



STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0016

Janet T. Mills
GOVERNOR

Bruce A. Van Note
COMMISSIONER

July 23, 2020

Senator Susan M. Collins
413 Dirksen Senate Office Building
Washington, DC 20510

Senator Angus King
133 Hart Building
Washington, DC 20510

Dear Senators Collins and King,

On behalf of the 1,800 dedicated men and woman of the Maine Department of Transportation (MaineDOT), please allow me to personally thank you again for your ongoing support of transportation in Maine.

I write today to seek your continued assistance in addressing the transportation funding crisis facing Maine and the nation relating to COVID-19. Governor Janet Mills recently sent you a letter outlining Maine's economic status and the challenges our state faces living through this pandemic. Maine's transportation system is no different, and we are hopeful that under your leadership Congress can address the immediate need for flexible federal emergency funding to States.

For the reasons set forth below, we seek your help to provide *additional* federal emergency relief funds to backfill lost state revenue in the next CARES legislation. We fully endorse the latest request from the American Association of State Transportation Officials (AASHTO) calling for an immediate infusion of at least \$37 billion to state departments of transportation (DOTs). This funding will ensure the delivery of planned transportation projects and forestall further job losses in the public and private sectors. If a transportation-specific allocation is not possible, we hope the next CARES Act provides for additional funding to States for general purposes including replacing lost revenue. As you will see below, flexibility to use the previously-provided CARES funding is no longer sufficient.

By way of background, state funding for transportation in Maine – like all states – has dropped dramatically due to the sudden and substantial drop in traffic volumes resulting from the pandemic. Our early estimates of the Highway Fund (HF) shortfalls for the 18-month period ending September 30, 2021 were in excess of \$100 million. This figure was based upon the information in late March, when traffic volume in Maine was down almost 50%, offices at the Bureau of Motor Vehicle (BMV) were closed, and a Stay at Home order was in effect.

Since early spring, much has changed. Traffic volumes have rebounded (but are still down about 14%), the BMV Offices are open and collecting HF vehicle-related fees more quickly than anticipated, and with the virus currently under control in Maine, the economy is largely reopen with appropriate safety measures. Accordingly, by the letter to you dated July 2, 2020,

MaineDOT updated its estimate of the Maine Highway Fund revenue shortfall through the end of Federal Fiscal Year 2021 to \$ 61 million. This revised estimate is consistent with the experience of many states around the country.

This is good news, or more accurately *less bad* news. The revised estimate still represents a 15% drop in state highway revenue during FFY20, and an 8% drop during FFY21. These will be the deepest and most sudden drops of HF revenue from external economic forces in memory.

Moreover, in the months that have intervened, pandemic-related needs for the \$ 1.25 billion of federal emergency relief funding provided to Maine in CARES Act of late-March have grown dramatically. In a report dated July 15, the Economic Recovery Committee appointed by Governor Mills has identified \$1.92 billion in pandemic-induced needs. This means that flexibility alone to use the old CARES Act funding to replace lost state revenue will not get the job done.

The bottom line is that we desperately need *additional* emergency relief funds to States that can be used to replace lost revenue in the next CARES legislation. Without it, jobs and projects are in jeopardy. As set forth in our first letter to you on this topic dated April 21, 2020, these include 1,800 MaineDOT jobs, thousands of private-sector jobs, and the dozens of projects. Ideally, a transportation-specific provision like that proposed by AASHTO would be the best solution for us. If that is not legislatively possible, additional funding to States in general that included the flexibility to use it to replace lost revenue would allow us to compete for some of it later.

In closing, we know you understand how important transportation is to the safety, economic opportunity, and quality of life of all Maine citizens. We know things are not easy, and there are many competing views and opinions. But this is a “meat and potatoes” issue that all should be able to get behind. Simply put, we *really* need your help now.

Thank you again for your steadfast support for transportation in Maine.

Respectfully,



Bruce A. Van Note, Commissioner
Maine Department of Transportation