

# MARYLAND'S CONSOLIDATED TRANSPORTATION PROGRAM



The Maryland Department of Transportation is pleased to present the State's six-year capital investment program for transportation, the Consolidated Transportation Program (CTP). The CTP provides investment in the transportation system for all modes of transportation across the State, whether it is the road you drive on, the plane you fly in, the goods you use that arrive via rail or ship, the light rail you take to the ballgame or the license you need to drive your vehicle.

Transportation influences Maryland's economy, environment, communities and our quality of life. Maintaining this transportation system in a condition that is safe and efficient requires constant investment and attention. The Maryland Department of Transportation is one of the State's largest agencies, with just over 9,000 employees and an annual operating and capital budget of \$3.8 billion.

The transportation priorities guiding the CTP have resulted from a process stipulated by State law requiring the Secretary of Transportation to visit with, and present the draft CTP to elected officials from each county and the City of Baltimore; a process known as the Secretary's annual Capital Program Tour. Secretary Porcari has also reinstated a long-standing process of collaboration that expands upon this communication process with the local jurisdictions. To begin this process, MDOT officials initiated a series of meetings in April through May 2007, and continued with a second series of transportation meetings

throughout the past fall. These meetings, in anticipation of the actual Capital Program Tour meetings were necessitated by several factors. First, recognition that growing costs associated with preserving the State's transportation investments had severely limited funds for transportation system expansion. Second, growth was necessitating the need to expand system capacity in every mode of transportation in the State whether water, air or land based. Finally, the revenues, which fund the State Transportation Trust Fund (TTF), would continue to grow at a lesser pace than transportation operating and capital expenses.

These meetings between MDOT and local officials demonstrated local and State agreement in several important policy areas. These policy areas include such initiatives as transportation improvements related to the U.S. Department of Defense's Base Realignment and Closure (BRAC) process, continued promotion and Transit-Oriented Development (TOD) through partnerships with community groups, private development teams, and local governments, and focusing our resources in existing communities. This final initiative has growing importance for Maryland as the State aims to promote and implement Smart Growth principals. For transportation, this policy focus implies tighter coordination between land use and transportation decision-making, and addressing where and how growth is accommodated through congestion management, corridor-level planning, commercial area revitalization, and the provision of community enhancements such as pedestrian and bicycle facilities in existing communities.

This year's economic situation presented the State with significant funding challenges. Economic expansion coupled with general transportation and population growth has led to significant travel growth throughout the transportation network. Primary factors affecting transportation, such as population, registered vehicles, licensed drivers and multi-car households, have far outpaced the rate at which the State's transportation infrastructure and services have been provided over the past 20 years. In addition, most of the Transportation Trust Fund (TTF) sources of revenue are not inflation sensitive. With a growing operating program, the rising cost of materials and the need to maintain the existing system, the TTF faces economic challenges.

In addition to the economic challenges faced by the TTF, there has been the challenge of dealing with a structural deficit in general funds. To deal with the structural budget deficit in general funds and begin to chip-away at the backlog of transportation needs, Governor O'Malley convened a special legislative session of the Maryland General Assembly starting on October 29, 2007. The Governor submitted a plan to address transportation, which called for an infusion of \$400 million of new revenue per year. After three weeks of debates and modifications, the Legislature passed and the Governor signed a plan that will generate \$450 million per year for transportation programs as well as other revenue for the general fund.

The new revenue is to be provided primarily from a one percent increase (5% to 6%) in the State sales tax rate. For the first time, the Transportation Trust Fund will receive a portion of the State sales tax, amounting to \$320 million annually. In addition, the titling tax, which is essentially the 'sales tax' on the purchase of a new or used vehicle, was increased one percent. A portion of this increase was offset by a change in State law, which will allow the taxable purchase price to be reduced by the value of a 'trade-in' vehicle. The combination of the increase and allowance for trade-in is estimated to raise \$100 million annually. The remaining \$30 million is due to the elimination of some statutorily required revenue transfers to other funds and an adjustment to the Highway User Revenue distribution formula.

The new revenue will be used to rebuild Maryland for the future. Much needed system preservation projects in all modes will receive the first \$250 million per year. The remaining funds will be used for new highway and transit expansion and enhancement projects; as well as, increases in transit operating services. The new projects will be detailed later in this publication.

Every year, the Maryland Department of Transportation releases the State Report on Transportation (SRT) – a vision of what the transportation system should be and a plan of how that vision will be achieved. The first part of the report, the Maryland Transportation

Plan (MTP), sets a vision with goals and policies to guide transportation decision making over the next 20 years. The MTP is updated every five years to reflect changes in transportation policy priorities. MDOT is updating this Maryland Transportation Plan with your assistance (including an online survey at [www.mdot.state.md.us/Planning](http://www.mdot.state.md.us/Planning)) over the next year, publishing the update in January, 2009. The Consolidated Transportation Program (CTP) is the second section of the SRT. It describes how MDOT will achieve its goals, listing projects to be funded over a six-year period.

As a companion piece to the SRT, MDOT publishes an Annual Attainment Report on Transportation System Performance. This report documents how MDOT is achieving its goals and objectives based on a series of performance indicators. The performance indicators presented in the report are also intended to help MDOT and the citizens of Maryland assess the improvements that are being made and the resulting performance benchmarks based on the amount of investment.

The following pages provide some background on how to read this document, how the public can get involved, how funding decisions are made and some of the highlights of this year's budget.

## **MDOT PRIORITIES: HOW THIS BUDGET AFFECTS YOUR COMMUNITY**

### **System Maintenance and Efficiency**

Keeping Maryland's transportation system safe and in good condition are top priorities of MDOT. In the face of growing travel demand, increasing construction and equipment costs, and limited resources, MDOT must make the most efficient use of the existing system. While there are needs for expanding capacity, preservation of the existing system is an ongoing necessity; roads must be re-paved, safety improvements made, aging bridges rehabilitated, and buses and trains repaired or replaced. To insure that the most productive use is being made of the taxpayers existing investments in the State's transportation system, assets need to be maintained and preserved appropriately to extend the useful life of existing facilities and equipment in a fiscally responsible manner. Of the new revenue realized from the Governor's recent plan, the Department will be dedicating the first \$250 million annually to modal system preservation projects. The Department will continue to seek to maximize value and performance from existing resources by managing facilities to provide maximum customer service from the system before making new investments.



## Safety and Security

Ensuring the safety and security of Maryland residents and others who travel on our roadways, through our airports and seaports, and on our buses and trains, is of vital importance. The Department is committed to providing safe travel to all transportation system customers and to protecting the safety of the Department's workforce and contractors. Safety considerations are integral to all MDOT design and operational activities. In addition, personal security is a fundamental expectation for all of Maryland's transportation system customers. Threats to the security of travelers and transportation assets are receiving heightened attention and the Department is committed to taking advantage of new technologies and cost effective counter measures to reduce transportation system vulnerabilities. Every mode has instituted improved safety measures and the Department continues to implement a vast number of heightened security measures throughout the transportation system. A number of which are being funded with the latest revenue increase.

## Mobility

The core of MDOT's mission is mobility. This means getting people and goods to destinations and markets in a safe and efficient manner. The Department finds itself at a crossroads, facing key gaps and bottlenecks within the State's transportation systems that are known to cause delay and congestion. The CTP includes capital projects that provide critical new additions, and also enhance and preserve the existing transportation system to accommodate travel, promote health and recreation and facilitate commerce, as well as to maintain your quality of life. These projects focus on demonstrated customer needs to decrease delay; improve the safety, reliability, and efficiency of the State's transportation networks; and improve economic competitiveness.

The transportation needs throughout our State are varied and require transportation options or programs that enable people to be mobile and to actively participate in all aspects of community living. The Maryland Department of Transportation is charged with building an integrated accessible transportation system that provides opportunities for the motorist, air traveler, pedestrian, bicyclist and the public transit user. This transportation network supports community living, employment, education, health care and recreational opportunities for all.

However, an integrated transportation program is more than accessible trains, buses and paratransit. In meeting the challenge of providing the best mix of options, MDOT will explore alternative approaches and select the most efficient means to meet customer expectations and needs. The application of cost-effective design alternatives, the use of managed, variably priced or special purpose facilities (such as Express Toll Lanes), improving mobility through technology (such as E-Z Pass™), alternative means of travel (such as bus rapid



transit and light rail transit), and key system expansion projects are examples of this strategy. The Maryland Department of Transportation is committed to providing safe and accessible transportation services that meet the needs of a varied population.

## System Productivity and Quality

Improving program and project delivery to reduce costs and minimize schedule time is essential to effectively deliver improvements for users of the transportation system and to the State's taxpayers. The Department will implement projects in a minimum time period through streamlined approaches and improved relationships with other State, federal and local agencies. Throughout all projects and activities, MDOT is committed to protecting Maryland's human and natural environment. MDOT will contain costs with a businesslike organization and best value practices in ways that will not substantially impact customer service and will provide wise use of the taxpayers' funds. MDOT is also exploring innovative approaches to customer service, finance and partnerships to improve customer satisfaction and service delivery.

# PRIORITY INITIATIVES

## Freight Studies

In addition to the efficient movement of people from, to, and through the State of Maryland, MDOT is also focused on the efficient transportation of freight. United States Department of Transportation studies estimate that freight tonnage will grow between 70-80% by 2025 for the mid-Atlantic and northeast corridors. Freight tonnage is expected to increase along similar trend lines for Maryland, as the State is located at the geographic epicenter of the I-95 Corridor. This places a premium on the State's need to ensure cost-effective and safe passenger, motor carrier and rail transportation travel for local and corridor freight carriers. Unfortunately, the billions in costs to upgrade and replace critical transportation infrastructure within Maryland far exceeds the State's available financial resources. Based on the projected increase in freight tonnage in Maryland over the next twenty years, MDOT is taking an aggressive approach to meet the freight transportation needs of its citizens. Issues to be addressed include:

- Congestion in the Baltimore-Washington Corridor and throughout the metropolitan regions continues to increase;
- Critical passenger (Amtrak) and rail freight (CSX) tunnels are over 100 years old and need to be upgraded or replaced;
- Norfolk Southern Railroad (NS) is limited to operating only during night-time hours on Amtrak's Northeast Corridor (NEC) from Baltimore to Wilmington, and on the Delmarva peninsula;
- The Helen Delich Bentley Port of Baltimore and domestic interests must have the ability to attract Intermodal freight business which relies on 20' 6" (double stack) Intermodal rail business; and
- Identifying rail infrastructure synergies that can mutually benefit freight (CSX/NS) and passenger (Amtrak/MARC) rail services.

MDOT is engaged in short and long-term studies to evaluate strategies with various partners to find solutions to address the predictable freight growth. Our partnership efforts involve:

- US DOT - to help design creative financing solutions to the major truck and rail chokepoints impacting the entire region;
- I-95 Corridor Coalition - to evaluate truck and rail capacity chokepoints;
- Federal Rail Administration - to study alternative rail freight and passenger tunnel routes through Baltimore; and

- Federal Highway Administration - to monitor travel times and delays in freight significant corridors (Freight Performance Measurement initiative).

A multi-state freight corridor solution will cost billions of dollars and will take years to complete. Funding mechanisms are under study, but are not yet in place. Creative private-public shared funding involving all stakeholders and beneficiaries, including the State, will be necessary for those partners who will realize the benefits of improvements. The Department will continue its leadership role in order to quantify and define statewide and multiple State corridor freight needs. When completed, key projects will be identified for consideration as future candidates for "Freight Projects of Regional and National Significance". This designation could ensure Maryland's position to compete for additional federal funding required for our freight transportation needs.

## BRAC

Base Realignment and Closure (BRAC) recommendations were approved by Congress in the fall of 2005. These decisions, which affect realignment of military bases nationwide, are required to be in place by September 2011. Maryland is one of a few states benefiting by gaining additional military and civilian positions. An estimated 40,000 to 60,000 direct, indirect and induced jobs are coming to Maryland over the next ten years as a result of BRAC. Fort Meade, Aberdeen Proving Grounds and the National Naval Medical Center at Bethesda will be gaining most of these positions. Other installations, including Fort Detrick and Andrews Air Force Base, are also expected to have significant increases in personnel resulting from BRAC and non-BRAC related growth.

In concert with the Lieutenant Governor's BRAC Sub-Cabinet, MDOT continues to work with State partners, including the Department of Business and Economic Development and the Maryland Department of Planning, to face the challenge of accommodating this growth in a way that is efficient and effective over the long term. Outreach efforts continue with local and military communities throughout the State. MDOT is moving ahead in building consensus among all partners, including the State's federal delegation in Washington to pursue strategies pertaining to the prioritization and funding of transportation projects. With that consensus, MDOT will identify both long-term projects that will accommodate and encourage future growth, as well as short-term pressing projects. These lower priced projects are quicker to implement and can help bridge immediate local and neighborhood needs during the BRAC transition. MDOT continues to draw on its previous experience from the Patuxent River Naval Air Station growth during the previous BRAC. A comprehensive, integrated response that connects land use and transportation will remain critical in ensuring orderly growth. Insofar as BRAC does not bring new and different sources of funding with it, it will be necessary to work within our existing financial capabilities and address the most impor-

tant needs. As a result of the Governor's recent plan and increased revenues, as well as new federal appropriations the Department has added nearly \$450 million of additional improvements related to BRAC. A majority of these improvements are related to enhanced and expanded MARC service. In addition, this CTP contains many projects supporting BRAC changes at the various military installations. As the impacts of BRAC related growth continue to be realized, MDOT will be working with its local partners to identify changing priorities and also exploring creative new funding mechanisms that can bolster our traditional Transportation Trust Fund sources. The transportation section of the BRAC Action Plan contains more detailed information about MDOT's response to BRAC.

## The Environment

Balancing the need for mobility against the protection of the natural environment is a challenge in any transportation system, MDOT continues to be at the forefront of environmental stewardship in the planning and construction of transportation facilities. SHA is an active participant in the Green Highways Partnership, a proactive approach to improving the environmental performance of highways and their integration into watersheds through coordination with local governments and the private sector. Adopting a watershed approach to the management of storm-water and the siting of restoration projects has allowed us to work with nature to minimize impacts and maximize ecological benefits. By developing enhanced training in the Critical Area process and sediment and erosion control, MDOT ensures that transportation construction is carried out in manner that safeguards the larger environment.

As the next step in integrating environmental concerns into our way of doing business, MDOT and its agencies are now developing Environmental Management Systems (EMS) to better incorporate concerns into the day-to-day management of our facilities and operations. An EMS helps to maintain the link between planning and implementation that leads to more effective stewardship. As one example, SHA has created a GIS database of the more than 15,000 stormwater management facilities associated with the State highway system. This database allows SHA to better evaluate the effectiveness of those facilities, make decisions regarding future facilities and to better protect our waterways in hazardous situations.

Maryland is also a national leader in the use of the Transportation Enhancement Program (TEP) funds to protect and restore watersheds affected by highway runoff. By using the TEP funds for storm water mitigation, MDOT has become a leader in watershed improvements and wetlands creation.

In addition, TEP funds have greatly assisted in the creation of an extensive system of bicycle and pedestrian trails, which have improved the quality of the State's environment, while providing alternative transportation options and recreational opportunities. MDOT is now focusing on a long-term plan to close the "missing links" in Maryland's trail network in coor-

dination with communities, local governments and the Department of Natural Resources.

The Department is also actively participating in the Climate Change Commission, Bay Cabinet and Green Building Council, and is leading by example with a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED™) Gold rated headquarters building, located within walking distance to transit and near the Baltimore-Washington Thurgood Marshall International (BWI) Airport.

## Air Quality

In response to the requirements and direction provided by the Clean Air Act Amendments (CAAA) of 1990, the Maryland Department of Transportation (MDOT) has placed increased emphasis to meet the new National Ambient Air Quality Standards (NAAQS). The Act and its periodically updated emission reduction mandates, specify requirements for Ozone, Particulate Matter and CO to help ensure progress toward attainment is made in Maryland.

In accordance with federal requirements, each of the transportation projects in air quality non-attainment areas is assessed for its impact on the environment. In cases where there is an actual or potential adverse effect, air quality mitigation practices are included as part of the project. In addition, all major capacity enhancing transportation projects are evaluated on a regional level in coordination and partnership with the Maryland Department of the Environment (MDE) and/or the appropriate Metropolitan Planning Organization (MPO) to make certain that the mobile source emissions (existing and proposed facilities) do not exceed a level (budget) that would adversely affect air quality.

To this extent, the MDOT has funded programs and strategies to reduce mobile emissions. These improvements have been both technological and behavioral in nature. Some of the more noteworthy examples of technological emission reduction efforts include the following:

- Continued development of an incident management system to notify the public of areas of congestion/accidents to reduce delay and vehicular idling;
- Electrification of several previously diesel powered gantry cranes at the Port of Baltimore;
- Purchase of Compressed Natural Gas (CNG) and Hybrid vehicles;
- Replacement of our MTA bus fleet with CNG and, most recently, hybrid buses;
- Pilot testing an electronic start-up program to reduce overall bus startup idling based emissions;
- CNG service buses at the BWI-Marshall Airport;

- Providing matching funds to assist the Maryland Energy Administration (MEA) and MDE to secure mobile source related federal emission reduction grants.
- Development of a CNG taxicab replacement program in the Washington region.
- Retrofitting of bus engines for WMATA and MTA to reduce emissions.

In regard to “behavioral” strategies, the Department and its modes have implemented or supported activities to change people’s travel behavior. Behavior programs have included:

- Establishment of an MTA based program that reduces the cost of a monthly pass for college students;
- Establishment of a ridesharing program under the direction of the MTA and the MPO’s to provide rideshare matching;
- Establishment of Park and Ride Lots along the State’s highways and transit facilities to make it more convenient to utilize carpooling and High Occupancy Vehicle (HOV) travel options;
- Help establish a Guaranteed Ride Home (GRH) program in the Washington Metropolitan region in the event an HOV rider has an unexpected emergency and needs to get home;
- Employer Outreach support to make employers and employees aware of alternatives to driving alone.

These are but a few examples of the multi-faceted efforts the Department and its modal agencies are making in an effort to reduce mobile source emissions in Maryland. With the additional emphasis placed on mitigation of Green House Gases in response to the Governor’s Climate Change Executive Order, MDOT will continue to work with agencies on multi-state, state, regional and local levels to support CO2 and Green House Gas (GHG) emission reductions through reasonable, realistic strategies that are beneficial to the welfare of the citizenry of the state.

### **Transit-Oriented Development (TOD)**

In order to maximize the benefits of transit access and promote Smart Growth, MDOT is partnering with local agencies to identify and implement land use regulations that support transit and pedestrian friendly development in proximity to major transit facilities. By promoting relatively dense, mixed-use, and walkable communities near transit stations, MDOT contributes to a broader effort to maximize our existing transportation infrastructure, to enhance transit ridership, to promote efficiency in land use, and to preserve the State’s rural and environmental resources. Where opportunities exist, the State is working with private

partners to further promote these mixed-use, transit focused and pedestrian-friendly developments. In Montgomery County, MDOT is working with the local partners to reconfigure the Silver Spring Metro Station area as a multi-modal transit center. The facility will be a major transit hub serving the Silver Spring Central Business District and the surrounding region, and will also support proposed air rights development over the Transit Center that would include a hotel and up to two residential buildings. In the heart of mid-town in Baltimore City, MDOT continues to work with local partners to facilitate the redevelopment of the 25-acre State Center complex. This office campus will be transformed into a revitalized, mixed-use development that takes full advantage of the Metro and Light Rail stations and significant bus service on site and become a local and regional intermodal destination. In addition, the Department is working with Anne Arundel and Howard Counties on the development of Odenton and Savage TOD’s to assist with the BRAC effort. The Department recognizes that not only is TOD an opportunity to support local economic development and community goals, but it can also serve as a financial tool for important transit investments. To that end, MDOT fully supports local participation in the TOD process.

### **Smart Growth**

The State’s Smart Growth initiative calls on State agencies to help protect Maryland’s farmland and open space and revitalize existing communities. In terms of transportation, implementing Smart Growth requires strengthening coordination between land use and transportation planning, and managing our infrastructure investments to ensure that they can meet the intended need. It entails paying particular attention to highway access management, congestion management, and corridor planning, as well as targeting investment toward enhanced transit access, bicycle and pedestrian amenities, and promoting transit-oriented development. MDOT works closely with other State agencies to evaluate projects in terms of their compliance with the Smart Growth legislation, and uses the CTP process to help achieve Smart Growth goals.

## WHERE THE MONEY COMES FROM...

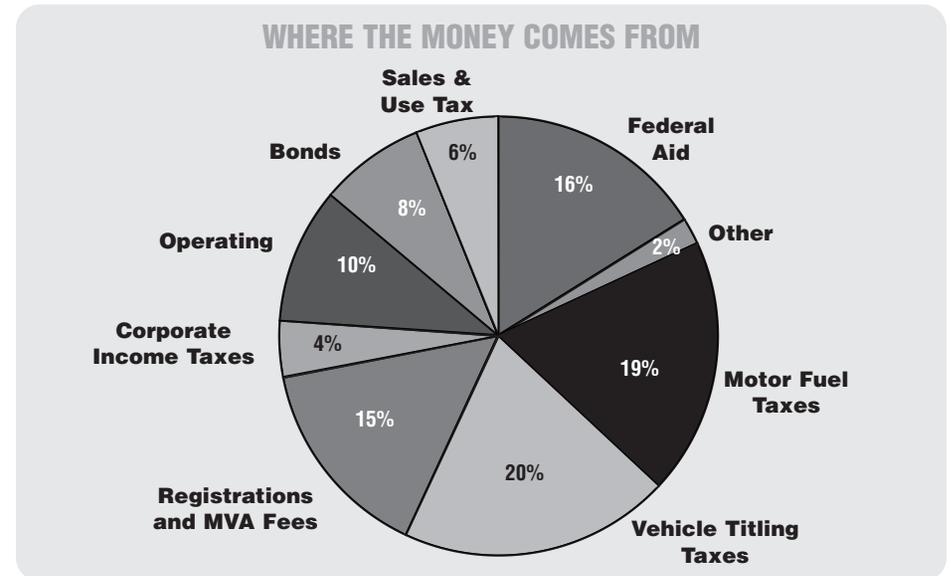
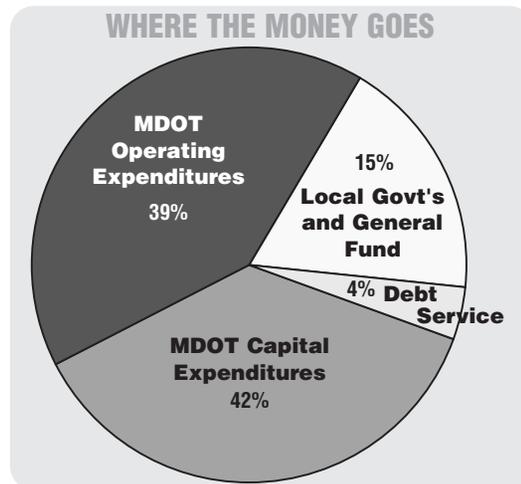
Maryland's transportation system is funded through several dedicated taxes and fees, federal aid, operating revenues, and bond sales, which are assigned to the Transportation Trust Fund (TTF). This fund is separate from the State's General Fund, which pays for most other State government programs. Essentially, our customers pay user fees for transportation infrastructure and services, through motor fuel taxes, vehicle titling taxes, registration fees, operating revenues, sales and use taxes, and corporate income taxes. The motor fuel tax and vehicle titling tax are the two largest sources of State revenue. Operating revenues include transit fares and usage fees generated at the Helen Delich Bentley Port of Baltimore and BWI Thurgood-Marshall Airport. In addition, federal aid comprises a large portion of transportation revenues. These funds must be authorized by a congressional act. The United States Congress enacted a long-term federal surface transportation funding program, which will expire September 30, 2009. A detailed discussion of the Federal reauthorization process is presented in a later section of this summary. Total projected Trust Fund revenues amount to \$20.8 billion for the six-year period covered by this CTP. These amounts are based on the assumption the economy will continue along a moderate growth scenario for the next six years. (For more on revenue projections and economic assumptions, see pages 10 through 12.)

## WHERE THE MONEY GOES...

The MDOT program is fiscally constrained. The TTF supports operation and maintenance of State transportation systems, administration, debt service and capital projects. A share of these funds is dispersed among Maryland's counties and Baltimore City for local transportation needs.

After operating costs, debt service, and local distributions, the remaining money goes towards capital projects. This document, Maryland's CTP, is the six-year capital budget for all State transportation projects.

This FY 2008-2013 CTP totals about \$10.6 billion; \$9.8 billion of which comes through the Trust Fund and \$0.8 billion from "Other" fund sources.



**CAPITAL EXPENDITURES**  
**FY 2008-2013 CTP SUMMARY**  
(\$ MILLIONS)

	STATE FUNDS	FEDERAL AID	OTHER*	TOTAL	PERCENT OF TOTAL
TSO	118.1	9.7	-	127.8	1.2
MVA	212.3	-	-	212.3	2.0
MAA **	306.3	36.3	242.8	585.4	5.5
MPA	622.3	4.2	8.8	635.3	6.0
MTA	1,475.1	827.5	30.5	2,333.1	22.0
WMATA	539.6	98.4	552.6	1,190.6	11.2
SHA	3,545.3	1,968.6	-	5,513.9	52.0
<b>TOTAL</b>	<b>6,819.0</b>	<b>2,944.7</b>	<b>834.7</b>	<b>10,598.4</b>	<b>100.0</b>

\* Funds not received through the Trust Fund. Includes some funds from Maryland Transportation Authority (MdTA), Passenger Facility Charges (PFC), Customer Facility Charges (CFC) and federal funds received directly by WMATA.

\*\* Projects using non-trust fund financing sources are included in the total.

**TSO – The Secretary's Office**  
**MVA – Motor Vehicle Administration**  
**MAA – Maryland Aviation Administration**  
**MPA – Maryland Port Administration**  
**MTA – Maryland Transit Administration**  
**WMATA – Washington Metropolitan Area Transit Authority**  
**SHA – State Highway Administration**

# SHAPING MARYLAND'S TRANSPORTATION SYSTEM



## The Public Role

When developing Maryland's transportation system, MDOT seeks public input while assembling the Maryland Transportation Plan, preparing the CTP, studying possible projects and designing facilities.

The Maryland Transportation Plan (MTP) reflects the concerns of our customers - the Maryland public - who use the transportation system on a daily basis. The current plan was created with inclusive public participation and input through such processes as telephone surveys, leadership interviews, workshops, and Capital Program Tour meetings. The public also comments on the draft plan before the Governor adopts the final version. The plan will be updated over the next year, to be finalized by January 2009. This update will include information from new public surveys and outreach.

The public and local governments also have an important role in shaping the CTP. Every fall, the Secretary tours the counties and Baltimore City to receive input on local priorities. Local jurisdictions in concert with state elected officials submit priority letter. Regional bodies also provide input. Projects are more likely to be funded if there is local consensus behind them.

Local input is considered when revising the program before it is submitted to the Governor. The Governor then includes the CTP with his budget submission to the General Assembly in January.

Additionally, the public has many other opportunities to review and comment on specific projects, such as during the many public meetings during planning, environmental review and design phases. State planners and engineers also work with the public to design projects that reflect sensitivity to the context of the surrounding community and environment.

## The MDOT Role

The MTP serves as the Department's guiding policy document. The current Plan, which was adopted in 2004, is updated every five years. MDOT is in the process of updating the MTP and it will be finalized by January 2009. Every year, the Secretary of MDOT works with the Department's modal administrators and the Authority to determine which projects to add to the CTP or to advance in project development through additional funding. MDOT looks at the need for individual projects based on such things as MDOT's MTP goals and objectives, level of service, safety, maintenance issues, how the projects may encourage economic development, availability of funding (including federal funds), and the input received from the public and local officials. The Governor and Secretary take this input into account when making the final decision of which projects will be funded.

## The Federal Role

Transportation planning and programming in Maryland is influenced by Federal laws including SAFETEA-LU and the Clean Air Act Amendments of 1990. The Safe, Accountable, Flexible, and Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) authorized the Federal highway and transit programs through Federal Fiscal Year 2009, and expires on September 30, 2009. This authorization guaranteed Federal spending of \$286.4 billion nationwide over six years (2004-2009), a 38 percent increase over the previous authorization period. Congress is expected to begin consideration of a new authorization bill in 2008. The next federal authorization legislation represents an opportunity for the creation of new programs and possible new revenue sources. This latter point is critical as the Highway Trust Fund is expected to experience a significant shortfall in the coming years, beginning in 2009. MDOT is committed to being a part of this discussion to ensure that federal transportation funding for the State will continue uninterrupted.

In 1990, the Federal government passed sweeping revisions to the Clean Air Act designed to better address air pollution. In particular, the Clean Air Act of 1990 established tighter pollution standards for emissions from automobiles and trucks. Non-attainment area classifi-

cations were established and ranked according to severity of the area's air pollution problem. These non-attainment categories trigger varying requirements the area must comply with in order to meet federal standards. MDOT continues to work to ensure that the State's transportation program for Maryland will be consistent with Federal Clean Air Act requirements.

## HOW TO READ THIS DOCUMENT

The Maryland Department of Transportation is divided into agencies responsible for different modes of travel. These are referred to as the Department's modal agencies or modes. Projects in the CTP are listed under the mode responsible for them. Within the State Highway Administration section of this document, projects are listed by jurisdiction.

For each major project, there is a Project Information Form (PIF). Each PIF contains a description of the project, its status, its justification, and its compliance status with Smart Growth. It also shows any significant change in the project since the last budget approved CTP. A chart shows funds budgeted over the six-year cycle. This is general information and is not intended to provide specifics such as alignments, status of environmental permitting, or alternatives under study.

### Funding Phases

**Planning** - Once a proposal is funded for project planning, detailed studies and analyses are conducted to evaluate the need for the project and to establish the scope and location of proposed transportation facilities and obtain environmental approvals.

**Engineering** - The next phase for funding is the engineering phase. These projects undergo additional environmental studies, preliminary and final design. These projects, having been more thoroughly evaluated than those in Project Planning, are candidates for future addition to the Construction Program and are more likely to be built.

**Right-of-Way** - This funding is approved at different points during the project, to provide the necessary land for the project or to protect corridors for future projects.

**Construction** - This last stage includes the costs of actually building the designed facility. Construction does not begin until a project receives necessary environmental permits, the State meets air quality requirements, and contracts are bid.

A project listed in a PIF may not be a specific facility. It also could include corridor studies, which look at multi-modal solutions to transportation needs. One example is the I-270 / US 15 multi-modal corridor study, which is evaluating highway and transit improvements in Montgomery and Frederick counties. The CTP also contains information on minor projects, which are smaller in scope and less costly such as resurfacing roads, safety improvements, sidewalks and bicycle trails.

Following this introduction are other lists, which can help the reader understand changes in the CTP. One shows significant changes from last year's CTP. It lists major projects added to the CTP or projects that have advanced to a new stage of development. It also lists changes in construction schedules and projects removed from the CTP.

Also, there is information regarding the economic trends and assumptions the CTP is based upon and more information about revenue projections.

**The Secretary's Office -- Line 1** **CONSTRUCTION PROGRAM**



**PROJECT:** Transportation Enhancement Program

**DESCRIPTION:** Projects that may be considered include: pedestrian or bicycle facilities; provision of safety and educational activities for pedestrians and bicyclists; acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs; landscaping and other beautification; historic preservation; rehabilitation and operation of historic transportation buildings, structures or facilities - including historic railroad facilities and canals; preservation of abandoned railway corridors - including conversion for use as bicycle or pedestrian trails; archaeological planning and research. Project sponsors are required to provide matching funds.

**JUSTIFICATION:** Transportation enhancements are projects that will add community and environmental value to the transportation system. The Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU) provides that 10% of the Surface Transportation funds be set aside for the Transportation Enhancement Program.

**SMART GROWTH STATUS:**  
 Project Not Location Specific or Location Not Determined  
 Project Within PFA  Project Outside PFA; Subject to Exception  
 Grandfathered  Exception Approved by BPWM/DOT

**ASSOCIATED IMPROVEMENTS:**  
 Enhancement activities must be directly related to transportation.

**STATUS:** Projects approved for funding appear in the State Highway Administration's Safety, Congestion Relief, Highway and Bridge Preservation Program.

**SIGNIFICANT CHANGE FROM FY 2008 - 11 CTP:** Cost increased \$8.3 million due to the addition of FY 2012.

PHASE	ESTIMATED COST		CURRENT BUDGET		PROJECTED CASH REQUIREMENTS FOR PLANNING PURPOSES ONLY				SIX YEAR TOTAL	BALANCE TO COMPLETE
	THRU 2006	2007	2008	2009	2010	2011	2012			
Planning	0	0	0	0	0	0	0	0	0	0
Engineering	0	0	0	0	0	0	0	0	0	0
Right-of-way	0	0	0	0	0	0	0	0	0	0
Construction	179,216	127,716	8,000	8,400	8,500	8,400	8,900	9,300	51,500	0
<b>Total</b>	<b>179,216</b>	<b>127,716</b>	<b>8,000</b>	<b>8,400</b>	<b>8,500</b>	<b>8,400</b>	<b>8,900</b>	<b>9,300</b>	<b>51,500</b>	<b>0</b>
Federal-Aid	138,618	99,018	5,900	6,400	6,500	6,600	6,900	7,300	39,600	0

**POTENTIAL FUNDING SOURCE:**  SPECIAL  FEDERAL  GENERAL  OTHER

\* The Construction line includes studies, planning, and design funds and are shown on the construction line for purposes of simplicity. \*\* These funds are budgeted in the State Highway Program, and are shown here for informational purposes.



## PROGRAM HIGHLIGHTS

The FY 2008-2013 CTP totals about \$10.6 billion. About 28 percent of this capital program will be supported by federal funds, predominately for highway and transit projects.

### Economic Trends and Assumptions

The Department's revenue and operating cost projections are based on a long-term "moderate growth" scenario for the nation's economy. The major trends and assumptions are as follows:

The long-term (6-year) trend in bond interest rates is projected to fluctuate within a range from 4.1 percent to 4.9 percent during the program period with inflation between 1.8 to 2.9 percent annually.

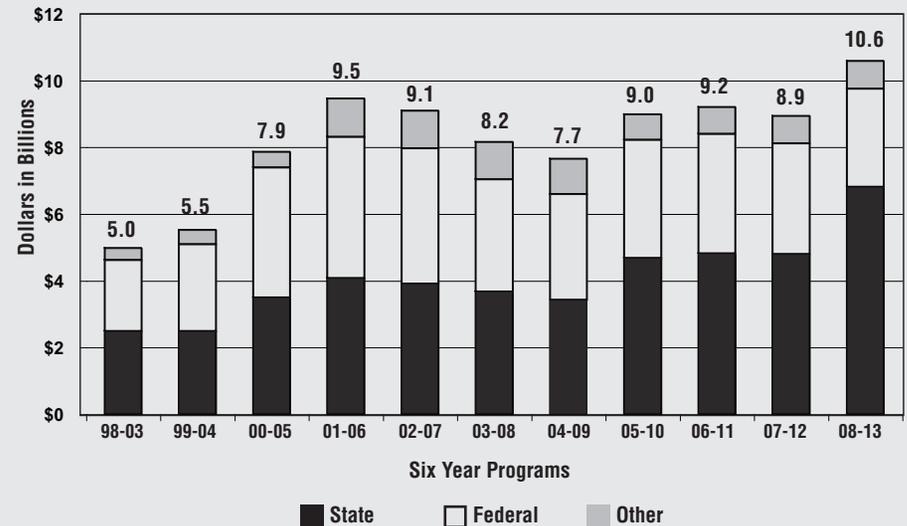
The nation began an economic recovery in FY 2004. It is now believed to be entering a period of below-trend growth. As it moves through this period, the economy is projected to continue to have "business cycles" with:

- No major external events,
- No major changes in the law or operating responsibilities of the Department;
- Historical relationship between national economic activity and the level of Department tax revenues continuing through the forecast period.

Gasoline prices will continue to be monitored for any impacts on revenue and material cost.

Auto sales had been increasing consistently due to the combination of good economic conditions, customer incentives, and increased consumer confidence. For FY 2008 and beyond, sales are expected to moderate and follow their normal cyclical pattern throughout the forecast period.

## Maryland Department of Transportation TOTAL PROGRAM LEVELS



## REVENUE PROJECTIONS

Total projected revenues amount to \$20.8 billion for the six-year period. This estimate is based on the revenue sources used by MDOT and includes bond proceeds and federal funds. The projection does not assume any future State tax or fee increases beyond those changes enacted in the 2007 Special Session. Pertinent details are as follows:

- **Opening Balance:** It is the goal of the Department to maintain a \$100 million fund balance over the program period to accommodate the Department's working cash flow requirements throughout the year.
- **Motor Vehicle Fuel Tax:** This revenue is projected to be \$3.3 billion over the six-year period. Motor fuel taxes include the 23.5 cents per gallon gasoline and the 24.25 cents per gallon diesel fuel.
- **Motor Vehicle Titling Tax:** This source is projected to yield \$4.1 billion. This projection incorporates recently enacted changes from the 2007 Special Session, which increased the tax rate from 5 percent to 6 percent and reduced the amount subject to tax by the value of a trade-in vehicle. The titling tax of 6 percent of the fair market value of motor vehicles, less an allowance for trade-in, is applied to new and used car sales and vehicles of new residents. This revenue source follows the cycle of auto sales with periods of decline and growth. It is projected

that this six-year planning period will follow a normal business cycle around an underlying upward trend.

- **Motor Vehicle Registration/Miscellaneous, and Other Fees:** These fees are projected to generate \$2.9 billion. This forecast assumes revenues will increase an average of 3.0 percent every two-year cycle.
- **Sales and Use Tax:** Beginning in fiscal year 2009, the Department will receive a portion (6.5 percent) of the 6 percent sales and use tax. The transportation share of this revenue is estimated to be \$1.6 billion.
- **Corporate Income Tax:** During the 2007 Special Session, the corporate income tax rate was increased from 7 percent to 8.25 percent, and the revenue distribution was adjusted. The transportation share of corporate income tax revenues is estimated to be \$796 million. The Department receives a portion (21 percent) of the 8.25 percent corporate income tax.
- **Federal Aid:** This source is projected to contribute \$3.4 billion for operating and capital programs. This amount does not include \$552.6 million received directly by Washington Metropolitan Area Transit Authority. The majority of federal aid is capital; only \$480 million is for operating assistance. Since federal aid supports a significant portion of the capital program, a more detailed discussion of federal aid assumptions is presented in the next section of this summary.
- **Operating Revenues:** These revenues are projected to provide a six-year total of \$2.6 billion, with \$754 million from MTA; \$634 million from MPA; and \$1.2 billion from MAA. MTA revenues primarily include rail and bus fares. MPA revenues include terminal operations, the World Trade Center, and other port-related revenues. MAA revenues include flight activities, rent and user fees, parking, airport concessions, and other aviation-related fees. These projections are forecast to include additional revenues from the garage and terminal expansion.
- **Bond Proceeds:** It is projected that \$2 billion of bonds will be sold in the six-year period. The level of bonds that can be issued is dependent on the net revenues of the Department. This level of bonds is affordable within the financial parameters used by the Department. Bond sales during the six-year period reflect the change made during the 2007 Special Session, which increased the aggregate principal amount of bonds that may be outstanding from \$2.0 billion to \$2.6 billion effective July 1, 2008.
- **Other Sources:** The remaining sources are projected to provide \$180 million. These sources include earned interest from trust funds, reimbursements, and miscellaneous revenues.

## Federal Aid Assumptions

The Safe, Accountable, Flexible, and Efficient Transportation Act: A Legacy for Users (SAFETEA-LU) authorized highway, transit, rail and safety programs through Federal Fiscal Year 2009, to expire on September 30, 2009. Nationwide, SAFETEA-LU provides \$286.5 billion in spending over six years. Since FY 2004, Maryland has received approximately \$583 million annually for highways and \$140 million annually for transit formula programs (including MD/WMATA).

It is important to note that not all of the funding authorized is necessarily "new money" for Maryland. Our Consolidated Transportation Program (CTP) has already allocated expected federal funds to projects in the program, based on conservative assumptions for future funding. The majority of funds authorized by SAFETEA-LU will be used for projects already committed in our capital program and for unfunded system preservation needs.

As Congress prepares the next reauthorization bill, they must also address the projected shortfall in the Highway Trust Fund. The Office of Management and Budget (OMB) recently released the FY 2008 mid-session budget review, which forecasts a \$4.3 billion shortfall during FY 2009. If Congress is unable to find the revenue to account for the deficit, they will be forced to reduce the amount of federal aid provided to states. This would have a dramatic impact on highway and transit programs that are critical to Maryland's transportation system.

## Highways

Federal highway programs are authorized by multiple year legislation. The funds authorized and apportioned to the states are subject to annual ceilings which determine how much of the authorized money can be obligated in any given year. This ceiling is referred to as Obligation Authority (OA) and is imposed by Congress annually in response to prevailing economic policy. Under SAFETEA-LU, OA ranged from 85 percent to 91 percent. This CTP assumes an average level of OA from SAFETEA-LU (87 percent).

## Transit

Between fifty and seventy percent of Maryland's federal transit funds are distributed by formula, depending on the amount of discretionary earmarks for Maryland buses, bus facilities and New Start projects. Assuming the amounts in the FFY 2008 conference report are passed into law, FTA Urbanized Area capital assistance for Baltimore, MARC, D.C. area and Small Urban Systems will be approximately \$76.6 million. An annual estimated amount of \$81.9 million is assumed for FFY 2009.

Rail modernization funding for Maryland increased from \$32.4 million in FFY 2007 to \$34.7 million in FFY 2008.



SAFETEA-LU authorized \$41 million to complete the Baltimore-Central Light Rail Double Tracking project and \$75 million to complete the Washington DC/MD - Largo Metrorail Extension. SAFETEA-LU also authorized \$105 million for the Baltimore Red Line and Green Line Transit projects. Additional New Start projects authorized in SAFETEA-LU include the Corridor Cities Transitway, the Purple Line and the Silver Spring Transit Center.

Once authorized and approved, New Start transit projects also require an earmark in the annual appropriations act in order to obtain discretionary federal funding. New Starts funding for Maryland in FY 2008 is yet to be determined. Congress did not earmark bus discretionary funds in FY 2007. Discretionary funding for New Starts and Bus and Bus Facility projects is awarded by the Federal Transit Administration through a grant application process.

## WMATA

WMATA receives federal formula funds (80 percent federal share) for bus and rail preservation activities. Federal funding for construction of the Addison Road to Largo Extension of the Washington Metro was completed in FFY 2005. Funding for rail cars related to the extension totaling \$104 million is expected to be completed in FY 2009. The FY 2008 conference committee report included the Addison Road WMATA extension railcars and MARC Commuter Rail improvements.

In addition to federal funds received directly by WMATA, MDOT has budgeted additional Congestion Mitigation and Air Quality federal funds to be used by WMATA for critical system preservation activities.

Congress is presently considering legislation that would amend the National Capital Transportation Act of 1969 to authorize additional federal contributions for rehabilitation and replacement of capital for the Washington Metropolitan Area Transit Authority system. This legislation would authorize up to \$1.5 billion of federal money over ten years. These federal funds would have to be equally matched by Maryland, Virginia and the District of Columbia. MDOT has been fully supportive of this effort to secure additional financial resources for the Nation's transit system. To this end, this CTP includes a total of \$150 million (\$50 million each year in fiscal years 2011, 2012 and 2013) as Maryland's initial matching contribution required by pending federal legislation.

## Aviation

The Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP) currently provides federal entitlement and discretionary funding for airport projects. It is assumed that entitlement funding calculated using enplanement and cargo-based formulas for BWI will total \$3.5-4.0 million per year for the six-year program period. This level of entitlement is the net amount after reductions made due to BWI's ability to collect a \$4.50 Passenger Facility Charge (PFC).

The MAA anticipates receipt of additional discretionary AIP funding for BWI and Martin State Airports during the six-year program period. FAA plans to financially support funding needs for the Runway Safety Areas. Following an environmental assessment to determine the viable options, these improvements could be completed by 2015. If anticipated discretionary funds are not forthcoming, the schedule of impacted projects will be adjusted accordingly.

Congress is currently working on the reauthorization of FAA programs, including the AIP program. Under consideration is the likely increase in overall AIP program funding, and a possible increase in the PFC to \$7.00. The MAA and MDOT support these proposals and will continue to work with Congress to meet Maryland's needs.