
S&P Global Ratings

x

On April 28, 2016, the name Standard & Poor's Ratings Services was changed to S&P Global Ratings. Until all content is re-branded, you will continue to see references to Standard & Poor's Ratings Services on our web site, in historical documents, and in some of our disclosures.

Maine Turnpike Authority's 2014 Special Obligation Bonds Upgraded To 'A+' On Application Of Criteria

23-May-2016 09:48 EDT

[View Analyst Contact Information](#)

NEW YORK (S&P Global Ratings) May 23, 2016--S&P Global Ratings has raised its rating on Maine Turnpike Authority's (MTA) series 2014 special obligation bonds (subordinate lien) to 'A+' from 'A'. At the same time, S&P Global Ratings affirmed its 'AA-' rating on the authority's senior-lien turnpike revenue bonds. The outlook is stable.

We base the upgrade on the application of our criteria, "[Assigning Issue Credit Ratings Of Operating Entities](#)", published May 20, 2015, on RatingsDirect. "Under this criteria, we typically rate subordinate-lien obligations one notch below the issuer credit and senior-lien ratings," said S&P Global Ratings credit analyst Peter Murphy.

The 'AA-' rating reflects our opinion of the MTA's:

Good historical financial performance, which we expect to remain so;
A moderate debt burden, which we expect to continue given the MTA's debt plans;

Relatively strong market position, with the turnpike representing a gateway for the southernmost tip of coastal Maine as a result of the limited number of competing free roads within the service area;
Stable long-term traffic growth, and good historical growth in toll revenues, with a compound annual growth rate of 5.7% from fiscal years 2011-2015, due in part to toll rate increases in 2012; and
Good rate-setting flexibility, due to what we believe to be a relatively low cost-per-mile for passenger cars.

In our opinion, somewhat offsetting these credit strengths are seasonal fluctuations in traffic, reflecting the importance of tourism to the authority's operations.

The Maine Turnpike covers approximately 109 miles from the New Hampshire-Maine border at the Piscataqua River northward to Augusta, Maine, providing access to the highly recreational coastal area between York and Portland. The turnpike is a closed-barrier and entry toll collection system, and has electronic collection. It has four mainline and 15 ramp toll plazas.

The stable outlook reflects our expectation that, over the next two years, good budgeting practices and recent strong traffic growth will enable the MTA to maintain strong DSC, as it has forecast.

We do not expect to raise the rating within the two-year outlook period because we expect financial and operating performance to remain consistent with the ratings. However, if DSC levels increase significantly above forecast, we could raise the rating by one notch.

Although unlikely, given the authority's current debt plans, we could lower the rating if DSC declined significantly, due to an increase in annual debt service burden or a significant decline in traffic levels that substantially affected toll revenues.

RELATED CRITERIA AND RESEARCH

Related Criteria

Criteria: [Toll Road And Bridge Revenue Bonds In The U.S. And Canada](#), Feb. 25, 2014

USPF Criteria: [Methodology: Definitions And Related Analytic Practices For Covenant And Payment Provisions In U.S. Public Finance Revenue Obligations](#), Nov. 29, 2011

USPF Criteria: [Assigning Issue Credit Ratings Of Operating Entities](#), May 20, 2015

Criteria: [Use of CreditWatch And Outlooks](#), Sept. 14, 2009

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Primary Credit Analyst: Peter V Murphy, New York (1) 212-438-2065;
peter.murphy@spglobal.com

Secondary Contact: Joseph J Pezzimenti, New York (1) 212-438-2038;
joseph.pezzimenti@spglobal.com

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an

investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact S&P Global Ratings, Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to: research_request@spglobal.com.

[Legal Disclaimers](#)

[Careers at S&P Global Ratings](#)

[Terms of Use](#)

[Privacy and Cookie Notice](#)

Copyright © 2016 Standard & Poor's Financial Services LLC. All rights reserved.

Reproduction and distribution of this information in any form is prohibited except with the prior written permission of Standard & Poor's Financial Services LLC and its affiliates (together, "S&P"). S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of this information, including ratings. S&P ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Please read our complete disclaimer [here](#).