

MARYLAND TRANSPORTATION AUTHORITY

Fiscal Year 2007 Annual Report

*Every hour of every day, we work to keep
our roadways moving safely and efficiently.*



Maryland
Transportation
Authority

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Introduction

The Maryland Transportation Authority (Authority) is an independent State agency established in 1971 to finance, construct, manage, operate and improve the State's toll facilities, as well as to finance new revenue-producing transportation projects for the Maryland Department of Transportation. The Authority's seven toll facilities – a turnpike, two tunnels and four bridges – help keep traffic moving in Maryland. All of the Transportation Authority's projects and services are funded through tolls and revenues paid by customers who use the agency's facilities. For more than 35 years, the Maryland Transportation Authority has provided Maryland's citizens and visitors with safe and convenient transportation facilities. We are committed to quality and excellence in customer service, and we rely on our organization's values, traditions and – most important – our employees to achieve these goals.

*As we start a new day,
the Maryland Transportation
Authority is on the job providing
round-the-clock service to
Maryland motorists.*

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12:00 A.M.



A Message from the *Governor*

On behalf of the citizens of Maryland, I am pleased to share with you this annual report of the fiscal year 2007 operations of the Maryland Transportation Authority. I hope you will find this report informative and enlightening.

The Authority has tremendous opportunities, despite challenging times ahead. Together, we can make those opportunities ours by advancing simultaneously along three fronts – workforce creation, sustainability and security integration – all of which encompass transportation. Greatness lies in our ability to move forward in these areas as One Maryland, and this focus will help guide the Authority's initiatives.

The Authority will play an important role in securing and building a sustainable Maryland – one that meets current needs without compromising the opportunities of future generations. Our transportation system should serve as a tool to promote economic development, encouraging businesses to relocate or expand within Maryland. Investing in our infrastructure will improve the quality of life for all Marylanders and keep us competitive. Our State has an excellent network of highways, port facilities, rail lines and airports, and this first-class system serves as the foundation for our efforts to develop new opportunities for Maryland while protecting our families.

As One Maryland, we will create and preserve a transportation network in which workforce creation, sustainability and security integration are priorities. I look forward to working with the Authority and its stakeholders as we move Maryland forward.

Martin O'Malley
Governor

Did you know?

In May 1986, the Thomas J. Hatem Memorial Bridge, originally known as the Susquehanna River Bridge, was dedicated to the memory of Thomas J. Hatem, a distinguished citizen of Harford County, who devoted his life to public service.



12:01 A.M.

Our Vision

Creating EZ passage throughout Maryland

Our 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.

Our Values

- **S**ervice
- **E**mployee empowerment and accountability
- **R**esponsiveness
- **V**igilance
- **I**ntegrity
- **C**ommunication
- **E**qual Opportunity





John D. Porcari
Chairman

Governing Members

The Maryland Transportation Authority is a group of eight citizens appointed by the Governor with the advice and consent of the State Senate. This group, representing Maryland's geographic regions, serves as our policy-setting, decision-making and governing body. Maryland's Secretary of Transportation presides as the Authority's Chairman. Each Member serves a four-year term, and term expirations are staggered. Members are eligible for reappointment to the Authority; however, since 2007, there is a limit of three consecutive terms.

front row:

Rev. Dr. William C. Calhoun, Sr. – *Appointed May 2007*

Carolyn Peoples – *Appointed February 2006*

Isaac H. Marks, Sr., Esq. – *Appointed May 2007*

middle row:

Walter E. Woodford, Jr., P.E. – *Appointed July 1991*

Louise P. Hoblitzell – *Appointed July 1983*

Peter J. Basso – *Appointed August 2007*

back row:

Michael J. Whitson – *Appointed May 2007*

Richard C. Mike Lewin – *Appointed August 2007*

Did you know?

The Fort McHenry Tunnel was built using the open-trench method, in which prefabricated tunnel sections were sunk in a trench dredged in the harbor's bottom, and the sections were joined underwater.

Tunnel Washing

The Authority's tunnel-washing crew uses a vehicle called a Unimog® to give each of the tubes of the I-95 and I-895 tunnels a thorough washing, scrubbing and rinsing. This occurs in regular intervals between March and November each year, and keeps the Authority's tunnels clean and bright.



2:12 A.M.



Our Management Committee

Ronald L. Freeland – Executive Secretary
Daniel F. McMullen, III – Deputy Executive Secretary

John J. Ayd, Jr. – Director of Information Technology
Alice L. Brooks – Director of Organizational Development
Gregory A. Brown – Chief Administrative Officer
Marcus L. Brown – Chief of Police
David W. Chapin – Special Projects Coordinator
Deborah A. Donohue, Esq. – Principal Counsel
Keith A. Duerling, P.E. – Director of Engineering
Curtis V. Esposito – Director of Operations
Geoffrey V. Kolberg, P.E. – Chief Engineer
Joe B. May – Property Director
Jody D. McCurley – Director of Audits
Cheryl M. Sparks – Director of Communications
Simela Triandos – Director of Capital Planning
Alison B. Williams – Senior Director of Finance



A Message from the Chairman

When Governor Martin O'Malley took office, he made a commitment to make our transportation system one that meets the needs of Maryland's families and supports workforce creation, sustainability and security integration. In my dual role as Maryland Transportation Authority Chairman and Maryland Transportation Secretary, it is my primary responsibility to ensure Governor O'Malley's transportation vision becomes reality.

As we Move Maryland Forward, the Authority will build on its prior accomplishments and undertake new efforts to provide the State's citizens and visitors with safe and convenient transportation facilities. It's an exciting time for the Authority, with challenging initiatives underway including I-95 Express Toll LanesSM, Bay Bridge preservation, the next generation of E-ZPass[®] and Intercounty Connector projects.

With strong and effective leadership, we are working diligently to meet these challenges. While our responsibilities have expanded, our focus remains clear – providing a transportation system that unites One Maryland. We look forward to continuing these efforts and remain committed to Moving Maryland Forward.

John D. Porcari
Chairman



A Message from the Executive Secretary

Welcome to our annual report on the activities and operations of the Maryland Transportation Authority for fiscal year 2007. It has been a privilege and pleasure to serve as the Authority's Executive Secretary.

The accomplishments outlined in this publication are made possible by the Authority's 1,600 employees, each of whom plays a vital role in helping ensure our seven facilities meet the growing needs of the 160-million motorists who travel them each year. And, as you'll notice in this publication, this doesn't just happen during "normal" business hours. The Authority's successes are Maryland's successes, and I thank our employees for their dedication to Moving Maryland Forward.

The Authority's well-rounded workforce has assumed new and challenging responsibilities and is committed to providing round-the-clock public service to our customers. They have met these challenges head-on and have done so keeping their mission in mind – to provide vital transportation links that move people and goods to promote commerce in Maryland.

Thank you for your support of the Maryland Transportation Authority.

Ronald L. Freeland

Ronald L. Freeland
Executive Secretary

Did you know?

When the Baltimore Harbor Tunnel opened in 1957, it was heralded as breaking the "Baltimore Bottleneck." For years, traffic had crawled through Baltimore's narrow streets, then the only direct route between Philadelphia and the South.

Bay Bridge Preservation Project

Throughout the night, construction crews work to complete the replacement of bridge deck with minimal interruption to traffic.



5:35 A.M.



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



John F. Kennedy Memorial Highway (I-95)



Thomas J. Hatem Memorial Bridge (US 40)



Fort McHenry Tunnel (I-95, I-395)

Our Facilities

The construction of Maryland's toll facilities is financed through revenue bonds. The outstanding principal and interest due each year is paid from all revenues collected from the Authority's toll facilities. Toll revenues are the primary source of funds. The Authority's toll and other receipts are pooled, with revenues from all seven toll facilities combined for operating, maintaining and making capital improvements to these facilities. The agency's strong bond ratings secure its position to finance transportation solutions for Maryland's citizens. This year, the Authority received underlying AA ratings from all three bond rating agencies.

Vital Links in Maryland's Transportation Network

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

The Bay Bridge crosses the Chesapeake Bay along US 50/301. Its dual spans provide a direct connection between recreational and ocean regions located on Maryland's Eastern Shore and the metropolitan areas of Baltimore, Annapolis and Washington, D.C. At 4.3 miles, the spans are among the world's longest and most scenic over-water structures. The original span was built in 1952 and provides a two-lane roadway for eastbound traffic. The parallel structure opened in 1973 and has three lanes for westbound travelers. During periods of heavy eastbound traffic, one lane of the westbound bridge is reversed to carry eastbound travelers ("contra-flow" operations). FY 2007 traffic volume – 27 million vehicles.

John F. Kennedy Memorial Highway (I-95)

Opened in 1963, the John F. Kennedy Memorial Highway is a 48-mile section of I-95 from the northern Baltimore City line to Delaware. Tolls are collected in the northbound direction only at the toll plaza located one mile north of the Millard Tydings Memorial Bridge over the Susquehanna River. FY 2007 traffic volume – 30 million vehicles.

Thomas J. Hatem Memorial Bridge (US 40)

The oldest of the Authority's facilities, this four-lane bridge opened in August 1940. It spans the Susquehanna River on US 40 between Havre de Grace and Perryville in northeast Maryland. FY 2007 traffic volume – 11.2 million vehicles.



Baltimore Harbor Tunnel (I-895)



Francis Scott Key Bridge (I-695)



Governor Harry W. Nice Memorial Bridge (US 301)

Fort McHenry Tunnel (I-95, I-395)

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. It connects the Locust Point and Canton areas of Baltimore, crossing under the Patapsco River just south of historic Fort McHenry. The tunnel is a vital link in I-95, the East Coast's most important interstate route. FY 2007 traffic volume – 44.8 million vehicles.

Baltimore Harbor Tunnel (I-895)

The 1.4-mile, four-lane tunnel handled its first vehicles in November 1957. Designated I-895, the facility connects major north/south highways and many arterial routes in Baltimore City's industrial sections. FY 2007 traffic volume – 25.7 million vehicles.

Francis Scott Key Bridge (I-695)

This outer crossing of the Baltimore Harbor opened in March 1977 as the final link in I-695 (the Baltimore Beltway). Including the bridge and connecting roadways, the project is 10.3 miles in length. FY 2007 traffic volume – 12.8 million vehicles.

Governor Harry W. Nice Memorial Bridge (US 301)

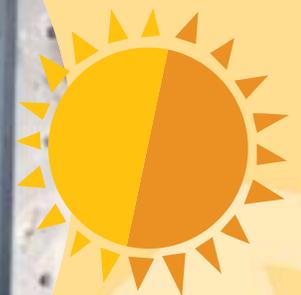
Opened in December 1940, this two-lane bridge is located on US 301 and spans the Potomac River from Newburg, Md. to Dahlgren, Va. President Franklin D. Roosevelt participated in the facility's groundbreaking in 1939. FY 2007 traffic volume – 6.8 million vehicles.

Did you know?

The Fort McHenry Tunnel's alignment near Fort McHenry and below the shipping channel required the design of the world's first tunnel sections that curved both vertically and horizontally. At the time of construction, the tunnel was the largest project in the history of the National Interstate and Defense Highway program.

Toll Collector

Mary Ann Young, a 22-year Authority veteran, greets motorists during the morning rush hour at the Baltimore Harbor Tunnel. Mary Ann processes more than 750,000 toll transactions per month.



7:53 A.M.

Facility Lengths

Baltimore Harbor Tunnel Thruway (I-895)	17.6 miles
Fort McHenry Tunnel (I-95, I-395)	12.5 miles
Francis Scott Key Bridge (I-695)	10.3 miles
Governor Harry W. Nice Memorial Bridge (US 301)	2.2 miles
Thomas J. Hatem Memorial Bridge (US 40)	1.8 miles
William Preston Lane Jr. Memorial (Bay) Bridge (US 50/301)	5.4 miles
John F. Kennedy Memorial Highway (I-95)	48.2 miles



Our New Look

In summer 2007, the Authority developed a new agency logo to more closely match its expanded role in moving Maryland forward. The lively swoosh suggests endless possibilities for transportation solutions, while the solid-colored box represents the competence, strength and experience of the Authority in creating and managing transportation systems and services. The swoosh, which could be a road, a tunnel or a bridge, is not afraid to “break out-of-the-box” to embrace new ideas and technologies.



Maryland
Transportation
Authority

Did you know?

Scholars believe the Francis Scott Key Bridge crosses within 100 yards of the site where Francis Scott Key witnessed the bombardment of Fort McHenry on Sept. 12, 1814, and was inspired to write the words of the Star Spangled Banner.



Sign Shop

Emma Ashwell is a 20-year Authority veteran, who is assisting the agency with implementing the new logo by replacing the decals on maintenance vehicles.



9:23 A.M.

E-ZPass[®]

More than 763,000 E-ZPass[®] Maryland transponders are on the move, and more than 55% of all traffic at Authority facilities uses E-ZPass electronic toll collection. In calendar year 2007, E-ZPass traffic volumes increased nearly 6%. The Fort McHenry Tunnel, Baltimore Harbor Tunnel and Francis Scott Key Bridge regularly exceed 60% E-ZPass usage – a significant benefit to easing congestion and improving the drive for our customers. To help continue the trend toward electronic toll collection, the Authority markets E-ZPass with multi-media efforts including trade-show, print, radio and billboard advertising.

As more than 16 million transponders travel throughout the Northeast, the Authority continues to make electronic payment of Maryland tolls easier for E-ZPass customers. Open-road tolling – where tolls are collected electronically at highway speeds without the need for traditional toll plazas – is the future of toll collection. This is the planned toll-collection method for the Intercounty Connector (ICC) and I-95 Express Toll LanesSM (ETLsSM). The Authority is upgrading its current

equipment with the latest technology available, which is referred to as the Next Generation of E-ZPass. The Authority also is converting some of the toll lanes at the Fort McHenry Tunnel and John F. Kennedy Memorial Highway to higher-speed dedicated lanes.

Customer Service

The Authority values quality customer service as electronic toll collection continues to expand and evolve. During the fiscal year, the Authority administered a survey to its E-ZPass customers to determine their overall level of satisfaction and to identify any potential improvements. The survey addressed a number of specific issues, including satisfaction with Maryland's E-ZPass web site, the Customer Service Center and facility Stop-in Centers. Surveys were mailed directly to a representative sampling of E-ZPass customers.

The Authority yielded an excellent response rate – 29% – and received more than 6,700 returned surveys. Overall, the surveys received were very favorable and positive. Roughly 87% of respondents were “satisfied” or “completely satisfied” with the E-ZPass system in Maryland. In particular, survey responses indicated a very high level of customer satisfaction with:

- Time savings realized at toll plazas.
- Convenience of cash-free travel.
- The ability to use the toll payment system from state to state.



E-ZPass Stop-in Centers

Jennifer Stump has worked for the Authority for five years. She works at the Baltimore Harbor Tunnel Stop-in Center, which handles the most E-ZPass transactions agency-wide. Jennifer opens new accounts, issues transponders, processes payments and assists customers with their accounts – making the convenience of E-ZPass even easier.

Violation Enforcement Efforts

The Authority stepped up its toll-violation enforcement efforts this year with exercises targeting drivers who repeatedly refuse to pay required tolls and fees at Maryland's seven toll facilities. These chronic toll violators are registered vehicle owners who have more than three Maryland toll violations and have accrued more than \$1,000 in violation tolls and administrative fees.

The violation rate of total toll transactions is less than 1%. However, this equates to approximately \$5 million owed to the Authority annually. Currently, there are 1,490 chronic violation accounts in Maryland: 38 owing more than \$10,000; the average owing \$2,500. More than 80% is being recovered.

The enforcement team, comprised of representatives from Operations and MdTA Police, uses the new License Plate Recognition (LPR) technology, which utilizes character recognition software to detect license plates of chronic toll violators. LPR technology also allows the user to access criminal information from the National Crime Information Center. The Authority is the only member of the E-ZPass Interagency Group currently utilizing this innovative technology.

Since its inaugural use, the Authority's LPR system has recognized more than 20 chronic offenders who collectively owe more than \$120,000 in outstanding tolls and fees, including one violator who owed \$10,000

alone. The Authority has been cracking down on chronic violators since 2005 and since then has collected more than \$14 million in toll violations and fees.

In conjunction with the violation enforcement efforts, the Authority launched an aggressive campaign in June to remind motorists to update their E-ZPass account information to help reduce minor toll violations. Radio ads, E-ZPass statement stuffers and Stop-in Center posters reminded customers to update their account whenever their address, credit card or vehicle information changes.

Did you know?

E-ZPass® started in April 1999 as M-TAG and was available only to commuters using the Baltimore facilities.



Violation Enforcement

Officer William Berry, a four-year Authority employee, is assigned to the MdTA Police Special Operations Division, Electronic Toll Collection. He is adjusting the position of a License Plate Recognition camera as he readies for a toll violation enforcement effort.

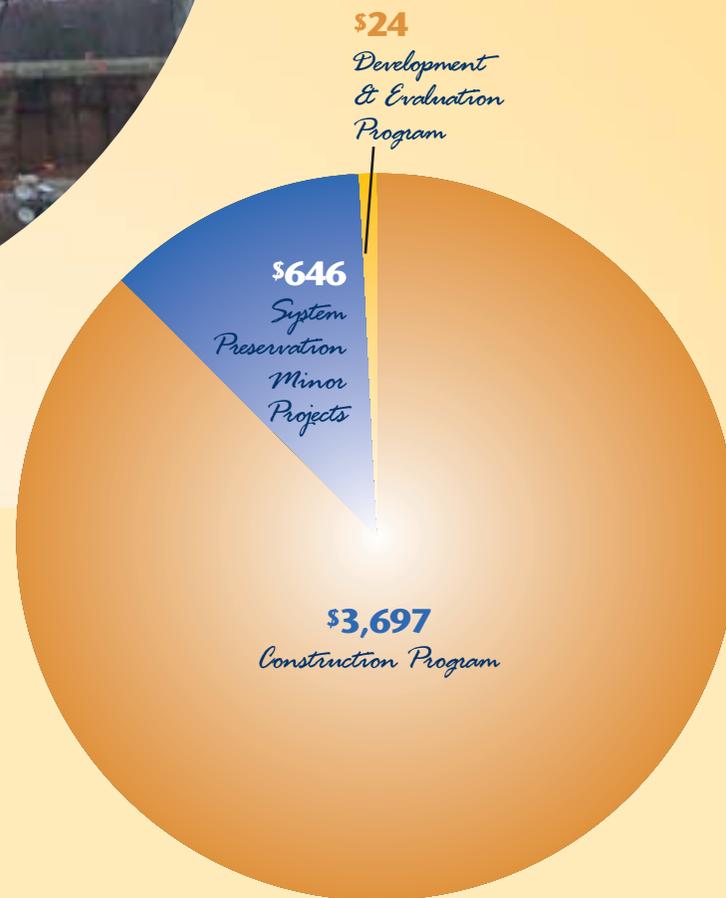


10:52 A.M.

Capital Investments



I-95/I-695 interchange construction as part of the ETLsSM project.



The Authority's current six-year Consolidated Transportation Program (CTP) is more than \$4.3 billion. In FY 2008 alone, the budget is more than \$900 million – a record one year budget for the Authority. Yearly project expenditures will increase by more than 230%.

The Authority continues to preserve existing facilities to serve Marylanders for years to come. By FY 2009, the Authority's annual capital program will be more than \$1 billion. With the extensive projects at hand, there is an unprecedented opportunity to partner with Minority Business Enterprises (MBE). MBE participation goals are a priority for the Authority, which has one of the highest participation rates in the State.

Our Consolidated Transportation Program consists of 260 projects that range from small feasibility studies of \$25,000 to large-scale construction projects like the Intercounty Connector and I-95 Express Toll LanesSM. Projects are organized by three major components for the six-year program:

- Construction Program: 26 projects with a total value of approximately \$3.7 billion.
- Development and Evaluation Program: nine projects with a total value of more than \$24 million.
- Minor Projects Program: 226 projects with a total value of approximately \$646 million.

**MDTA FINAL CONSOLIDATED
TRANSPORTATION PROGRAM**
2008-2013 (in millions)

Did you know?

When it opened in July 1952, the William Preston Lane Jr. Memorial (Bay) Bridge was the world's longest continuous over-water steel structure.

Preservation and improvement projects are planned and underway:

- Rehabilitation of I-95 and I-395, south of the Fort McHenry Tunnel. This project includes resurfacing or replacing of 61 bridge decks.
- Interchange improvements to MD 24 at I-95. Improvements will provide enhanced capacity, operation and safety at the interchange. Engineering and right-of-way acquisition are underway.
- Replacement of the 1.5-mile deck of the Thomas J. Hatem Memorial Bridge. Engineering is underway and construction will begin in FY 2008.
- Cleaning and painting the structural steel surfaces of the westbound Bay Bridge. Engineering is underway and the project will begin in FY 2009.

Highlights of the Design and Evaluation Program include:

- Project Planning is underway for improvements to the Nice Bridge, the Authority's second oldest facility. The Nice Bridge Improvement Project will investigate options to address existing and future traffic and safety needs at the two-lane bridge. The study is expected to be complete by spring 2009.
- The I-95 Section 200 Planning Study is examining how traffic congestion and safety can be improved throughout the 16 miles of I-95 from north of MD 43 in Baltimore County to just north of MD 22 in Harford County. The study is expected to be complete by fall 2008.

- The Authority is in planning stages to redevelop both I-95 Travel Plazas - the 35-year-old Chesapeake House and the 45-year old Maryland House. The Authority will be soliciting input from the private sector for the redevelopment process and will ensure minimal customer inconvenience during construction.
- Studies for improvements to commercial-vehicle inspection facilities are in progress at all the Authority's facilities.
- In fall 2007, the Authority publicly released the Bay Bridge Transit Study, which analyzed transit-only concepts for addressing traffic-capacity needs across the Chesapeake Bay. The study found that transit service alone will not provide significant relief to either weekday-rush or summer-weekend traffic congestion. The Authority is committed to investigating ways to manage the existing capacity at the Bay Bridge, such as innovations like open-road tolling.

Bay Bridge Maintenance
Kelvin Copper, a five-year Authority employee, heads out to adjust traffic patterns to allow for bridge maintenance to be done safely, with as little inconvenience to motorists as possible.



12:45 P.M.



Convenient Choices

The Intercounty Connector

Maryland has made significant progress in following through on one of its top transportation priorities – the Intercounty Connector (ICC). The ICC will be an 18.8-mile, \$2.45 billion toll highway in the Washington, D.C., metro region that will link the I-270/I-370 corridor in Montgomery County to the I-95 and US 1 corridors in Prince George's County.

Designated MD 200, the ICC will be the State's first congestion-priced facility. There will be no need for motorists to stop to pay tolls – tolls will be collected electronically at highway speeds using E-ZPass® and video-tolling technology. Toll rates will vary by vehicle type, time of day and distance traveled, and will be reviewed periodically to assure relatively congestion-free travel.

While the Authority is financing the ICC and will own and operate the facility, the State Highway Administration (SHA) is acting on the Authority's behalf in project development.

In May 2006, the Federal Highway Administration signed a Record of Decision approving the project. Design of the project and right-of-way acquisition continued throughout 2007.

In May 2007, SHA awarded the first major design-build contract – Contract A – for the portion of the roadway from I-370 to MD 97. The \$478.9 million contract was awarded to Intercounty Constructors of Annapolis Junction, Md., a joint venture of Granite Construction Company, Cormac Construction, Inc. and G.A. & F.C. Wagman, Inc. SHA broke ground on the project in November 2007. This first segment of the ICC is expected to be open to traffic in 2010.

Also in May 2007, the Authority issued \$325 million in Grant and Revenue Anticipation Bonds (GARVEE Bonds) for the ICC. This is the first instance of Maryland utilizing the GARVEE program. Debt service on these bonds will be paid using a portion of future federal highway funding received by the State.

A study by the University of Maryland projects the ICC will generate more than 14,000 jobs in Montgomery and Prince George's counties and have a nearly \$7 billion impact on the State's economy. It will help improve traffic congestion on local roads, improve traffic flow at nearly 40 key intersections and improve the safety on local roads in the study area by preventing an estimated 356 crashes per year.

Many efforts have been made by the State to work with local communities to minimize the impacts of the ICC. Extensive environmental mitigation accompanies the project. In fall 2007, with the help of specially-trained turtle tracking dogs, environmental teams searched for box turtles near the westernmost portion of the ICC. Intercounty Constructors placed harmless transponders on the turtles to allow crews to find them in their hibernation spots and move them to safe new homes before ground excavation starts.



I-95 Express Toll LanesSM

Designed to ease congestion and improve safety on the most congested portion of I-95 north of Baltimore City, the completed I-95 Express Toll LanesSM (ETLsSM) project will offer drivers the choice to travel in one of four general-purpose lanes, as they do now, or pay a toll to travel in one of two adjacent Express Toll Lanes that will be managed to maintain relatively congestion-free conditions. The project area is approximately 10 miles in length and stretches from just south of the I-95/I-895 split in northeast Baltimore to just north of MD 43 in White Marsh.

In fall of 2006, the Authority began its first mainline construction work at the I-895/I-95 interchange. The I-895 mainline project includes constructing two general-purpose lanes on northbound I-895, modifying two entrance ramps at the Moravia Road interchange, building new bridges on I-895 over Moore's Run and I-95, and replacing bridges and approach roadways for Moravia Road and Moravia Park Drive over I-895.

Construction began at the I-695 interchange in winter 2006. In the first of two phases, a new, reconfigured four-level interchange for general-purpose roadways and ramps will be constructed. The Kenwood Avenue and Lillian Holt Drive overpass bridges also will be reconstructed during this phase.

The Authority reached a major milestone in the ETLs project with the completion of the Joppa Road Bridge in summer 2007. Construction of the new bridge that

carries traffic over I-95 began in May 2006 as part of the Cowenton Avenue/ Joppa Road Bridge Replacement – the first contract awarded as part of the ETLs project.

Construction of the Joppa Road Bridge was completed significantly ahead of schedule – by almost three months. The new bridge is 56 feet longer to accommodate the addition of ETLs along I-95 and includes two traffic lanes, five-foot sidewalks and wider shoulders for safe pedestrian access.

Toll rates on the ETLs will vary by vehicle type and time of day, and will be reviewed periodically to assure relatively congestion-free travel. The Authority has a field office in White Marsh for community organizations and citizens to access project information, attend public open houses or meet with a project team member. The office houses Authority staff and the General Engineering Consultant (GEC) Partners.

The ETLs are expected to open to traffic as early as 2012.

Did you know?

When the Maryland House Travel Plaza opened in November 1963, it was home to a restaurant where guests sat down to be served meals on white linen tablecloths. It was a time when life moved at a slower pace, and less than 7 million vehicles traveled the Kennedy Highway each year. Today, more than 30 million vehicles use the highway annually and the Maryland House is the busiest travel plaza in the United States.



Travel Center

Maryland House visitors are welcomed by Mary Meller, a 14-year Authority employee, who courteously assists them with travel information. The Maryland House is the busiest travel plaza in the United States, and Mary and her colleagues assist more than 250,000 customers a year.

2:45 P.M.



I-95 Section 200

The I-95 Section 200 Project Planning Study area encompasses 16 miles of I-95 from north of MD 43 (Exit 67) in Baltimore County to just north of MD 22 (Exit 85) in Harford County, as well as the four interchanges at MD 152, MD 24, MD 543 and MD 22.

The goal of the study is to determine how traffic congestion and safety can be improved throughout the study area. Traffic has steadily increased along this stretch of I-95 and intersecting roadways. In fact, it will grow approximately 40 percent by the year 2030. As traffic volumes increase, so do traffic congestion and crashes.

Three options are currently under study for Section 200: No-Build – retaining the same number of lanes along I-95 that exist today; General Purpose Lanes – adding general purpose lanes in both directions on I-95; and Express Toll LanesSM – adding relatively congestion-free toll lanes in both directions on I-95.

The Authority held a public workshop in summer 2006. More than 100 citizens attended to learn more about the project. A public hearing was held in November 2007 to share the detailed engineering and environmental analyses for the study options.

The NICE BRIDGE

Improvement Project



Did you know?

In 1938, President Franklin D. Roosevelt journeyed to Charles County, Md., to lead the groundbreaking ceremony for the Governor Harry W. Nice Memorial Bridge.

Project planning is underway for improvements to the Governor Harry W. Nice Memorial Bridge, the Authority's second oldest facility. The Nice Bridge Improvement Project study area extends along US 301 from just north of MD 234 in Charles County, Md., to just east of Route 206 in King George County, Va.

The Authority is conducting a study to investigate alternates to upgrade the bridge roadway to conform to existing roadway approaches on both the Maryland and Virginia sides, improve traffic operations and safety across the bridge and reduce impacts to traffic flow during anticipated significant bridge maintenance and rehabilitation projects.

The Authority has begun extensive public outreach for the project. In fall 2006, working with local elected officials, the project team contacted community leaders and commercial and business representatives to request their participation in a Nice Bridge Focus Group. Serving as voices for their communities and organizations, Focus Group members provide a local perspective on issues and potential improvement solutions at the Nice Bridge. Public workshops were held in Newburg, Md., and in Dahlgren, Va., in summer 2007.

The project team relied on comments from the public, as well as input from federal, state and local agencies, to decide on seven alternates to be further evaluated in the study. Concurrence from the agencies was received in spring of 2008. A Draft Environmental Document will be developed in the summer of 2008, with a Public Hearing in the fall of 2008.

The Authority is conducting the study in coordination with the Federal Highway Administration and the Virginia Department of Transportation.



Public Meetings

More than 130 citizens attended the Nice Bridge Improvement Project Alternates Public Workshops held in summer 2007.



5:15 P.M.

The BAY BRIDGE

Preservation Project

The Authority and its construction and engineering partners, American Bridge and URS, began preliminary work on the \$60 million Phase II of the Bay Bridge Preservation Project in December 2006. The preservation project utilizes the most advanced technologies and engineering techniques to extend the life of the bridge's westbound span – a vital link between the Eastern and Western shores of Maryland.

Work completed in Phase I involved renovation of the 30-year old bridge deck, along with removal and replacement of the railings in areas east and west of the bridge's main suspension spans.

Work being done in Phase II of the preservation project involves full-depth, pre-cast concrete deck replacement work in the suspension and through truss deck sections – the areas where drivers can see structural steel overhead when crossing the bridge – of the westbound span. Concrete deck panels, ranging in size from 15 to 49 feet long and weighing 43,000 to 90,000 pounds, are fabricated at an off-site location near Baltimore and barged to the bridge for installation. The project also incorporates replacing steel railings and painting structural steel in these areas of the bridge. In addition, high and low voltage wiring and overhead lane signals on both the eastbound and westbound spans are being replaced.

Work has been scheduled to minimize traffic impacts and is being done during full overnight closures of the westbound span. During these closures, traffic operates with one lane in each direction on the eastbound span.

The Authority's project team has developed a comprehensive media and public outreach plan. In September 2007, the Authority offered a tour of the casting yard at Sparrows Point to local reporters and photographers, providing the media the opportunity to learn details about the project and get a first-hand look at construction activity. In addition, the Authority's communications team has developed an email alert system for the media and general public in the event that the bridge cannot reopen in time for morning rush-hour traffic.



Bay Bridge Preservation Project

Hundreds of complex tasks are coordinated by construction crews each night. About 2.5 hours of demolition and preparation work occurs before the new deck is precisely positioned and bolted into place.

Law Enforcement

Did you know?

The Northeastern Expressway was dedicated in 1963 by President John F. Kennedy, Maryland Governor Millard Tawes and Delaware Governor Elbert Carvel. The roadway was renamed the John F. Kennedy Memorial Highway in 1964 to honor the fallen president.

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 millions of Maryland's citizens and visitors safe and secure as they use vital transportation assets like Authority toll facilities, the Port of Baltimore and Baltimore/Washington International Thurgood Marshall (BWI Marshall) Airport.

The MdTA Police uses innovative programs, like the Homeland Enforcement and Traffic (HEAT) Team, DUI and security checkpoints and Interagency Traffic Initiatives, to increase traffic and criminal enforcement. Officers made 665 criminal arrests during FY 2007. Seatbelt enforcement increased 12% between FY 2006 and 2007, and officers issued more than 14,000 motor-vehicle citations and warnings.

During the fiscal year, the Commercial Vehicle Safety Unit (CVSU) inspected 21,077 vehicles and took 3,782 vehicles and 2,226 drivers out-of-service. The unit found 5,952 vehicles overweight.

Other law-enforcement highlights:

- Officers arrested 848 subjects for suspected DUI offenses, 385 subjects for narcotics violations and 55 subjects for weapons violations.
- Throughout FY 2007, the MdTA Police HEAT Team confiscated \$82,000, 302 pounds of marijuana and 540 combined grams of heroin, cocaine, crack and methamphetamine during drugs and weapons arrests.
- Officers enhanced traffic safety through sobriety checkpoints and saturation patrols and "Smooth Operator," "Chiefs' Challenge" and "Click It or Ticket" campaigns.
- MdTA Police took first-place honors for their occupant-protection and traffic-safety efforts in both the Maryland

Chiefs' Challenge and the International Association of Chiefs of Police Special Law Enforcement Challenge.

- Fourteen new MdTA Police officers graduated in February 2007.

The MdTA Police partners aggressively with federal, state and local officials as part of the Maryland Coordination and Analysis Center and the Joint Terrorism Task Force.

Homeland-security highlights include:

- The HEAT Team continued to oversee security and law-enforcement patrols of MARC rail transportation.
- MdTA Police worked with the Department of Homeland Security Visible Inter-modal Protection and Response (VIPR) Team deployments. VIPR teams consist of Behavior Detection Officers, Federal Air Marshalls, Explosives Detection Canine Teams, Transportation Security Inspectors and Officers and state and local law enforcement officers who operate throughout the airport environment as an additional layer of security.
- In April, MdTA Police joined agencies from Maryland, Virginia and Washington, D.C. in the fictitious Hurricane Zephyr emergency drill. Differing from prior drills, this scenario did not begin until 48 hours after the hurricane hit and challenged emergency teams to respond in the aftermath of a Category 3 storm.

Officer Timothy Morandi

of the HEAT Team reads a detained suspect his rights before transporting him to the station. Officer Morandi helps seize drugs so they never reach our communities and our children.



8:14 P.M.

Courtesy Patrols

Courtesy Patrols, staffed by Vehicle Recovery Technicians (VRTs), are vital to improving service and safety on Authority roadways. By assisting drivers of disabled vehicles with gasoline, flat tires and other minor repairs, patrols minimize the risk for crashes and potential congestion from stopped vehicles – a necessity for facilities without roadway shoulders like the Bay Bridge.

Courtesy Patrols provide 24-hour coverage at the Bay Bridge and the two tunnels; operate 16 hours a day, seven days a week, at the Kennedy Highway; and 16 hours a day, five days a week, at the Key Bridge. In FY 2007, patrols assisted drivers of more than 29,000 disabled vehicles, a 7% increase over FY 2006. Patrol operators generally respond to disabled vehicles within five minutes, and about 90% of these vehicles are back on the road within 10 minutes.

In spring 2007, the Authority began allowing private vendors to transport drivers fearful of crossing the Bay Bridge. The decision came after a thorough review of recommendations from the citizen-based Bay Bridge Reconstruction Advisory Group (BBRAG). The Authority surveyed drive-over customers, and found overwhelming willingness to pay for the service. After reviewing the results, BBRAG suggested the Authority consider using third-party vendors at a fee to the customer.

Approximately 4,000 drive-overs are performed annually at the Bay Bridge. Previously, drive-overs were performed by VRTs and could take up to 40 minutes to complete. Now, VRTs are back to their core mission of helping stranded motorists, responding to emergencies and keeping traffic flowing on the bridge.



Vehicle Recovery Technician Billy Clough, a 12-year Authority employee, tows a disabled vehicle at the Bay Bridge. Billy and the other Bay Bridge VRTs assisted more than 6,300 motorists in FY 2007.

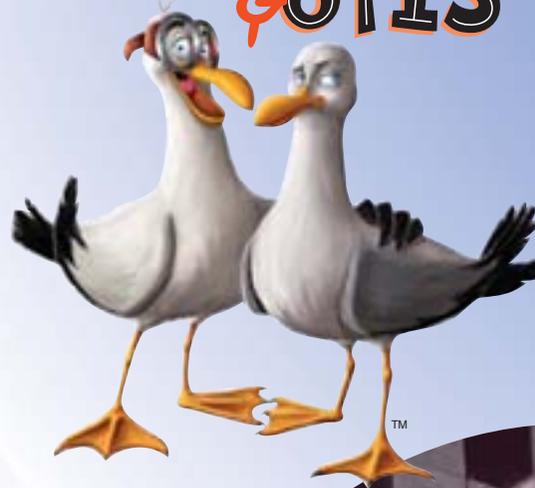
Easing Bay Bridge Congestion

In 2007, the Authority welcomed friendly seagulls Spike & Otis to its family as part of a creative marketing campaign that put a new twist on familiar messages to help ease congestion for motorists traveling across the Bay Bridge. Through print and radio advertisements, billboards and Ocean City, Md., bus wraps, Spike & Otis encouraged motorists to call 1-877-BAYSPAN and visit baybridge.com. Summer outreach was expanded to include Delaware, southern Pennsylvania and northern Virginia.

The 24-hour 1-877-BAYSPAN hotline for current Bay Bridge traffic information is an invaluable resource for travelers and commuters. In FY 2007, the hotline received almost 750,000 calls, more than double the calls received in FY 2006.

In April 2007, the Authority unveiled its redesigned Bay Bridge web site, www.baybridge.com. The web site is a one-stop-shop for both travelers and media, providing real-time traffic video, construction updates, a news ticker, the option to sign up for traffic and email alerts and a link to hear the 1-877-BAYSPAN message. The new and improved site also features a Kidz Zone and a Media Center. So far, the site has received nearly 2,000 email registrants.

SPIKE & OTIS

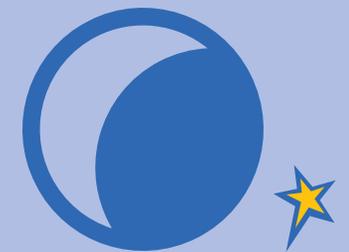
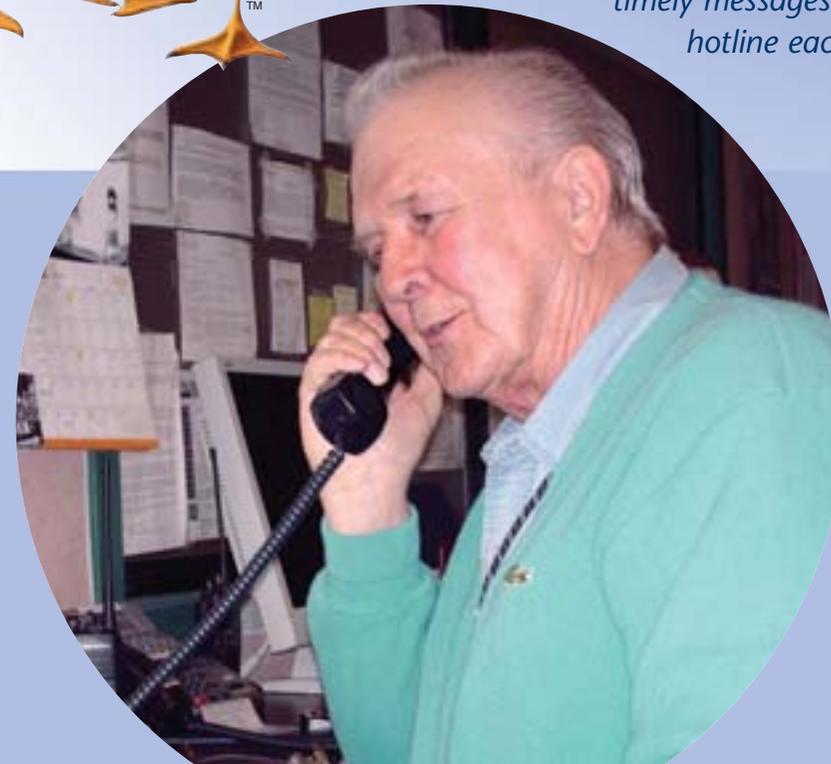


Did you know?

First plans for a highway crossing of the Chesapeake Bay were developed in 1927, but the onset of the Depression in 1929 put an end to the plans. Legislation authorized a roadway crossing of the Bay in 1938, but World War II postponed the effort. In 1947, the General Assembly directed the State Roads Commission to proceed with construction of a Bay bridge and the first shovelful of earth was finally turned in January 1949.

1-877-BAYSPAN Operator

Robert Morgan has worked for the Authority for one year. In FY 2007, the hotline received almost 750,000 calls, and Robert ensured accurate and timely messages were recorded on the hotline each time.



10:41 P.M.



Telecommunications Operator Denise Fearrington.

Authority employee of 11-years, works for the Bay Bridge police detachment. She dispatches calls to Authority police officers and monitors video cameras for disabled vehicles or accidents on the bridge.



12:00 A.M.

Financials

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and Changes in Net Assets**

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INDEPENDENT AUDITORS' REPORT

Executive Secretary of the Maryland Transportation Authority

We have audited the accompanying basic financial statements of the Maryland Transportation Authority (the Authority - an enterprise fund of the State of Maryland) as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Authority and do not purport to and do not present fairly the financial position of the State of Maryland as of June 30, 2007, and its changes in its financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Maryland Transportation Authority as of June 30, 2007, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The management discussion and analysis and supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baltimore, Maryland
October 31, 2007

Reznick Group, P.C.

Maryland Transportation Authority

STATEMENT OF NET ASSETS

June 30, 2007
(in thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 191,037
Restricted cash and cash equivalents	263,392
Investments, at fair value	57,867
Restricted investments, at fair value	169,174
Intergovernmental receivables	627
Inventory	3,014
Accounts receivable	20,035
Accrued interest	10,863
Direct financing leases receivable	43,055
	<hr/>
Total current assets	759,064

NONCURRENT ASSETS

Capital assets, net	1,857,889
Intergovernmental receivables	9,030
Direct financing leases receivable	417,444
Contractor deposits	22,265
Intangible asset	1,625
	<hr/>
Total noncurrent assets	2,308,253
	<hr/>
Total assets	\$ 3,067,317

Maryland Transportation Authority
STATEMENT OF NET ASSETS - CONTINUED

June 30, 2007
(in thousands)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 99,678
Intergovernmental payables	24,590
Deferred revenue	13,647
Current portion of bonds payable	46,422
Current portion of accrued annual leave	336
Current portion of accrued workers' compensation costs	877
Total current liabilities	185,550
Contractor deposits	22,265
Accrued annual leave	6,499
Accrued workers' compensation costs	4,782
Bonds payable	1,008,848
Total liabilities	1,227,944
NET ASSETS	
Invested in capital assets, net of related debt	1,607,724
Restricted for:	
Debt service	60,294
Capital expenditures	78,459
Investment in intangible asset	1,625
Unrestricted	91,271
Total net assets	1,839,373
Total liabilities and net assets	\$ 3,067,317

Maryland Transportation Authority

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30, 2007
(in thousands)

Operating revenue	
Toll revenue	\$ 278,597
Concession income	8,127
Intergovernmental revenue	132,560
Other	11,276
	<hr/>
Total operating revenue	430,560
	<hr/>
Operating expenses	
Collection, police patrol and maintenance	153,461
Major repairs, replacements and insurance	103,412
General and administrative	12,836
Depreciation	62,526
	<hr/>
Total operating expenses	332,235
	<hr/>
Operating income	98,325
	<hr/>
Nonoperating income (expense)	
Interest income on investments	10,920
Restricted interest income on investments	11,850
Interest on direct financing leases	883
Restricted interest on direct financing leases	22,294
Interest expense	(35,935)
	<hr/>
Total nonoperating income (expense)	10,012
	<hr/>
Change in net assets	108,337
	<hr/>
Net assets, beginning of year	1,731,036
	<hr/>
Net assets, end of year	\$ 1,839,373
	<hr/> <hr/>

Maryland Transportation Authority

STATEMENT OF CASH FLOWS

Year ended June 30, 2007
(in thousands)

Cash flows from operating activities	
Receipts from toll collections and ticket sales	\$ 393,981
Receipts from concessions and other revenue	36,969
Receipts from other governmental agencies for services	114,134
Payments to employees	(71,133)
Payments to suppliers	<u>(305,477)</u>
Net cash provided by operating activities	<u>168,474</u>
Cash flows from noncapital financing activities	
Debt interest payments	(8,692)
Debt principal payments	<u>(24,080)</u>
Net cash used in noncapital financing activities	<u>(32,772)</u>
Cash flows from capital financing activities	
Capital debt interest payments	(25,312)
Capital debt principal payments	(15,910)
Bond proceeds	342,307
Payments of accounts payable related to fixed assets	(15,967)
Purchase of capital assets	<u>(339,632)</u>
Net cash used in capital financing activities	<u>(54,514)</u>
Cash flows from investing activities	
Purchase of investments	(2,432,991)
Proceeds from sale of investments	2,527,997
Interest income	25,450
Payments for direct financing capital lease assets	(56,594)
Proceeds from direct financing leases	<u>73,416</u>
Net cash provided by investing activities	<u>137,278</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	218,466
Cash and cash equivalents, beginning of year	<u>235,963</u>
Cash and cash equivalents, end of year	<u>\$ 454,429</u>
Supplemental disclosure of significant noncash capital financing activities	
Unpaid additions to capital assets	<u>\$ 18,755</u>

Maryland Transportation Authority
STATEMENT OF CASH FLOWS - CONTINUED

Year ended June 30, 2007
(in thousands)

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 98,325
Depreciation	62,526
Effect of changes in operating assets and liabilities	
Intergovernmental receivables	117
Inventory	(1,346)
Accounts receivable	(13,413)
Accounts payable and accrued liabilities	30,383
Intergovernmental payables	(9,821)
Deferred revenue	1,846
Accrued annual leave	286
Accrued workers' compensation costs	(429)
	<hr/>
Net cash provided by operating activities	\$ 168,474



IN SERVICE TO THE

Maryland Transportation Authority

**Trustee – The Bank of New York
Independent Auditors – Reznick Group, P.C.**

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*The Authority's Report of Independent
Auditors is available on-line at
mdtransportationauthority.com or by
contacting the Authority's Division of
Finance at 410-537-5714.*

Martin O'Malley
Governor

Anthony Brown
Lt. Governor

John D. Porcari
Chairman



Maryland
Transportation
Authority

www.mdtransportationauthority.com

www.baybridge.com

www.ezpassmd.com

www.195ExpressTollLanes.com

www.iccproject.com

www.hatembridge.com