



Connecting Maine Through Transportation

What Maine Businesses Have To Say



Prosperity at the Intersection of Transportation and Business

Transportation is the key to unlocking Maine's potential. It is what connects us as people, as communities, and to the bigger world. As such, it drives economic vitality and quality of life.

MaineDOT, the Maine Department of Transportation, is committed to providing a transportation system that is responsive to the needs of all people, from manufacturers to emergency response personnel, to senior citizens, to second graders, to visitors.

Toward this end, MaineDOT commissioned interviews with 22 diverse companies, large and small, from across the state, to share their ideas, hopes, and needs regarding transportation.

Maine spoke. We listened.

What we heard time and time again is that businesses depend on transportation each and every day to compete and to succeed here at home and around the world. Transportation is an essential ingredient for business growth and success.

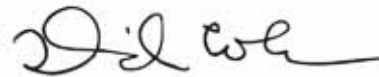
Traditional and emergent industries, ranging from forestry and agriculture to biotechnology and tourism, demand a robust, reliant intermodal transportation system directly tied to their bottom lines.

The time for bold action has arrived. We must embrace the future, build proactive transportation infrastructure solutions, and gain ground for Maine.

We are well-positioned to do so. Maine is situated between Atlantic Canada, Ontario, Quebec, and U.S. Midwest markets. Its relatively free-flowing Interstate Highway System, two jetports, three deepwater ports, and extensive rail network are among the state's quality assets and gateways to the world market. Upgrades to all modes of transportation and to intermodal connections over the coming years will give Maine a stronger competitive advantage in the new world economy.

But future levels of investment remain uncertain. Until recently, most Mainers were able to take the transportation network for granted, but not any more. Rising petroleum costs and declining revenues have caused us to lose ground. The decisions and investments we make today will have a profound impact on Maine's future. It is up to us, to all of us, to make sure it is a positive impact.

Sincerely,



David Cole, Commissioner

Maine Department of Transportation
16 State House Station
Augusta, ME 04333-0016



A Letter from the Maine Development Foundation

Dear Commissioner Cole:

The Maine Development Foundation (MDF) has gladly undertaken the work of documenting the economic impact of transportation infrastructure on 22 businesses across the state of Maine. The enclosed profiles showcase a diverse mix of Maine-based businesses. Our research highlights companies large and small, from various parts of the state, and from traditional industries, such as pulp and paper, to new, emerging sectors, such as composite boatbuilding. In all cases, transportation infrastructure plays a key role in the ability of these Maine businesses to thrive.

The following bullet points represent the key findings of this research project:

- **Poor and inadequate roadways hinder Maine workers' commute to the job site.** The trend over the last several years, commonly referred to as "sprawl," has meant that more Maine workers are commuting significant distances to their places of employment. From 1960 to 2005, the percentage of Maine's population living outside of service center communities (where the vast majority of jobs exist) grew from 37 percent to 52 percent. Today, the average Maine worker's daily commute is nearly three-quarters of an hour round-trip. Pressure, created by sprawl, has increased on Maine's roadways, which are failing to support new demands.
- **Poor roads also cause delivery delays and vehicle repairs, which result in direct costs to Maine businesses.** Maine companies report bypassing their delivery vehicles around bad road sections in favor of less treacherous, but longer routes. This results in delayed product shipments and increased payroll costs. When companies choose to drive over bad roads to save time, the time savings are offset by increased vehicle maintenance costs and shorter vehicle life spans.
- **Road congestion, especially along Route 1 in the summertime, is another source of costly delays.** Harbor Technologies, Renys, Miles Hospital, and Hewins Travel are examples of businesses that suffer from back-ups along U.S. Route 1 during the height of the tourist season. Passage through the town of Wiscasset was cited multiple times as a particularly time-consuming bottleneck that holds up deliveries.
- **Posted roads can deny companies access to their raw materials and delivery of their products to customers.** One major Maine company – Poland Spring – reports that it cannot access its aquifer in Kingfield when Route 16 is posted. When the posting occurs, Poland Spring is forced to draw more heavily off of other spring points in western Maine in order to maintain its bottled water production levels. Posted roads can also cause industry-wide negative impacts. For example, when a posted road keeps a construction company from delivering product to a building site, subcontractors, including electricians, welders, plumbers, local truckers, and installers, may be kept out of work.
- **Road improvements can create a direct stimulus on economic activity.** Maine businesses consistently report that Maine's relatively removed geographic location places them at a competitive disadvantage. Transportation upgrades can offset this disadvantage. For example, recent improvements along Route 26 have cut down on the driving time to Sunday River ski resort outside of the town of Bethel. This has created a greater incentive for skiers traveling from southern New England to choose Sunday River over other ski resorts in New Hampshire or Vermont.
- **Maine businesses would pursue rail as an alternative to truck transportation if rail became a more viable option.** L.L. Bean, Sprague Energy, Fraser Papers, Poland Spring, McCain Foods, and Safe Handling are examples of Maine companies that see great benefit in the use of rail. The creation of the Auburn intermodal facility in 1994, where shipments are transferred between rail and truck, has streamlined L.L. Bean's supply chain from Asia, for instance. Safe Handling is strategically located in Auburn because the intermodal terminal exists there. Businesses would prefer greater rail usage. It is important to revitalize Maine's railroads to provide efficient, competitive, reliable service.
- **Creating better east-west connections would have a positive economic impact, according to Maine business leaders.** Among the top reasons given by Maine business leaders for better east-west connectivity are: increased tourism opportunities with Atlantic Canada and Québec and states west of Maine; linkage with the Halifax, Montréal and other ports; improving and expanding the port of Searsport; better linkage for global trade opportuni-

ties; easier movement of product to and from western parts of North America; and a lessening of the tension between the so-called “two Maines.” The Northeast CanAm Connections study assessed the adequacy of transportation and the economic performance of the northeast border region. The study points to six strategies to improve transportation systems that could improve economic performance of the region, which includes the four states and six provinces involved in the study. The study will be published in the spring of 2009.

• **Public transportation can play an important role in supporting business.** The Jackson Laboratory is extremely interested in expanding public transportation options to cut down on the stifling amount of traffic coming on and off Mount Desert Island where the lab is located. Meanwhile, elsewhere in the state, another large employer— Sunday River — relies upon the Mountain Explorer public bus service to shuttle skiers to and from the resort and to transport them around the Bethel area for dining and shopping. Miles Health Care, located in the county with the state’s highest resident median age, would like to have public transportation service made available for older patients, who otherwise may not be able to get to their doctor’s appointments.

• **Improved air service in Bangor and Portland would support the needs of Maine businesses.** Companies reported that increasing flight frequency, creating more direct connections, and lowering the cost of air service would make it more attractive to work and to do business in Maine, and not force as many Maine businesspeople to travel out of state to Manchester, New Hampshire, and Boston when they need to fly.

• **The Interstate Highway System is the backbone of the Maine economy.** Nearly all of the businesses interviewed here rely upon getting to and from the Interstate, and many discussed better access as a key transportation issue. The Interstate is the primary conduit by which a large portion of commerce flows around and in and out of Maine. Given that there is no current east-west route that complements the Interstate, many Maine companies, especially those that do business outside of the state, are heavily dependent upon it to meet their transportation needs. Issues such as interstate size and weight restrictions and toll structures on the Maine Turnpike

impact Maine businesses and can affect the state’s overall economy.

• **Maine’s population is aging, and transportation infrastructure will need to accommodate this trend.**

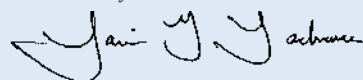
By 2030, one in four Mainers will be over the age of 65. A greater number of older people in Maine means that travel to and from health care facilities will intensify. (Senior citizens typically need more care than younger people do.) Also, the demand for public transportation may increase, as seniors are less likely to operate motor vehicles independently.

• **Maine’s economy is in transition, and careful, thoughtful transportation planning and investment are needed in this period of change.**

Maine’s population is spreading out and, at the same time, growing older. Big-box development is placing enormous pressure on Maine’s historic downtowns. Maine exports continue to grow, signaling that more Maine companies are entering the global economy. Technological innovation is paving the way for new, emerging clusters of industry around the state. These and other forces signify a society in the midst of change. As Maine envisions its future, it must be careful to plan and to implement infrastructure that supports what Maine people hope their state will look like 10, 20, or 50 years from now. Important transportation decisions that are made in the near term will have a direct impact on the direction of the state for decades to come.

In conclusion, this research reinforces the finding of the Maine Economic Growth Council, in the 2008 *Measures of Growth* report, that Maine’s transportation system needs attention. Investing in transportation infrastructure is one of the most important investments our state can make to help create a promising future for our economy. MDF is proud to partner with the Maine Department of Transportation in helping to inform policymakers and the public about this important issue.

Sincerely,



MAINE DEVELOPMENT FOUNDATION

Laurie G. Lachance
President and CEO





A Shared Vision for Maine

Transportation touches every person and every business in Maine. We rely on all modes — roads, transit, rail, air, and ports — to commute to work, deliver heat to our homes, import products, and ship goods to market. Nothing moves in Maine — no product, no person — without the transportation infrastructure.

We depend on transportation, and we must commit to improving all modes to make Maine an attractive place to work and live. Recent severe winters and soaring petroleum costs have contributed to our losing ground. It is up to us

to overcome these challenges, to consider what is possible, and to create a system that invites growth.

Our vision for Maine is to provide a transportation system that is safe, supports a healthy economy, promotes family and community connections, and enhances Maine's natural and cultural environment.

This vision is a shared vision. This overview of Maine businesses reflects their vision, as well as their hopes for and reliance on transportation today and tomorrow.

Maine Voices

In dialogues with the 22 companies highlighted in the coming pages, every representative stated that transportation plays a key role in their ability to thrive.

This consensus reinforces thinking that an integrated, multimodal transportation network is critical to Maine's long-term economic vitality, which translates to jobs, financial stability, affordable services, and quality of life.

The companies we interviewed shared not only this vision, but also common themes around specific transportation opportunities they believe would directly stimulate economic activity and better connect Maine to the world.

We are committed to exploring these issues and to supporting Maine businesses through transportation for their good and the good of all of Maine.

"Transportation infrastructure connects people and facilitates economic activity. Improvements in all modes of transportation — roads, rail, ports, air, and transit — make Maine more attractive to those interested in doing business here, and network Maine to the wider world."

— 2007 Measures of Growth, Report on Maine's economy by the Maine Economic Growth Council





TOURISM

Tourism is Maine's number one industry. According to the Maine State Planning Office, tourism generated approximately \$10 billion and provided 140,000 jobs with a payroll of \$3 billion in 2006. According to Longwoods International, an estimated 10 million overnight trips and 30 million day trips were taken in Maine in 2006.

Travel-related companies are quick to point out the direct correlation between reliable transportation and their ability to thrive. Their success is dependent on the ease of guests traveling into and through the state.

Infrastructure improvements are also needed to support tourism's expanding role as an economic engine in the state's non-coastal mountains and forests. While these regions traditionally attracted backpackers and campers, today they cater to a broader audience, including baby boomers, who support sustainable tourism and want a more luxurious experience.

"My interest from a business perspective is on moving people around the state or in and out of the state via multiple modes of transportation, from air, rail, highway, and ocean."

— Steven W. Hewins, Vice President, Travel and Branch Operations
AAA Northern New England

Hewins Travel Consultants

Portland, Maine
48 employees

(Subsidiary of AAA Northern New England)

Hewins Travel, founded in 1982 and now operating as a wholly-owned subsidiary of AAA Northern New England, provides Maine customers with a complete range of travel services.

Hewins Travel relies on multiple modes of transportation to move people in, out of, and around the state. The company calls for investments across the board, especially

in terms of access to remote locations such as Western Maine, airport improvements in Portland and Bangor, and an East/West highway across central Maine to facilitate commerce and tourism. Hewins also encourages exploring the use of high-speed ferry service out of Portland to points east along the coast as an alternative to Route 1.

“The biggest opportunity in this state is east-west access. It would open up business commerce and tourism to Atlantic Canada incredibly.”

— Steve Hewins
Vice President,
Travel & Branch Operations,
AAA Northern New England

New England Outdoor Center

Millinocket, Maine
26 full-time/40 seasonal employees

The New England Outdoor Center has grown from 12 to 12,000 annual customers in 25 years. Offering a wide range of outdoor recreational activities, the center attracts guests from throughout New England, the United States, and abroad.

Road improvements are necessary for the company to thrive. After all, reliable road infrastructure is the

conduit by which guests come to the Center. Better east-west connections are also critical. Today, limited access from greater New England and New York stifles business growth. Finally, low-cost air service would stimulate business for the New England Outdoor Center, as well as boost the region’s economy overall.

“A low-cost carrier flying into Bangor would be a major benefit. It would bring more travelers into Northern Maine and open up the tourism market. We would be able to market our business farther and package air travel if there were more air service readily available.”

— Matt Polstein
President & CEO

Sunday River

Newry, Maine
300 full-time/1,200 seasonal employees

Sunday River is one of New England’s top ski resorts, averaging about half a million guests each season. Roughly half of the mountain’s customers come from out of state. Two key transportation issues impact the business: road conditions along Route 26 leading to the resort, and the availability of local public transportation.

Recent upgrades to Route 26 and bypasses around Shaker Village and

Gray have created a stronger incentive for skiers to choose Sunday River over other resorts. As for public transportation, Sunday River relies heavily on the Mountain Explorer to transport guests and its workforce. In operation for six years, the shuttle serves more than 30,000 riders each year. It connects Sunday River to the Bethel business district and reduces parking needs at the resort.

“Each time Route 26 is improved, we see an impact. The more we are able to cut down driving time to get to Sunday River, the more competitive we are. New England skiing is highly competitive, and because Maine is more removed, road improvements are critical to business success.”

— Nick Lambert
Marketing Director



HARVESTING LAND & SEA

The agriculture and fishing industries are significant in Maine. Farmers, who are among two percent of the population that feeds the world, are the stewards of 1.25 million acres. Agriculture has a \$1.2 billion impact on the Maine economy. Maine lobster also makes a major contribution to the state's economy. In 2006, the catch exceeded 72 million pounds and generated close to \$300 million in dock value.

Getting perishable goods to market in a timely, cost-effective way underscores the success and

sustainability of Maine's agriculture and fishing industries. Transportation is the lifeline of this state's 7,100 farms, 5,700 lobster harvesters and 10,000 commercial fishermen.

So much of farming and fishing is weather-dependent and thus unpredictable. It's up to Maine to provide farmers and lobstermen with a constant they can count on: a reliable, competitive transportation system that allows them to compete and succeed in the marketplace.

"To reduce the impact of shipping costs, the weight limits on I-95 need to be increased to 100,000 lbs. This would reduce the number of shipments on the highway and allow all to better utilize the highway system and provide less wear and tear on secondary roads."

— Dan Paradis, Plant Manager, McCain Foods

Atwood Lobster Company

Spruce Head, Maine
About 30 employees

Atwood Lobster Company is the biggest lobster shipping facility in Maine. The company sells about four million pounds of lobster each year. Atwood Lobster purchases lobsters locally in Maine from 70 boats, as well as from fishermen in the Canadian Provinces.

The company depends on trucking and air service to move product. Two improvements vital to Atwood

Lobster's long-term success include sufficient road infrastructure and enhanced air service. Critical needs include a bypass around Wiscasset in mid-coastal Route 1 to reduce congestion and international air service to eliminate the need to truck lobsters to Boston's Logan Airport for shipment. Delivering on these needs would reduce costs dramatically.

"If we could ship from Maine in wide body aircraft direct to cities here in the US and Europe just three times a week all year round, it would mean a huge increase in the volume of lobster that we would export."

— William Atwood
President

McCain Foods

Easton, Maine
20,000 employees worldwide and 500 in Maine

McCain Foods is a privately owned, multinational leader in the frozen food industry. It is the world's largest producer of frozen french fries and the manufacturer of other quality food products sold in more than 110 countries.

The company relies heavily upon highways to transport product to market. McCain analyzed what the cost savings would be if the weight

limitations were increased on the Interstate in Maine and improvements were made along Route 1 in Aroostook County. It is estimated higher weight limitations would save the company over \$100,000 annually, and that widening Route 1 on hills, creating bypasses around town centers, and/or constructing four-lane roads would save over \$400,000 a year.

"These proposed transportation improvements would have wide-ranging benefits. The benefits would not be exclusive to McCain but would be the same for all businesses exporting from Northern Maine."

— Dan Paradis
Plant Manager

Poland Spring

Poland Spring & Hollis, Maine
650 employees

Poland Spring produces 4.7 billion bottles of water annually. The company's customer base is located in the Eastern United States. About a third of the customers are in the metropolitan New York area, a third are in greater Boston, and the rest are between Washington, D.C. and Maine. Success hinges on moving product out of state in a timely manner — in

essence, bridging the gap between Poland Spring and its customers. In an extremely competitive market, Poland Spring can succeed only if supported by an efficient transportation infrastructure. Road improvements and cost-effective modal alternatives such as rail are essential.

"Cost-to-market is everything in the bottled water industry. A viable, competitive rail service would improve our position. When we generate more than 430 loads per day, we run out of cost-effective truck capacity."

— Ken Rogers
Regional Logistics Manager



HEALTH CARE

Maine's health care industry is a vital contributor to the state's economy. According to the Maine Development Foundation, the health care and social assistance sector employed more than 95,000 people in 2006, which is 15.5 percent of wage and salary jobs. For the past two decades, it has represented one of Maine's fastest-growing sectors. The industry pays average wages greater than \$40,000 for hospital and ambulatory services.

Health care in Maine stands to become even more critical in light of Maine's aging population. As the population ages, so will the demand for care and the need to get workers and patients to and from medical facilities and services.

"My concern is for patients with the lack of public transportation — for patients who may not be able to drive to their doctor's appointment. We have limited public transportation in this area. We have some taxi service and on-demand public transit service, but there's really a need for more public transportation, especially for our older population."

— Judy Tarr, CEO, Miles Health Care

Miles Health Care

Damariscotta, Maine
800 employees

Miles Health Care is comprised of an acute care hospital, a skilled nursing facility, a dementia facility, congregate housing, physician offices, and a home health and hospice agency. Miles serves the population of Lincoln County and surrounding communities.

The delivery of health care begins with transportation — it relies on

getting people where they need to be. Reducing congestion around Wiscasset, maintaining quality roads, and providing public transportation would dramatically increase patient access. These improvements would also benefit commuters, particularly when weather conditions are inclement. After all, snow days don't apply to medical services.

"The cost in travel time is not simply calculated in terms of economic loss but it also has a life safety component. Some of the transports we do are for traumas to the head, where every minute counts. Making sure roads are free and clear of traffic is critical to our patients."

— Judy Tarr
Former CEO

Phillips-Strickland House Corp.

Bangor, Maine
60 employees

Phillips-Strickland House is an assisted living facility that is home to 85 senior citizens, all of whom have a story to tell when it comes to transportation. Many of them fondly remember the days of the railway station in Bangor and wish they enjoyed this alternative mode of transportation today. Concerned with safety and access, seniors also

long for better roads and sidewalks. Phillips-Strickland employees echo these sentiments. They call for greater attention to Maine roads to help ensure safe commuting and to enrich the lives of seniors who depend on transportation services to get to the doctor, enjoy dinner out, and buy groceries.

"Most of our residents enjoy walking... It's a pleasant pastime they look forward to. However, the sidewalks in our neighborhood are in such a state that they are dangerous for our senior citizens. Several of our employees travel U.S. Route 2, and I often hear grumbings about that route in particular."

— Karen Higgins
Administrator



PULP & BULK SHIPPING

Maine's pulp and paper industry is referred to as the heart of the state's economy... and with good reason. According to the Maine Pulp & Paper Association, the industry comprises about 4.1 percent (\$1.477 billion) of Maine's Gross State Product. The pulp and paper industry is also the largest manufacturing industry in Maine with companies competing with countries from all over the globe.

To stay viable in today's competitive marketplace, the pulp and paper industry must find ways to transport product more efficiently and cost-effectively, especially considering that distance to market is a disadvantage. Rail is critical in achieving this objective; improvements to this mode of transportation would be a huge advantage.

"Maine companies need state agencies and local railroads to work together to ensure a reliable rail infrastructure. We are at a competitive disadvantage by location and can not afford rail disruption broadening this gap."

— Brian Sass
Director of Supply Chain
Fraser Papers

Fraser Papers

Madawaska, Maine
720 employees

Fraser Papers is one of the largest employers in Northern Maine. The company produces 480,000 tons of paper each year, shipping to customers throughout the Eastern United States. Over the last 15 to 20 years, Fraser Papers has had to adapt and innovate in order to survive. The same can be said for the manufacturing sector as a whole.

As the company looks at ways to reduce costs, transportation leaps to the forefront. The company's distance from the marketplace amplifies the need to expedite shipping. One way it does this is by shipping 60 percent of its volume by rail. Our goal is to increase this ratio.

"We are at a significant cost disadvantage to our competitors due to our location and distance from customers relative to other papermills. We need reliable and cost-effective transportation systems and rail is a key component for Fraser Papers."

— Brian Sass
Director of Supply Chain

Safe Handling

Auburn, Maine
95 employees

Safe Handling transports hazardous and quality-sensitive bulk materials. Founded nearly two decades ago, the company has earned a reputation for service. Today, Safe Handling contracts with nearly all of the prominent chemical producers servicing the Northeast.

The company faces three key transportation issues. First, while Safe Handling is strategically located

just off the tolled portion of I-95, the Maine Turnpike Authority's current toll structure offsets this advantage. Second, Safe Handling contends that a turnpike connector linking the cluster of companies near the Auburn airport would help the economy. Finally, it is important that the railroads in the State remain strong with continued support of targeted public policies.

"We bring in about 5,000 cars of products (100 tons each) annually. Maine's Industrial Rail Access Program (IRAP) is important because our state is so removed geographically and because rail is so much better for the environment. Maine needs to develop as much rail infrastructure as it can, and the IRAP program is the key."

— Ford Reiche
President

Sappi Fine Paper N.A. Westbrook, So. Portland, & Skowhegan, Maine 500+ employees in Maine

Sappi is a global paper company with customers in more than 100 countries around the world. It is the leading manufacturer of coated fine paper in North America, with an annual capacity of about 1.2 million tons of coated fine, specialty, and technical papers.

Like many Maine companies reliant on trucking, Sappi suffers from

weight limitations on the state's Interstate highways and bridges. Corporate leadership is quick to point out that a safe increase in Interstate weight limits, in alignment with neighboring states, would reduce fuel consumption per unit and minimize congestion on highways.

"Partnerships between the state, transportation providers, and shipping companies will help Maine improve its competitiveness relative to other states by supporting safe, effective movement of goods at reasonable rates."

— Michael G. Segal, P.E.
Director, Logistics
Sappi Fine Paper North America

Sprague Energy

Portland, South Portland, & Searsport, Maine
120 full-time/75 part-time employees

Sprague Energy is one of the largest suppliers of energy and materials handling services in New England — including home heating oil, diesel fuels, residual fuels, gasoline, and natural gas. The company's network of strategically located deepwater terminals also makes it an industry leader for liquid and dry bulk material handling. Effective rail and road access is essential for moving products to

businesses and consumers in a cost-effective manner. Currently, deteriorated rail negatively impacts Sprague's ability to quickly move goods — ultimately, hurting the company's bottom line. Improvements in rail infrastructure would have enormous benefits. We can move about three times as many tons on a railcar as we can on a truck, and considerably more safely.

"Maine's ports serve as the gateway to the global economy. In this highly competitive, cost-conscious world, it is vitally important for that gateway to be accessed as cost-efficiently as possible."

— Jim Therriault
Vice President of Marketing
and Materials Handling







TECHNOLOGY

Maine's economy is in the process of transitioning to one dependent on innovation. Taking a significant step in this direction, Maine voters approved the Legislature's proposed research and economic development bond program in November 2007. Over a two-year period, Maine is investing \$50 million in research, development, and commercialization in the state's seven technology sectors.

Whether it is biotechnology, aquaculture, precision manufacturing, high-tech composites, energy, information technology, or advanced forestry and agriculture clusters, Maine's innovative industries are emerging as leaders in the national and international markets, according to the state's Office of Innovation.

We must enhance Maine's transportation system to support the state's competitiveness in the global, innovation-driven economy.

"The lab has contributed to 17 Nobel Prizes. We work every day to make The Jackson Lab an exciting place to be. We have to rely on folks like the Department of Transportation to do their part in making Maine the place that it can be."

— Charles Hewett, Vice President and Chief Operating Officer
The Jackson Laboratory

Harbor Technologies

Brunswick, Maine
10 employees

Harbor Technologies is part of the emerging composite building materials sector in Maine. The firm produces composite pilings, deck systems, and decking for customers throughout Maine. It strives to maintain low inventory levels and therefore counts on the quick delivery of material when inventory is near depletion.

This can be a challenge, particularly in

summer when Harbor Technologies experiences its peak deliveries along the coast. Congestion on Route 1 through Wiscasset during the height of tourist season exaggerates the cost of doing business because of the amount of money tied up in equipment and labor. Improving traffic, so delivery trucks can reach their destinations in a timely fashion, would save the company significant dollars.

“Transportation is a key part of the success of Harbor Technologies. We rely on some mode of transportation daily. It’s a very critical element of our bottom line.”

— Martin Grimnes
CEO

The Jackson Laboratory

Bar Harbor, Maine
1,300 employees

A leader in genetics research and development, The Jackson Laboratory sets the stage for an innovation-driven Maine economy. In addition to research, the lab is an international educational center, drawing scientists worldwide. The lab also exports mice, shipping 2-3 million annually to about 12,000 laboratories in more than 60 countries including the United States.

Getting mice to customers within 48 hours of receiving an order is critical to success. Today, a lack of east-west connections makes this difficult. Over the next five years, the lab expects to increase staff by 25 to 50 percent. Enhanced air service is paramount in recruiting top talent. In light of the lab’s island location, expanded public transportation to minimize congestion is also needed for local employees.

“There’s no way that the road infrastructure, or for that matter the public transportation infrastructure, is keeping up with our growth. We’ve got to find a better way to get people to their jobs.”

— Charles Hewett
Vice President, COO

National Semiconductor

South Portland, Maine
550 employees

National Semiconductor’s South Portland manufacturing facility makes energy-efficient analog and mixed-signal semiconductors for the personal computing, medical, audio and cell phone markets. The company’s high-tech, well-paying jobs attract workers from all over the state.

With its headquarters in California and assembly plants in Asia, National Semiconductor relies heavily on air service. For business travel in particular, more direct flights from Portland to the West Coast would save time and money.

“Like many large Maine employers, many in National Semiconductor’s work force travel a distance to the job site. We have employees from 75 different towns in Maine and they are dependent on a healthy road system that allows employees to get to work safely and on time during all seasons of the year.”

— Anne Gauthier, Public Affairs Manager

Telford Aviation

Bangor, Maine
96 employees

The Telford Group provides technical and operational support services within the aviation sector. The company has also developed expertise in the operation, maintenance, and development of unmanned aerial systems — a promising growth segment of the aviation industry. As such, the company helps put Maine on the map when it comes

to leading-edge technology.

The Telford Group echoes the need for better infrastructure to move people across the state and goods around the world, and has long advocated for well-maintained road systems and investments in public transportation and port facilities.

“There are no doubt opportunities to be creative and come up with more effective car- or van-pooling and other transport systems than we’ve seen in the past.”

— Bob Ziegelaar
President







TRADITIONAL BUSINESS

Considering Maine’s diverse business landscape, there are a variety of industries that could fall into the traditional category. Perhaps the top three that come to mind, however, are manufacturing, retail, and service. These industries have historically played a vital role in Maine’s economy.

As the state’s traditional businesses continually reinvent themselves and push innovation, so too must the Maine Department of Transportation. We must improve our transportation infrastructure to minimize any transportation disadvantage, to leverage our proximity to the nation’s dense East Coast population and Canadian provinces, and to maximize economic development. Together we can keep Maine moving.

“We are very successful getting our product to our customers, and we couldn’t be world-class if we were doing business in a place that didn’t support our need to transport product. We have to have reliable transport — that’s what L.L. Bean is all about. Movement of product is a significant component in our ability to do business.”

— Tim Cahill, Director of Transportation and Logistics, L.L. Bean

Hannaford Bros. Co.

Scarborough, Maine
7,500 employees

Headquartered in Maine, and one of the state's largest employers, Hannaford Bros. operates about 165 supermarkets in Maine, New Hampshire, New York, Massachusetts, and Vermont. Hannaford is 100 percent reliant upon trucks along its supply chain from its distribution centers to its stores, making the company keenly aware of the costs associated with insufficient and deteriorating roads.

Hannaford's transition to a just-in-time inventory system over the past decade has compounded the company's sensitivity to the state's transportation infrastructure. Specific concerns include bridge repair and preventative maintenance, safe road conditions during winter months, and more rest stops for truckers — all of which are paramount to the company's bottom line and safety.

"Our supply chain is 100% reliant on truck traffic. The business has evolved in the last ten years to an environment of just-in-time inventory, lowering operational cost and ultimately, lowering cost for the consumer."

— Chris Huff
Director of Transportation

L.L. Bean

Freeport, Maine
3,800 employees

L.L. Bean, a global organization with annual sales of \$1.5 billion, began as a one-man operation and today delivers more than 17 million packages each year, in addition to its booming retail center.

Advances in transportation have played an integral role in L.L. Bean's growth, facilitating the shipment of goods, allowing customers to travel

to its flagship store in Freeport, and enhancing outdoor recreation, which drives sales. Auburn's intermodal facility has expedited shipping from Asia, saving L.L. Bean time and money. Short-sea shipping or a rail hook-up between Auburn and Halifax, Nova Scotia, would further position the company to compete in the global economy.

"L.L. Bean continues to count on transportation infrastructure as a linchpin of business growth. The company's use of the intermodal facility in Auburn, for example, gives us what we consider to be a competitive advantage."

— Tim Cahill
Director of Transportation and Logistics

Maine Machine Products Co.

South Paris, Maine
150 employees

Maine Machine Products is located in rural western Maine, but operates globally, providing assemblies and products to semiconductor, telecommunication, defense, oil and gas, and high-tech commercial markets. The company relies upon quality transportation infrastructure to meet the needs of its customers and other various stakeholders.

The company is particularly concerned with improving the state's roads to increase mobility and reduce transit time. Easy access to the Portland Jetport is vital because the company sends people on business by air on a regular basis. In addition, the company frequently airfreights "small pack" and regular freight.

"Widening Route 26 and the addition of passing lanes has greatly facilitated the movement of associates, clients, raw materials, and finished goods."

— David MacMahon
President and CEO

Renys

Newcastle, Maine (with 14 stores throughout the state)
400-500 employees

Established nearly 60 years ago, with stores in 13 Maine communities, Renys upholds the tradition of buying locally. A lot has changed throughout its history, most dramatically the advent of big-box competitors. Renys's ability to compete and thrive depends heavily on transportation.

Unlike big-box retailers, Renys downtown locations mean issues of inadequate parking, tight delivery

spaces, and obstructed pedestrian walkways — mostly during snowstorms. But, the company can't go it alone; it needs the state to collaborate on creative solutions for the sake of business and preserving Maine's downtowns. Renys also takes road conditions, truck routes and delivery schedules very seriously, as they can directly result in increased payroll, delayed deliveries, and system inefficiencies that cannot be recouped.

"Businesses need efficient transportation options to be profitable, while all of us want bike paths, safe sidewalks, and slower traffic around our streets. It is important that we accommodate both needs and wants. Without different modes of people-friendly transportation, we will ultimately turn very livable communities into nothing more than car-dominated developments."

— Mary Kate Reny
Property and Operations Manager

Tex Tech

Monmouth, Maine
260 employees in Maine (350 total worldwide)

Tex Tech is a high-performance textile manufacturer with annual sales of \$60 million. The company's flagship Maine facility manufactures more than 3,700 different products.

Tex Tech receives about 600,000 pounds of raw materials every month — the vast majority arriving on tractor-trailer trucks. Route 132, the road connecting Tex Tech's factory

with the Maine Turnpike, is narrow and not designed for such vehicles. Building the road to modern standards would make travel less hazardous and more direct. Route 132 also presents difficulty for Tex Tech's commuting workforce which is located primarily throughout central Maine but stretches to areas as far away as the coast.

"During the winter and especially in the spring, the road is fraught with dips, frost heaves, and potholes. The commute can be dangerous, especially because many employees must travel late at night or early in the morning, as the company's manufacturing operations are continuous, 24 hours a day, seven days a week."

— David Erb
Director of Research and Development

Wasco Products

Sanford, Maine
85 employees

Wasco is one of America's largest skylight manufacturers and is growing. In the next three years, the family-owned company looks to expand by 35-50 percent. Its aggressive growth strategy depends on a reliable transportation infrastructure.

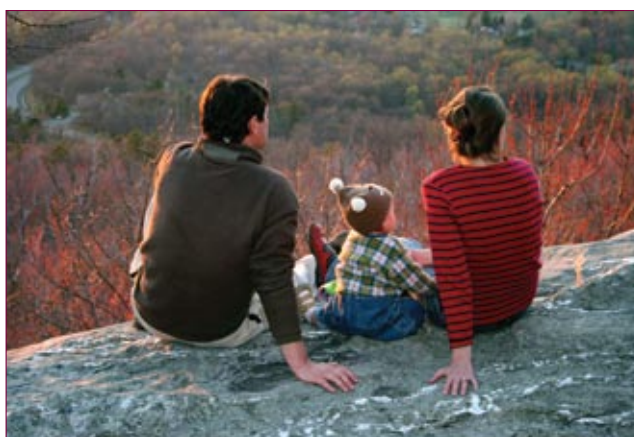
In 2006, Wasco made nearly 800 shipments totaling about 400,000 pounds to 43 states. As these numbers

increase, moving freight without delay will play an even more pivotal role in the company's success. Trucking remains the dominant mode of transportation for freight into, within, and out of Maine. In addition to supporting businesses like Wasco, trucking improves the state economy. In 2004, the industry provided nearly 40,000 jobs, which translated to \$1.2 billion in wages.

"In order to grow our workforce, we need to reach out across a wider geographic area to recruit employees. That means roads need to support an increasing volume of commuters. Increasing in and outbound freight will also exacerbate the issue of roads, going forward."

— Chris Magnuson
President & Chairman





The Future We Picture

Transportation touches every aspect of life in Maine and is the underpinning of our economy. It affects all commerce big and small, from businesses competing successfully in global trade to the local farmers' markets providing locally grown and transported produce.

Protecting and enhancing Maine's transportation system is vital because, ultimately, transportation is about people. We must invest today to secure a stronger tomorrow.

While transportation investments entail large up-front expenditures, the payoffs are tremendous, multi-faceted, and long-term. These investments are integral to our safety, our quality of life, our environment, and our economy.

During our public dialogue, we heard loud and clear that Maine's people and businesses understand what is at stake. They recognize the latent opportunities in a viable transportation system, and they want Maine to invest in a big way.

In the next 10 years alone, an estimated \$2.6 to \$3.8 billion gap exists, according to Maine's long-range transportation plan, "Connecting Maine." In a MaineDOT-commissioned report entitled "Changes to the Maine Economy from

¹Based on gasoline prices of \$2 to \$3 per gallon.

Strategic Investments in the Transportation System," economist Charles S. Colgan, Ph.D. concluded that if \$1.7 billion dollars were invested in certain transportation improvements, over 2,500¹ permanent jobs would be added to Maine's workforce.

Maine is now at a crossroads. We have three choices: we can make the transportation investments necessary to support a healthy economy, we can continue to maintain our infrastructure at its current performance, or we can maintain current funding levels and experience further declines in conditions.

Maine's transportation system is losing ground under today's funding model. The user-based fuel tax is not keeping pace, and costs for petroleum-based products that support our transportation system will continue to increase in the long term. The current funding structure is unable to sustain the growing demands of our aging, largely mono-modal and inefficient transportation network. By addressing these funding challenges, we will be able to make the necessary investments in a more modern transportation system — one that can support strong, healthy communities and a vigorous economy for future generations of Maine citizens.



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