
February 20, 2020

The Honorable Kumar Barve
Chairman, House Environment and Transportation Committee
251 House Office Building
Annapolis MD 21401

***RE: Letter of Information – House Bill 513 - Transportation – Toll Discount Plans –
Francis Scott Key Bridge***

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) takes no position on House Bill 513 but offers the following information for the Committee's consideration.

House Bill 513 would require the MDTA to implement multiple toll discount plan options on the Francis Scott Key (FSK) Bridge. The options include the following: \$250 for unlimited passenger car trips for a period of 90 days, \$350 for unlimited two-axle truck trips for a period of 90 days, \$500 for unlimited three-axle truck trips for a period of 90 days, and a \$20 annual fee for unlimited trips across the bridge for commuters residing in certain zip codes.

The MDTA currently offers a significant commuter discount for frequent users of all of MDTA's facilities. Specific to the FSK Bridge, Harbor Tunnel, and Fort McHenry Tunnel, the discount plan provides 50 trips for \$70 on the FSK Bridge, Harbor Tunnel, and Fort McHenry Tunnel and must be used within 45 days. Under the current commuter plan, if a commuter uses all 50 trips, the commuter pays only \$1.40 per trip across these facilities, thus providing a commuter savings of 65% over the cash rate.

The provision of the legislation that limits the \$20 annual fee for unlimited trips across the FSK facility to only those commuters residing in certain zip codes poses constitutional concerns. Any toll rate offered must be in accordance with several U.S. Constitutional provisions, including the Interstate Commerce Clause (Article 1, Section 9), Right to Travel (Article 1, Section 9), and Privileges and Immunities Clause (Article 4, Section 2). Accordingly, the MDTA has always made discount programs available to all its customers.

Since 1971, the MDTA has been responsible for constructing, managing, operating and improving the State's eight toll facilities, as well as for financing new transportation projects under its purview (such as the Harry W. Nice/Senator Mac Middleton Bridge in Charles County). In accordance with MDTA's Trust Agreement with bondholders, toll revenues are first pledged to pay debt service for bonds that are used to fund major transportation projects at existing and

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new facilities. MDTA's bond rating is currently the highest of any toll authority in the country, and rating agencies have stated in the past that one of the main reasons for that is that the MDTA has maintained its statutory independence. The MDTA is governed by a nine-member board of directors, with the Secretary of Transportation serving as Chair. The organization is entirely reliant on tolls collected from its users as the MDTA does not receive any state General Fund or Transportation Trust Fund dollars. Thus, legislation impacting the revenues and operations of MDTA could have a negative effect on the credit worthiness of the MDTA, lead to higher debt costs, and ultimately will affect the ability of the MDTA to take on new major infrastructure projects at its existing facilities or new facilities.

For these reasons, the Maryland Department of Transportation and the Maryland Transportation Authority respectfully request that the Committee considers this information as it deliberates on House Bill 513.

Respectfully submitted,

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