3%	0.4%	0.5%	0.5%	0.5%	0.5%
District of Columbia	1.1%	1.1%		0.7%	0.8%		0.9%	0.9%	

	Employment Forecast Average Annual Percent Growth Rates								
	2010			2020			2030		
Geographic Area	WSA Study	7.2A	W&P	WSA Study	7.2A	W&P	WSA Study	7.2A	W&P
Montgomery County	1.5%	1.5%	1.2%	1.2%	1.3%	1.1%	1.4%	1.4%	1.2%
Prince George's County	1.3%	1.0%	1.0%	1.6%	1.3%	0.9%	1.5%	1.1%	1.0%
District of Columbia	0.6%	0.9%	0.9%	0.9%	0.7%	0.7%	0.8%	0.8%	0.8%

In general, based on the above independent information, no significant evidence exists to believe the socio-economic drivers assumed in the 2009 Study are invalid in any way. Our firm recommendation is that the 2009 WSA model for the ICC remains valid in this respect. The information collected indicates current views of socio-economic growth that reinforce the assumptions used in the 2009 Study.

Recent Traffic Trends

During our ICC update study of 2009, traffic counts in the study area were assembled to review recent trends. This is particularly important when there is no actual traffic experience on the facility in question, as is the case with the ICC. Traffic counts during our 2009 update study were available through calendar year 2008. Historical traffic volumes demonstrated a negative trend between 2005 and 2008, mainly due to fuel price surges, particularly in the spring of 2008 and the economic impacts of the recession that followed. For this update, available traffic counts at these same locations for calendar year 2009 within the study area were reviewed to evaluate the trend of vehicle activity. 2009 traffic volumes at these same locations show that a general recovery in traffic began to emerge. This pattern is consistent with other patterns seen around the country and particularly on some of the major toll facilities we monitor on a monthly basis. In fact, in 2010 several of the facilities we monitor are showing signs of recovery in both passenger and commercial vehicle activity as they recover from multiple years of negative growth.

Conclusions

Based on our review of current economic trends and forecasts, and recent traffic trends, the following conclusions can be drawn from the preceding analysis:

- The economic indicators and socio-economic projections collected validate the inputs and assumptions of the 2009 Study;
- All indicators suggest that the 2009 Study remains valid and therefore any recent and current scenarios reflecting modified opening dates or alternative toll rate assumptions are reasonable; and
- Therefore, there is no reason to suggest currently that a full T&R update or further adjustments are required to the 2009 Study or updated scenarios built upon those same assumptions.

Forecast

Table 3 shows the updated transaction and revenue forecast reflecting the modification of Scenario 1, and assumes the following:

- An initial $0.25 per mile peak period / $0.20 per mile off peak period / $0.10 overnight period toll rate for two axle vehicles, (with higher rates for three or more axles);

- A minimum toll equal to the greater of $0.40 or 2 miles travelled; and

- A potential modified opening date for Contract A of April 1, 2011.

Toll revenue for fiscal year 2011 is estimated at $1.4 million representing 3 months of operation of Contract A, ramp-up and toll evasion impacts. Revenue is estimated to increase to slightly less than $18.0 million for fiscal year 2012 and then to $39.9 million by 2013 when the majority of the project will have been open for 18 months. A toll rate increase is assumed to occur in fiscal year 2014 and then every 2 years thereafter. By 2020, annual revenue is estimated to reach $86.4 million, increasing to $121.6 million by 2030.

The use of the lower minimum toll (as compared to the original Scenario 1) and overnight toll rate results in about a 2% increase in transactions and about a 2.5% decrease in toll revenue over the forecast period. A delay in opening of the facility will have a greater immediate impact on toll revenue, but will only show up in the first year of operation. The negative impact of the later opening will carry into the next year due to a 3 year ramp-up assumption, albeit at a much lower impact.

June 10, 2010

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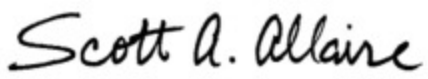
Please do not hesitate to contact us with any questions regarding this updated forecast.

Respectfully submitted,

WILBUR SMITH ASSOCIATES



Scott Allaire
Vice President

Table 3
Estimated Annual Transaction and Toll Revenue (1)
Scenario 1 - Updated 06-10-2010

(thousand)

Fiscal Year	Peak / Off Peak / Overnight Per Mile Toll Rate (5)	ETC Transactions (Trips)	Video Transactions (Trips)	Total Transactions (Trips)	Total Transactions (Trips) With Ramp-Up Factors (7)	ETC Revenue	Video Toll Revenue	Total Toll Revenue	Administration Fee Revenue	Total Revenue	Total Revenue With Ramp-Up Factors (7)	Total Revenue With Assumed Evasion Impacts (8)
2011	(2) $0.25 / $0.20 / $0.10	1,678	112	1,790	931	$2,319	$164	$2,483	$335	$2,818	$1,465	$1,389
2012	(3) $0.25 / $0.20 / $0.10	16,253	921	17,174	10,210	27,100	1,909	29,009	2,764	31,773	18,866	17,990
2013	(4) $0.25 / $0.20 / $0.10	27,907	1,451	29,358	22,046	47,868	3,393	51,261	4,353	55,614	41,763	39,881
2014	$0.26 / $0.21 / $0.105	33,566	1,616	35,182	31,810	56,362	3,524	59,886	4,847	64,733	58,529	55,996
2015	$0.26 / $0.21 / $0.105	35,217	1,627	36,845	36,490	59,038	3,692	62,730	4,882	67,612	66,960	64,093
2016	$0.275 / $0.225 / $0.11	36,105	1,601	37,707	37,707	63,652	3,627	67,279	4,803	72,082	72,082	69,123
2017	$0.275 / $0.225 / $0.11	37,760	1,607	39,367	39,367	66,444	3,786	70,229	4,821	75,050	75,050	72,000
2018	$0.285 / $0.235 / $0.12	38,837	1,587	40,423	40,423	71,893	3,732	75,625	4,760	80,385	80,385	77,249
2019	$0.285 / $0.235 / $0.12	40,894	1,603	42,497	42,497	75,557	3,922	79,479	4,809	84,289	84,289	81,031
2020	$0.30 / $0.25 / $0.125	41,775	1,572	43,347	43,347	81,209	3,841	85,050	4,717	89,767	89,767	86,431
2021	$0.30 / $0.25 / $0.125	42,811	1,558	44,369	44,369	83,114	3,931	87,045	4,674	91,719	91,719	88,336
2022	$0.32 / $0.26 / $0.13	43,098	1,516	44,614	44,614	87,472	3,845	91,318	4,549	95,866	95,866	92,438
2023	$0.32 / $0.26 / $0.13	44,064	1,498	45,563	45,563	89,298	3,925	93,223	4,495	97,718	97,718	94,248
2024	$0.335 / $0.27 / $0.135	44,464	1,462	45,927	45,927	94,221	3,850	98,070	4,386	102,456	102,456	98,925
2025	$0.335 / $0.27 / $0.135	45,510	1,447	46,956	46,956	96,318	3,935	100,253	4,341	104,593	104,593	101,012
2026	$0.355 / $0.28 / $0.14	45,875	1,410	47,285	47,285	101,492	3,854	105,345	4,230	109,575	109,575	105,929
2027	$0.355 / $0.28 / $0.14	46,927	1,395	48,321	48,321	103,696	3,937	107,634	4,184	111,817	111,817	108,119
2028	$0.38 / $0.29 / $0.145	47,331	1,360	48,690	48,690	109,325	3,858	113,184	4,080	117,263	117,263	113,489
2029	$0.38 / $0.29 / $0.145	48,390	1,344	49,734	49,734	111,644	3,940	115,584	4,033	119,617	119,617	115,789
2030	$0.40 / $0.30 / $0.15	48,833	1,312	50,145	50,145	117,766	3,863	121,629	3,935	125,564	125,564	121,649
2031	(6) $0.40 / $0.30 / $0.15	49,849	1,339	51,188	51,188	120,172	3,941	124,114	4,016	128,130	128,130	124,135
2032	$0.42 / $0.315 / $0.155	49,893	1,340	51,233	51,233	124,938	4,098	129,036	4,020	133,057	133,057	128,934
2033	$0.42 / $0.315 / $0.155	50,908	1,367	52,275	52,275	127,435	4,180	131,615	4,101	135,716	135,716	131,511
2034	$0.44 / $0.33 / $0.165	50,976	1,369	52,345	52,345	132,547	4,348	136,895	4,108	141,002	141,002	136,660
2035	$0.44 / $0.33 / $0.165	52,043	1,398	53,441	53,441	135,302	4,438	139,739	4,193	143,933	143,933	139,500
2036	$0.465 / $0.35 / $0.175	52,082	1,399	53,481	53,481	140,619	4,612	145,231	4,197	149,428	149,428	144,854
2037	$0.465 / $0.35 / $0.175	52,923	1,421	54,345	54,345	142,892	4,687	147,579	4,264	151,843	151,843	147,195
2038	$0.485 / $0.365 / $0.18	53,212	1,429	54,641	54,641	149,183	4,893	154,076	4,288	158,364	158,364	153,544
2039	$0.485 / $0.365 / $0.18	54,277	1,458	55,735	55,735	152,146	4,990	157,136	4,373	161,509	161,509	156,593
2040	$0.51 / $0.385 / $0.19	54,367	1,460	55,827	55,827	158,268	5,191	163,459	4,381	167,840	167,840	162,760
2041	$0.51 / $0.385 / $0.19	54,954	1,476	56,430	56,430	163,016	5,347	168,363	4,428	172,791	172,791	167,576

(1) Toll revenues are shown in future dollars and assume a 2 mile minimum toll and a $3.00 video surcharge.
(2) Phase 1 I-370 to MD 97 / MD 28 is scheduled to open in late 2010. In recognition of the possibility of a delay in revenue commencement, revenue estimates have been conservatively adjusted to reflect a potential later open to traffic date of April 1, 2011.
(3) Phase 2 (interim) MD 97 / MD 28 to I-95 opens to traffic on January 1, 2012.
(4) Phase 2 (complete) I-95 to U.S. 1 opens to traffic on May 1, 2013.
(5) Per mile toll rates increase on even-numbered years, beginning in 2014, at an assumed inflation rate of 2.5 percent per year.
(6) After 2030, transactions are assumed to increase at 1 percent per year and revenues at 3 percent per year, adjusted to reflect biannual toll increases, rather than annual.
(7) Both Phase I and Phase II of the ICC are assumed to have three-year ramp-up periods.
(8) Total revenue is reduced to reflect impacts associated with potential toll evasion.