NEW ISSUE – BOOK–ENTRY–ONLY **Ratings: (See "Ratings" herein)**

*In the opinion of Co-Bond Counsel, under existing law, interest (including accrued original issue discount) on the 2014A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, such interest is taken into account in determining adjusted current earnings for purposes of the federal alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes). For the purpose of rendering its opinion, Co-Bond Counsel has assumed compliance by the Commission and by PennDOT with the requirements of the Internal Revenue Code of 1986, as amended (the "**Code**") as described in "TAX MATTERS" herein. In the opinion of Co-Bond Counsel, under existing law, the 2014A Bonds are exempt from personal property taxes in Pennsylvania, and the interest on the 2014A Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.*

PENNSYLVANIA TURNPIKE COMMISSION

$148,300,359.25
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014
consisting of
$108,050,000 Sub-Series A-1
$25,300,166.35 Sub-Series A-2 (Convertible Capital Appreciation Bonds)
$14,950,192.90 Sub-Series A-3 (Capital Appreciation Bonds)
and
$59,739,936.20
MOTOR LICENSE FUND-ENHANCED TURNPIKE SUBORDINATE SPECIAL REVENUE BONDS, SERIES A OF 2014
(Convertible Capital Appreciation Bonds)

PENNA TURN PIKE

Dated: Date of Delivery **Due: See pages (i) and (ii)**

The Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Sub-Series A-1 of 2014 (the "***2014A Subordinate Bonds***"), Turnpike Subordinate Revenue Bonds, Sub-Series A-2 of 2014 (Convertible Capital Appreciation Bonds) (the "***2014A Subordinate Convertible Capital Appreciation Bonds***") and Turnpike Subordinate Revenue Bonds, Sub-Series A-3 of 2014 (Capital Appreciation Bonds) (the "***2014A Subordinate Capital Appreciation Bonds***" and, collectively with the 2014A Subordinate Bonds and the 2014A Subordinate Convertible Capital Appreciation Bonds, the "**2014A Subordinate Revenue Bonds**") and the Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2014 (Convertible Capital Appreciation Bonds) (the "***2014A MLF Subordinate Special Revenue Bonds***") (the 2014A Subordinate Revenue Bonds and 2014A MLF Subordinate Special Revenue Bonds shall collectively be referred to herein as the "***2014A Bonds***") are being issued pursuant to that certain Subordinate Trust Indenture dated as of April 1, 2008 (the "***Original Subordinate Indenture***") between the Pennsylvania Turnpike Commission (the "***Commission***") and Wells Fargo Bank, N.A., as trustee (the "***Trustee***") as heretofore amended and supplemented (collectively, the "***Original Indenture***"), and as further amended by that certain Supplemental Trust Indenture No. 16 dated as of April 1, 2014 ("***Supplemental Subordinate Indenture No. 16***" and, collectively with the Original Indenture, the "***Subordinate Indenture***"), all pursuant to, among other things, an Act of the General Assembly of Pennsylvania approved July 18, 2007, PL. 169, No. 44 ("***Act 44***"), the Act of November 25, 2013, P.L. 974, No. 89 ("***Act 89***"), and various other acts of the General Assembly of Pennsylvania.

The 2014A Bonds will be dated the date of initial issuance and delivery thereof and will bear interest from their delivery date at the rates (or compound interest at the yields) shown on pages (i) and (ii), calculated on the basis of a year of 360 days consisting of twelve 30-day months. The 2014A Subordinate Bonds are being issued as current interest bonds, the 2014A Subordinate Capital Appreciation Bonds are being issued as capital appreciation bonds, and the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds are being issued as convertible capital appreciation bonds. Pages (i) and (ii) of this Official Statement contain information concerning the maturity schedules, principal amounts (or, in the case of the 2014A Subordinate Convertible Capital Appreciation Bonds, the 2014A Subordinate Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds, initial principal amounts), interest rates, prices and approximate yields of the 2014A Bonds. So long as Cede & Co. is the registered owner of the 2014A Bonds, payments of principal of and interest, if applicable, on the 2014A Bonds will be made directly by the Trustee, as paying agent (in such capacity, the "***Paying Agent***") under the Subordinate Indenture, as described herein. See "DESCRIPTION OF THE 2014A BONDS."

The 2014A Bonds will be subject to optional and mandatory sinking fund redemption prior to maturity as described herein.

The scheduled payment of the Compounded Amount (as defined hereinafter) with respect to and interest on, as applicable, the 2014A Subordinate Capital Appreciation Bonds maturing December 1, 2040 in the initial principal amount of $2,865,116.50 (the "***Insured 2014A Subordinate Capital Appreciation Bonds***") and the 2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2037 in the initial principal amount of $7,081,200 (the "***Insured 2014A MLF Subordinate Special Revenue Bonds***" and, together with the Insured 2014A Subordinate Capital Appreciation Bonds, the "*Insured 2014A Bonds*") when due will be guaranteed under two insurance policies (collectively, the "***Policy***") to be issued concurrently with the delivery of the 2014A Bonds by

ASSURED GUARANTY MUNICIPAL CORP.

THE 2014A BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION, PAYABLE FROM THE REVENUES AND SOURCES SET FORTH IN THE SUBORDINATE INDENTURE, AND SHALL NOT BE DEEMED TO BE A DEBT OF THE COMMONWEALTH OF PENNSYLVANIA (THE "*COMMONWEALTH*") OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH. THE COMMONWEALTH IS NOT OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR PAYMENT OF THE 2014A BONDS OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE 2014A BONDS. THE COMMISSION HAS NO TAXING POWER.

The 2014A Subordinate Revenue Bonds will be equally and ratably secured, along with other outstanding and additional Subordinate Revenue Bonds (herein defined) and certain other parity obligations, and the 2014A MLF Subordinate Special Revenue Bonds will be equally and ratably secured, along with other outstanding and additional Special Revenue Bonds (herein defined) and certain other parity obligations, pursuant to the pledge by the Commission of the trust estate under the Subordinate Indenture. The Subordinate Indenture pledges to the Trustee for the benefit of the 2014A Bonds, together with all outstanding and all additional Subordinate Indenture Bonds (herein defined) and parity obligations, Commission Payments (herein defined). Commission Payments are paid from amounts paid from the General Reserve Fund (herein defined) after the payment of all outstanding Senior Indenture Parity Obligations (herein defined) issued under the Senior Indenture (herein defined), and thus the 2014A Bonds are subordinate to the payment of such Senior Indenture Parity Obligations. As more fully described herein, the 2014A MLF Subordinate Special Revenue Bonds are subordinate to the 2014A Subordinate Revenue Bonds and to all other Subordinate Revenue Bonds issued or to be issued under the Subordinate Indenture. However, under certain circumstances, payments of the 2014A MLF Subordinate Special Revenue Bonds for which funds are not available in the Commission Payments Fund (herein defined) may be made pursuant to Act 44 from funds transferred to the Trustee from the Commonwealth's Motor License Fund. The 2014A Subordinate Revenue Bonds are not payable from funds transferred from the Commonwealth's Motor License Fund.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The 2014A Bonds are being offered when, as and if issued and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, to certain legal matters being passed upon by Clark Hill Thorp Reed, Pittsburgh, Pennsylvania and Raffaele & Puppio, LLP, Media, Pennsylvania, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Campbell & Levine, LLC, Pittsburgh, Pennsylvania, Counsel for the Underwriters. Certain legal matters will be passed upon for the Commission by its Chief Counsel, Doreen A. McCall, Esquire, and by Dilworth Paxson LLP, Philadelphia, Pennsylvania, Disclosure Counsel to the Commission. It is anticipated that the 2014A Bonds will be available for delivery in New York, New York on or about April 29, 2014.

* The Commission acknowledges that the financing structure of the 2014A Bonds is derived from the Commission's sale of the 2014A Bonds pursuant to a Bond Purchase Agreement dated as of April 23, 2014 by and between the Commission and Morgan Stanley & Co. LLC, as Representative of the Underwriters.

MORGAN STANLEY

Loop Capital Markets **BofA Merrill Lynch**

Drexel Hamilton, LLC **Quoin Capital** **Jefferies LLC**

This Official Statement is dated April 23, 2014.

$148,300,359.25
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014

$108,050,000
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014, SUB-SERIES A-1

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP** (709224)
2014	$330,000	2.000%	0.360%	100.963	CV9
2015	185,000	3.000%	0.460%	104.016	CW7
2016	585,000	3.000%	0.740%	105.784	CX5
2017	1,025,000	4.000%	1.100%	110.176	CY3
2018	1,515,000	4.000%	1.480%	111.139	CZ0
2019	2,060,000	5.000%	1.870%	116.535	DA4
2020	2,680,000	5.000%	2.260%	116.684	DB2
2021	3,375,000	5.000%	2.610%	116.355	DC0
2023	650,000	5.000%	3.020%	116.375	DD8
2024	305,000	5.000%	3.190%	116.153	DE6
2029	4,030,000	5.000%	3.790%	110.469*	DF3
2030	4,260,000	5.000%	3.870%	109.737*	DG1
2031	4,485,000	5.000%	3.950%	109.011*	DH9
2032	4,620,000	5.000%	4.040%	108.200*	DJ5
2033	4,745,000	5.000%	4.110%	107.575*	DN6
2034	4,895,000	4.125%	4.220%	98.698	DK2

$29,515,000 - 5.000% Term Bonds due December 1, 2038; Yield: 4.310%; Price: 105.813*; CUSIP:709224DL0**

$38,790,000 - 5.000% Term Bonds due December 1, 2043; Yield: 4.400%; Price: 105.031*; CUSIP:709224DM8**

$25,300,166.35
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014, SUB-SERIES A-2
(Convertible Capital Appreciation Bonds)†

Maturity Date (December 1)	Initial Principal Amount	Compounded Amount as of 06/01/2024 and Amount Due at Maturity	Interest Rate	Price	CUSIP** (709224)
2039	$14,899,220.25	$24,825,000	5.125%	59.833	DP1
2040	10,400,946.10	17,330,000	5.125%	59.580	DQ9

$14,950,192.90
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014, SUB-SERIES A-3
(Capital Appreciation Bonds) ††

Maturity Date (December 1)	Initial Principal Amount	Amount Due at Maturity	Yield	Price	CUSIP** (709224)
2040***	$2,865,116.50	$11,365,000	5.250%	25.210	DR7
2041	7,411,518.80	32,410,000	5.420%	22.868	DS5
2042	4,673,557.60	21,680,000	5.440%	21.557	DT3

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† Interest on the 2014A Subordinate Convertible Capital Appreciation Bonds will compound from their date of delivery to June 1, 2024 (as applicable to the 2014A Subordinate Convertible Capital Appreciation Bonds, the "***Current Interest Commencement Date***"). Prior to the Current Interest Commencement Date, interest will not be paid on a current basis, but will be added to the principal on each June 1 and December 1, commencing on June 1, 2014 (each a "***Compounding Date***") (such initial principal amount plus accretion of principal compounding on each Compounding Date to the Current Interest Commencement Date being, with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds at any particular time, the "***Compounded Amount***" thereof at such time), and such interest will be treated as if accruing in equal daily amounts between Compounding Dates, until paid at maturity or upon prior redemption. See "DESCRIPTION OF THE 2014A BONDS." The Compounded Amount will be paid at maturity or earlier redemption. After the Current Interest Commencement Date, interest on the 2014A Subordinate Convertible Capital Appreciation Bonds will be payable on a current basis on each June 1 and December 1, commencing on December 1, 2024.

†† Interest on the 2014A Subordinate Capital Appreciation Bonds will compound from their date of delivery to the date of maturity thereof. Interest will not be paid on a current basis, but will be added to the principal on each June 1 and December 1, commencing on June 1, 2014 (each a "***Compounding Date***") (such initial principal amount plus accretion of principal compounding on each Compounding Date being, with respect to the 2014A Subordinate Capital Appreciation Bonds at any particular time, the "***Compounded Amount***" thereof at such time), and such interest will be treated as if accruing in equal daily amounts between Compounding Dates, until paid at maturity or upon prior redemption. See "DESCRIPTION OF THE 2014A BONDS." The Compounded Amount will be paid at maturity or earlier redemption.

* Priced to the first optional redemption date of December 1, 2024 at par.

** The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Commission or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Commission or the Underwriters has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*** Maturity is insured by the Policy (the 2014A Subordinate Capital Appreciation Bonds of such maturity are referred to herein as the "***Insured 2014A Subordinate Capital Appreciation Bonds***").

$59,739,936.20
MOTOR LICENSE FUND-ENHANCED TURNPIKE SUBORDINATE SPECIAL REVENUE BONDS, SERIES A OF 2014
(Convertible Capital Appreciation Bonds)†

Maturity Date (December 1)	Initial Principal Amount	Compounded Amount as of 12/01/2021 and Amount Due at Maturity	Interest Rate	Price	CUSIP†† (709224)
2034	$17,128,493.90	$24,010,000	4.500%	70.608	DW6
2037*	7,081,200.00	10,000,000	4.600%	70.548	DU0
2037	23,403,691.80	33,420,000	4.750%	69.770	DX4
2044	12,126,550.50	17,510,000	4.900%	68.528	DV8

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† Maturities shown are term bonds. Interest on the 2014A MLF Subordinate Special Revenue Bonds will compound from their date of delivery to December 1, 2021 (as applicable to the 2014A MLF Subordinate Special Revenue Bonds, the "***Current Interest Commencement Date***"). Prior to the Current Interest Commencement Date, interest will not be paid on a current basis, but will be added to the principal on each June 1 and December 1, commencing on June 1, 2014 (each a "***Compounding Date***") (such initial principal amount plus accretion of principal compounding on each Compounding Date to the Current Interest Commencement Date being, with respect to the 2014A MLF Subordinate Special Revenue Bonds at any particular time, the "***Compounded Amount***" thereof at such time), and such interest will be treated as if accruing in equal daily amounts between Compounding Dates, until paid at maturity or upon prior redemption. See "DESCRIPTION OF THE 2014A BONDS." The Compounded Amount will be paid at maturity or earlier redemption. After the Current Interest Commencement Date, interest on the 2014A MLF Subordinate Special Revenue Bonds will be payable on a current basis on each June 1 and December 1, commencing on June 1, 2022.

†† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Commission or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Commission or the Underwriters has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

* Maturity is insured by the Policy (the 2014A MLF Subordinate Special Revenue Bonds of such maturity are referred to herein as the "***Insured 2014A MLF Subordinate Special Revenue Bonds***").

PENNSYLVANIA TURNPIKE COMMISSION

COMMISSIONERS

WILLIAM K. LIEBERMAN
Chairman

A. MICHAEL PRATT
Vice Chairman

PASQUALE T. DEON, SR.
Secretary/Treasurer

SEAN LOGAN
Commissioner

BARRY J. SCHOCH
Commissioner

MARK COMPTON
Chief Executive Officer

CRAIG R. SHUEY
Chief Operating Officer

NIKOLAUS H. GRIESHABER
Chief Financial Officer

BRADLEY J. HEIGEL
Chief Engineer

DOREEN A. MCCALL
Chief Counsel

WELLS FARGO BANK, N.A.
Trustee and Paying Agent

PUBLIC FINANCIAL MANAGEMENT, INC.
Financial Advisor

G-ENTRY PRINCIPLE, P.C.
Co-Financial Advisor

No dealer, broker, salesman or other person has been authorized by the Commission or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any or either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2014A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Commission and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as representations by, the Underwriters. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The 2014A Bonds are not and will not be registered under the Securities Act of 1933, or under any state securities laws, and the Subordinate Indenture has not been and will not be qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom. Neither the United States Securities and Exchange Commission (the "***SEC***") nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No quotations from or summaries or explanations of provisions of law and documents herein purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the securities described herein. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly, so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, list of officials, this page and the Appendices attached hereto are part of this Official Statement.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the amount of tolls and other revenue collected by the Commission include, among others, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the Commission. Such forward-looking statements speak only as of the date of this Official Statement. The Commission disclaims any obligation or undertaking to release publicly any updates or revision to any forward- looking statement contained herein to reflect any changes in the Commission's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2014A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE COMMISSION RESERVES THE RIGHT TO INCREASE THE SIZE OF THIS OFFERING SUBJECT TO PREVAILING MARKET CONDITIONS. THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2014A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

Assured Guaranty Municipal Corp. ("***AGM***") makes no representation regarding the 2014A Bonds or the advisability of investing in the 2014A Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and APPENDIX K – "Specimen Municipal Bond Insurance Policy".

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OFFICIAL STATEMENT

$148,300,359.25
PENNSYLVANIA TURNPIKE COMMISSION
TURNPIKE SUBORDINATE REVENUE BONDS, SERIES A OF 2014
(consisting of Sub-Series A-1, Sub-Series A-2 and Sub-Series A-3)

and

$59,739,936.20
MOTOR LICENSE FUND-ENHANCED TURNPIKE SUBORDINATE SPECIAL REVENUE BONDS, SERIES A OF 2014
(Convertible Capital Appreciation Bonds)

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, is furnished by the Pennsylvania Turnpike Commission (the "***Commission***") in connection with the issuance of $148,300,359.25 aggregate principal amount of Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Series A of 2014, consisting of $108,050,000 aggregate principal amount of Turnpike Subordinate Revenue Bonds, Sub-Series A-1 of 2014 (the "***2014A Subordinate Bonds***"), $25,300,166.35 aggregate initial principal amount of Turnpike Subordinate Revenue Bonds, Sub-Series A-2 of 2014 (Convertible Capital Appreciation Bonds) (the "***2014A Subordinate Convertible Capital Appreciation Bonds***") and $14,950,192.90 aggregate initial principal amount of Turnpike Subordinate Revenue Bonds, Sub-Series A-3 of 2014 (Capital Appreciation Bonds) (the "***2014A Subordinate Capital Appreciation Bonds***" and, collectively with the 2014A Subordinate Bonds and the 2014A Subordinate Convertible Capital Appreciation Bonds, the "***2014A Subordinate Revenue Bonds***"), and $59,739,936.20 aggregate initial principal amount of Pennsylvania Turnpike Commission Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2014 (Convertible Capital Appreciation Bonds) (the "***2014A MLF Subordinate Special Revenue Bonds***") (the 2014A Subordinate Revenue Bonds and the 2014A MLF Subordinate Special Revenue Bonds are referred to collectively hereinafter as the "***2014A Bonds***").

All capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the definitions set forth in either APPENDIX C − "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE" or APPENDIX E − "SUMMARY OF CERTAIN PROVISIONS OF AND DEFINED TERMS IN THE SENIOR INDENTURE." All references herein to the Enabling Acts (as defined below), the 2014A Bonds, the Subordinate Indenture (as defined below) and the Disclosure Undertaking (as defined below) are qualified in their entirety by reference to the complete texts thereof. Copies of drafts of such documents, except for the Enabling Acts, may be obtained during the initial offering period from the principal offices of the Underwriters and thereafter, executed copies may be obtained from Wells Fargo Bank, N.A., successor to TD Bank, National Association, as Trustee (the "***Trustee***"). All statements in this Official Statement involving matters of opinion, estimates, forecasts, projections or the like, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

THIS OFFICIAL STATEMENT PROVIDES CERTAIN INFORMATION CONCERNING THE 2014A BONDS AS OF THE DATE OF THIS OFFICIAL STATEMENT. OWNERS AND PROSPECTIVE PURCHASERS OF THE 2014A BONDS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT FOR INFORMATION CONCERNING THE 2014A BONDS ON AND AFTER ANY SUCH DATE, BUT SHOULD LOOK TO ANY REVISIONS, AMENDMENTS, SUPPLEMENTS OR SUBSTITUTIONS HEREOF FOR INFORMATION CONCERNING THE 2014A BONDS ON OR AFTER ANY SUCH DATE.

Pennsylvania Turnpike Commission

The Commission is an instrumentality of the Commonwealth of Pennsylvania (the "***Commonwealth***") created by the Enabling Acts, with the power to construct, operate and maintain the System (as defined below) and to perform other functions authorized by Act 44 (as defined below). Its composition, powers, duties, functions, duration and all other attributes are derived from the Enabling Acts as amended and supplemented from time to time. See APPENDIX A, "THE PENNSYLVANIA TURNPIKE COMMISSION" herein. Except as provided therein, the Enabling Acts may be modified, extended, suspended or terminated at any time by further legislation.

Subordinate Indenture and Enabling Acts

The 2014A Bonds are being issued pursuant to that certain Subordinate Trust Indenture dated as of April 1, 2008 (the "***Original Subordinate Indenture***") between the Commission and the Trustee, as heretofore amended and supplemented (collectively, the "***Original Indenture***"), and as further supplemented by that certain Supplemental Trust Indenture No. 16 dated as of April 1, 2014 ("***Supplemental Subordinate Indenture No. 16***" and, collectively with the Original Indenture, the "***Subordinate Indenture***"), all pursuant to, and as authorized by, an Act of the General Assembly of Pennsylvania approved on July 18, 2007, P.L. 169, No. 44 ("***Act 44***"), and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P.L. 774, Act 211; the Act of May 24, 1945, P.L. 972; the Act of February 26, 1947, P.L. 17; the Act of May 23, 1951, P.L. 335; the Act of August 14, 1951, P.L. 1232; and the Act of September 30, 1985, P.L. 240, No. 61 ("***Act 61***") to the extent not repealed by Act 44, and the Act of November 25, 2013, P.L. 974, No. 89 ("***Act 89***") (all such Acts are referred to hereinafter collectively as the "***Enabling Acts***") and a Resolution adopted by the Commission on February 18, 2014.

Plan of Financing

The 2014A Subordinate Revenue Bonds are being issued to provide funds, together with an equity contribution by the Commission, to finance the costs of (i) making payments to the Pennsylvania Department of Transportation ("***PennDOT***") in accordance with Act 44 and Act 89 to fund certain grants to mass transit agencies and for certain multi-modal transportation projects, (ii) funding any necessary deposit to the Debt Service Reserve Fund under the Subordinate Indenture in respect of the 2014A Subordinate Revenue Bonds and (iii) issuing the 2014A Subordinate Revenue Bonds. The Commission intends to provide an equity contribution in the amount of $25,000,000 to fund a portion of the Act 44 payments directed to grants to mass transit agencies.

The 2014A MLF Subordinate Special Revenue Bonds are being issued to provide funds to finance the costs of (i) making payments to PennDOT in accordance with Act 44 to fund various road, highway, bridge and capital projects, (ii) funding a deposit to the Special Revenue Bonds Funded Debt Service Sub-Account and (iii) issuing the 2014A MLF Subordinate Special Revenue Bonds.

Security

THE 2014A BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION PAYABLE FROM THE REVENUES AND SOURCES SET FORTH IN THE SUBORDINATE INDENTURE AND SHALL NOT BE DEEMED TO BE A DEBT OF THE COMMONWEALTH OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH. THE COMMONWEALTH IS NOT OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE 2014A BONDS OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF ANY OF THE 2014A BONDS. THE COMMISSION HAS NO TAXING POWER.

THE 2014A BONDS AND ALL OTHER SUBORDINATE INDENTURE BONDS ARE SUBORDINATED IN RIGHT OF PAYMENT TO THE PRIOR RIGHT OF PAYMENT OF ALL SENIOR INDENTURE PARITY OBLIGATIONS. THE PAYMENT OF THE 2014A BONDS AND ALL OTHER SUBORDINATE INDENTURE BONDS IS DEPENDENT UPON THE SUFFICIENCY OF FUNDS AVAILABLE TO BE RELEASED FROM THE SENIOR INDENTURE AFTER THE PAYMENT OF ALL AMOUNTS DUE IN RESPECT OF THE SENIOR INDENTURE PARITY OBLIGATIONS AS PROVIDED IN THE SENIOR INDENTURE, ALL AS FURTHER DESCRIBED HEREIN.

Security for the 2014A Subordinate Revenue Bonds.

The 2014A Subordinate Revenue Bonds are being issued under the Subordinate Indenture as "Revenue Bonds" (referred to for purposes of this Official Statement as "***Subordinate Revenue Bonds***") and will be equally and ratably secured, along with each other series of Subordinate Revenue Bonds issued pursuant to the Subordinate Indenture and certain other obligations incurred as "Revenue Bonds Parity Obligations" under the Subordinate Indenture (referred to for purposes of this Official Statement as "***Subordinate Revenue Bonds Parity Obligations***"), by a pledge by the Commission of the Trust Estate consisting primarily of Commission Payments from amounts released from the General Reserve Fund after the payment of all Senior Indenture Parity Obligations (as defined in APPENDIX E) issued under the Amended and Restated Trust Indenture, originally dated as of July 1, 1986 and amended and restated as of March 1, 2001 (as it may be further amended, supplemented or replaced, the "***Senior Indenture***"), between the Commission and U.S. Bank National Association, as successor trustee (the "***Senior Trustee***"), relating to the Commission's mainline toll revenue bonds. All Commission Payments released from the General Reserve Fund under the Senior Indenture are deposited into the Commission Payments Fund under the Subordinate Indenture and are available for the payment of all Subordinate Revenue Bonds Parity Obligations in accordance with the Subordinate Indenture.

The 2014A Subordinate Revenue Bonds are Debt Service Reserve Fund Bonds for the purpose of the Subordinate Indenture and, accordingly, are secured by moneys on deposit in the Debt Service Reserve Fund as more fully described in "SECURITY FOR THE 2014A BONDS - Debt Service Reserve Fund." In addition, the 2014A Subordinate Capital Appreciation Bonds maturing December 1, 2040 in the initial principal amount of $2,865,116.50 (the "***Insured 2014A Subordinate Capital Appreciation Bonds***") will be secured by the Policy. See "BOND INSURANCE".

Following the issuance of the 2014A Bonds, the Commission will have $3,796,395,717.85 of Subordinate Revenue Bonds outstanding (including compounded amounts as of December 1, 2013 for outstanding capital appreciation bonds).

Security for the 2014A MLF Subordinate Special Revenue Bonds.

The 2014A MLF Subordinate Special Revenue Bonds are being issued under the Subordinate Indenture as "Special Revenue Bonds" (the "***Special Revenue Bonds***") which are subordinate to the Senior Indenture Parity Obligations, the 2014A Subordinate Revenue Bonds, and all other Subordinate Revenue Bonds Parity Obligations. Under certain circumstances, payments on the 2014A MLF Subordinate Special Revenue Bonds for which funds are not available in the Commission Payments Fund may be paid, pursuant to Act 44, from funds transferred to the Trustee from the Commonwealth's Motor License Fund. The 2014A MLF Subordinate Special Revenue Bonds are equally and ratably secured with each other series of Special Revenue Bonds issued pursuant to the Subordinate Indenture and any Special Revenue Bonds Parity Obligations.

In addition, the 2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2037 in the initial principal amount of $7,081,200.00 (the "***Insured 2014A MLF Subordinate Special Revenue Bonds***" and, together with the Insured 2014A Subordinate Capital Appreciation Bonds, the "***Insured 2014A Bonds***") will be secured by the Policy. See "BOND INSURANCE".

Following the issuance of the 2014A Bonds, the Commission will have $964,694,959.55 of Special Revenue Bonds outstanding (including compounded amounts as of December 1, 2013 for outstanding capital appreciation bonds).

See "SECURITY FOR THE 2014A BONDS — Special Revenue Bonds" for a description of the Special Revenue Bonds. See also APPENDIX H — "CERTAIN INFORMATION REGARDING COMMONWEALTH MOTOR LICENSE FUND."

The 2014A MLF Subordinate Special Revenue Bonds are not secured by the Debt Service Reserve Fund under the Subordinate Indenture.

DESCRIPTION OF THE 2014A BONDS

General

The 2014A Bonds are being issued by the Commission pursuant to the Enabling Acts and the Subordinate Indenture and will be dated the date of their issuance and delivery. The 2014A Bonds will be issued in the principal amounts (or, in the case of the 2014A Subordinate Convertible Capital Appreciation Bonds, the 2014A Subordinate Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds, initial principal amounts), bearing interest at the rates or compounding at the yields, paying interest on the dates, and maturing (subject to the rights of prior redemption described below) on the dates, all as shown on pages (i) and (ii) of this Official Statement.

The 2014A Subordinate Convertible Capital Appreciation Bonds and 2014A MLF Subordinate Special Revenue Bonds (collectively, the "***2014A Convertible Capital Appreciation Bonds***") consist of convertible capital appreciation bonds. For purposes of this Official Statement, except where specifically noted to the contrary, references to "principal" or "principal amount" shall mean, in the case of 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds at any time, the Compounded Amount thereof at such time. The "***Compounded Amount***" shall mean, on any date and with respect to any 2014A Subordinate Convertible Capital Appreciation Bond and any 2014A MLF Subordinate Special Revenue Bond, the initial principal amount at issuance of such 2014A Subordinate Convertible Capital Appreciation Bond and 2014A MLF Subordinate Special Revenue Bond plus accretion of principal, compounding on each Compounding Date to the Current Interest Commencement Date at the same interest rate as shall produce a compounded amount on such date of maturity or Current Interest Commencement Date, as applicable, equal to the principal amount thereof on such date; provided that the Compounded Amount on any day which is not a Compounding Date shall be determined on the assumption that the Compounded Amount accrues in equal daily amounts between Compounding Dates.

The 2014A Subordinate Capital Appreciation Bonds consist of capital appreciation bonds. For purposes of this Official Statement, except where specifically noted to the contrary, references to "principal" or "principal amount" shall mean, in the case of 2014A Subordinate Capital Appreciation Bonds at any time, the Compounded Amount thereof at such time. The "***Compounded Amount***" shall mean, on any date and with respect to any 2014A Subordinate Capital Appreciation Bond, the initial principal amount at issuance of such 2014A Subordinate Capital Appreciation Bond plus accretion of principal, compounding on each Compounding Date to the date of maturity thereof at the same interest rate as shall produce a compounded amount on such date of maturity, equal to the principal amount thereof on such date; provided that the Compounded Amount on any day which is not a Compounding Date shall be determined on the assumption that the Compounded Amount accrues in equal daily amounts between Compounding Dates.

Interest on the 2014A Subordinate Bonds will accrue from their date of delivery and will be payable semiannually to maturity (or earlier redemption) on June 1 and December 1, commencing on December 1, 2014 (each an "***Interest Payment Date***" with respect to the 2014A Subordinate Bonds).

Interest on the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds will compound from their date of delivery to June 1, 2024 (in the case of the 2014A Subordinate Convertible Capital Appreciation Bonds) or December 1, 2021 (in the case of the 2014A MLF Subordinate Special Revenue Bonds) (as applicable, the "***Current Interest Commencement Date***"). Prior to the Current Interest Commencement Date, interest will not be paid on a current basis, but will be added to the initial principal amount on each June 1 and December 1, commencing on June 1, 2014 (each a "***Compounding Date***" with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds and with respect to the 2014A MLF Subordinate Special Revenue Bonds) (such initial principal amount plus accretion of principal compounding on each Compounding Date to the applicable Current Interest Commencement Date being, with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds at any particular time, the "***Compounded Amount***" thereof at such time), and such interest will be treated as if accruing in equal daily amounts between Compounding Dates, until payable at maturity or upon prior redemption. See APPENDIX I - "TABLE OF COMPOUNDED AMOUNTS FOR 2014A CONVERTIBLE CAPITAL APPRECIATION BONDS." After the Current Interest Commencement Date, interest on the 2014A Subordinate

Convertible Capital Appreciation Bonds and on the 2014A MLF Subordinate Special Revenue Bonds will be payable on a current basis on each June 1 and December 1, commencing on December 1, 2024 (in the case of the 2014A Subordinate Convertible Capital Appreciation Bonds) or June 1, 2022 (in the case of the 2014A MLF Subordinate Special Revenue Bonds).

Interest on the 2014A Subordinate Capital Appreciation Bonds will compound from their date of delivery to the date of maturity thereof. Interest will not be paid on a current basis, but will be added to the initial principal amount on each June 1 and December 1, commencing on December 1, 2014 (each a "***Compounding Date***" with respect to the 2014A Subordinate Capital Appreciation Bonds) (such initial principal amount plus accretion of principal compounding on each Compounding Date to the date of maturity being, with respect to the 2014A Subordinate Capital Appreciation Bonds at any particular time, the "***Compounded Amount***" thereof at such time), and such interest will be treated as if accruing in equal daily amounts between Compounding Dates, until payable at maturity or upon prior redemption. See APPENDIX J - "TABLE OF COMPOUNDED AMOUNTS FOR 2014A SUBORDINATE CAPITAL APPRECIATION BONDS."

The 2014A Bonds will be issued in fully registered form in denominations (or Maturity Amount (as defined in Supplemental Subordinate Indenture No. 16), in the case of the 2014A Subordinate Convertible Capital Appreciation Bonds, the 2014A Subordinate Capital Appreciation Bonds and the 2014A MLF Subordinate Special Revenue Bonds) of $5,000 or any integral multiple thereof. As provided in the Subordinate Indenture, the principal or redemption price of the 2014A Bonds is payable at the designated trust office of the Trustee located in Philadelphia, Pennsylvania. Interest on the 2014A Bonds shall be paid to the person whose name appears on the bond registration books of the Trustee as the holder thereof as of the close of business on the Record Date for each Interest Payment Date. Payment of the interest on the 2014A Bonds shall be made by check mailed by first class mail to such holder at its address as it appears on such registration books or, upon the written request of any holder of at least $1,000,000 in aggregate principal amount (or Compounded Amount, if applicable) of 2014A Bonds, submitted to the Trustee no later than ten Business Days prior to the Record Date, by wire transfer in immediately available funds to an account within the United States designated by such holder.

Defaulted Interest with respect to any 2014A Subordinate Bond or (after the Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Subordinate Special Revenue Bond shall cease to be payable to the Owner of such 2014A Subordinate Bond or (after the Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Subordinate Special Revenue Bond on the relevant Record Date and shall be payable to the Owner in whose name such 2014A Subordinate Bond or (after the Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Subordinate Special Revenue Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest. The Commission shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each 2014A Subordinate Bond or (after the Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Subordinate Special Revenue Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment; money deposited with the Trustee shall be held in trust for the benefit of the Owners of the 2014A Subordinate Bond or (after the applicable Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bonds or 2014A MLF Subordinate Special Revenue Bonds entitled to such Defaulted Interest. Following receipt of such funds the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Commission of such Special Record Date and, in the name and at the expense of the Commission, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a 2014A Subordinate Bond or (after the applicable Current Interest Commencement Date) 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Subordinate Special Revenue Bond entitled to such notice at the address of such owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

Upon original issuance, the 2014A Bonds will be registered in the name of and held by Cede & Co., as registered holder and nominee for DTC. The 2014A Bonds initially will be issued as one fully registered certificate for each Sub-Series, maturity and interest rate. Purchases of the 2014A Bonds will initially be made in book-entry form. See "Book-Entry Only System" herein. As long as the 2014A Bonds are registered in the name of DTC or its nominee, Cede & Co., payments of the principal of, redemption premium, if any, and interest on the 2014A Bonds, if any, will be paid directly to Cede & Co. by wire transfer by Wells Fargo Bank, N.A., Philadelphia, Pennsylvania, as Paying Agent (the "***Paying Agent***"), on each Interest Payment Date. While the book-entry only system is in effect, transfers and exchanges of the 2014A Bonds will be effected through DTC's book-entry system.

DTC may determine to discontinue providing its service with respect to the 2014A Bonds at any time by giving notice to the Commission and discharging its responsibilities with respect thereto under applicable law, or the Commission may determine to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). Under such circumstances, 2014A Bonds will be authenticated and delivered as provided in the Subordinate Indenture to the Beneficial Owners of the 2014A Bonds, who shall then become the registered owners thereof.

THE 2014A BONDS ARE NOT SUBJECT TO ACCELERATION UPON THE OCCURRENCE OF AN EVENT OF DEFAULT.

Registration, Transfer and Exchange

The Trustee shall act as initial registrar for the 2014A Bonds (the "***2014A Bond Registrar***") and in such capacity shall maintain a register (the "***Bond Register***") for the registration and transfer of 2014A Bonds. Upon surrender of any 2014A Bonds at the designated office of the Trustee, as the 2014A Bond Registrar, together with an assignment duly executed by the current holder of such 2014A Bonds or such holder's duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, such 2014A Bonds may, at the option of the holder, be exchanged for an equal aggregate principal amount of 2014A Bonds of the same Series, of the same maturity, of Authorized Denominations and bearing interest at the same rate and in the same form as the 2014A Bonds surrendered for exchange, registered in the name or names designated on the assignment. The Commission shall execute and the Trustee shall authenticate any 2014A Bonds whose execution and authentication is necessary to provide for exchange of 2014A Bonds and the Commission may rely on a representation from the Trustee that such execution is required.

As long as the 2014A Bonds are "Book Entry Bonds" (as described in Article IV of the Supplemental Subordinate Indenture No. 16), the Trustee shall follow the procedures of the Securities Depository with respect to the transfer or exchange of the 2014A Bonds. At such time as the 2014A Bonds are no longer Book Entry Bonds, the Trustee shall not be required to exchange or register the transfer of Bonds after giving notice calling such Bond for redemption, in whole or in part.

The Trustee may make a charge to any 2014A Bondholder requesting any exchange or registration in the amount of any tax or other governmental charge required to be paid with respect thereto and the Commission may charge such amount as it deems appropriate for each new 2014A Bond delivered upon such exchange or transfer, which charge or charges shall be paid before any new 2014A Bond shall be delivered.

Prior to due presentment for registration of transfer of any 2014A Bond, the Trustee shall treat the Person shown on the 2014A Bond Register as owning a 2014A Bond as the 2014A Bondholder and the Person exclusively entitled to payment of principal thereof, redemption premium, if any, and interest thereon, if any, and, except as otherwise expressly provided herein, the exercise of all other rights and powers of the owner thereof, and neither the Commission, the Trustee nor any agent of the Commission or the Trustee shall be affected by notice to the contrary.

The Subordinate Indenture, and all provisions thereof, are incorporated by reference in the text of the 2014A Bonds, and the 2014A Bonds provide that each registered owner, Beneficial Owner, Participant or Indirect Participant (as each is defined below) by acceptance of a 2014A Bond (including receipt of a book-entry credit evidencing an interest therein) assents to all of such provisions as an explicit and material portion of the consideration running to the Commission to induce it to issue such 2014A Bond.

Redemption of 2014A Bonds

The 2014A Bonds are subject to optional redemption and mandatory sinking fund redemption as set forth below.

Optional Redemption of 2014A Subordinate Revenue Bonds.

The 2014A Subordinate Bonds maturing on or after December 1, 2029 are subject to redemption prior to maturity at the option of the Commission at any time on or after December 1, 2024, as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

The 2014A Subordinate Convertible Capital Appreciation Bonds are subject to redemption prior to maturity at the option of the Commission at any time on or after June 1, 2029, as a whole or in part, at a redemption price equal to 100% of the Compounded Amount thereof, plus accrued interest to the redemption date.

The 2014A Subordinate Capital Appreciation Bonds are not subject to redemption prior to maturity at the option of the Commission.

Optional Redemption of 2014A MLF Subordinate Special Revenue Bonds.

The 2014A MLF Subordinate Special Revenue Bonds are subject to redemption prior to maturity at the option of the Commission at any time on or after December 1, 2026, as a whole or in part, at a redemption price equal to 100% of the Compounded Amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption.

Mandatory Sinking Fund Redemption of 2014A Subordinate Bonds. The 2014A Subordinate Bonds maturing on December 1, 2038 and December 1, 2043 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the tables below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

2014A Subordinate Bonds maturing December 1, 2038

Year	Amount
2035	$2,165,000
2036	2,620,000
2037	3,175,000
2038*	21,555,000

* Final Maturity

2014A Subordinate Bonds maturing December 1, 2043

Year	Amount
2042	$13,870,000
2043*	24,920,000

* Final Maturity

Mandatory Sinking Fund Redemption of 2014A MLF Subordinate Special Revenue Bonds. The 2014A MLF Subordinate Special Revenue Bonds maturing on December 1, 2034, the Insured 2014A MLF Subordinate Special Revenue Bonds maturing on December 1, 2037, the uninsured 2014A MLF Subordinate Special Revenue Bonds maturing on December 1, 2037 and the 2014A MLF Subordinate Special Revenue Bonds maturing on December 1, 2044 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the tables below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2034

Year	Compounded Amount
2026	$705,000
2027	1,605,000
2028	2,625,000
2030	830,000
2031	2,080,000
2032	3,595,000
2033	5,325,000
2034*	7,245,000

* Final Maturity

2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2037 (Insured)

Year	Compounded Amount
2035	$2,825,000
2036	3,320,000
2037*	3,855,000

* Final Maturity

2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2037 (Uninsured)

Year	Compounded Amount
2035	$9,430,000
2036	11,090,000
2037*	12,900,000

* Final Maturity

2014A MLF Subordinate Special Revenue Bonds maturing December 1, 2044

Year	Compounded Amount
2038	$1,515,000
2039	1,780,000
2040	2,065,000
2041	2,420,000
2042	2,810,000
2043	1,985,000
2044*	4,935,000

* Final Maturity

Selection of 2014A Bonds to be Redeemed

Except as to any mandatory sinking fund redemption of 2014A Bonds as described above, any partial redemption of the 2014A Bonds may be in any order of maturity and in any principal amount within a Sub-Series, maturity and interest rate as designated by the Commission and, in the case of any 2014A Bonds subject to mandatory redemption, the Commission shall be entitled to designate whether such payments shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such 2014A Bonds.

The portion of any 2014A Bond to be redeemed shall be an Authorized Denomination or any multiple thereof and in selecting 2014A Bonds for redemption, each 2014A Bond shall be considered as representing that number of 2014A Bonds which is obtained by dividing the principal amount of such 2014A Bond by the minimum Authorized Denomination. If a portion of a 2014A Bond shall be called for redemption, a new 2014A Bond of the same Sub-Series and maturity in principal amount equal to the unredeemed portion thereof shall be issued to the bondholder thereof upon the surrender of such 2014A Bond. If for any reason the principal amount of 2014A Bonds called for redemption would result in a redemption of 2014A Bonds less than the Authorized Denomination, the Trustee, to the extent possible within the principal amount of such bonds to be redeemed, is authorized to adjust the selection of 2014A Bonds for such purpose in order to minimize any such redemption.

So long as the 2014A Bonds are issued as book-entry bonds through the Securities Depository, the particular bonds of any maturity and interest rate to be redeemed shall be selected by the Securities Depository in accordance with its stated procedures, or, otherwise, as determined by the Trustee by lot.

Notice of Redemption. The Trustee, at the expense of the Commission, shall send notice of any redemption, identifying the 2014A Bonds to be redeemed, the redemption date and the method and place of payment and the information set forth in the following paragraph, by first class mail to each holder of a 2014A Bond called for redemption to the holder's address listed on the 2014A Bond Register. Such notice shall be sent by the Trustee by first class mail between 30 and 60 days prior to the scheduled redemption date. While the 2014A Bonds are in the book-entry-only system, the Trustee is only required to provide notice to the Securities Depository pursuant to its stated procedures.

In addition to the foregoing, the redemption notice shall contain with respect to each 2014A Bond being redeemed (1) the CUSIP number, (2) the date of issue, (3) the interest rate, (4) the maturity date and (5) any other descriptive information determined by the Trustee to be needed to identify the 2014A Bonds. If a redemption is a Conditional Redemption (as defined hereinafter), the notice shall so state. The Trustee also shall send each notice of redemption to (i) any Rating Agency then rating the 2014A Bonds to be redeemed, (ii) all of the registered clearing agencies known to the Trustee to be in the business of holding substantial amounts of bonds of a type similar to the 2014A Bonds, (iii) the Municipal Securities Rulemaking Board Electronic Municipal Market Access website and any similar entities which are required recipients by reason of continuing disclosure undertakings or regulatory requirements, such services to be identified by the Trustee and (iv) one or more other national information services that disseminate notices of redemption of bonds such as the 2014A Bonds, such services to be identified by the Trustee.

In the case of an optional redemption of 2014A Bonds, the notice may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that the Commission retains the right to rescind such notice at any time prior to the scheduled redemption date if the Commission delivers a certificate of a Commission Official to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "***Conditional Redemption***"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded.

Purchase of 2014A Bonds at Any Time. The Trustee, upon the written request of the Commission, shall purchase 2014A Bonds as specified by the Commission in the open market at a price not exceeding the price specified by the Commission. Such purchase of 2014A Bonds shall be made with funds available under the Subordinate Indenture or provided by the Commission in such written request. Upon purchase by the Trustee, such 2014A Bonds shall be treated as delivered for cancellation under the terms of the Subordinate Indenture. Nothing in the Subordinate Indenture shall prevent the Commission from purchasing 2014A Bonds in the open market without the involvement of the Trustee and delivering such 2014A Bonds to the Trustee for cancellation under the Subordinate Indenture. 2014A Bonds purchased by the Commission and delivered to the Trustee under the terms of the Subordinate Indenture which are subject to a mandatory sinking fund redemption schedule may be credited against future mandatory sinking fund redemption payments. The principal amounts of 2014A Bonds to be redeemed by optional redemption may be reduced by the principal amount of 2014A Bonds purchased by the Commission and delivered to the Trustee for cancellation at least 15 days prior to the last date on which notice of redemption can be mailed.

Book-Entry Only System

The Depository Trust Company ("***DTC***"), New York, New York, will act as securities depository for the 2014A Bonds. The 2014A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2014A Bond certificate will be issued in the aggregate principal amount of each maturity of each Series and Sub-Series of the 2014A Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 120 countries) that DTC's participants ("***Direct Participants***") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("***DTCC***"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("***Indirect Participants***"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014A Bond ("***Beneficial Owner***") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2014A Bonds, except in the event that use of the book-entry system for the 2014A Bonds is discontinued.

To facilitate subsequent transfers, all 2014A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of 2014A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2014A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2014A Bonds, such as redemptions, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2014A Bonds may wish to ascertain that the nominee holding the 2014A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2014A Bonds within a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2014A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2014A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the 2014A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Commission or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2014A Bonds at any time by giving reasonable notice to the Commission or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2014A Bond certificates are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2014A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the Trustee or the Commission.

NEITHER THE COMMISSION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT OR INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR: (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DIRECT PARTICIPANT, OR BY ANY DIRECT OR INDIRECT PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON BOOK-ENTRY 2014A BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DIRECT PARTICIPANT, OR BY ANY DIRECT OR INDIRECT PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE SUBORDINATE INDENTURE TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY 2014A BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BOOK-ENTRY 2014A BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF BOOK-ENTRY 2014A BONDS.

In the event that the Book-Entry Only System is discontinued and the Beneficial Owners become Registered Owners of the 2014A Bonds, the 2014A Bonds will be transferable in accordance with the provisions of the Subordinate Indenture.

PENNSYLVANIA TURNPIKE SYSTEM

The following provides a general description of the Pennsylvania Turnpike System and certain other information relating to operations of the Commission. Such information is not complete and is qualified by reference to the more complete information set forth in APPENDIX A hereto.

The present Pennsylvania Turnpike System is composed of the following: (i) the 359 mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west; (ii) the 110 mile north-south section identified as the Northeast Extension; (iii) the approximately 16 mile north-south connection, known as the Beaver Valley Expressway which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth; (iv) the approximately 13 mile Amos K. Hutchinson Bypass, which adjoins the Turnpike Mainline near the New Stanton Interchange; (v) completed segments of the Mon/Fayette Expressway project totaling approximately 48 miles; and (vi) a six mile Southern Beltway project from PA 60 to US 22, near the Greater Pittsburgh International Airport. Such roads, together with any other roads for which the Commission has operational responsibility and is collecting Tolls (as defined below), presently constitute the "***System***."

The Turnpike Mainline connects with the Ohio Turnpike at its western terminus and with the New Jersey Turnpike at its eastern terminus. The Turnpike Mainline commences on the eastern boundary of Pennsylvania at the Delaware River Bridge which connects the System to the New Jersey Turnpike. The Turnpike Mainline traverses the state in a westerly direction generally paralleling the southern border of the state immediately north of Philadelphia and south of Harrisburg to the vicinity of Somerset. West of Somerset, the highway follows a northwesterly direction to the northeast of Pittsburgh and to the Ohio state line, south of Youngstown, Ohio.

The System has a total of 67 interchanges which connect it with major arteries and population centers in its 552 mile traffic corridor. Thirty-two of the interchanges are located on the Turnpike Mainline, including barriers at the New Jersey and Ohio state lines, and 10 interchanges are situated on the Northeast Extension. The additional 25 interchanges are located on the three extensions previously noted. There are 17 service plazas along the System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services.

Revenue Sources of the Commission

The Commission's revenues are principally derived from three separate sources: toll revenues from the operation of the System, revenue derived from a portion of the Commonwealth's Oil Franchise Tax and revenue derived from a portion of the Commonwealth's vehicle registration fee revenues.

Tolls. The largest part of the Commission's revenues is derived from the collection of all rates, rents, fees, charges, fines or other income derived by the Commission from the vehicular usage of the System and all rights to receive the same (as defined in the Senior Indenture, collectively the "***Tolls***"). The Tolls are pledged to secure the Commission's outstanding turnpike revenue bonds issued under the Senior Indenture (collectively, the "***Turnpike Revenue Bonds***") and other parity obligations under the Senior Indenture (including certain interest rate swap agreements), which are subject to or may be issued under the terms of the Senior Indenture. Currently $3,545,375,000 in aggregate principal amount of fixed and variable rate Turnpike Revenue Bonds are Outstanding under the Senior Indenture. Other obligations issued and Outstanding under the Senior Indenture include the Commission's obligations under various interest rate swap agreements having a total current notional amount of $1,557,467,000, as well as obligations under various letter of credit reimbursement agreements and standby bond purchase agreements relating to outstanding variable rate Turnpike Revenue Bonds. See APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — CERTAIN FINANCIAL INFORMATION." The Tolls are not pledged to secure the Subordinate Revenue Bonds, the Special Revenue Bonds, the Oil Franchise Tax Revenue Bonds (as defined below) and the Registration Fee Revenue Bonds (as defined below). Certain payments made from moneys in the General Reserve Fund which are derived from Tolls are, however, pledged on a wholly subordinate basis to secure payments due on Subordinate Revenue Bonds and Special Revenue Bonds, including the 2014A Bonds.

Since 2009, the Commission has implemented annual increases in toll rates and other charges, as well as modifications to its commercial discounts, and expects to continue to implement future toll increases as determined by the Commission to be necessary to meet the then existing debt, capital and operational obligations of the Commission, including its payment obligations under Act 44 and Act 89. For a discussion of the Commission's revenue sources, including current rates, tolls and toll increases, see APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — CERTAIN FINANCIAL INFORMATION — Revenue Sources of the Commission," and "— Toll Schedule and Rates."

The Commission is permitted under the terms of the Senior Indenture to exclude certain roads, other than the Turnpike Mainline and the Northeast Extension, from the System for the purposes of the Senior Indenture which would eliminate toll revenues from such roads from the definition of Tolls under the Senior Indenture. However, the Commission currently has no plans to remove any roads from the System. In addition, under the Senior Indenture, the Commission has covenanted that it will not sell, lease or otherwise dispose of real estate or personal property comprising a portion of the System except upon compliance with the provisions of the Senior Indenture, including a determination by resolution that the Net Revenues of the Commission will not be materially adversely affected. The Commission from time to time may consider various proposals that could involve the transfer or other disposition of Commission property. Any such transfer or disposition would be required to comply with the provisions of the Senior Indenture.

Oil Franchise Tax Revenues. The Commission's second principal stream of revenues consists of that portion of the Commonwealth's oil franchise tax revenues (the "***Oil Franchise Tax Revenues***") allocated by statute to the Commission or the holders of the Commission's Oil Franchise Tax Revenue Bonds (the "***Oil Franchise Tax Revenue Bonds***"), $749,918,743.25 of which are currently issued and outstanding (including compounded amounts as of December 1, 2013 for capital appreciation bonds). The Oil Franchise Tax Revenue Bonds, the proceeds of which were spent on portions of the Mon/Fayette Expressway and the Southern Beltway, are secured solely by Oil Franchise Tax Revenues. **The Oil Franchise Tax Revenues are not pledged to secure the 2014A Bonds, other Subordinate Revenue Bonds or Special Revenue Bonds, the Turnpike Revenue Bonds or the Registration Fee Revenue Bonds**.

Registration Fee Revenues. The Commission's third principal stream of revenues consists of that portion of the Commonwealth's vehicle registration fee revenues (the "***Registration Fee Revenues***") allocated by statute to the Commission or the holders of any of the Commission's Registration Fee Revenue Bonds (the "***Registration Fee***

Revenue Bonds"), $416,930,000 of which are currently issued and outstanding. The Registration Fee Revenue Bonds, the proceeds of which were spent on portions of the Mon/Fayette Expressway and the Southern Beltway, are secured by Registration Fee Revenues. Registration Fee Revenue Bonds are to be paid solely from the Registration Fee Revenues. **The Registration Fee Revenues are not pledged to secure the 2014A Bonds, other Subordinate Revenue Bonds or Special Revenue Bonds, the Turnpike Revenue Bonds or the Oil Franchise Tax Revenue Bonds**.

Neither the Turnpike Revenue Bonds, the Oil Franchise Tax Revenue Bonds nor the Registration Fee Revenue Bonds are secured by or have any interest in the Trust Estate.

Recent Pennsylvania Legislation Affecting Transportation Funding

The Pennsylvania legislature recently enacted comprehensive transportation legislation, Act 89, which, among other things, made significant changes to the Commission's funding obligations under Act 44. For a discussion of such legislative changes under Act 89 and their impact on Act 44 and the Commission generally, see APPENDIX A – "THE PENNSYLVANIA TURNPIKE COMMISSION – THE COMMISSION."

Traffic and Revenue Study

Attached hereto as APPENDIX F is the Pennsylvania Turnpike 2012 Traffic and Revenue Forecast Study prepared by CDM Smith (formerly Wilbur Smith Associates) dated March 9, 2012 (the "***2012 Traffic Study***"), together with a "2013 bring down" letter developed by CDM Smith dated March 18, 2013 (the "***2013Bring Down Letter***") and a "2014 bring down" letter developed by CDM Smith dated February 27, 2014 (the "***2014 Bring Down Letter***" and collectively with the 2013 Bring Down Letter and the 2012 Traffic Study, the "***Traffic Study***"). The Traffic Study, which should be reviewed in its entirety, updates the study conducted by Wilbur Smith Associates in January 2009, together with "bring down" letters developed by Wilbur Smith Associates in March 2010 and February 2011, updating forecasts developed in the January 2009 study. Total adjusted gross toll revenue is estimated to increase from $780.8 million in Fiscal Year 2011-12 to $3.6 billion by Fiscal Year 2040-41, representing 5.4% annualized growth. The 2014 Bring Down Letter revenue forecasts are slightly higher between Fiscal Year 2012-13 and Fiscal Year 2016-17 than reflected in the 2013 Bring Down Letter and the 2012 Traffic Study, due to actual toll increases that were greater than originally forecast, particularly with respect to cash customers versus E-ZPass customers. The 2014 Bring Down Letter projects lower revenues than the 2013 Bring Down Letter beginning in Fiscal Year 2017-18 based on an assumed higher rate of E-ZPass market share and its overall effect on the average toll rate of the System. As noted in the 2014 Bring Down Letter, lower economic growth was realized in 2013 than was previously forecast and current economic growth projections are lower for 2014 through 2016 than were previously forecast with the largest variance in 2014. Beyond 2015, growth is assumed to be moderate. Preliminary unaudited traffic data for the nine months ended February 28, 2014 indicates a 6.0 increase in adjusted gross toll revenue, with a decline in traffic volume of 0.4% as compared to the same period in Fiscal Year 2012-13. Severe winter weather conditions and economic conditions have likely impacted traffic volumes in the first nine months of Fiscal Year 2013-14. See APPENDIX A, "THE PENNSYLVANIA TURNPIKE COMMISSION—CERTAIN FINANCIAL INFORMATION – Five-Year Financial History." The Traffic Study should be read in its entirety for a full description of the assumptions and methodologies used to develop such forecasts. The Commission believes that it will have sufficient revenue to meet the debt, capital and operational obligations of the Commission in future years. See "CERTAIN RISK FACTORS" and APPENDIX F – "TRAFFIC AND REVENUE STUDY."

PLAN OF FINANCING

The 2014A Subordinate Revenue Bonds are being issued to provide funds to finance, together with an equity contribution by the Commission, the costs of (i) making payments to PennDOT in accordance with Act 44 and Act 89 to fund certain grants to mass transit agencies and for certain multi-modal transportation projects, (ii) funding any necessary deposit to the Debt Service Reserve Fund under the Subordinate Indenture in respect of the 2014A Subordinate Revenue Bonds and (iii) issuing the 2014A Subordinate Revenue Bonds. The Commission intends to provide an equity contribution in the amount of $25,000,000 to fund a portion of the Act 44 payments directed to grants to mass transit agencies.

The 2014A MLF Subordinate Special Revenue Bonds are being issued to provide funds to finance the costs of (i) making payments to PennDOT in accordance with Act 44 to fund various road, highway, bridge and capital projects, (ii) funding a deposit to the Special Revenue Bonds Funded Debt Service Sub-Account and (iii) issuing the 2014A MLF Subordinate Special Revenue Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

	2014A Subordinate Revenue Bonds	2014A MLF Subordinate Special Revenue Bonds	Total
Sources:			
Par Amount of Bonds	$148,300,359.25	$59,739,936.20	$208,040,295.45
Net Original Issue Premium (Discount)	7,274,144.20	(415,768.60)	6,858,375.60
Equity Contribution of Commission	25,000,000.00	0.00	25,000,000.00
Total Sources	$180,574,503.45	$59,324,167.60	$239,898,671.05
Uses:			
Act 44 Payments[1]	$175,000,000.00	$50,000,000.00	$225,000,000.00
Debt Service Reserve Fund	4,458,532.25	0.00	4,458,532.25
Special Revenue Bonds Funded Debt Service Sub-Account Deposit	0.00	8,827,814.50	8,827,814.50
Costs of Issuance[2]	1,115,971.20	496,353.10	1,612,324.30
Total Uses	$180,574,503.45	$59,324,167.60	$239,898,671.05

[1] Includes the $25,000,000 Commission equity contribution being provided to make that portion of the Act 44 payments not being financed with proceeds of the 2014A Subordinate Revenue Bonds.

[2] Includes underwriters' discount, bond insurance premium, additional proceeds, fees and expenses of co-bond counsel, disclosure counsel and counsel to the underwriters, rating agency fees, printing expenses, fees and expenses of the financial advisor, trustee fees, and other miscellaneous costs and expenses.

SECURITY FOR THE 2014A BONDS

2014A Subordinate Revenue Bonds — General

The 2014A Subordinate Revenue Bonds are limited obligations of the Commission. The 2014A Subordinate Revenue Bonds will be secured, along with the Commission's Outstanding Subordinate Revenue Bonds Parity Obligations under the Subordinate Indenture, except as otherwise noted below, by the pledge by the Commission to the Trustee of (1) the Commission Payments (as described below), (2) all monies deposited into accounts or funds (other than the Rebate Fund), created by the Subordinate Indenture and held by or on behalf of the Trustee, (3) any insurance proceeds and other moneys required to be deposited therein, (4) all payments received by the Commission pursuant to Parity Swap Agreements and (5) all investment earnings on all moneys held in accounts and funds established by the Subordinate Indenture (collectively, the "***Trust Estate***"); provided, that the Motor License Repayment Fund and earnings thereon are pledged to the Trustee solely for the purposes set forth in the Subordinate Indenture, and that the Special Revenue Bonds Receipts Account and the Special Revenue Bonds Funded Debt Service Sub-Account and earnings thereon are pledged solely for the benefit of holders of Special Revenue Bonds and Special Revenue Bonds Parity Obligations. "***Commission Payments***" consist of certain payments made by the Commission from funds on deposit in the General Reserve Fund established under the Senior Indenture to the extent such funds may be released from the General Reserve Fund in accordance with the terms of the Senior Indenture. The Subordinate Indenture does not create a lien on the General Reserve Fund. Under the Senior Indenture, holders of the Senior Indenture Parity Obligations are granted a lien on the Tolls, certain other revenues and funds established under the Senior Indenture, including the General Reserve Fund, and pledged by the Commission as part of the Senior Trust Estate (as defined in APPENDIX E). The Subordinate Indenture does not create any lien on Tolls, other revenues and funds established under the Senior Indenture. See "SECURITY FOR THE 2014A BONDS — Commission Payments" below.

The Subordinate Indenture further provides that the Commission may not issue Additional Subordinate Indenture Bonds nor incur other Parity Obligations except upon satisfaction of various requirements as expressly provided in the Subordinate Indenture. See "SUBORDINATE INDENTURE —ADDITIONAL SUBORDINATE INDENTURE BONDS" and "—APPROVED AND PARITY SWAP OBLIGATIONS" in APPENDIX C.

The 2014A Subordinate Revenue Bonds are Debt Service Reserve Fund Bonds for the purpose of the Subordinate Indenture and, accordingly, are secured by money on deposit in the Debt Service Reserve Fund. Upon the issuance of the 2014A Subordinate Revenue Bonds and the deposit of a portion of the proceeds thereof to the Debt Service Reserve Fund, the money on deposit in such Fund will equal the Debt Service Reserve Fund Requirement with respect to all outstanding Debt Service Reserve Fund Bonds, including the 2014A Subordinate Revenue Bonds.

2014A MLF Subordinate Special Revenue Bonds — General

The 2014A MLF Subordinate Special Revenue Bonds are limited obligations of the Commission and are secured, along with all Special Revenue Bonds and other Special Revenue Bonds Parity Obligations, by the Trust Estate under the Subordinate Indenture (other than the Motor License Repayment Fund, the Revenue Bonds Account and the Debt Service Reserve Fund and earnings thereon), but are junior and subordinate in right of payment to the 2014A Subordinate Revenue Bonds and all other Subordinate Revenue Bonds issued or to be issued under the Subordinate Indenture and Subordinate Revenue Bonds Parity Obligations in that Commission Payments must be applied to all such obligations before being used to pay the 2014A MLF Subordinate Special Revenue Bonds. If Commission Payments are not sufficient to make payments with respect to the Special Revenue Bonds, however, then Act 44 directs the Treasurer of the Commonwealth to transfer certain funds from the Commonwealth's Motor License Fund to the Trustee to fund such payments. See "Special Revenue Bonds" and "MOTOR LICENSE FUND" below and APPENDIX H - "CERTAIN INFORMATION REGARDING COMMONWEALTH MOTOR LICENSE FUND."

The 2014A MLF Subordinate Special Revenue Bonds are not "Debt Service Reserve Fund Bonds" under the Subordinate Indenture and, therefore, the 2014A MLF Subordinate Special Revenue Bonds are not secured by the Debt Service Reserve Fund created under the Subordinate Indenture.

The 2014A MLF Subordinate Special Revenue Bonds, and all other outstanding Special Revenue Bonds, are secured by the Special Revenue Bonds Receipts Account and by the Special Revenue Bonds Funded Debt Service Sub-Account created within the Debt Service Fund under the Subordinate Indenture. See "SECURITY FOR THE 2014A BONDS - Special Revenue Bonds" and "SECURITY FOR THE 2014A BONDS - Debt Service Fund" herein.

Limitation

TOLL REVENUES, OIL FRANCHISE TAX REVENUES AND REGISTRATION FEE REVENUES AS WELL AS OTHER SOURCES OF THE COMMISSION'S REVENUES ARE NOT PLEDGED UNDER THE SUBORDINATE INDENTURE AS PART OF THE TRUST ESTATE. THE TRUST ESTATE IS LIMITED TO FUNDS AVAILABLE AND TRANSFERRED TO THE TRUSTEE FROM THE GENERAL RESERVE FUND UNDER THE SENIOR INDENTURE AND CERTAIN OTHER AMOUNTS ON DEPOSIT WITH THE TRUSTEE. THE SUBORDINATE INDENTURE DOES NOT CREATE A LIEN UPON THE MOTOR LICENSE FUND OR UPON ANY ACCOUNT THEREIN. THE TRUST ESTATE AS DEFINED IN THE SUBORDINATE INDENTURE ALSO EXCLUDES ALL MONIES HELD IN THE REBATE FUND ESTABLISHED UNDER THE SUBORDINATE INDENTURE.

THE 2014A BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION AND SHALL NOT BE DEEMED TO BE A DEBT OF THE COMMONWEALTH OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH. THE COMMONWEALTH IS NOT OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF ANY OF THE 2014A BONDS. THE COMMISSION HAS NO TAXING POWER.

Senior Revenue Bonds and Other Senior Parity Obligations

The Commission has previously issued Senior Revenue Bonds under the Senior Indenture, $3,545,375,000 of which are currently outstanding. Under the terms of the Senior Indenture the Commission may issue additional Senior Revenue Bonds. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE AND PAYABLE ON ALL SUCH SENIOR REVENUE BONDS WILL BE PAID PRIOR TO THE PAYMENT OF COMMISSION PAYMENTS WITH RESPECT TO THE SUBORDINATE INDENTURE BONDS, INCLUDING THE 2014A BONDS, EXCEPT TO THE EXTENT ANY SPECIAL REVENUE BONDS ARE PAID FROM AMOUNTS TRANSFERRED TO THE TRUSTEE FROM THE MOTOR LICENSE FUND. See "Commission Payments" below.

In addition to the Outstanding Senior Revenue Bonds, the Commission has entered into various interest rate exchange agreements with an outstanding notional amount of $1,557,467,000, that constitute Senior Indenture Parity Swap Agreements (as defined in APPENDIX E) under the Senior Indenture. Under the terms of the Senior Indenture, amounts payable under Senior Indenture Parity Swap Agreements, including certain termination payments, are secured on a parity with the Senior Revenue Bonds by the Senior Trust Estate. Under the terms of the Senior Indenture, the Commission may enter into additional Senior Indenture Parity Swap Agreements. ALL AMOUNTS PAYABLE UNDER ALL SUCH SENIOR PARITY SWAP AGREEMENTS, INCLUDING CERTAIN TERMINATION PAYMENTS, WILL BE PAID PRIOR TO THE PAYMENT OF COMMISSION PAYMENTS WITH RESPECT TO THE SUBORDINATE INDENTURE BONDS, INCLUDING THE 2014A BONDS, EXCEPT TO THE EXTENT ANY SPECIAL REVENUE BONDS ARE PAID FROM AMOUNTS TRANSFERRED TO THE TRUSTEE FROM THE MOTOR LICENSE FUND. See "Commission Payments" below, and "THE PENNSYLVANIA TURNPIKE – CERTAIN FINANCIAL INFORMATION - Financial Policies and Guidelines" in APPENDIX A.

Subordinate Revenue Bonds

Act 44 authorizes the Commission to issue bonds for the purpose of paying costs of PennDOT and bond-related expenses. Proceeds of such bonds may be applied toward the satisfaction of the Commission's annual payment obligations to PennDOT under the Amended Funding Agreement. Following the issuance of the 2014A Bonds, the Commission will have $3,796,395,717.85 of Subordinate Revenue Bonds outstanding under the Subordinate Indenture (including compounded amounts as of December 1, 2013 for capital appreciation bonds). Upon the fulfillment of conditions set forth in the Subordinate Indenture, the Commission may issue additional Subordinate Revenue Bonds under the terms of the Subordinate Indenture which will have an equal claim to the Trust Estate with the 2014A Subordinate Revenue Bonds. However, all such additional Subordinate Revenue Bonds issued under the terms of the Subordinate Indenture shall be subordinate to the payment of all Senior Indenture Parity Obligations issued pursuant to the Senior Indenture. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE."

Special Revenue Bonds

Under Act 44, the Commission is authorized to issue Special Revenue Bonds (as defined in §9511.2 of Act 44) up to an aggregate principal amount of $5 billion (not to exceed $600 million per year), exclusive of original issue discount, for the purpose of paying bond-related expenses and costs of PennDOT (specifically, highway, bridge and other capital projects). Following the issuance of the 2014A Bonds, the Commission will have $964,694,959.55 of Special Revenue Bonds outstanding under the Subordinate Indenture (including compounded amounts as of December 1, 2013 for outstanding capital appreciation bonds). Special Revenue Bonds are subordinate to Subordinate Revenue Bonds (including the 2014A Subordinate Revenue Bonds) with respect to the Trust Estate, including Commission Payments, except with respect to the Special Revenue Bonds Receipts Account and the Special Revenue Bonds Funded Debt Service Sub-Account, all as further provided in the Subordinate Indenture. The Commission may also issue additional Special Revenue Bonds under the Subordinate Indenture, which additional Special Revenue Bonds would be subordinate to the Subordinate Revenue Bonds but on parity with the 2014A MLF Subordinate Special Revenue Bonds and other Special Revenue Bonds Parity Obligations. In the event the Commission does not make a required deposit for payments of debt service on Special Revenue Bonds with the Trustee, such deposit is to be made from funds available for such purpose on deposit in the Commonwealth's Motor License Fund. The Commonwealth has no obligation to provide any funds, other than available funds on deposit in the Motor License Fund, for the payment of any Special Revenue Bonds. Pursuant to Act 89, Special Revenue Bonds may not be issued by the Commission to fund any portion of its annual payment obligation to PennDOT commencing July 1, 2014, although Special Revenue Bonds may be issued for refunding purposes. The Commission may issue additional Special Revenue Bonds to fund any portion of its annual payment obligations due prior to July 1, 2014. See "THE PENNSYLVANIA TURNPIKE COMMISSION – THE COMMISSION - Act 44 − Statutory Limitations on the Incurrence of Special Revenue Bonds" in APPENDIX A for a more detailed discussion of Special Revenue Bonds and the Commission's reimbursement obligations related to withdrawals from the Motor License Fund.

In connection with the issuance by the Commission of the initial series of Special Revenue Bonds, a Memorandum of Agreement (the "***Memorandum of Agreement***") was executed by PennDOT, the Office of the Budget of the Commonwealth and the State Treasurer of the Commonwealth. In the Memorandum of Agreement, the State Treasurer agreed to create a separate account, designated the "***PTC Special Revenue Bonds Account***," within the Motor License Fund and to use its best efforts to maintain in such account an amount equal to the then maximum annual debt service on all outstanding Special Revenue Bonds (the "***Account Requirement***"). Although funds in such account are not pledged to the Trustee, the State Treasurer agrees in the Memorandum of Agreement not to use such account for any other purpose if other funds are available in the Motor License Fund. The Subordinate Indenture requires the Trustee to provide immediate notice to PennDOT, with a copy to the State Treasurer, of any failure by the Commission to make a required monthly deposit into the Commission Payments Fund with respect to the Special Revenue Bonds (a "***Required Monthly Deposit***") in full when due under the Subordinate Indenture. The Memorandum of Agreement provides that, before the end of the second business day following the day PennDOT receives such notice from the Trustee that the Commission has failed to timely make a Required Monthly Deposit and stating the amount of the shortfall, PennDOT shall prepare and deliver to the Pennsylvania Department of Transportation Comptroller in the Office of the Budget (the "***Comptroller***") a notice stating in what amount a payment shall be made to the Trustee on behalf of the Commission, which amount shall be equal to the amount of such shortfall. Before the end of the second business day following the Comptroller's receipt of the notice from PennDOT, the Comptroller shall prepare a pay dated voucher transmittal in the amount of the shortfall and deliver the voucher transmittal to the State Treasurer for payment. Before the end of the fourth business day following the State Treasurer's receipt of the voucher transmittal from the Comptroller, the State Treasurer shall cause a wire transfer in the amount of the shortfall to be made to the Trustee from funds on deposit to the credit of the Motor License Fund, excluding the PTC Special Revenue Bonds Account. If funds are not available in the Motor License Fund to pay the Trustee, funds on deposit in the PTC Special Revenue Bonds Account shall be utilized. If the balance in the PTC Special Revenue Bonds Account is reduced below the Account Requirement, the State Treasurer agrees to cause the first monies available from designated sources in the Motor License Fund to be deposited in such Account in order to restore the balance therein to the Account Requirement in the order of priority described in the Memorandum of Agreement (first, from the Liquid Fuels and Fuels Tax, second, from the Oil Company Franchise Tax, and third, from various vehicle registration fees and other miscellaneous fees and income).

In Act 44, the Commonwealth has pledged to each entity that acquires a Special Revenue Bond issued by the Commission that the Commonwealth will not limit or alter the rights vested in the Commission or the Trustee for the Special Revenue Bonds to the appropriation and distribution of the money in the Motor License Fund for the Special Revenue Bonds as described in Act 44. **The appropriation of money in the Commonwealth's Motor License Fund in respect of Special Revenue Bonds issued by the Commission under Act 44 is continuing and non-lapsing.**

The Commission covenants under the Subordinate Indenture, as required by Act 44, that (i) it will not issue Special Revenue Bonds in an aggregate amount exceeding $5,000,000,000, unless otherwise authorized by Act of the Pennsylvania General Assembly and (ii) it will not issue Special Revenue Bonds in an amount exceeding $600,000,000 in any calendar year unless otherwise authorized by Act of the Pennsylvania General Assembly. As stated above, Act 89 does not permit the issuance of Special Revenue Bonds to fund the Commission's payment obligation to PennDOT commencing July 1, 2014.

In the event of an amendment to Act 44 or enactment of other legislation providing that the Motor License Fund will become the primary payment source for debt service on the Special Revenue Bonds, the Commission may elect to substitute the Motor License Fund for the Commission Payments as the primary source of payment of debt service on the Special Revenue Bonds; provided, however, that the Commission may make such election only if it (i) obtains confirmation from the Rating Agencies that such change will not adversely affect the ratings on the Special Revenue Bonds and on the Subordinate Revenue Bonds that remain outstanding after such change and (ii) causes to be delivered an opinion of Bond Counsel that such change will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Special Revenue Bonds.

The Commission covenants under the Subordinate Indenture that it will seek to enforce the covenants of the Commonwealth in Act 44 with respect to the Special Revenue Bonds and the Commonwealth's Motor License Fund. The Trustee may, and the Trustee, upon receipt of written direction from the holders of not less than twenty-five percent (25%) in principal amount of the Special Revenue Bonds then outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction any appropriate action to enforce the covenants of the Commonwealth in Act 44.

The Commission covenants under the Subordinate Indenture that it will seek to continue the Commonwealth's Motor License Fund in full force and effect without change which would materially adversely affect the Special Revenue Bonds. The Commission shall take such action as may be desirable or necessary to prevent or remedy the occurrence of any such change by petitioning the Governor and the General Assembly and taking appropriate legal action.

Parity Swap Agreements

In addition to additional Subordinate Revenue Bonds and Special Revenue Bonds, the Commission is authorized under the terms of the Subordinate Indenture to enter into various interest rate exchange agreements that will constitute Parity Swap Agreements under the Subordinate Indenture. The Commission has not entered into any such Parity Swap Agreements under the Subordinate Indenture. Under the terms of the Subordinate Indenture, amounts payable under Parity Swap Agreements entered into by the Commission, including certain termination payments, may be secured on a parity with Subordinate Revenue Bonds, including the 2014A Subordinate Revenue Bonds, and Special Revenue Bonds, including the 2014A MLF Subordinate Special Revenue Bonds, in the Trust Estate. See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE."

Obligations Secured by Other Revenue Sources

The Commission has previously issued Oil Franchise Tax Revenue Bonds, $749,918,743.25 of which are currently issued and outstanding (including compounded amounts as of December 1, 2013 for capital appreciation bonds), and Registration Fee Revenue Bonds, $416,930,000 in aggregate principal amount of which are currently outstanding. The Commission has entered into various interest rate exchange agreements with respect to certain Oil Franchise Tax Revenue Bonds and Registration Fee Revenue Bonds with an aggregate outstanding notional amount of $551,425,000. See APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — CERTAIN FINANCIAL INFORMATION - Financial Policies and Guidelines - Disclosure and Financial Reporting." Neither the Oil Franchise Tax Revenue Bonds nor the Registration Fee Revenue Bonds are secured by or have any interest in the Trust Estate under the Subordinate Indenture. Furthermore, neither the Oil Franchise Tax Revenues nor the Registration Fee Revenues are pledged to secure the 2014A Bonds, other Subordinate Revenue Bonds or Special Revenue Bonds or the Senior Indenture Parity Obligations.

Rate Covenant

The Commission has agreed in the Subordinate Indenture that it will at all times establish and maintain schedules of Tolls for traffic over the System so that the Net Revenues of the System in each Fiscal Year will at all times be at least sufficient to provide funds in an amount not less than the sum required by the Senior Indenture and, in addition, so that the amount paid into the General Reserve Fund of the Senior Indenture in each Fiscal Year and for each Commission Payment, will at all times (after deducting any liquidity reserve or other required holdback or deposit then in effect, whether by contract or other management policy or procedure) be at least sufficient to provide funds in an amount not less than (i) 115% of the Annual Debt Service for such Fiscal Year on account of all Outstanding Subordinate Revenue Bonds and Subordinate Revenue Bonds Parity Obligations, plus (ii) 100% of the Annual Debt Service for such Fiscal Year on account of all Outstanding Special Revenue Bonds, Special Revenue

Bonds Parity Obligations and Subordinated Indebtedness, plus (iii) any payment by the Commission required by the Subordinate Indenture for restoring any deficiency in the Debt Service Reserve Fund within an eighteen (18) month period (the "***Rate Covenant***").

The Commission Payments made from the Senior Trustee to the Trustee are based on the coverage levels established by the Rate Covenant described above; therefore, in each Fiscal Year the Commission has covenanted to transfer Commission Payments in amounts sufficient to meet its Rate Covenant as described above. Notwithstanding the provisions of the Rate Covenant, however, any balance in the General Reserve Fund which a Commission Official determines to be in excess of the amount required to be reserved therein for future transfers to the Senior Indenture Debt Service Fund (as herein defined) is available to make Commission Payments to the Trustee for the payment of Debt Service on Outstanding Subordinate Revenue Bonds and Subordinate Revenue Bonds Parity Obligations as well as Outstanding Special Revenue Bonds, Special Revenue Bonds Parity Obligations and other Subordinated Indebtedness. See "SECURITY FOR THE 2014A BONDS — Certain Provisions of the Senior Indenture," "SECURITY FOR THE 2014A BONDS — Commission Payments" and APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — THE COMMISSION — Enabling Acts - Act 44 and the Act 44 Funding Agreement, Act 89 and Payments to PennDOT for Roads, Bridges and Transit."

The Commission's failure to meet the Rate Covenant shall not constitute an Event of Default under the Subordinate Indenture if (i) no Event of Default under the Subordinate Indenture occurred in debt service payments as a result of such failure and (ii) the Commission promptly after determining that the Rate Covenant was not met retains a Consultant (as defined therein) to make written recommendations as to appropriate revisions to the schedules of Tolls necessary or appropriate to meet the Rate Covenant and advises the Trustee in writing of such retention. Anything in the Subordinate Indenture to the contrary notwithstanding, if the Commission shall comply with the recommendations of the Consultant in respect of Tolls to the extent permitted by law, it will not constitute an Event of Default under the provisions of the Subordinate Indenture if the Commission fails to meet the Rate Covenant during the succeeding Fiscal Year as long as no Event of Default under the Subordinate Indenture has occurred in debt service payments. If the Commission does not comply with the recommendations of the Consultant (as defined in APPENDIX E) in respect of Tolls, the Trustee may, and upon the request of the holders of not less than 25% in principal amount of the Subordinate Indenture Bonds of any Class then outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction any appropriate action to compel the Commission to revise the schedules of Tolls. The Commission covenants that it will adopt and charge Tolls in compliance with any final order or decree entered in any such proceeding.

In the event that the Consultant shall fail to file with the Commission such recommendations in writing within sixty (60) days after such retention, the Trustee may designate and appoint a different Consultant to make recommendations as to an adjustment of the schedules of Tolls, which recommendations shall be reported in writing to the Commission and to the Trustee within sixty (60) days after such retention. Such written report shall for all purposes be considered to be the equivalent of and substitute for the recommendations of the Consultant retained by the Commission.

In preparing its recommendations, the Consultant may rely upon written estimates of Revenues prepared by the other Consultants of the Commission. Copies of such written estimates signed by such Consultants shall be attached to such recommendations. The Commission has covenanted that promptly after receipt of such recommendations and the adoption of any revised schedules of Tolls, certified copies thereof will be filed with the Trustee.

The ability of the Commission to collect Tolls in an amount sufficient to comply with the Rate Covenant could be adversely affected by many factors, some of which are beyond the Commission's control. See "CERTAIN RISK FACTORS" and APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — CERTAIN FINANCIAL INFORMATION — Toll Schedule and Rates."

The Commission has agreed in the Senior Indenture that Tolls will be classified in a reasonable way to cover all traffic, so that the Tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic; provided, however, that the foregoing shall not be interpreted to restrict the Commission's right, in its discretion in connection with its management of the System, to establish and maintain flexible Toll schedules including, but not limited to, provisions for utilizing or otherwise taking into account peak and nonpeak pricing, introductory pricing, weight, method of payment, frequency, carpooling, electronic Tolls or other new Toll collection technologies, traffic management systems, and similar classifications. The Commission has agreed that it shall not grant free passage or reduced Tolls within a class, except in the limited manner permitted by the Senior Indenture, which includes, among others, for operational or safety reasons including, but not limited to, reasons arising out of a work stoppage, work slowdown or work action, and for use by the Army, Air Force, Navy, Coast Guard, Marine Corps or National Guard or any branch thereof in time of war or other emergency.

In the event the Commission did not meet the Rate Covenant for the preceding Fiscal Year, any classification resulting in a reduced Toll or new classification shall be subject to a Consultant approving the same before it is implemented. In all events, the Commission shall not make a change in classification or any new classification which would cause the Commission to fail to meet the Rate Covenant.

The Commission's covenant as to uniformity of Tolls (pursuant to the Senior Indenture) shall not be construed as requiring that Tolls for any given class of traffic be identical in amount throughout the entire System for trips of approximately identical lengths. The Commission may fix and place in effect schedules of Tolls for any given class of traffic wherein the Tolls charged for travel on a given section of the System shall be different from the Tolls charged on another section of the System notwithstanding the fact that both of said sections may be of identical or approximately identical length.

Certain Provisions of the Senior Indenture

THIS DISCUSSION DESCRIBES CERTAIN PROVISIONS OF THE SENIOR INDENTURE:

In addition to any other funds created by an indenture supplemental to the Senior Indenture, the following funds and accounts exist under the Senior Indenture: (a) a Construction Fund; (b) a Revenue Fund (herein, the "***Senior Indenture Revenue Fund***"); (c) a Debt Service Fund (herein, the "***Senior Indenture Debt Service Fund***");(d) a Debt Service Reserve Fund (herein, the "***Senior Indenture Debt Service Reserve Fund***"*);* (e) a Reserve Maintenance Fund (herein, the "***Senior Indenture Reserve Maintenance Fund***"); (f) a General Reserve Fund; (g) a Rebate Fund (herein, the "***Senior Indenture Rebate Fund***"); and (h) an Operating Account to be held by the Commission in the name of the Commission outside of the Senior Indenture (herein, the "***Senior Indenture Operating Account***").

The Commission covenants that all Revenues (as defined in APPENDIX E hereto) will be deposited daily, as far as practicable, with the Senior Trustee or in the name of the Senior Trustee with a depositary or depositaries of the Senior Trustee, to the credit of the Senior Indenture Revenue Fund.

Except as otherwise provided in the Senior Indenture, transfers from the Senior Indenture Revenue Fund shall be made to the following funds and in the following order of priority:

(i) Senior Indenture Rebate Fund;

(ii) Senior Indenture Operating Account;

(iii) Senior Indenture Debt Service Fund;

(iv) Senior Indenture Reserve Maintenance Fund;

(v) Senior Indenture Debt Service Reserve Fund; and

(vi) General Reserve Fund (after retaining in the Senior Indenture Revenue Fund such funds identified by the Commission for future transfers to the Senior Indenture Debt Service Fund established under the Senior Indenture).

The Senior Trustee shall transfer from the Senior Indenture Revenue Fund on or before the last Business Day of each year (or more frequently if requested by a Commission Official) to the credit of the General Reserve Fund any funds which a Commission Official determines to be in excess of the amount required to be reserved therein for future transfers to the Senior Indenture Debt Service Fund.

Moneys in the General Reserve Fund may be expended by the Commission to restore deficiencies in any funds or accounts created under the Senior Indenture and, absent any such deficiency, for any of the following purposes, with no one item having priority over any of the others:

(a) To purchase or redeem Senior Revenue Bonds;

(b) To secure and pay the principal or redemption price of and interest on any Senior Indenture Subordinated Indebtedness (as defined in APPENDIX E);

(c) To make payments into the Construction Fund established under the Senior Indenture;

(d) To fund improvements, extensions and replacements of the System; or

(e) To further any corporate purpose.

The Senior Trustee is authorized under the Senior Indenture to apply monies on deposit in the General Reserve Fund for any of such purposes upon receipt of a requisition signed by a Commission Official.

Under the terms of the Subordinate Indenture, the Commission covenants to instruct the Senior Trustee to pay to the Trustee out of the General Reserve Fund established under the Senior Indenture such amounts as are required by the Subordinate Indenture or by a indenture supplemental to the Subordinate Indenture to pay, at the times specified, debt service on all outstanding Subordinate Indenture Bonds (including the 2014A Bonds) and all Parity Obligations issued under the Subordinate Indenture. See "SECURITY FOR THE 2014A BONDS – Commission Payments."

The following chart sets forth the balances held in the General Reserve Fund as of the fiscal year end dates set forth below.

General Reserve Fund Balances
as of May 31[1]

2013	2012	2011	2010	2009
$255,204,660	$278,371,535	$151,065,585	$105,381,591	$70,623,218

Balances in the General Reserve Fund may be applied in the future for capital expenditures of the Commission and for other general corporate purposes, including making Commission Payments as described below.

The Senior Indenture contains a rate covenant, as described in APPENDIX E.

1 Balances in the General Reserve Fund can vary substantially, both month to month and year to year, due not only to variations in revenues, but also to the timing of expenditures, particularly capital expenditures, the Commission's equity contribution towards its Act 44 payments and the Commission's deposit to the Pennsylvania Turnpike Commission Retiree Medical Trust. (See "PLAN OF FINANCING" and APPENDIX A- "CERTAIN OTHER INFORMATION – Other Post-Employment Benefit Liabilities".) Harsh weather conditions this past winter negatively impacted revenues. Further, based on actual expenditures in Fiscal Year 2013 and projected expenditures in Fiscal Year 2014, the Commission has utilized $100 million in General Reserve Fund balances to augment its Act 44 payments, and to make contributions to the Retiree Medical Trust of $57.2 million in excess of its annual required contribution. The Commission expects its contribution to the Retiree Medical Trust to be lower in future fiscal years. The Commission intends to continue to utilize between $40 million and 50 million annually in General Reserve Fund balances to support its Act 44 payments, consistent with assumptions made in its Amended Act 44 Financial Plan. The Commission currently projects that the General Reserve Fund Balance as of May 31, 2014, though lower than the Fiscal Year 2013 year-end balance, will be approximately $200 million.

Commission Payments

Pursuant to the terms of the Subordinate Indenture, the Commission covenants, after payment of all required debt service on all Senior Indenture Parity Obligations issued under the Senior Indenture and subject to the provisions of the Senior Indenture, to pay to the Trustee, and to instruct the Senior Indenture Trustee to pay to the Trustee, out of the General Reserve Fund established under the Senior Indenture such amounts as are required by the Subordinate Indenture or by a supplemental indenture to the Subordinate Indenture to pay, at the times specified, required payments with respect to all bonds and other obligations issued under the Subordinate Indenture, a supplemental indenture to the Subordinate Indenture, and all Parity Obligations thereunder. Such payments out of the General Reserve Fund shall only take on the character of being "Commission Payments," as described below, upon their transmittal to the Trustee, and nothing in the Subordinate Indenture shall be construed to create any lien on any amount while held in the General Reserve Fund.

Accordingly, the Commission shall instruct, or furnish a debt service schedule to, the Senior Trustee providing for the payment to the Trustee out of funds held in the General Reserve Fund monies to pay such amounts as are required by the Subordinate Indenture with respect to the outstanding bonds and other obligations issued under the Subordinate Indenture, Parity Obligations thereunder and all other payments required thereunder at such times on such terms as are set forth in the Subordinate Indenture (collectively, the "***Commission Payments***").

In addition to other payments and General Reserve Fund withdrawals required under the Subordinate Indenture, the Commission shall withdraw, or arrange for the withdrawal, from the General Reserve Fund and deposit to the Commission Payments Fund the amounts hereinafter specified which shall be applied by the Trustee for the purposes for which the same shall be deposited:

(a) On or before the first Business Day of each calendar month commencing on the first Business Day of the sixth month prior to the next succeeding Interest Payment Date, an amount which equals the amount necessary to pay, and for the purpose of paying, one-sixth (1/6) of 115% of the interest due on any Fixed Rate Bonds (or the monthly interest due on any Variable Rate Bonds) issued as Subordinate Revenue Bonds (including the 2014A Subordinate Revenue Bonds), on the next succeeding Interest Payment Date, such amount to be calculated based on the applicable Assumed Variable Rate for such Variable Rate Bonds, including any amount due to the Bond Insurer in respect thereto (or, in the case of the period from the date of issuance of such Fixed Rate Bonds or Variable Rate Bonds to the first Interest Payment Date for the applicable Fixed Rate Bonds or Variable Rate Bonds, a monthly amount equal to 115% of the interest amount owed on such first Interest Payment Date (to be calculated based on the applicable Assumed Variable Rate for such Variable Rate Bonds) divided by the number of months from the date of issuance of such Fixed Rate Bond or Variable Rate Bond to such first Interest Payment Date), which amount shall be deposited promptly in the Commission Payments Fund;

(b) On or before the first Business Day of each calendar month commencing on the first Business Day of the twelfth month prior to the next succeeding principal payment date, an amount which equals one-twelfth (1/12) of the amount necessary to pay and for the purpose of paying, 115% of the principal amount (or Compounded Amount, if applicable) of any Fixed Rate Bonds or Variable Rate Bonds issued as Subordinate Revenue Bonds (including the 2014A Subordinate Revenue Bonds) maturing on the next succeeding maturity date (or, in the case of the period from the date of issuance of such Fixed Rate Bonds or Variable Rate Bonds to the first date on which principal (or Compounded Amount, if applicable) is due on such Fixed Rate Bonds or Variable Rate Bonds, a monthly amount equal to 115% of the principal amount (or Compounded Amount, if applicable) owed on such first principal maturity date divided by the number of months from the date of issuance of such Fixed Rate Bond or Variable Rate Bond to such first principal maturity date), which amount shall be deposited promptly in the Commission Payments Fund;

(c) On or before the first Business Day of each calendar month commencing on the first Business Day of the twelfth month prior to the next succeeding mandatory sinking fund installment date, an amount which equals one-twelfth (1/12) of the amount necessary to pay, and for the purpose of paying, 115% of the principal amount of any mandatory sinking fund installment of Fixed Rate Bonds or Variable Rate Bonds issued as Subordinate Revenue Bonds (including the 2014A Subordinate Revenue Bonds) payable on the next succeeding mandatory sinking fund installment date, which amount shall be deposited promptly in the Commission Payments Fund;

(d) On or before the 10th calendar day of each calendar month commencing on the 10th calendar day of the sixth month prior to the next succeeding Interest Payment Date, but not before the payments required by clauses (a) through (c) above, an amount which equals the amount necessary to pay, and for the purpose of paying, one-sixth (1/6) of 100% of the interest due on any Fixed Rate Bonds (or the monthly interest due on any Variable Rate Bonds) issued as Special Revenue Bonds (including the 2014A MLF Subordinate Special Revenue Bonds), on the next succeeding Interest Payment Date, such amount to be calculated based on the applicable Assumed Variable Rate for any Variable Rate Bonds, including any amount due to any Bond Insurer in respect thereto (or, in the case of the period from the date of issuance of such Fixed Rate Bonds or Variable Rate Bonds to the first Interest Payment Date for the applicable Fixed Rate Bonds or Variable Rate Bonds, a monthly amount equal to 100% of the interest amount owed on such first Interest Payment Date (to be calculated at the applicable Assumed Variable Rate for such Variable Rate Bonds) divided by the number of months from the date of issuance of such Fixed Rate Bond or Variable Rate Bond to such first Interest Payment Date), which amount shall be deposited promptly in the Commission Payments Fund;

(e) On or before the 10th calendar day of each calendar month commencing on the 10th calendar day of the twelfth month prior to the next succeeding principal payment date, but not before the payments required by clauses (a) through (d) above, an amount which equals one-twelfth (1/12) of the amount necessary to pay, and for the purpose of paying, 100% of the principal amount (or Compounded Amount, if applicable) of any Fixed Rate Bonds or Variable Rate Bonds issued as Special Revenue Bonds (including the 2014A MLF Subordinate Special Revenue Bonds) maturing on the next succeeding maturity date (or, in the case of the period from the date of issuance of such Fixed Rate Bonds or Variable Rate Bonds to the first date on which principal (or Compounded Amount, if applicable) is due on such Fixed Rate Bonds or Variable Rate Bonds, a monthly amount equal to 100% of the principal amount (or Compounded Amount, if applicable) owed on such first principal maturity date divided by the number of months from the date of issuance of such Fixed Rate Bond or Variable Rate Bond to such first principal maturity date), which amount shall be deposited promptly in the Commission Payments Fund; and

(f) On or before the 10th calendar day of each calendar month commencing on the 10th calendar day of the twelfth month prior to the next succeeding mandatory sinking fund installment date, but not before the payments required by clauses (a) through (e) above, an amount which equals one-twelfth (1/12) of the amount necessary to pay, and for the purpose of paying, 100% of the principal amount of any mandatory sinking fund installment of Fixed Rate Bonds or Variable Rate Bonds issued as Special Revenue Bonds (including the 2014A MLF Subordinate Special Revenue Bonds) payable on the next succeeding mandatory sinking fund installment date, which amount shall be deposited promptly in the Commission Payments Fund.

Commission Payments Fund

All Commission Payments will be deposited with the Trustee or in the name of the Trustee with a depositary or depositaries designated by the Commission and approved by the Trustee, to the credit of the Commission Payments Fund created under the Subordinate Indenture (the "***Commission Payments Fund***"). The monies in the Commission Payments Fund are to be held by the Trustee in trust and applied in accordance with the Subordinate Indenture.

Except as otherwise provided in the Subordinate Indenture, transfers from the Commission Payments Fund shall be made to the following funds and in the following order of priority:

(a) Rebate Fund;

(b) Administrative Expenses Fund;

(c) Revenue Bonds Account of the Debt Service Fund;

(d) Special Revenue Bonds Account of the Debt Service Fund;

(e) Debt Service Reserve Fund, if applicable;

(f) Motor License Fund Repayment Fund; and

(g) Residual Fund.

Administrative Expenses Fund

An Administrative Expenses Fund is created pursuant to the Subordinate Indenture. The Trustee shall deposit into the Administrative Expenses Fund from the Commission Payments Fund such amounts as are needed for the payment of Administrative Expenses. In the event of a deficiency in the Rebate Fund, arbitrage rebate, yield reduction or similar payments may be made from amounts in the Administrative Expenses Fund with respect to Subordinate Indenture Bonds. Funds on deposit in the Administrative Expenses Fund may also be used for the payment of annual trustee fees, facility fees, remarketing fees and initial swap payments incurred in connection with the issuance, and performance, of Subordinate Indenture Bonds from time to time.

Debt Service Fund

A Debt Service Fund is created pursuant to the Subordinate Indenture, and within the Debt Service Fund there are established two separate accounts known as the "***Revenue Bonds Account***" and the "***Special Revenue Bonds Account***". Each such Account shall have an "***Interest Sub Account***" and a "***Principal Sub Account***" for each series or sub-series of tax-exempt and taxable Subordinate Indenture Bonds of such class issued pursuant to the Subordinate Indenture. The Trustee shall make deposits, on the dates required for such deposits, from the Commission Payments Fund into the Revenue Bonds Account and the Special Revenue Bonds Account of the Debt Service Fund of such required amounts to the appropriate sub-accounts. There is also created under the Subordinate Indenture a Special Revenue Bonds Receipts Account (the "***Special Revenue Bonds Receipts Account***"). Any payments by the Commonwealth out of the Commonwealth's Motor License Fund pursuant to Act 44 with respect to any Special Revenue Bonds shall be deposited into the Special Revenue Bonds Receipts Account solely for payment by the Trustee of principal and interest on Special Revenue Bonds.

There is further created under the Subordinate Indenture a "***Special Revenue Bonds Funded Debt Service Sub-Account***" of the Special Revenue Bonds Account of the Debt Service Fund. In the event of any failure by PennDOT or the Treasurer of the Commonwealth to deposit funds transferred from the Motor License Fund into the Special Revenue Bonds Receipts Account for the payment of any interest or principal due on Special Revenue Bonds, then the Trustee shall withdraw such amounts from the Special Revenue Bonds Funded Debt Service Sub-Account and transfer the monies to the Special Revenue Bonds Interest Sub-Account or the Principal Sub-Account, as appropriate, on the applicable Interest Payment Date, principal payment date or mandatory sinking fund installment date. If monies are received from the Motor License Fund subsequent to payments being made from the Special Revenue Bonds Funded Debt Service Sub-Account, then such Motor License Fund monies shall be transferred from the Special Revenue Bonds Receipts Account to the Special Revenue Bonds Funded Debt Service Sub-Account to restore any deficiency thereunder.

The Special Revenue Bonds Funded Debt Service Sub-Account and the Special Revenue Bonds Receipts Account secure Special Revenue Bonds on a parity basis.

On the date of issuance of any series or sub-series of Special Revenue Bonds, the Commission shall deposit, or cause to be deposited, into the Special Revenue Bonds Funded Debt Service Sub-Account, an amount which, together with funds on deposit therein, shall be equal to one-half Maximum Annual Debt Service on all Outstanding Special Revenue Bonds, including those Special Revenue Bonds being issued at the time of the deposit. Such amount shall be the "***Special Revenue Bonds Funded Debt Service Sub Account Requirement***." The Commission has no obligation to maintain the balance in the Special Revenue Bonds Funded Debt Service Sub-

Account equal to the Special Revenue Bonds Funded Debt Service Sub-Account Requirement nor to replenish any funds withdrawn from the Special Revenue Bonds Funded Debt Service Sub-Account from any funds of the Commission, including Commission Payments. Funds on deposit in the Special Revenue Bonds Receipts Account, to the extent not required to make a deposit to the debt service sub-accounts, shall be transferred to the Special Revenue Bonds Funded Debt Service Sub-Account to restore deficiencies therein.

The Trustee and the Commission may create such additional accounts and sub-accounts in the Debt Service Fund as they deem necessary or appropriate, including, but not limited to, (a) an account into which drawings on a Credit Facility are to be deposited and from which principal (including redemption price) and Purchase Price of and interest on the series of Subordinate Indenture Bonds secured by such Credit Facility are to be paid (and upon such payment, amounts on deposit in the Principal and Interest Accounts for such Subordinate Indenture Bonds shall be used to repay the provider of the Credit Facility for such payments), and (b) an account into which payments by the Commission to any Parity Swap Counterparty are to be deposited and from which payments to such Parity Swap Counterparty are to be paid.

The moneys in the Interest and Principal Sub-Accounts shall be held by the Trustee in trust for the benefit of the applicable series of Subordinate Indenture Bonds, to the extent the foregoing are payable from such accounts, and, to said extent and pending application, shall be subject to a lien and charge in favor of the Owners of the applicable series of Subordinate Indenture Bonds until paid out or transferred as hereinafter provided. There shall be withdrawn from the Interest Account (and any available capitalized interest) and the Principal Account from time to time and set aside or deposited with the Trustee sufficient money for paying the interest on and the principal of (or Compounded Amount, if applicable) and premium on the Subordinate Indenture Bonds as the same shall become due, except to the extent such interest, principal (or Compounded Amount, if applicable) or other amounts are payable from a fund or account other than the Debt Service Fund as provided in any applicable supplemental indenture.

For any Debt Service Reserve Fund Bonds, if at the time the Trustee is required to make a withdrawal from the Debt Service Fund the moneys therein shall not be sufficient for such purpose, the Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the Debt Service Reserve Fund and transfer the same to the appropriate account of the Debt Service Fund. See "SECURITY FOR THE 2014A BONDS - Special Revenue Bonds" above, for a discussion of the procedures to be followed by the Trustee in the event that there are insufficient funds available to the Trustee to make the required payments or deposits associated with the Special Revenue Bonds.

Debt Service Reserve Fund

A Debt Service Reserve Fund has been established under the Subordinate Indenture to provide additional security for Debt Service Reserve Fund Bonds. The Debt Service Reserve Fund secures Debt Service Reserve Fund Bonds on a parity basis. The 2014A Subordinate Revenue Bonds are Debt Service Reserve Fund Bonds for the purpose of the Subordinate Indenture and, accordingly, are secured by moneys on deposit in the Debt Service Reserve Fund. On the date of the issuance of the 2014A Bonds an amount from the proceeds of the 2014A Subordinate Revenue Bonds will be deposited to the Debt Service Reserve Fund. Such amount, together with the existing balance in the Debt Service Reserve Fund, will be sufficient to fulfill the Debt Service Reserve Fund Requirement of the Subordinate Indenture with respect to the 2014A Subordinate Revenue Bonds and all other outstanding Debt Service Reserve Fund Bonds. Following issuance of the 2014A Bonds, the Commission will have \$3,796,395,717.85 of outstanding Debt Service Reserve Fund Bonds under the Subordinate Indenture (including compounded amounts as of December 1, 2013 for capital appreciation bonds). **The currently outstanding Special Revenue Bonds and the 2014A MLF Subordinate Special Revenue Bonds are <u>not</u> Debt Service Reserve Fund Bonds under the Subordinate Indenture**.

The Subordinate Indenture requires that the balance in the Debt Service Reserve Fund be maintained at the "***Debt Service Reserve Requirement***," which is an amount equal to the lesser of (i) Maximum Annual Debt Service on account of all Debt Service Reserve Fund Bonds, (ii) ten percent (10%) of the aggregate Outstanding principal amount of all Debt Service Reserve Fund Bonds, or (iii) 125% of average Annual Debt Service for all Debt Service Reserve Fund Bonds for each Fiscal Year for the remaining life of such Bonds, provided in any case that such amount does not exceed what is permitted by the Code. Debt Service Reserve Fund Bonds include Long-Term

Indebtedness specified by the Commission in the Subordinate Indenture or applicable supplemental indenture as being secured by the Debt Service Reserve Fund.

In each Fiscal Year, after first having made the deposits required to the Debt Service Fund, the Commission shall pay out of the General Reserve Fund into the Commission Payments Fund and the Trustee shall transfer from the Commission Payments Fund on or before the last day of each month to the credit of the Debt Service Reserve Fund (a) the amount, if any, required to make the amount on deposit in the Debt Service Reserve Fund equal to the Debt Service Reserve Requirement, which restoration, as required by the Rate Covenant, is intended to occur within eighteen (18) months; and (b) the amount set forth in the applicable supplemental indenture if an amount different from the Debt Service Reserve Requirement is required.

Subject to the preceding paragraph, to the extent accounts are created in the Debt Service Reserve Fund for Debt Service Reserve Fund Bonds, the funds and DSRF Security (as defined below) held therein shall be available to make payments required under the Subordinate Indenture for the benefit of all Debt Service Reserve Fund Bonds.

Moneys held in the Debt Service Reserve Fund shall be used for the purpose of paying interest on, and maturing principal (or Compounded Amount, if applicable) and mandatory sinking fund redemption price of, Debt Service Reserve Fund Bonds whenever and to the extent that the moneys held for the credit of the Debt Service Fund shall be insufficient for such purpose. If at any time the moneys and the principal amount of any DSRF Security held in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement, the Commission shall direct whether such excess moneys shall be transferred by the Trustee to the credit of the Commission Payments Fund or used to reduce the principal amount of any DSRF Security.

In the event the Trustee shall be required to withdraw funds from the Debt Service Reserve Fund to restore a deficiency in the Debt Service Fund arising with respect to Debt Service Reserve Fund Bonds, the funds shall be allocated, subject to the provisions of the Subordinate Indenture, pro rata among all Debt Service Reserve Fund Bonds.

In lieu of the deposit of moneys into the Debt Service Reserve Fund, the Commission may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that such surety bond, insurance policy, letter of credit or similar financial instrument will not result in the rating on any outstanding Debt Service Reserve Fund Bonds being downgraded) (each, a "***DSRF Security***") payable to the Trustee in an amount equal to the difference between the Debt Service Reserve Requirement and the amounts then on deposit in the Debt Service Reserve Fund. The DSRF Security shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of the principal of (or Compounded Amount, if applicable) or interest on any Subordinate Indenture Bonds to the extent that such withdrawals cannot be made by amounts on deposit in the Debt Service Reserve Fund.

If a disbursement is made pursuant to a DSRF Security, the Commission shall be obligated either (a) to reinstate the maximum limits of such DSRF Security or (b) to deposit into the Debt Service Reserve Fund, funds in the amount of the disbursement made under such DSRF Security, or a combination of such alternatives, as shall provide that the amount credited to the Debt Service Reserve Fund equals the Debt Service Reserve Requirement within a time period of eighteen (18) months.

If the DSRF Security shall cease to satisfy the requirements set forth in the second preceding paragraph regarding Rating Agency confirmation, the Commission shall use reasonable efforts to replace such DSRF Security with one having the required rating, but shall not be obligated to pay, or commit to pay, increased fees, expenses or interest in connection with such replacement or to deposit revenues in the Debt Service Reserve Fund in lieu of replacing such DSRF Security with another.

As of the date of issuance of the 2014A Bonds, it is not expected that any portion of the Debt Service Reserve Fund Requirement will be satisfied with any DSRF Security.

Motor License Fund Repayment Fund

Under the terms of the Subordinate Indenture, there is created a Motor License Fund Repayment Fund. Based on such time schedule as agreed to by the Commission and PennDOT and furnished to the Trustee, the Trustee shall deposit into the Motor License Fund Repayment Fund from the Commission Payments Fund and the Residual Fund such amounts as are necessary and available to repay to the Commonwealth's Motor License Fund any debt service payments with respect to any Special Revenue Bonds which are made out of such Motor License Fund. The failure to make any such payments shall not be an Event of Default under the Subordinate Indenture.

Residual Fund

A Residual Fund is created under the Subordinate Indenture. After making all payments required under the Subordinate Indenture, the Trustee shall at least annually deposit into the Residual Fund out of the Commission Payments Fund such amounts from the Commission Payments Fund as are in excess of current debt service and other required payments and deposits pursuant to the Subordinate Indenture.

Moneys in the Residual Fund may be expended by the Commission to restore deficiencies in any funds or accounts created under the Subordinate Indenture (including without limitation the Revenue Bonds Principal and Interest Sub-Accounts) and, absent any such deficiency, for any of the following purposes, with no one item having priority over any of the others: (a) to purchase or redeem Subordinate Indenture Bonds; (b) to secure and pay the principal or redemption price of and interest on any Parity Obligations; or (c) to further any corporate purpose.

Pursuant to the written request of the Commission, the Trustee shall transfer to the General Reserve Fund of the Senior Indenture any balance in the Residual Fund not required to restore any deficiency in a fund or account established thereunder.

Future Commission Financings

See APPENDIX A – "THE PENNSYLVANIA TURNPIKE COMMISSION - CERTAIN FINANCIAL INFORMATION – Future Financing Considerations" for a discussion of future financings planned or contemplated by the Commission.

MOTOR LICENSE FUND

The Commonwealth's Motor License Fund is a constitutionally-established special revenue fund consisting of monies received from liquid fuels taxes, oil company franchise taxes, fuels tax, motor carriers road tax, licenses and fees on motor vehicles, aviation fuel tax revenues, federal aid for highway and aviation purposes, contributions from local subdivisions for highway projects and other miscellaneous highway revenues.

The Motor License Fund provides for highway and bridge improvement, design, maintenance and purchase of rights-of-way, as well as aviation activities and PennDOT licensing and safety activities. It also finances State Police highway patrol operations and pays subsidies to local subdivisions for construction and maintenance of roads.

The Pennsylvania Constitution requires that: "[a]ll proceeds from gasoline and other motor fuel excise taxes, motor vehicle registration fees and license taxes, operators' license fees and other excise taxes imposed on products used in motor transportation after providing therefrom for (a) cost of administration and collection, (b) payment of obligations incurred in the construction and reconstruction of public highways and bridges shall be appropriated by the General Assembly to agencies of the State or political subdivisions thereof; and used solely for construction, reconstruction, maintenance and repair of and safety on public highways and bridges ... ." The Motor License Fund was created to accommodate this constitutional requirement. The major tax sources for the Motor License Fund are the liquid fuels taxes and the oil company franchise tax.

Act 44 provides a specific order of priority of three categories of revenue sources composed of taxes and fees that the State Treasurer is to use in making payments in respect of Special Revenue Bonds. The first category is the permanent state tax of 12 cents a gallon or fractional part thereof upon all liquid fuels and fuels used or sold by distributors with the Commonwealth. The second category includes the oil company franchise tax of 60 mills on all liquid fuels and fuels; 74% of an additional tax of 55 mills on all liquid fuels and fuels; and 88% of an additional tax of 38.5 mills on all liquid fuels and fuels. The third category includes funds deposited into the Motor License Fund from annual registration fees imposed on various types of vehicles operating in Pennsylvania, net of the $28,000,000 appropriated to the Commission from the proceeds of the annual vehicle registration fees.

In 2012, there were 11.5 million registered motor vehicles within the Commonwealth, and total Motor License Fund revenues available under Act 44 exceeded $2.386 billion in Fiscal Year 2012-13. Various legislative proposals introduced or expected to be introduced in the Pennsylvania General Assembly could affect the revenues deposited into the Motor License Fund and/or the application of such revenues. See "THE COMMISSION – Enabling Acts" and " – Pending Legislation and Recent Developments" in APPENDIX A hereto.

See APPENDIX H hereto for additional financial information concerning the Motor License Fund.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2014A Bonds, Assured Guaranty Municipal Corp. ("***AGM***") will issue its Municipal Bond Insurance Policies for the Insured 2014A Bonds (collectively, the "***Policy***"). The Policy guarantees the scheduled payment of the Compounded Amount with respect to and interest on, as applicable, the Insured 2014A Bonds when due as set forth in the form of the Policy included as APPENDIX K to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("***AGL***"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("***S&P***") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("***Moody's***"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 18, 2014, S&P published a Research Update report in which it upgraded AGM's financial strength rating to "AA" (stable outlook) from "AA-" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On February 10, 2014, Moody's issued a press release stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At December 31, 2013, AGM's policyholders' surplus and contingency reserves were approximately $3,529 million and its net unearned premium reserve was approximately $1,891 million. Such amounts represent the combined surplus, contingency reserves and net unearned premium reserve of AGM and its wholly owned subsidiary Assured Guaranty (Europe) Ltd., plus 60.7% of the contingency reserve and net unearned premium reserve of AGM's indirect subsidiary, Municipal Assurance Corp.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2014A Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Insured 2014A Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the Insured 2014A Bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the 2014A Bonds or the advisability of investing in the 2014A Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

CERTAIN RISK FACTORS

Many factors could affect the sufficiency of the Trust Estate to meet debt service payments on the 2014A Bonds, and the sufficiency of the Motor License Fund to make payments required with respect to the 2014A MLF Subordinate Special Revenue Bonds, some of which are discussed below. Potential investors must carefully consider the following factors in order to understand the structure and characteristics of the 2014A Bonds and the potential merits and risks of an investment in the 2014A Bonds. Potential investors must review and be familiar with a variety of risk factors in deciding whether to purchase any 2014A Bond. The following risk factors are among those which should be considered by a potential investor:

Commission Revenues may decline

The actual amount of future toll revenues collected by the Commission depends upon a number of factors, including rates established by the Commission and the level and composition of traffic on the System. Many of these factors are beyond the control of the Commission. The Commission is obligated under the terms of the Amended Funding Agreement, Act 44, the Senior Indenture and the Subordinate Indenture to fix and revise tolls at levels that will generate revenues (together with other available moneys) sufficient to pay all of its obligations under the Amended Funding Agreement, to construct and maintain the System and to pay debt service obligations and other amounts payable to PennDOT or the Commonwealth. However, the amount of traffic on the System cannot be predicted with certainty and may decline due to general economic conditions, diversion of some traffic to alternative non-toll routes to avoid toll rate increases or because of increased fuel costs, increased mileage standards, higher fuel taxes or other factors. There is insufficient data to assess these risk factors fully. However, based on historical variations in such factors and the recent toll increases, the Commission reasonably expects to have sufficient revenues to meet its payment obligations, including payment obligations with respect to the 2014A Bonds.

In addition, as set forth in the Traffic Study, there is considerable uncertainty inherent in future traffic and revenue forecasts for any toll facility, and differences between forecasted and actual results (which may be material) may occur due to events and circumstances beyond the control of the forecasters, including without limitation economic conditions and other factors. While future traffic volume and revenues cannot be predicted with certainty, the Commission reasonably expects that it will have sufficient revenue to meet the then existing debt and operational obligations of the Commission. See APPENDIX G - "TRAFFIC AND REVENUE STUDY."

Investors in the 2014A Bonds bear greater risk of nonpayment because the priority of payment of interest and principal on the 2014A Bonds is subordinate to the Senior Indenture Parity Obligations under the Senior Indenture; the 2014A MLF Subordinate Special Revenue Bonds are subordinate to the 2014A Subordinate Revenue Bonds

The 2014A Bonds are subordinate in right of payment from the General Reserve Fund to the payment of all Senior Indenture Parity Obligations under the Senior Indenture. The 2014A Bonds are not secured by the General Reserve Fund established under the Senior Indenture. In addition, it is probable that additional Senior Revenue Bonds and other senior obligations may be issued in the future by the Commission under the Senior Indenture, which would increase the amount of Senior Indenture Parity Obligations to which the payment on the 2014A Bonds are subordinated, thus increasing the risk of nonpayment to the 2014A Bondholders.

In addition, as described herein, the payment of debt service on the 2014A MLF Subordinate Special Revenue Bonds is junior in right of payment to the payment of debt service on the 2014A Subordinate Revenue Bonds and all other Subordinate Revenue Bonds issued or to be issued under the Subordinate Indenture.

The Trust Estate will have limited assets from which to make payments on the 2014A Bonds, which may result in losses

The Trust Estate will not include significant assets. The Trust Estate consists primarily of an obligation of the Commission to make periodic payments from funds available in the General Reserve Fund after satisfaction of Senior Indenture Parity Obligations and the maintenance of any reserve fund established under the Senior Indenture. Consequently, holders of the 2014A Bonds must rely upon the obligation of the Commission to make such payments from the General Reserve Fund and to set Tolls at sufficient levels to generate the necessary excess cash in the General Reserve Fund for such payments.

If the Commission experiences financial problems, delays in payment or losses on the 2014A Bonds may result

Adverse changes in the Commission's financial condition could result in a failure to make its payments, or a delay in payments, to the Trustee with respect to the 2014A Bonds. In addition to a potential decline in revenues, the Commission's financial condition could be adversely affected by a number of factors including, but not limited to:

- Increased and/or unanticipated costs of operation and maintenance of the System;
- Decreased toll revenues due to declines in usage or otherwise;
- Work stoppage, slowdown or action by unionized employees;
- Increased mass transit systems;
- Complete or partial destruction or temporary closure of the System due to events beyond the control of the Commission;
- Increased unfunded pension benefits;
- Increased unfunded healthcare and other non-pension post-employment benefits; and
- Increased fuel costs.

The Commission's financial condition may be adversely affected as a consequence of adverse changes in the financial condition of third-party financial institutions

Adverse changes in the financial condition of certain third-party financial institutions may adversely affect the Commission's financial position. Different types of investment and contractual arrangements may create exposure for the Commission to such institutions including:

- Risk to the Commission's investment portfolio due to defaults or changes in market valuation of the debt securities of such institutions;
- Counterparty risk related to swaps used by the Commission to hedge its cost of funds; and
- Risk of rating changes of the Commission's credit enhancers or liquidity providers which may adversely affect the interest costs on the Commission's variable rate debt or which may render such variable rate debt unmarketable.

The 2014A Bonds may be repaid early due to the exercise of the redemption option. If this happens, yield may be affected and 2014A Bondholders will bear reinvestment risk

The 2014A Bonds may be redeemed prior to their final maturity if the Commission exercises its option to redeem the 2014A Bonds. Bondholders bear the risk that monies received upon such redemption cannot be reinvested in comparable securities or at comparable yields.

Certain legislative actions may result in adverse changes to the Commission or Act 44 or Act 89

From time to time legislation is introduced in the Pennsylvania General Assembly which may affect the Commission and therefore may affect certain of the assumptions made in this Official Statement. The Commission cannot predict if any of such bills or other legislation will be enacted into law, or how any such legislation may affect the Commission's ability to timely pay the 2014A Bonds. See APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — THE COMMISSION – Pending Legislation and Recent Developments."

Bankruptcy risk; lien position

The rights and remedies of Bondholders could be limited by the provisions of the Federal Bankruptcy Code, as now or hereafter enacted (the "***Bankruptcy Code***"), or by other laws or legal or equitable principles which may affect the enforcement of creditors' rights. Chapter 9 of the Bankruptcy Code permits, under prescribed circumstances, a political subdivision or public agency or instrumentality of a state, such as the Commission, to commence a voluntary bankruptcy proceeding and to file a plan of adjustment in the repayment of its debts, if such entity is generally not paying its debts as they become due (unless such debts are the subject of a bona fide dispute), or is unable to pay its debts as they become due. Under the Bankruptcy Code, an involuntary petition cannot be filed against a political subdivision, public agency or instrumentality of a state.

In order to proceed under Chapter 9 of the Bankruptcy Code, state law must authorize the political subdivision, public agency or instrumentality to file a petition under the Bankruptcy Code. THE ENABLING ACTS DO NOT CURRENTLY AUTHORIZE THE COMMISSION TO FILE A PETITION UNDER THE BANKRUPTCY CODE.

Payment of the 2014A Bonds is not secured by a lien on any funds on deposit in the General Reserve Fund established under the Senior Indenture or on any toll revenues collected by the Commission. The 2014A Bonds are secured solely by the Commission Payments and funds held under the Subordinate Indenture (excluding the Rebate Fund and as otherwise described herein). Only the Special Revenue Bonds are entitled to payments from the Motor License Fund. In the event of insolvency of the Commission, any claim of the Bondholders, to the extent not satisfied from the Trust Estate, would be a general unsecured claim.

Reductions in federal subsidy payable to the Commission for its outstanding Build America Bonds due to sequestration

A series of automatic federal deficit reduction spending cuts known as "sequestration" became effective on March 1, 2013 as a result of the failure by Congress to adopt alternative deficit reduction legislation; recent legislation has extended sequestration through the 2024 federal fiscal year. Sequestration will affect the federal subsidy payable to the Commission with respect to its outstanding Build America Bonds. The Commission currently has $1,104,675,000 in principal amount of Build America Bonds outstanding, and is entitled to receive approximately $22,387,000 in federal subsidy annually with respect to such Build America Bonds. Based on guidance issued by the Internal Revenue Service (the "***IRS***") in March 2013, the amount of such federal subsidy payable to the Commission was reduced by 8.7% (or approximately $1,947,699 on an annualized basis) for payments received during the federal fiscal year ended September 30, 2013. Pursuant to the Bipartisan Budget Act of 2013 (Public Law 113-67), such federal subsidy will be reduced by 7.2% or approximately $1,611,864 for payments to be received during the federal fiscal year ending September 30, 2014. Reductions in future federal fiscal years are currently unknown. Adverse changes in the amount of the federal subsidy the Commission receives on its Build America Bonds will require the Commission to use other funds to offset the loss of this subsidy.

Uncertainty as to available remedies

The remedies available to owners of the 2014A Bonds upon an Event of Default under the Subordinate Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which often are subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Subordinate Indenture and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the 2014A Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

The 2014A Bonds are not subject to acceleration

Payment of principal of and interest on the 2014A Bonds may not be accelerated upon the occurrence of an Event of Default under the Subordinate Indenture.

The Motor License Fund may be used for other purposes

The obligation of the Commonwealth to make payments from the Motor License Fund in respect of the 2014A MLF Subordinate Special Revenue Bonds is limited to certain available amounts in the Motor License Fund. Amounts in the Motor License Fund are not pledged to the holders of the 2014A MLF Subordinate Special Revenue Bonds and may be expended by the Commonwealth for other purposes or loaned to the Commonwealth's General Fund. Accordingly, the availability of funds in the Motor License Fund to make payments with respect to the 2014A MLF Subordinate Special Revenue Bonds is not guaranteed by the Commonwealth.

Possible changes in federal tax laws could affect the excludability or deductibility of interest on tax-exempt bonds such as the 2014A Bonds

Current and future legislative proposals, if enacted into law, could cause some or all of the interest on the 2014A Bonds to be subject, directly or indirectly, to federal income taxation, or to be subject to or not be exempted from state income taxation, or otherwise prevent the owners of the 2014A Bonds from realizing the full current benefit of the tax status of such interest. The introduction and/or enactment of any such legislative proposals may also affect the market price for, or marketability of, the 2014A Bonds. Prospective purchasers of the 2014A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Co-Bond Counsel will express no opinion. See "TAX MATTERS."

AUDITED FINANCIAL STATEMENTS

The financial statements of the Commission for the years ended May 31, 2013 and May 31, 2012 are set forth in APPENDIX B - "AUDITED FINANCIAL STATEMENTS: 2013 and 2012" certified by Zelenkofske Axelrod, LLC, in its capacity as Independent Auditor. The Commission has not asked Zelenkofske Axelrod, LLC, to perform any additional review procedures in connection with this Official Statement.

CONTINUING DISCLOSURE

The Commission will enter into a Continuing Disclosure Undertaking for the benefit of the Registered Owners from time to time of the 2014A Bonds (the "***Disclosure Undertaking***") pursuant to Rule 15c2-12 promulgated by the SEC under the Securities Act of 1933, as amended (the "***Rule***").

Pursuant to the Disclosure Undertaking, the Commission will provide or cause to be provided to the Municipal Securities Rulemaking Board (the "***MSRB***"), via electronic transmissions pursuant to the MSRB's Electronic Municipal Market Access System ("***EMMA***"), accessible at http://emma.msrb.org, the following information and notices:

(a) Within 180 days of the end of each fiscal year of the Commission commencing with the fiscal year ending May 31, 2014, annual financial information (collectively, the "***Annual Financial Information***"), consisting of: (i) financial and operating data of the type set forth in this Official Statement in Tables I, II and III contained in APPENDIX A, "THE PENNSYLVANIA TURNPIKE COMMISSION − CERTAIN FINANCIAL INFORMATION"; (ii) the Commission's audited financial statements for such fiscal year; and (iii) a summary of any material legislative or regulatory developments affecting Act 44 or Act 89 since the Commission's most recent annual financial information filing. In the event that the Commission's audited financial statements are not available within 180 days of the close of the applicable fiscal year, the Annual Financial Information will contain unaudited financial statements and the audited financial statements will be provided for filing when available.

(b) Notice of the occurrence of any of the following events with respect to the 2014A Bonds, within ten (10) business days after the occurrence of such event: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2014A Bonds or other material events affecting the tax status of the 2014A Bonds; (vii) modifications to rights of holders of the 2014A Bonds, if material; (viii) optional or unscheduled 2014A Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the 2014A Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar proceedings or events involving the Commission; (xiii) consummation of a merger, consolidation or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The foregoing fourteen (14) events are quoted from the Rule. The SEC requires the listing of the events listed in clauses (i) through (xiv) above, although some of such events may not be applicable to the 2014A Bonds. For example, the events listed in clauses (iv) and (v) are not applicable to the 2014A Bonds because there is no credit or liquidity enhancement providing for the payment of the 2014A Bonds.

The Commission may amend the Disclosure Undertaking and waive any of the provisions thereof, but no such amendment or waiver shall be executed and effective unless: (i) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of the Commission or the governmental operations conducted by the Commission; (ii) the Disclosure Undertaking, as modified by the amendment or waiver, would have been the written undertaking contemplated by the Rule at the time of original issuance of the 2014A Bonds, taking into account any amendments or interpretations of the Rule; and (iii) the amendment or waiver does not materially impair the interests of the Registered Owners of the 2014A Bonds. Evidence of compliance with the foregoing conditions shall be satisfied by delivery to the Commission of an opinion of counsel having recognized skill and experience in the issuance of municipal securities and federal securities law to the effect that the amendment or waiver satisfies the conditions set forth in the preceding sentence. Notice of any amendment or waiver shall be filed by the Commission with the MSRB (via EMMA) and shall be sent to the Registered Owners of the 2014A Bonds.

The Disclosure Undertaking will recite that it is entered into for the benefit of the Registered Owners from time to time of the 2014A Bonds. For the purposes of the Disclosure Undertaking, for so long as the 2014A Bonds are registered in the name of DTC or its nominee, "***Registered Owner***" shall mean and include the holder of a book-entry credit evidencing an interest in the 2014A Bonds. Holders of book-entry credits may file their names and addresses with the Commission for the purposes of receiving notices or giving direction under the Disclosure Undertaking.

A default under the Disclosure Undertaking shall not be deemed to be a default under the 2014A Bonds, the Subordinate Indenture or the Senior Indenture, and the sole remedy to enforce the provisions of the Disclosure Undertaking shall be the right of any Registered Owner, by mandamus, suit, action or proceeding at law or in equity, to compel the Commission to perform the provisions and covenants contained in the Disclosure Undertaking.

The Disclosure Undertaking will terminate (1) upon payment or provision for payment in full of the 2014A Bonds, (2) upon repeal or rescission of Section (b)(5) of the Rule or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable. A copy of the Disclosure Undertaking is on file at the principal office of the Commission.

During the five (5) year period preceding the date of this Official Statement, the Commission has complied in all material respects with all of its continuing disclosure requirements pursuant to the Rule with respect to its other series of bonds, except that notice of a change in trustee in April of 2012 was filed approximately 16 days late.

RELATIONSHIPS OF CERTAIN PARTIES

Public Financial Management, Inc., Financial Advisor, and its affiliate PFM Asset Management, LLC are engaged to provide other services to the Commission. Clark Hill Thorp Reed, which is serving as Co-Bond Counsel in this transaction, provides legal services to the Commission in various matters from time to time. Raffaele & Puppio, LLP, which is serving as Co-Bond Counsel in this transaction, is providing legal services to parties other than the Commission in a financing involving the Commission.

UNDERWRITING

Morgan Stanley & Co. LLC, on behalf of itself and the other Underwriters shown on the cover page hereof (the "***Underwriters***"), has entered into a purchase contract (the "***Purchase Contract***") with the Commission pursuant to which the Underwriters have agreed, subject to certain customary conditions precedent to closing, to purchase (i) the 2014A Subordinate Revenue Bonds from the Commission at a purchase price equal to $154,955,752.88 (representing the par amount/initial principal amount thereof, plus net original issue premium of $7,274,144.20, less underwriters' discount of $618,750.57) and (ii) the 2014A MLF Subordinate Special Revenue Bonds from the Commission at a purchase price equal to $59,046,373.31 (representing the par amount thereof, less net original issue discount of $415,768.60, less underwriters' discount of $277,794.29).

Pursuant to the Purchase Contract, the Underwriters will be obligated to purchase all of the 2014A Bonds if any of such 2014A Bonds are purchased. The 2014A Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such 2014A Bonds into investment trusts) at prices lower than such public offering prices (and such public offering prices may be changed, from time to time, by the Underwriters) only after a public offering of the 2014A Bonds at the initial offering price. The Commission has agreed to be liable to the Underwriters to the extent of all losses, claims, damages and liabilities arising out of incorrect statements or information contained in this Official Statement or material omissions therein, except for information furnished by the Underwriters, and with respect to certain other matters.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the 2014A Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2014A Bonds.

Loop Capital Markets LLC ("***Loop Capital Markets***"), one of the underwriters of the 2014A Bonds, has entered into distribution agreements (each a "***Distribution Agreement***") with each of UBS Financial Services Inc. ("***UBSFS***") and Deutsche Bank Securities Inc. ("***DBS***") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS will purchase 2014A Bonds from Loop Capital Markets at the original issue prices less a negotiated portion of the selling concession applicable to any 2014A Bonds that such firm sells.

RATINGS

Moody's Investors Service, Inc. ("***Moody's***"), Standard & Poor's Ratings Services ("***Standard & Poor's***") and Fitch Ratings ("***Fitch***") have assigned underlying ratings for the 2014A Subordinate Revenue Bonds, of "A3" (stable outlook), "A-" (stable outlook) and "A-" (stable outlook), respectively. The 2014A MLF Special Revenue Bonds have been assigned underlying ratings of "A1" (stable outlook) by Moody's and "AA" (negative outlook) by Fitch. The Insured 2014A Bonds have been assigned long-term municipal bond ratings of "A2" (stable outlook) by Moody's and "AA" (stable outlook) by S&P, respectively, based on the issuance of the Policy by AGM.

An explanation of the significance of each of such ratings and outlook may be obtained from the rating agency furnishing the same at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Certain materials and information not included in this Official Statement may have been furnished to such rating agencies. A rating is not a recommendation to buy, sell or hold securities. There is no assurance that such ratings will continue for any given period of time or that they may not be lowered or withdrawn entirely by the rating agencies, or any of them, if, in their or its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the 2014A Bonds.

Except as provided in the Disclosure Undertaking, neither the Underwriters nor the Commission has undertaken any responsibility to bring to the attention of the holders of the 2014A Bonds any proposed or actual change in or withdrawal of any rating or to oppose any proposed change or withdrawal.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2014A Bonds, or in any way contesting or affecting the validity of the 2014A Bonds or any proceedings of the Commission taken with respect to the offer or sale thereof, or the pledge or application of any monies or security provided for the payment of the 2014A Bonds, the existence or powers of the Commission or the construction of the Commission's Capital Improvement Program.

The Commission is covered by Act No. 152, approved September 28, 1978, which provides for a limited waiver of sovereign immunity by the Commonwealth. Damages for any loss are limited to $250,000 for each plaintiff or $1,000,000 in the aggregate.

The Commission is subject to claims for personal injury and/or property damage pending against the Commission pertaining to matters normally incidental to routine operations. Currently, none of such claims, individually or in the aggregate, are deemed to expose the Commission to a material risk of loss.

On March 13, 2013, as a result of a statewide grand jury investigation, the Pennsylvania Attorney General filed criminal charges against a former Commission Chairman, the former Chief Executive Officer and Chief Operating Officer of the Commission, two individuals at companies doing business with the Commission and two former Commission employees. These individuals are charged with a variety of offenses, including conspiracy, commercial bribery, bid-rigging, theft, conflict of interest and corrupt organization violations. No criminal charges have been filed against current Commissioners, senior executives or employees of the Commission. See "THE PENNSYLVANIA TURNPIKE COMMISSION - THE COMMISSION − Recent Developments and Pending Legislation -- *Statewide Investigating Grand Jury and Recent Criminal Charges*" in APPENDIX A hereto for a detailed discussion of the matters summarized above.

LEGAL MATTERS

Certain legal matters incident to the issuance of the 2014A Bonds and with regard to the tax status of the interest thereon will be passed upon by Co-Bond Counsel. A copy of the form of opinion of Co-Bond Counsel which will be delivered with the 2014A Bonds is set forth in APPENDIX D − "FORM OF OPINION OF CO-BOND COUNSEL." Certain legal matters will be passed upon for the Underwriters by their Counsel, Campbell & Levine, LLC, and for the Commission by its Chief Counsel, Doreen A. McCall, Esquire, and Dilworth Paxson LLP, Disclosure Counsel to the Commission.

The various legal opinions to be delivered concurrently with the delivery of the 2014A Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal Tax Exemption

In the opinion of Co-Bond Counsel, under existing law, interest (included accrued original issue discount) on the 2014A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, such interest is taken into account in determining adjusted current earnings for purposes of the federal alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes). For the purpose of rendering the opinion described in this paragraph, Co-Bond Counsel has assumed compliance by the Commission and PennDOT with covenants contained in the Supplemental Indenture and the Tax Regulatory Agreement and Non-Arbitrage Certificate of the Commission relating to the 2014A Bonds (the "***Tax Regulatory Agreement***") and the requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"), that must be met subsequent to the issuance of the 2014A Bonds in order that interest thereon continues to be and remains excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the 2014A Bonds to be included in gross income retroactive to the date of issuance of the 2014A Bonds.

Certain of the 2014A Bonds are being sold with original issue discount (such 2014A Bonds are referred to hereinafter as the "***OID Bonds***"). For each maturity of the OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such OID Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such OID Bonds were sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holder's tax basis in such OID Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such OID Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder's tax basis during the period such OID Bonds are held.

Any 2014A Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) (such 2014A Bonds are referred to hereinafter as the "***Premium Bonds***"), will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium on the Premium Bonds. However, a purchaser's basis in a Premium Bond, and under the Treasury Regulations the amount of tax-exempt interest received, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Ownership of the 2014A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, S corporations with "excess net passive income" and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the 2014A Bonds. Co-Bond Counsel express no opinion as to such collateral federal income tax consequences.

The opinion of Co-Bond Counsel on federal tax matters will be based upon and will assume the accuracy of certain representations and certifications, and compliance with certain covenants, of the Commission, including but not limited to the Tax Regulatory Agreement, and others, including PennDOT, to be contained in the transcript of proceedings for the issuance of the 2014A Bonds and that are intended to evidence and assure that the 2014A Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of those certifications and representations or covenants.

The Code prescribes a number of qualifications and conditions for the interest on state and local obligations to be and to remain excludable from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the Commission or PennDOT may cause the interest on the 2014A Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to their date of issuance. The Commission and PennDOT have covenanted to take the actions required of it for the interest on the 2014A Bonds to be and to remain excludable from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2014A Bonds to be subject, directly or indirectly, to federal income taxation, or to be subject to or not be exempted from state income taxation, or otherwise prevent the owners of the 2014A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2014A Bonds. Prospective purchasers of the 2014A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Co-Bond Counsel express no opinion.

The opinion of Co-Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Co-Bond Counsel's judgment as to the proper treatment of the 2014A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Co-Bond Counsel cannot give and have not given any opinion or assurance about the future activities of the Commission, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

State Tax Exemption

In the opinion of Co-Bond Counsel, under existing law, the 2014A Bonds are exempt from personal property taxes in Pennsylvania, and the interest on the 2014A Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

* * * * * *

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE DESCRIPTION OF THE PROVISIONS OF FEDERAL OR STATE TAX LAW OR OTHER FACTORS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE 2014A BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS OF THE 2014A BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE EFFECT ON THEIR AFFAIRS OF HOLDING THE 2014A BONDS OR RECEIVING INTEREST THEREON, INCLUDING, BUT NOT LIMITED TO, THE EFFECT OF STATE AND LOCAL TAX LAWS.

FINANCIAL ADVISORS

The Commission has retained Public Financial Management, Inc., Philadelphia, Pennsylvania, and G-Entry Principle, P.C., Philadelphia, Pennsylvania, as Co-Financial Advisors with respect to the authorization and issuance of the 2014A Bonds. The Co-Financial Advisors are not obligated to undertake or assume responsibility for, nor have they undertaken or assumed responsibility for, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement. Each of the Co-Financial Advisors is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

TRUSTEE AND PAYING AGENT

Wells Fargo Bank, N.A., Philadelphia, Pennsylvania, is the Trustee and Paying Agent under the Subordinate Indenture. The obligations and duties of the Trustee are as described in the Subordinate Indenture. The Trustee has not evaluated the risks, benefits or propriety of any investment in the 2014A Bonds, makes no representation, and has reached no conclusions, regarding the validity of the 2014A Bonds, the security therefor, the adequacy of the provisions for payment thereof or the tax-exempt status, as applicable, of the interest on the 2014A Bonds. The Trustee has relied upon the opinion of Co-Bond Counsel for the validity of the 2014A Bonds and status of the interest on the 2014A Bonds as well as other matters set out in that opinion. Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Commission of any of the 2014A Bonds authenticated or delivered pursuant to the Subordinate Indenture or for the use or application of the proceeds of such 2014A Bonds by the Commission.

Under the terms of the Subordinate Indenture, the Trustee is not responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon an opinion of counsel and the Trustee is liable only for those damages caused by its gross negligence or willful misconduct. Under the Subordinate Indenture, the Trustee is not required to take notice, and is not deemed to have notice, of any default under the Subordinate Indenture (except with respect to failure to make debt service payments), unless a Responsible Officer of the Trustee has actual notice thereof or has been specifically notified in writing of such default by the owners of at least 25% in aggregate principal amount of the Outstanding Subordinate Indenture Bonds of any Class (as defined in Appendix C). All notices or other instruments required by the Subordinate Indenture to be delivered to the Trustee must be delivered at the designated office of the Trustee. In the absence of any such notice, the Trustee may conclusively assume no Event of Default under the Subordinate Indenture exists, except as expressly stated in the Subordinate Indenture. The summary of the Trustee's rights, duties, obligations and immunities is not intended to be a complete summary and reference must be made to the Subordinate Indenture for a complete statement of the Trustee's rights, duties, obligations and immunities.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the Commission's records, audited financial statements and other sources which are believed to be reliable. However, no guarantee is given that any of the assumptions, forecasts or estimates contained herein will be realized.

The references herein to the Enabling Acts, the 2014A Bonds, the Subordinate Indenture, the Memorandum of Agreement, the Disclosure Undertaking, and the Senior Indenture are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and, accordingly, are qualified by reference and are subject to the full texts thereof.

Neither this Official Statement nor any other disclosure in connection with the 2014A Bonds is to be construed as a contract with the holders of the 2014A Bonds. Any statement made in this Official Statement involving matters of opinion or estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact. No representation is made that any of such statements will be realized.

The execution and delivery of this Official Statement by its Chief Financial Officer have been duly authorized by the Commission.

PENNSYLVANIA TURNPIKE COMMISSION

By: /s/Nikolaus Grieshaber
Chief Financial Officer

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APPENDIX A

PENNSYLVANIA TURNPIKE COMMISSION

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EXHIBIT I

PENNSYLVANIA TURNPIKE COMMISSION
FISCAL YEAR 2014 TEN-YEAR CAPITAL PLAN 45

APPENDIX A

THE PENNSYLVANIA TURNPIKE COMMISSION

THE COMMISSION

General

The Commission is an instrumentality of the Commonwealth existing pursuant to an Act of the General Assembly of Pennsylvania approved on July 18, 2007, P. L. 169, No. 44 ("***Act 44***") and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P. L. 774; the Act of May 24, 1945, P. L. 972; the Act of February 26, 1947, P. L. 17; the Act of May 23, 1951, P. L. 335; the Act of August 14, 1951, P. L. 1232; the Act of September 30, 1985, P. L. 240, No. 61 ("***Act 61***"), to the extent not repealed by Act 44, and the Act of November 25, 2013, P.L. 794, No. 89 ("***Act 89***") (collectively, the "***Enabling Acts***"). Pursuant to the Enabling Acts, the Commission has the power to construct, operate and maintain the Pennsylvania Turnpike System (as further described herein, the "***System***" or the "***Turnpike System***"). The Commission's composition, powers, duties, functions, duration and all other attributes are derived from the Enabling Acts. The Enabling Acts may be modified, suspended, extended or terminated at any time by further legislation.

The Commission is composed of five members, including one *ex officio* member, the Secretary of the Department of Transportation of the Commonwealth of Pennsylvania ("***PennDOT***"). Any vacancy in the membership of the Commission (other than the Secretary of Transportation) must be filled by appointment of the Governor, with the advice and consent of two-thirds of the members of the Pennsylvania Senate. Act 89 enacted additional provisions pertaining to membership of the Commission. The term of confirmed members of the Commission (other than the Secretary of Transportation) is a period of four years and members may serve a maximum of two terms. Upon the expiration of a term, a member may continue to hold the office of Commissioner for a period of 90 days or until his or her successor is appointed and qualified, whichever is less. The limitations on Commissioner terms under Act 89 are not applicable to any current member of the Commission.

The present members of the Commission and the expiration dates of their respective terms (which, in each case, would be extended until reappointment or until a successor is appointed and confirmed) are as follows:

William K. Lieberman is the current Chairman of the Commission. He was appointed to serve as a Commissioner on July 1, 2010. Mr. Lieberman has been President of The Lieberman Companies, an insurance and pension provider, since 2003. He serves on the boards of AMPCO Pittsburgh and GENCO-ATC. A graduate of The Pennsylvania State University, he is a University of Pittsburgh Trustee and former Chairman of the Manchester-Bidwell Corp., Pittsburgh, Pennsylvania. His term expires on July 1, 2014.

A. Michael Pratt, Esq. is the current Vice Chairman of the Commission. He is a partner in the law firm of Pepper Hamilton LLP and was originally named to the Commission in June 2009, becoming the first African-American Commissioner in the Commission's 70-year history. Mr. Pratt joined Pepper Hamilton LLP in 1986 and is a partner in the firm's Philadelphia and Harrisburg offices, as well as the first African-American member of the firm's executive committee. He is an active member of the Philadelphia, Pennsylvania, and American Bar Associations and has served as the Chancellor of the Philadelphia Bar Association and President of the Barristers' Association of Philadelphia, an organization of African-American lawyers. He received a B.A. in Economics and English from Washington & Jefferson College, Washington, Pennsylvania, in 1981 and earned a law degree from Harvard Law School in 1985. His term expired on June 24, 2013, but he continues to serve as Commissioner for an indefinite term until he is reappointed or a successor is appointed and confirmed.

Pasquale T. Deon, Sr., an established businessman and lifelong resident of Bucks County, Pennsylvania, is the current Secretary-Treasurer of the Commission. Mr. Deon has served as a member of the Commission since 2002. Commissioner Deon was reappointed to the Commission on December 10, 2013. Mr. Deon is Chairman of the Board of Directors of the Southeastern Pennsylvania Transportation Authority (SEPTA). He is also a service-industry entrepreneur involved in real-estate development, beverage distribution and construction services. He is the owner of WBCB-1490AM Radio, Levittown, Pennsylvania. His term will expire on December 10, 2017.

Sean F. Logan, is currently the Executive Director/CEO of the Convention and Visitors Bureau of Greater Monroeville. He was appointed to the Commission in July 2013. He is also a former Vice President of Community Relations for the University of Pittsburgh Medical Center. Mr. Logan is a former state Senator, having served from January 2001 until August 2010. Prior to his service in the Pennsylvania Senate, Mr. Logan served as the Mayor of Monroeville from 1997 to 2000. His term expires on June 30, 2017.

Barry J. Schoch, P.E. is the Secretary of Transportation of the Commonwealth of Pennsylvania and an *ex officio* member of the Commission. Mr. Schoch was nominated by Governor Tom Corbett to be the Secretary of Transportation, and his nomination was confirmed by the state Senate on April 12, 2011. Mr. Schoch, a graduate of The Pennsylvania State University, has more than 25 years of experience in the engineering field. He began his career with the Delaware Department of Transportation and worked for two private-sector firms before joining McCormick Taylor Inc., a Philadelphia-based engineering-consulting firm, in 1995. He was Vice President for McCormick Taylor and Manager of its Harrisburg office Engineering Department when he was confirmed as Secretary of Transportation.

Executive Personnel

Mark P. Compton assumed the position of Chief Executive Officer of the Commission on February 1, 2013. Mr. Compton previously served as Deputy Secretary of Administration of PennDOT, overseeing eight bureaus within the agency, including: human resources, information systems governance, business solutions and services, infrastructure and operations, and fiscal management. Before joining PennDOT, Mr. Compton served as Director of Government Affairs for all four companies of American Infrastructure, a heavy civil construction company headquartered in Worcester, Pennsylvania. Prior to that, he worked in various public and private operations, focusing largely on transportation, construction and economic development.

Craig R. Shuey is the Chief Operating Officer of the Commission. He joined the Commission in August 2009 as Director of Government Affairs and was named Chief Operating Officer in January 2011. Mr. Shuey served as Acting Chief Executive Officer from October 31, 2012 to February 1, 2013. Prior to joining the Commission, Mr. Shuey was executive director of the Pennsylvania Senate Transportation Committee from 2001 to 2009. He also served as a representative on the Senate Transportation Commission and on various advisory committees in areas such as air, rail, freight movement and safety.

Nikolaus H. Grieshaber was named Chief Financial Officer in June 2008. Prior to that, he held positions of Director of Treasury Management and Treasury Manager with the Commission. Before joining the Commission in 2000, he was a finance manager and portfolio manager for ADP Capital Management, assistant treasurer for BTR Dunlop Finance, cash manager for Silo, Inc. and investment analyst for American Life Insurance Company.

Bradley J. Heigel, P.E., was named Chief Engineer in April 2012. He was previously employed by the Commission from 1990 to 2010, and served as the Total Reconstruction Program Manager from 2000 to 2010. From 2010 to 2012, he was employed as a Vice President with Michael Baker, Jr., Inc., an engineering unit of Michael Baker Corporation.

Doreen A. McCall, Esq., has been the Chief Counsel since July 2005. Prior to that time, she served as Chief Counsel to the Pennsylvania Historical and Museum Commission from February 2003 to July 2005 and as Deputy General Counsel in the Governor's Office of General Counsel from April 2000 to January 2003. From September 1996 to April 2000, she was an Assistant General Counsel and from November 1993 to August 1996, she was a staff attorney in the Office of Inspector General.

Ray A. Morrow, was named the Acting Chief Compliance Officer on April 4, 2014 following the resignation of the former Chief Compliance Officer on April 3, 2014. Prior to being named the Acting Chief Compliance Officer, Mr. Morrow served the Commission as its Inspector General. Mr. Morrow joined the Commission on January 2, 2014. Prior to joining the Commission, Mr. Morrow had an extensive career with the Federal Bureau of Investigation (FBI). Mr. Morrow served from 1977-1978 as a File Clerk at FBI headquarters and from 1987 to 2007 Mr. Morrow served as an FBI Special Agent, rising through the ranks as an undercover agent (1989-1991), white-collar crime supervisor and Assistant Special Agent in Charge (1996-2005), Special Agent-in-Charge of the FBI's largest Field Office, New York City, from 2005 to 2006, and as the Special Agent in Charge of the FBI's Pittsburgh Field Office 2006-2007. Mr. Morrow served as a Senior Compliance Investigator for the Siemens Corporation from 2010-2013.

Enabling Acts

Act 44 and the Act 44 Funding Agreement

On July 18, 2007, Act 44 was enacted, creating a "public-public partnership" between the Commission and PennDOT to provide funding for roads, bridges and transit throughout the Commonwealth. Subsequently, in order to, among other things, effectuate the provisions of Act 44 requiring the Commission to make substantial annual payments to PennDOT as described below, the Commission and PennDOT entered into a Lease and Funding Agreement (the "***Act 44 Funding Agreement***"), incorporating many of the terms of Act 44.

The Act 44 Funding Agreement also granted the Commission the option to lease the portion of Interstate I-80 ("***I-80***") located in the Commonwealth from PennDOT upon the approval of the Federal Highway Administration ("***FHWA***") of the conversion of such portion into a toll road (the "***Conversion***"). The Conversion was not approved by FHWA and neither the Commission nor PennDOT appealed the decision. The Commission did not exercise its option to lease such portion of I-80, and the period during which the Commission could exercise its option under the Act 44 Funding Agreement lapsed on October 14, 2010 without the Commission effectuating Conversion or having the ability to do so in the future. Under existing law, including Act 89, all legal, financial and operational responsibility for I-80 remains with PennDOT.

Pursuant to Act 44 and the Act 44 Funding Agreement, because the Conversion did not occur, the Commission was obligated to make scheduled annual payments, payable in equal quarterly installments, of $450 million to PennDOT through 2057 with $200 million of the scheduled annual payment supporting road and bridge projects and $250 million supporting transit projects throughout the Commonwealth.

Act 89

On November 25, 2013, Act 89 was enacted to provide substantial additional and sustained investment in the Commonwealth's aging transportation infrastructure. Once fully implemented by Fiscal Year 2018, the revenue enhancements enacted in Act 89 are projected to generate substantial additional funds each year for investment in the Commonwealth's transportation infrastructure.

Act 89 also enacted substantial revisions to the Commission's transportation funding obligations under Act 44 and authorized the Commission and PennDOT to immediately amend the Act 44 Funding Agreement to reflect the statutory provisions of Act 89. On April 4, 2014 the Commission and PennDOT executed Amendment Number One to Lease and Funding Agreement (the "***Act 89 Amendment***" and together with the Act 44 Funding Agreement, the "***Amended Funding Agreement***"). The Amended Funding Agreement terminates on October 14, 2057.

In accordance with Act 89 and the Amended Funding Agreement, the Commission's aggregate annual payment to PennDOT for Fiscal Year 2013-2014 through Fiscal Year 2021-2022 is $450 million and, in accordance with Act 89; the Commission must pay at least $30 million of such amount from current revenues. Commencing in Fiscal Year 2022-2023 through the term of the Amended Funding Agreement, the Commission's aggregate annual payment to PennDOT is

$50 million, which amount shall be paid from then current revenues of the Commission. Further, Act 89 revises the use of the Commission's scheduled annual payments. Effective on July 1, 2014, none of the Commission's scheduled annual payment will be used to support Commonwealth road and bridge projects. Instead, $420 million of the scheduled annual payment will be used to support mass transit capital and operating needs and $30 million will be used to support multi-modal projects, which may include: aviation projects; rail freight projects; port projects; bicycle projects and pedestrian projects. The Commission's $50 million scheduled annual payment, which commences in Fiscal Year 2022-2023, will support mass transit capital and operating needs. The table under "*Act 44 Payments to PennDOT for Roads, Bridges and Transit*" below indicates the amounts that have been paid to date by the Commission. The Commission's obligation to pay the annual debt service on any Special Revenue Bonds on a timely basis continues to be part of its payment obligation under the Amended Funding Agreement.

The Enabling Acts provide that if the Secretary of the Budget notifies the Commission of a failure to make a payment to PennDOT under the Amended Funding Agreement, all actions of the Commission taken by a vote of the Commissioners thereafter must be approved by a unanimous vote of all Commissioners until such time as the payment is made. However, a unanimous vote is not required if it would prevent the Commission from complying with covenants with "current bondholders, debt holders or creditors." The Amended Funding Agreement does not refer to "current bondholders, debt holders or creditors," but provides that a unanimous vote is not required if it would prevent the Commission from complying with covenants with "bondholders, debt holders or creditors having such status as of the Effective Date," which under the Amended Funding Agreement is defined as October 14, 2007. These voting procedures have not become effective as the Commission has not missed any payments under the Amended Funding Agreement.

The Commission is required by the terms of the Amended Funding Agreement and Act 44 to fix and adjust tolls at levels that will generate revenues (together with other available moneys) sufficient to pay, among other things, amounts to PennDOT pursuant to the Amended Funding Agreement when due and other obligations of the Commission, and the Commission has covenanted in the Subordinate Indenture to set tolls at a level sufficient to meet its coverage obligations taking into account any additional debt incurred in order to make such payments. The Commission believes that System revenues should enable it to satisfy its reduced payment obligations as set forth in the Amended Funding Agreement.

Payments to PennDOT for Roads, Bridges and Transit

The Enabling Acts provide that all required payments under the Amended Funding Agreement or as required by the Enabling Acts shall be subordinate obligations of the Commission payable solely from the General Reserve Fund after meeting all other Commission requirements pursuant to any financial documents, financial covenants, liquidity policies or agreements in effect at the Commission. Pursuant to Act 44 and the Act 44 Funding Agreement, the Commission's payments to PennDOT over the seven fiscal years ending May 31, 2014 have been allocated between deposits to the Motor License Fund for road and bridge work and deposits into the Public Transportation Trust Fund for distribution to Pennsylvania's local and regional public transportation agencies for operating and capital purposes as set forth in the following table (dollar amounts in millions):

Fiscal Year Ended May 31,	Payments to Motor License Fund	Payments to Public Transportation Trust Fund	Total
2008	$ 450.0	$ 300.0	$ 750.0
2009	500.0	350.0	850.0
2010	500.0	400.0	900.0
2011	200.0	250.0	450.0
2012	200.0	250.0	450.0
2013	200.0	250.0	450.0
2014	150.0*	187.5*	337.5*

*Through the first 9 months of Fiscal Year 2013-2014

No portion of the payments of the Commission to be deposited into the Public Transportation Trust Fund may be made with proceeds of Special Revenue Bonds. In accordance with Act 89 and the Amended Funding Agreement, effective July 1, 2014, 100 percent of the scheduled annual payments of the Commission to PennDOT will be deposited into the Public Transportation Trust Fund and will be used to support transit operating and capital costs, multi-modal transportation capital project costs and alternative energy transportation capital project costs.

To date, the Commission has paid a total amount of $4,187,500,000 under the Act 44 Funding Agreement. The Commission expects to make the final payment due in Fiscal Year 2013-2014 in the amount of $112.5 million on or before April 30, 2014, the due date under the Act 44 Funding Agreement. The first quarterly payment under Act 89 and the Act 89 Amendment is due July 31, 2014.

Issuance of Bonds; Commission Payments

Under the Enabling Acts, the Commission is authorized and empowered, among other things, to issue turnpike revenue bonds, notes or other obligations (either senior on a parity basis or subordinate) to pay (i) pursuant to the Amended Funding Agreement, if applicable, the costs of construction, reconstructing, widening, expanding or extending I-80 or any other costs of I-80 and the System, (ii) certain amounts to PennDOT pursuant to the Amended Funding Agreement for purposes of funding PennDOT highway, road and bridge construction and maintenance programs in the Commonwealth (provided that, commencing in Fiscal Year 2014-2015, all payments to PennDOT under the Amended Funding Agreement will be deposited into the Public Transportation Fund), (iii) costs of improvements to the System, and (iv) certain amounts into a Public Transportation Trust Fund pursuant to the Amended Funding Agreement, to be used for mass transit programs, multi-modal transportation programs and alternative energy transportation programs (provided that, pursuant to the terms of the Amended Funding Agreement, the proceeds of any Special Revenue Bonds may not be applied for payments to mass transit programs, multi-modal transportation programs or alternative energy transportation programs).

The bonds authorized to be issued by the Commission under Act 44 include up to $5 billion of Special Revenue Bonds, as described below. Proceeds of such bonds may be applied toward the satisfaction of the Commission's scheduled annual payment obligations under the Amended Funding Agreement and the Enabling Acts, except for that portion of the annual payment obligations to be deposited in the Public Transportation Trust Fund pursuant to the terms of the Amended Funding Agreement. Since all of the Commission's payments to PennDOT under the Amended Funding Agreement will be deposited into the Public Transportation Trust Fund commencing July 1, 2014, as of such date, the Commission will no longer issue Special Revenue Bonds to fund its obligations under the Amended Funding Agreement. See "*Statutory Limitations on the Incurrence of Special Revenue Bonds*" below. The Amended Funding Agreement provides that the Commission is obligated to pay all debt service due with respect to the Special Revenue Bonds.

Pursuant to the terms of the Subordinate Indenture, the Commission has covenanted to pay to the trustee under the Subordinate Indenture (the "***Subordinate Indenture Trustee***"), and it has instructed the trustee under the Senior Indenture (the "***Senior Indenture Trustee***") to pay to the Subordinate Indenture Trustee, after payment of all required debt service on all Senior Indenture Obligations and subject to the provisions of the Senior Indenture, out of the General Reserve Fund established under the Senior Indenture, such amounts as are required by the Subordinate Indenture, by a supplemental indenture to the Subordinate Indenture or by a parity swap agreement to pay, at the times specified, all amounts due in respect of the Subordinate Indenture Obligations (defined below) outstanding under the Subordinate Indenture.

Accordingly, the Commission is required to instruct and furnish a debt service schedule to the Senior Indenture Trustee providing (i) for the payment to the Subordinate Indenture Trustee out of available funds held in the General Reserve Fund the amount from time to time necessary to satisfy all required deposits under the Subordinate Indenture to the Commission Payments Fund established under the Subordinate Indenture and (ii) the payment of debt service on the outstanding Subordinate Indenture Obligations and all other payments required from time to time under the Subordinate Indenture and in any supplemental indenture to the Subordinate Indenture (the "***Commission Payments***").

Under the Subordinate Indenture, the Commission may, from time to time, issue additional bonds, including Subordinate Revenue Bonds and Special Revenue Bonds, to satisfy its payment obligations under the Enabling Acts. The Commission intends any long-term indebtedness to be issued under the Subordinate Indenture to be paid solely from Commission Payments. Such obligations, if issued, are subordinate to the Turnpike Revenue Bonds issued under the Senior Indenture. Such Subordinate Revenue Bonds will be parity obligations with the outstanding Subordinate Revenue Bonds under the Subordinate Indenture. Upon the issuance of the Subordinate Revenue Bonds offered pursuant to this Official Statement, $3,796,395,717.85 (including compounded amounts as of December 1, 2013 for capital appreciation bonds) of Subordinate Revenue Bonds will be outstanding under the Subordinate Indenture. Special Revenue Bonds have a subordinate right to payment from Commission Payments to the rights of payment in favor of the holders of the Subordinate Revenue Bonds issued under the Subordinate Indenture. **APPENDIX E sets forth the existing debt service schedule for the Turnpike Revenue Bonds issued under the Senior Indenture and the Subordinate Indenture Bonds issued under the Subordinate Indenture.**

Statutory Limitations on the Incurrence of Special Revenue Bonds

Under the Enabling Acts, the Commission is authorized to issue, by resolution, Special Revenue Bonds (as defined in §9511.2 of Act 44) up to an aggregate principal amount of $5 billion, exclusive of original issue discount, for the purpose of paying bond related expenses and costs of PennDOT, including the costs of highway, road, tunnel and bridge construction, renovation and expansion, including acquisition of land, rights, machinery and equipment and certain finance charges relating thereto, planning, engineering, administrative and other expenses, and debt service. No more than $600 million in aggregate principal amount of such Special Revenue Bonds, exclusive of original issue discount, may be issued in any calendar year. No such bonds may be issued unless the Amended Funding Agreement is in effect, and no such bonds may be outstanding beyond the stated term of the Amended Funding Agreement at the time of issuance. Special Revenue Refunding Bonds (as defined in §9511.2 of Act 44) shall not be deemed to count against the total or annual maximum issuance volume under Act 44. Pursuant to Act 89, Special Revenue Bonds may not be issued by the Commission to fund any portion of its annual payment obligation commencing July 1, 2014, as all of such annual payment obligation is to be deposited in the Public Transportation Trust Fund after such date, although Special Revenue Refunding Bonds could be issued.

Special Revenue Bonds have been issued under the Subordinate Indenture. Upon the issuance of the Special Revenue Bonds offered pursuant to this Official Statement, the amount currently outstanding (including compounded amounts as of December 1, 2013 for capital appreciation bonds) will be $964,694,959.55.

Should the Commission fail to timely make required debt service deposits for Special Revenue Bonds, the Subordinate Indenture Trustee shall proceed under the terms of Act 44 and a Memorandum of Agreement between PennDOT, the Office of the Budget of the Commonwealth and the Pennsylvania State Treasurer, dated July 16, 2010 (the "***MOA***"), to notify PennDOT of such default, and PennDOT shall give notice to the Treasurer of the Commonwealth of such deficiency and shall request the payment of funds necessary to cure such deficiency only from funds available for such purpose in the Motor License Fund. The appropriation of money in the Commonwealth's Motor License Fund in respect of Special Revenue Bonds issued by the Commission under Act 44 is continuing and non-lapsing. The Commonwealth has no obligation to appropriate any funds, other than available funds on deposit in the Motor License Fund, for the payment of any such Special Revenue Bonds. Pursuant to the MOA, certain funds equal to the maximum annual debt service on outstanding Special Revenue Bonds are to be set aside (but not pledged) in the Motor License Fund for this purpose upon the issuance of Special Revenue Bonds. Funds in such amounts were set aside in the Motor License Fund in connection with the issuance of the Commission's Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2010, Series B of 2010, Series A of 2011, Series B of 2011, Series A of 2012, Series B of 2012, Series A of 2013 and Series B of 2013. The Commission is obligated pursuant to the Amended Funding Agreement to reimburse the Treasurer of the Commonwealth for any amounts withdrawn from the Motor License Fund in order to cure a default in the payment by the Commission with respect to the annual debt service on any such Special Revenue Bonds. This reimbursement obligation is subject to and junior to the payment obligations of the Commission under the Special Revenue Bonds.

Rules Relating to Governance and Accountability Under the Enabling Acts

The Enabling Acts sets forth certain rules relating to governance and accountability of the Commission, including, but not limited to: requiring the Commission to file an annual financial plan with the Pennsylvania Secretary of the Budget no later than June 1 of each year; to have an audit of the Commission's finances (including a review of its performance, procedures, operating budget, capital budget and debt) conducted by the Auditor General every two years (such audit to be paid for by the Commission); to adopt a comprehensive code of conduct for Commissioners and executive-level employees, which the Commission adopted on October 31, 2007 and further expanded and strengthened on January 7, 2014; and upon request, at least one Commission member shall testify before annually before the appropriations committee of the Pennsylvania House of Representatives and the Senate of Pennsylvania.

On May 31, 2013, the Commission submitted its financial plan for Fiscal Year 2013-14 (the "***Financial Plan***"). Following the enactment of Act 89, on March 5, 2014 the Commission submitted its amended financial plan for Fiscal Year 2013-14 (the "***Amended Financial Plan***"). The Amended Financial Plan incorporates the Commission's Fiscal Year 2014 Ten Year Capital Plan (the "***Capital Plan***"), which provides for $6.50 billion, net of federal reimbursements, in capital spending over the period from Fiscal Year 2013-2014 through the Fiscal Year 2022-2023. The Capital Plan allows the Commission to accelerate a number of capital improvements and to pursue new initiatives to maintain and improve the System. The Amended Financial Plan indicates that in Fiscal Year 2012-2013 the Commission was able to meet all of its financial covenants and obligations under the Enabling Acts, and was able to progress with its Capital Plan. Given the slow recovery of the economy, the Commission plans to continue the cost containment and efficiency measures it implemented within the past few years. These measures, together with future toll increases, are expected to allow the Commission to meet its financial covenants, obligations under the Enabling Acts, and capital needs during Fiscal Year 2013-2014.

The Amended Financial Plan concludes that the Commission will continue to meet all of its indenture covenants and all of its other obligations through the Fiscal Year 2056-2057. However, as a forward-looking report, the Amended Financial Plan makes certain assumptions, including future toll increases, to reach its conclusion that the financial covenants, obligations under the Enabling Acts, and capital needs will be met beyond Fiscal Year 2013-2014. Key among these assumptions is the Commission's ability to raise all tolls throughout the System. The Amended Financial Plan reflects the expected full year effects of the January 2013 toll increase and the expected partial year impacts of the toll increase that became effective in January 2014. The Amended Financial Plan assumes the $450 million reduced level of funding obligations required by the Enabling Acts through Fiscal Year 2021-2022 and the $50 million funding level from Fiscal Year 2022-2023 through Fiscal Year 2056-2057. No assurances can be made by the Commission with respect to the assumptions made or conclusions reached in the Amended

Financial Plan. A complete copy of the Amended Financial Plan is available on the Commission's website at: *http://www.paturnpike.com/financial/documents/Fiscal_2014_Act_44_Financial_Plan_Amendment.pdf.* See “THE COMMISSION – Enabling Acts” above.

For information on the most recent audit by the Auditor General, see “CERTAIN FINANCIAL INFORMATION – Performance Audit by the Auditor General” below.

Recent Developments and Pending Legislation

Act 88 of 2012 (formerly House Bill 3 and Senate Bill 344) was signed into law by Governor Corbett on July 5, 2012. Act 88 authorizes “public-private” transportation partnership arrangements in the Commonwealth. The law allows the Commission, among other public entities, to enter into public-private partnerships for the construction of transportation infrastructure and facilities and for the lease of such facilities through long-term agreements. Act 88 prohibits a lease of the Turnpike Mainline without the further express approval of the General Assembly. However, the law does not restrict the Commission from entering into public-private partnership agreements which do not involve granting substantial oversight and control over the Turnpike Mainline to another entity, nor does it limit or preempt in any way the Commission’s ability to enter into certain types of public-private partnership agreements currently allowed under its Enabling Acts. The Public Private Transportation Partnership Board, established pursuant to Act 88, has issued an Implementation Manual & Guidelines for Public-Private Transportation Partnerships.

Pennsylvania Legislative Proposals

From time to time, legislation is introduced in the Pennsylvania General Assembly (with respect to the Enabling Acts and otherwise) and in the United States Congress, the nature and content of which may affect the Commission. The Commission cannot predict if any such legislation will be enacted into law, or how any such legislation may affect the Commission’s ability to pay the Senior Indenture Obligations or the Subordinate Indenture Obligations, or to perform its financial obligations pursuant to the Enabling Acts.

On January 22, 2013, Representative Robert Godshall reintroduced legislation proposing to terminate the Commission’s payment obligations under the Act 44 Funding Agreement on the grounds that they were unsustainable because the projected revenue to the Commission from the Conversion never materialized. The bill was referred to the House Transportation Committee in January 2013 as House Bill 209. Since that time, no further action on the bill has been taken and the substance of the proposed legislation is now likely moot given the enactment of Act 89 on November 25, 2013.

Among legislation, either in discussion or introduced in the General Assembly, that could affect the Commission include bills which would accomplish the following:

- Require that PennDOT assume the operating functions of the Commission and that the Commonwealth assume the financing functions of the Commission, that certain assets of the Commission be transferred to PennDOT and the State Treasurer, and that the Commission and the office of Turnpike Commissioner be abolished. The proposed legislation, House Bill 1197, was introduced and referred to the House Transportation Committee on April 16, 2013. Since its referral to committee, no additional action or debate has occurred with respect to House Bill 1197.

- Affect future pension contributions by the Commission (and other Commonwealth employers) by switching future public employees (including Commission employees) from a defined benefit plan to a defined contribution plan, or a variation thereof. For more details about this proposed legislation, see "CERTAIN OTHER INFORMATION – Retirement Plan" below.

The Commission cannot predict what other legislation may be considered by the General Assembly during the 2013-2014 or future legislative sessions or if any other proposals or initiatives may lead to the adoption of legislation that may affect the Commission.

Federal Surface Transportation Reauthorization

On July 6, 2012, President Obama signed into law a two-year federal transportation funding bill (the "***2012 Transportation Act***"). The 2012 Transportation Act provides continued funding for federal transportation programs at approximately $54 billion per year. Because neither the operations of the Commission nor its capital programs depend, to any material extent, upon the continuing availability of federal funding, the Commission does not believe that the 2012 Transportation Act will have a material effect on the financial condition or results of operations of the Commission.

In January 2013, the first hearing addressing the upcoming Transportation Reauthorization took place before the U.S. House Transportation and Infrastructure Committee. The hearing, titled "Building the Foundation for Surface Transportation Reauthorization," marked the formal start of discussions into what is expected to be one of the largest pieces of legislation considered by Congress in 2014. The Commission is a member of the International Bridge, Tunnel and Turnpike Association, and is supportive of their testimony which can be found at the following web address: *http://ibtta.org/building-foundation-surface-transportation-reauthorization*.

Statewide Investigating Grand Jury and Recent Criminal Charges

In May, 2009, a statewide grand jury investigation was commenced as a result of public allegations of potential public corruption and criminal misconduct within the Commission (the "***Grand Jury Investigation***"). As part of this investigation, covering Turnpike System operations during an approximate period from February 2000 through early 2013, the Grand Jury heard testimony from hundreds of witnesses and reviewed numerous exhibits, including correspondence, e-mails, campaign contribution records, audio recordings, invoices, bank records, internal Commission policies and memoranda, and expense reports, among other items. The Grand Jury Investigation spanned forty-four months and culminated on March 13, 2013, when the Grand Jury issued its 85-page Presentment (the "***Grand Jury Presentment***"), detailing its findings of fact, conclusions, and recommendations of charges.

The Grand Jury found that certain elected state officials, a former Commissioner, officials, and employees, and vendors and consultants that had business dealings with the Commission engaged and attempted to engage in systemic illegal bid-rigging, commercial bribery, conflict of interest crimes, theft by unlawful taking, theft by deception, criminal conspiracy and corrupt organization crimes. The former Commissioner who resigned was granted immunity in connection with his testimony before the Grand Jury. The Grand Jury concluded that these criminal acts resulted in the public losing millions of dollars. The Grand Jury further concluded that the Commission has been corrupted by improper political influence from certain of its own former officials as well as politicians in state government.

The Grand Jury identified a former Pennsylvania state senator, a former chairman of the Commission, a former Chief Executive Officer of the Commission, a former Chief Operating Officer of the Commission, two other Commission employees and two individuals at vendors providing services to the Commission as having criminal responsibility for the crimes outlined in its Presentment.

In addition, the Grand Jury found that during the time that the identified individuals were employed by or served at the Commission, the Commission operated under a system that rewarded vendors with multi-million dollar contracts in exchange for the payment of political contributions to public officials and political organizations and the payment of gifts and entertainment expenses. In particular, the Grand Jury found that the named former State Senator, during his tenure as Democratic Floor Leader, was actively involved in securing Commission contracts for key contributors and supporters, and imposing fundraising participation on individuals at the Commission to provide political support and raise campaign funds on his behalf.

The Grand Jury cited specific political contributions that were allegedly solicited in exchange for awarding various contracts with the Commission. These campaign contributions were allegedly made during the approximate period of February, 2000 through October, 2010. The Grand Jury also identified specific contracts that it determined were awarded to vendors as a result of their political contributions and other payments.

On March 13, 2013, the Pennsylvania Attorney General filed criminal charges against the individuals referred to above. These individuals are charged with a variety of offenses, including conspiracy, commercial bribery, bid-rigging, theft, conflict of interest, and corrupt organization violations. No criminal charges have been filed against current Commissioners, senior management, or employees. All Commission employees and officials against whom criminal charges were filed left the Commission between March, 2009 and November, 2011. In her statement on March 13, 2013, the Attorney General stated: "The Grand Jury heard evidence of secret gifts of cash, travel, and entertainment, and the payment of substantial political contributions to public officials and political organizations, by private Turnpike vendors and their consultants, demonstrates that the Turnpike operates under a pay-to-play system that is illegal and corrupt." Preliminary hearings for six of the eight individuals charged were held during the week of June 24, 2013, (excluding the two individuals referred to above as "other former Commission employees"). Final arguments in the preliminary hearings were held on July 16, 2013 and the six individuals were held for trial which is scheduled to begin on August 18, 2014. With respect to the “two other former Commission employees”, one waived his preliminary hearing and a preliminary hearing for the other former Commission employee was held on September 16, 2013 and the individual pled guilty on January 14, 2014 and was sentenced to two years of probation, ordered to pay restitution and fines and perform 50 hours of community service.

The Commission’s current Chief Executive Officer, Mark Compton, issued a statement following the publication of the Grand Jury Presentment. Mr. Compton explained that the Commission began revamping its procurement process resulting in more transparency and greater accountability two years ago. Moreover, the Commission is continuing to evaluate the procurement process and is committed to making improvements where needed. Mr. Compton also announced that he directed the Commission’s Office of Compliance to launch a thorough review of every professional-services contract cited in the Grand Jury Presentment, and provide each of the Commission’s professional-service providers a copy of the Commission’s employee code of conduct and the professional services procurement policy that was enacted in April, 2012. Finally, the Commissioners directed Mr. Compton to convene a special advisory group to review and critique Commission policies and procedures relating to contracting and other business practices to make improvements to the Commission’s existing practices. To date, members have been appointed to the special advisory committee and committee members are meeting regularly to review and critique Commission contracting policies and other business practices and to research best-practices at comparable agencies to determine where further improvements can be made. Additionally, the Commission has initiated a comprehensive, mandatory code of conduct and ethics training program for its employees which commenced as of September 2013. Additionally, on January 7, 2014, the Commission adopted an expanded and more comprehensive code of conduct for all Commission employees which includes, among other revisions, required participation in annual training. See “Commission Compliance Department” and “Commission Office of Inspector General” under “CERTAIN OTHER INFORMATION” for additional information.

Additional Matters

Consistent with recommendations of the Transportation Funding Advisory Commission (the “***TFAC***”), the Commission continues to be actively engaged with other Commonwealth administrative agencies in initiatives to streamline project delivery and increase operational efficiencies. Among such undertakings are the development of a pilot program with the Department of Environmental Protection (“***PaDEP***”) for more expeditious third-party review of environmental permits, and a number of collaborative programs with PennDOT in various administrative and technical areas, including integration of communication and information systems, standardization of manuals and publications, and coordination of training, operations, project planning and construction phasing (all as outlined in an August 2011 report entitled *Mapping the Future between the Pennsylvania Turnpike Commission and the Pennsylvania Department of Transportation*). Meetings of Commission management with executives of both PaDEP and PennDOT continue to be held on a regular basis to discuss issues, define direction and explore future collaborative initiatives.

THE TURNPIKE SYSTEM

General

The present Turnpike System is composed of:

- the 359-mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west;
- the 110-mile north/south section identified as the Northeast Extension;
- the approximately 16-mile north/south connection, known as the Beaver Valley Expressway, which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth;
- the approximately 13-mile Amos K. Hutchinson Bypass which adjoins the Turnpike Mainline near the New Stanton Interchange;
- the completed portion of the Mon/Fayette Expressway project totaling approximately 48 miles; and
- a 6-mile section of the Southern Beltway project from PA 60 to US 22.

For a more complete description of the Mon/Fayette Expressway and Southern Beltway projects, see "CAPITAL IMPROVEMENTS – Mon/Fayette Expressway and Southern Beltway" herein.

The Turnpike Mainline connects with the Ohio Turnpike at its western terminus and with the New Jersey Turnpike at its eastern terminus. The Turnpike Mainline commences on the eastern boundary of Pennsylvania at the Delaware River Bridge which connects the System to the New Jersey Turnpike. The Turnpike Mainline traverses the state in a westerly direction generally paralleling the southern border of the state immediately north of Philadelphia and south of Harrisburg to the vicinity of Somerset. West of Somerset, the highway follows a northwesterly direction to the northeast of Pittsburgh and to the Ohio state line, south of Youngstown, Ohio.

The System was constructed prior to the development of the National Interstate Highway System and no Federal Highway Trust Fund monies have been utilized in the construction of the Turnpike Mainline, Northeast Extension, Beaver Valley Expressway or Amos K. Hutchinson Bypass section of the Turnpike System. However, portions of the System have been designated as Interstate Routes. The Turnpike Mainline has been designated as Interstate Route 276 between the area where Interstate Route 95 crosses the System and the Valley Forge Interchange. The portion of the Turnpike Mainline west of the Valley Forge Interchange to the western terminus at the Ohio state line has been designated as Interstate Route 76. In addition, the Turnpike Mainline between the New Stanton and Breezewood Interchanges has been designated as Interstate Route 70. The Northeast Extension has been designated as Interstate Route 476. Portions of the Beaver Valley Expressway are designated as Interstate Route 376.

The System was constructed and opened to traffic in sections. The original Turnpike Mainline segment between Irwin and Carlisle was opened in 1940. Ten years later, in 1950, the 100-mile section between Carlisle and King of Prussia was completed and opened. After 1950, construction of new segments of the System occurred at more frequent intervals with the Turnpike Mainline segment in service as of May, 1956. The initial segment of the Northeast Extension between the Turnpike Mainline and the temporary interchange just south of the Lehigh Tunnel was opened in 1955. The final segment, from the temporary interchange to Scranton, was completed and opened for traffic in November, 1957.

The Delaware River Bridge, which connects the Turnpike Mainline with the New Jersey Turnpike System, is owned jointly by the Commission and the New Jersey Turnpike Authority.

Interchanges and Service Plazas

The System has a total of 67 toll interchanges which connect it with major arteries and population centers in its 552 mile traffic corridor. Thirty-two of the interchanges are located on the Turnpike Mainline, including Turnpike Mainline barriers at the New Jersey and Ohio state lines, and 10 interchanges are situated on the Northeast Extension. The additional 25 interchanges are located on the Beaver Valley Expressway, Amos K. Hutchinson Bypass, and completed segments of the Mon/Fayette Expressway and Southern Beltway.

There are 17 service plazas along the System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services. The Commission has entered into long term service plaza redevelopment agreements with HMSHost Restaurants, LLC and Sunoco, Inc. to design, reconstruct, finance, operate and maintain all of the service plazas. The Commission has no responsibility for maintaining the service plazas under the agreements. Since the Commission entered the agreements in 2005, 14 rebuilt service plazas have opened. The Peter J. Camiel Service Plaza is undergoing a phased renovation between Labor Day 2013 and Memorial Day 2014. The plaza is closed during the renovation. The two remaining service plazas, Valley Forge and North Midway, are scheduled to be completed by Labor Day 2014 and Memorial Day 2015, respectively. Cumulatively, the two companies are expected to invest approximately $190 million in service renovation projects, at no cost to the Commission. The Commission recorded income of approximately $3.3 million and $3.2 million under the service plaza agreements in Fiscal Years 2012-2013 and 2011-2012, respectively, which is based on fixed rental payments plus a percentage of revenue generated.

Additional Services

In addition to 808 field personnel in 22 facilities available to keep the roadway open and safe in the event of unfavorable road conditions, the Commission has a 24/7 Traffic Operations Center which monitors conditions on the System and provides emergency dispatch.

A Turnpike Roadway Information Program provides real-time data to drivers. Travelers are alerted to roadway conditions via Variable Message Signs, Highway Advisory Radio and alerts via e-mail and mobile phone.

With funding from the PaDEP, the Commission built its first Truck Space Electrification ("***TSE***") facility in 2010 at the New Stanton Service Plaza. The TSE provides service towers equipped with modules that fit into truck cab windows to provide heat, air conditioning, internet, TV and electrical power while the truck's engine remains off. The TSE will help operators of diesel trucks comply with new environmental regulations and will relieve surrounding neighborhoods from noise and pollution from idling diesel engines.

In September 2011, Commission officials along with representatives from sponsor State Farm Insurance, released a smartphone application that enhances safety for those traveling the System. The free iPhone and Droid application is an innovative method for travelers to keep up-to-date on current conditions on the roadway.

In December 2011, the PaDEP announced a $1 million grant award to help develop electric vehicle infrastructure on the System. The grant recipient, Car Charging Group Inc., will install charging stations at all of the System's 17 service plazas. The Commission has also committed additional funding of up to $500,000 to upgrade the electrical systems at the plazas to accommodate the charging stations. The first phase of the work will be incorporated into ongoing service-plaza renovations between Harrisburg and New Jersey. Later phases will involve service plazas between Harrisburg and Ohio, and then along the Northeast Extension. The first phase of the project, involving five service plazas, is expected to be completed during the first half of 2014 with the balance of the project to be completed by the end of 2014. Three charging stations, at the King of Prussia, Bowmansville and Oakmont service plazas, opened recently.

In February 2013, the Commission announced that free Wi-Fi service is available at all operational service plazas. The amenity was added to accommodate Turnpike System customers who want to use smartphones, tablets, laptops or other portable devices to access the internet while traveling.

In September 2013, the Commonwealth Financing Authority announced a $500,000 grant to Sunoco, Inc., a portion of which will be used to partially fund a compressed natural gas refueling station located at a service plaza to be determined. Once a location is determined, the project is expected to be completed in 2014 and will be the first natural gas refueling station on the System.

E-ZPass Lanes

The Commission has installed E-ZPass, a form of electronic toll collection, throughout the System. Not only has E-ZPass enhanced safety and convenience for users of the System, but the technology has improved traffic flow and reduced congestion at the System's busiest interchanges, especially in southeastern Pennsylvania. The use of electronic tolling has enhanced the overall efficiency of the Commission's toll collections operations and has resulted in a reduction in the number of required full-time and part-time toll collectors. Express E-ZPass lanes have been constructed at five interchanges and permit E-ZPass customers to travel through the toll plaza at highway speeds. In addition, E-ZPass customers traveling in 15 other states that have implemented E-ZPass technology are able to use E-ZPass. Currently, E-ZPass is available on the entire System, including the western extensions. The Commission has not experienced any material problems in connection with the installation or operation of the E-ZPass system.

To help ensure, protect and preserve the collection of toll revenue due the Commission, a violation enforcement system ("***VES***") has been installed at all interchanges where E-ZPass has been installed to identify violators (customers who travel through E-ZPass lanes and do not have E-ZPass) and motorists with problem tags that are unreadable. VES enables the Commission to collect appropriate tolls and other additional fees relating to violations. Legislation passed in 2000 included enforcement provisions for E-ZPass, including, among other things, certain evidentiary presumptions with respect to whether the registered vehicle owner was the operator of the vehicle, procedures for notifying the vehicle owner of the violation charged and the imposition upon the vehicle owner of civil penalties for violations. Act 89 included enhanced fare evasion measures and criminal penalties pertaining to E-ZPass violators. Under Act 89, motorists who commit or attempt to commit fare evasion on the System shall have committed a summary offense and upon conviction, shall be fined a sum between $100 and $1,000 in addition to civil penalties that are already in place. Further, motorists who take affirmative action to evade a System fare shall, upon conviction, have committed a misdemeanor of the third degree which will be punishable by fines ranging from $3,000 to $6,500 (depending on the number of offenses) and imprisonment of not more than six months for a second offense. Revenue generated from the additional fare evasion fines imposed by Act 89 would be deposited in the Commonwealth's Motor License Fund rather than with the Commission, however, restitution for the full fare would be due to the Commission.

The Commission's annual revenues from E-ZPass users have increased to $561.34 million during the Fiscal Year ended May 31, 2013 from $532.81 million for the Fiscal Year ended May 31, 2012. The Commission's annual revenues from ticketed drivers (i.e., those not using E-ZPass) decreased to $260.17 million during the Fiscal Year ended May 31, 2013 from $265.04 million for the Fiscal Year ended May 31, 2012. The Commission expects that E-ZPass usage will continue to increase. The following table summarizes the Commission's E-ZPass penetration rates among passenger, commercial and total users over the past six fiscal years.

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E-ZPass Penetration Rates

Year	Passenger	Commercial	Total
2008	45%	75%	59%
2009	48%	77%	61%
2010	51%	78%	63%
2011	54%	79%	65%
2012	56%	80%	67%
2013	58%	81%	68%

The Commission is a member of the E-ZPass Interagency Group ("***IAG***"), a coalition of toll authorities throughout the United States. IAG includes the following agencies: Peace Bridge Authority; Burlington County Bridge Commission; Delaware Department of Transportation; Delaware River and Bay Authority; Delaware River Joint Toll Bridge Commission; Delaware River Port Authority; Illinois State Toll Highway Authority; ITR Concession Company (Indiana Turnpike); Maine Turnpike Authority; Maryland Transportation Authority; Massachusetts Department of Transportation; Metropolitan Transportation Authority Bridges & Tunnels; New Hampshire Department of Transportation, Bureau of Turnpikes; New Jersey Turnpike Authority; New Jersey Highway Authority; New York State Bridge Authority; New York State Thruway Authority; Ohio Turnpike Commission; Port Authority of New York and New Jersey; Rhode Island Turnpike and Bridge Authority; South Jersey Transportation Authority; Virginia Department of Transportation; West Virginia Parkways Authority; and the North Carolina Turnpike Authority. IAG's stated mission is "to enable E-ZPass members and affiliated toll operators to provide the public with a seamless, accurate, interoperable electronic method of paying tolls and fees while preserving and enhancing the E-ZPass program."

New highway construction projects, such as the Mon/Fayette Expressway and Southern Beltway, are being designed and built to be compatible with the E-ZPass system. The installation of the E-ZPass system has required the incorporation of innovative technologies into a single toll system that uses hardware and software adaptable to future technologies. The Commission has a contract, extending through 2019, with TransCore Company for the design, installation and maintenance of the E-ZPass system software and hardware and the operation of the E-ZPass Customer Service and Violations Processing Centers. The E-ZPass system implementation is a major component of the Commission's Ten-Year Capital Plan. For a more complete description of the Commission's Capital Plan, see "CAPITAL IMPROVEMENTS – Ten-Year Capital Plan" herein. Plans call for enhancements to E-ZPass lane signage and the design of additional Express E-ZPass lanes.

See "CERTAIN FINANCIAL INFORMATION – Toll Schedule and Rates" below for a discussion of the Commission's toll rates, including recent revisions for E-ZPass customers.

E-ZPass Plus

In November 2009, the Commission began offering E-ZPass customers who meet specific criteria the ability to participate in E-ZPass Plus. E-ZPass Plus allows E-ZPass customers to use their transponder to pay for parking fees at participating facilities displaying the E-ZPass Plus logo.

All Electronic Tolling

The Commission has constructed three all-electronic-tolling ("***AET***") interchanges in the Philadelphia area which are designed for the exclusive use of E-ZPass customers: Virginia Drive (located east of the Fort Washington interchange); Street Road (located west of the Bensalem interchange); and Route 29 (located west of the Valley Forge Interchange). There are also two AET interchanges that are currently under construction: one at Route 903 in Carbon County is expected to be in construction through the fall of 2015; a second one at the Delaware River Bridge (westbound) is part of the I-95 Connector in Bucks County and is expected to be in construction through 2015. These AET interchanges and other similarly planned interchanges are expected to reduce congestion at the System's busier interchanges and provide convenient access to industrial parks and job centers.

Early in 2011, the Commission initiated a feasibility study to examine the benefits and potential issues associated with converting the toll road to a cashless, AET system. The team of McCormick Taylor/CDM Smith (formerly Wilbur Smith Associates) was selected to conduct the AET study which includes an overview of the existing toll collection system and an analysis of AET systems throughout the United States, comparing the costs and benefits of various electronic tolling options. The AET feasibility report (the "***AET Feasibility Report***") was completed in March 2012. The Commission has determined, based on the assumptions in the AET Feasibility Report, that conversion to AET is feasible from both a financial and physical perspective. As a result, the Commission has committed to a full conversion to a cashless, non-stop AET system. The AET Feasibility Report is available for review on the Commission's website at *www.paturnpike.com/aet_public/aet.asp.* In July 2012, the Commission selected HNTB Corporation to act as its Program Manager to lead and direct the multi-disciplinary efforts required to manage and coordinate the design and implementation of an AET system. Completion of Stage 1 of AET Implementation, the conceptual design stage, is scheduled for April 2014. The final Implementation Plan report, including a complete schedule for AET conversion, is expected to be issued in May 2014. In regard to Commission efforts to move forward with the AET initiative, the Commission sought to include legislative language in House Bill 1060 to assist in preserving and protecting the Commission's revenues from non E-ZPass customers under an AET environment. Specifically, the Commission had sought legislation that would have provided the Commission with enforcement provisions for video tolling and reciprocity authority with other states. While language was adopted in the Senate during discussions on transportation funding (Senate Bill 1) by a vote of 45-5, Senate Bill 1 was not considered in the House. The main enforcement mechanism would have been the ability of PennDOT to suspend the vehicle registration of video toll scofflaws. Act 89 does not include any of the AET enforcement language or reciprocity language that the Commission had sought. Act 89 does include enhanced fare evasion penalties but this is not exclusive to AET. The Commission is developing a Revenue Assurance Plan incorporating various strategies to assist the Commission in enhancing its toll enforcement capabilities.

Following the enactment of Act 89, the Commission recently re-evaluated the AET schedule, which had contemplated full conversion to a cashless, non-stop AET system by 2018, and has determined that a modified schedule for AET implementation extending to approximately 2021 is reasonable. Additional information regarding AET is available on the Commission's website at *http://www.paturnpike.com/aet*.

CAPITAL IMPROVEMENTS

Act 61 Projects

In 1985, the General Assembly of the Commonwealth enacted Act 61. Act 61, among other things, authorized and empowered the Commission to undertake the construction of new projects and to operate them as part of the System. Although Act 44 repealed Act 61, it provides that all activities initiated under Act 61 shall continue and remain in full force and effect and may be completed under Act 44.

System Maintenance and Inspection

The Commission's engineering and maintenance staff performs maintenance on, and repairs to, the System. In addition, the Commission also uses staff and consultants to perform periodic inspections of the System. Pursuant to the terms of the Senior Indenture, the Commission must arrange for the System to be inspected at least once every three years by engaging one or more consultants to conduct inspections and prepare a report. The report must state (a) whether the System has been maintained in good repair, working order and condition since the last inspection report and (b) any recommendations which such consultants may have as to revisions or additions to the Commission's annual capital budget. The most recent inspection report, the Pennsylvania Turnpike Condition Assessment Report 2011 (submitted to the Commission in January 2012), was prepared by Michael Baker Jr., Inc. (the "***Condition Assessment Report***"). The next Turnpike Condition Assessment Report is scheduled for completion during 2014 and the Commission anticipates receiving the report in either late 2014 or early 2015.

Based on reviews performed by others as well as their own observations, the authors of the Condition Assessment Report found that, "the overall condition of the System is good except for specific areas noted in the report."

The following summarizes certain information found in the Condition Assessment Report, including certain of the "specific areas" referred to in the preceding paragraph, and in inspection data gathered in 2011.

Roadway

A top priority of the Commission is to entirely reconstruct the System roadways, completely removing all original pavement and sub-base and replacing it with an entirely new roadway, including all facets of the highway such as barriers and guide rails, noise and retention walls and drainage systems. From approximately 1998 to date, the Commission has rebuilt approximately 105 miles of roadways and bridges and much of the reconstructed roadway has been widened to accommodate six lanes. An October 2012 Pavement Condition Survey indicates the average rating for System roadways was 90.4 (100 maximum), which was consistent with recent years. International Roughness Index (IRI) measurements support these results. Further, no roadway segments exceeded established criteria for skid resistance and rutting. The average age of the base pavement is approximately 46 years.

Bridges

The percentage of structurally deficient ("***SD***") bridges in the System is currently 7.4%, or 64 of 867 bridges inspected, as compared to 7.9% in 2012 and 8.1% in 2011. A structurally deficient bridge typically requires significant maintenance and repair to remain in service and eventual rehabilitation or replacement to address deficiencies. Structural deficiency is an indication of a bridge's overall status in terms of structural soundness. The fact that a bridge is classified as structurally deficient does not imply that it is unsafe. The percentage of SD bridges is below the national average for similar systems. Of the 64 bridges identified as SD, 24 are currently being replaced or repaired, an additional 37 are currently in design, and 3 are identified for repair or replacement in the Commission's Capital Plan. The Commission closely monitors all SD bridges to assure that they are maintained in a satisfactory condition.

Tunnels

The ten System tunnels vary in age from 20 to 71 years; therefore the Commission is focusing on the maintenance and rehabilitation of the mechanical, electrical and structural elements of the tunnels. The Tunnel Management Committee, which is represented by all of the Commission's functional departments, has improved identification of concerns that need to be monitored.

Toll Facilities

The overall condition of toll facilities that provide access to the System is fair to good.

Ten-Year Capital Plan

The Commission has a Ten-Year Capital Plan for its facilities and equipment (exclusive of the Mon/Fayette and Southern Beltway projects), consisting of the Highway Program, the Technology Program, Fleet Equipment, Facilities and Energy Management Operations and AET Conversion, which it updates each year. The Capital Plan for Fiscal Year 2013-2014 was adopted by the Commission on February 4, 2014. The Capital Plan calls for investment of $6.50 billion, net of federal reimbursements, over the coming decade and is estimated to support approximately 19,000 jobs each year for the next 10 years.

Exhibit I attached to this Appendix A indicates budget allocations by program.

The Capital Plan will require the issuance of additional debt throughout the ten-year period. The Commission believes that the increased capital spending and increased debt issuance will require the imposition of annual toll increases throughout the ten-year period and beyond. The Traffic Study (as defined in the forepart of this Official Statement) prepared by CDM Smith (formerly Wilbur Smith Associates) contemplates increases of 3.0% to 5.5% in each year.

The Highway Program consists of roadway, bridge, tunnel and toll plaza/interchange projects. The Technology Program consists of toll collection, communication, and other electronic information management projects. The Fleet Program funds rolling stock that is required to maintain the system. The Facilities and Energy Management Program consists of buildings and large, heavy or high value equipment needs.

The highest priority highway project for the Commission is the ongoing full depth roadway total reconstruction of the east/west Turnpike Mainline and Northeast Extension. This work includes the reconstruction and widening of the roadway, the widening of the median, and the replacement of both mainline and overhead bridges. To date, approximately 105 miles of total reconstruction has been completed and approximately 10 miles are currently in construction. Total reconstruction projects from Milepost 206 to Milepost 210 and from the Mid-County Interchange (Milepost A-20) to Milepost A-26 are under construction. Currently, approximately 134 miles are in design with design expected to commence on another 20 miles during calendar year 2014.

Based on the Capital Plan, the Commission plans to spend approximately $2.6 billion on total reconstruction projects and approximately $1.1 billion on various bridge and tunnel projects over the next ten years. In total, the Highway Program includes funding of $5.378 billion over the next ten years.

The Technology Program includes funding of $228 million over the next ten years to address the Commission's technology needs including toll collection projects, communication, application development and technical operational needs. The Commission has implemented SAP ERP to provide a set of integrated business processes supported by multi-module application software with a centralized data repository.

The Fleet Program includes funding of $166 million to purchase rolling stock to insure adequate maintenance of the roadway system.

The Facilities and Energy Management Program includes funding of $284 million to repair and replace the aging facilities of the Commission. This commitment will ensure that major equipment and facilities are in good repair to support ongoing Turnpike System operations.

The implementation of AET and the conversion of System facilities to accommodate AET is estimated to require $443 million in capital funding over the next ten years. This amount is higher than the estimate included in the AET Feasibility Report. The increase is associated with a proposed 3-gantry system in lieu of the 2-gantry system proposed in the AET Feasibility Report.

Mon/Fayette Expressway and Southern Beltway

Four projects constructed as part of the Mon/Fayette Expressway are now in operation. One is an approximately six-mile toll road between Interstate Route 70 and U.S. Route 40 in Washington County. This project was built by PennDOT and turned over to the Commission upon its opening in 1990. The second is an approximately twelve-mile section of toll road from I-68 near Morgantown, West Virginia, to Fairchance, Pennsylvania, which is located just south of Uniontown. The third project is an approximately sixteen mile section of the Mon/Fayette Expressway from Interstate Route 70 in Washington County to Pennsylvania Route 51 in Allegheny County, which opened in April 2002. The fourth is an approximately fifteen mile section from Uniontown to Brownsville, including a 3,022-foot bridge over the Monongahela River, which opened to traffic in July 2012. These four contiguous projects, which total 48 miles from Morgantown, West Virginia to PA Route 51 south of Pittsburgh, are now part of the System. The final 26-mile section of the Mon/Fayette Expressway, extending from PA Route 51 to Interstate Route 376 in Pittsburgh, received environmental clearance in December 2004. Final design through design field view has been completed. Additional design, right-of-way acquisition and construction cannot progress until additional funding is identified.

When eventually completed, the Mon/Fayette Expressway would extend from Interstate 68 in West Virginia to Interstate Route 376 near Pittsburgh.

The proposed Southern Beltway is to be constructed from the Mon/Fayette Expressway, near Finleyville, extending as part of a beltway south of Pittsburgh to Interstate 376 at the Pittsburgh International Airport. It is comprised of three distinct projects. The six-mile project from I-376 to U.S. 22 (also known as the Findlay Connector) opened to traffic in October 2006. The project from U.S. 22 to I-79, which is currently estimated to cost $550 million, received environmental clearance for its 13 miles in September, 2008 and is in final design; right of way acquisition began in late 2008. In January 2014, the Commission awarded two contracts, one for the construction manager and the other for the construction of a major bridge to carry the Southern Beltway over U.S. 22, to begin the construction of this leg of the Southern Beltway. The remaining Southern Beltway project, from I-79 to the Mon/Fayette Expressway, received environmental clearance in May 2009. The final portion of the Southern Beltway is currently estimated to cost approximately $700 million. The proceeds of the Commission's Oil Franchise Tax Revenue Bonds, Series A and B of 1998, and Oil Franchise Tax Revenue Bonds, Series A, B and C of 2003, and Registration Fee Revenue Bonds, Series of 2001, were applied to fund construction of the Mon/Fayette and Southern Beltway projects. It is anticipated that the remaining costs to complete the Mon/Fayette Expressway and the Southern Beltway will be financed with Oil Franchise Tax Revenues (as defined herein) and Registration Fee Revenues (as defined herein) along with other funding sources. Although the open sections of the Mon/Fayette Expressway and the Southern Beltway are toll roads, the Tolls (as defined herein) pledged for the repayment of Turnpike Revenue Bonds will not be pledged for the financing of their construction, which will be funded by Oil Franchise Tax Revenues and Registration Fee Revenues.

The Commission has no legal obligation to complete the unfinished portions of the Mon/Fayette Expressway and Southern Beltway projects at this time. However, Act 89 is expected to generate an estimated $86.2 million in additional annual Oil Franchise Tax revenues for the Commission by Fiscal Year 2017-2018. With additional Oil Franchise Tax revenues the Commission is proceeding with the U.S. 22 to I-79 portion of the Southern Beltway as well as actively evaluating financing options to complete additional portions of the Southern Beltway and potentially portions of the Mon/Fayette Expressway.

I-95 Interchange

I-95 was completed in 1969 without an interchange connecting it to the Turnpike Mainline. Interstate travelers must either by-pass the Philadelphia area entirely or exit the interstate system and navigate a complex system of local roadways to access I-95 again in New Jersey.

The Commission is currently in the first of three phases of its Pennsylvania Turnpike/I-95 Interchange Project (the "***Interchange Project***"). The main objectives of the Interchange Project are to improve the linkage between I-95 and the Turnpike Mainline to create continuity in the interstate system, relieve congestion on local roads which are currently used by travelers to make the connection between I-95 and the Turnpike Mainline, create additional capacity on the Turnpike Mainline and I-95 to accommodate the transfer of traffic from the local roadway system, and improve travel times through the interchange area.

The first phase of the Interchange Project includes preparatory work and construction of a portion of the interchange between I-95 and the Turnpike Mainline, including northbound I-95 to the eastbound Turnpike Mainline and southbound I-95 to the westbound Turnpike Mainline, and is currently under construction. This phase includes construction of a new mainline toll plaza and an AET plaza westbound, and was bid on March 27, 2013. Construction is expected to continue through 2015. The next construction contract is scheduled to be bid on June 5, 2014. The final contract in the first phase is planned to bid in summer 2015. The second phase will include the completion of the reconstruction and widening of the remaining interchange connectors. The third phase will be the construction of an additional bridge over the Delaware River. Funding for construction of the first phase is included in the Capital Plan.

CERTAIN FINANCIAL INFORMATION

Revenue Sources of the Commission

The Commission's revenues are principally derived from three separate sources: toll revenues from the operation of the System, revenue derived from a portion of the Commonwealth's Oil Franchise Tax, and revenue derived from a portion of the Commonwealth's vehicle registration fee revenues.

Toll Revenues

The largest part of the Commission's revenues is derived from the collection of all rates, rents, fees, charges, fines and other income derived by the Commission from the vehicular usage of the System and all rights to receive the same (the "***Tolls***"). The Tolls are presently pledged to secure the Commission's Turnpike Revenue Bonds and other Senior Indenture Parity Obligations, as well as any subordinated indebtedness that may be issued under the Senior Indenture (collectively, the "***Senior Indenture Obligations***"). There are $3,545,375,000 aggregate principal amount of fixed and variable rate Turnpike Revenue Bonds outstanding under the Senior Indenture. Other obligations issued and outstanding under the Senior Indenture include the Commission's obligations under various interest rate swap agreements having a total current notional amount of $1,557,467,000, as well as obligations under various letter of credit reimbursement agreements and standby bond purchase agreements relating to outstanding variable rate Turnpike Revenue Bonds.

The Tolls are not pledged to secure the Oil Franchise Tax Revenue Bonds (as defined below), the Registration Fee Revenue Bonds (as defined below) or the bonds and other obligations issued under the Subordinate Indenture ("***Subordinate Indenture Obligations***"). All Subordinate Indenture Obligations are subordinated to the payment of the Senior Indenture Obligations issued under the Senior Indenture. See "THE COMMISSION – Enabling Acts - *Issuance of Bonds; Commission Payments*."

Neither the Senior Indenture Obligations, the Oil Franchise Tax Revenue Bonds, nor the Registration Fee Revenue Bonds are secured by or have any interest in the trust estate established pursuant to the Subordinate Indenture.

The Commission may in the future, under the terms of the Senior Indenture, identify in writing certain roads, other than the Turnpike Mainline and the Northeast Extension, as not being part of the System for the purposes of the Senior Indenture which would eliminate toll revenues from these portions from the definition of Tolls under the Senior Indenture. The Commission currently has no plans to remove any roads from the System. In addition, under the Senior Indenture, the Commission has covenanted that it will not sell, lease or otherwise dispose of real estate or personal property comprising a portion of the System except upon compliance with the provisions of the Senior Indenture, including a determination by resolution that the Net Revenues of the Commission will not be materially adversely affected. The Commission from time to time may consider various proposals that could involve the transfer or other disposition of Commission property. Any such transfer or disposition would be required to comply with the provisions of the Senior Indenture.

Oil Franchise Tax Revenues

The Commission's second principal stream of revenues consists of that portion of the Commonwealth's oil franchise tax revenues (the "***Oil Franchise Tax Revenues***") allocated by statute to the Commission or the holders of the Commission's Oil Franchise Tax Revenue Bonds (the "***Oil Franchise Tax Revenue Bonds***"), $749,918,743.35 (including compounded amounts as of December 1, 2013 for capital appreciation bonds) of which are issued and outstanding. The Oil Franchise Tax Revenue Bonds, the proceeds of which were spent on portions of the Mon/Fayette Expressway and the Southern Beltway, are secured solely by Oil Franchise Tax Revenues. **The Oil Franchise Tax Revenues are not pledged to secure any Senior Indenture Obligations, any Subordinate Indenture Obligations or any Registration Fee Revenue Bonds.**

Registration Fee Revenues

The Commission's third principal stream of revenues consists of that portion of the Commonwealth's vehicle registration fee revenues (the "***Registration Fee Revenues***") allocated by statute to the Commission or the holders of any of the Commission's Registration Fee Revenue Bonds (the "***Registration Fee Revenue Bonds***"), $416,930,000 of which are issued and outstanding. The Registration Fee Revenue Bonds, the proceeds of which were spent on portions of the Mon/Fayette Expressway and the Southern Beltway, are secured by Registration Fee Revenues. Registration Fee Revenue Bonds are to be paid solely from the Registration Fee Revenues. **The Registration Fee Revenues are not pledged to secure any Senior Indenture Obligations, Subordinate Indenture Obligations or the Oil Franchise Tax Revenue Bonds.**

Toll Schedule and Rates

The current System generally employs a closed or ticket system method for toll collection. Tolls are determined on the basis of the length of the trip and vehicle class. There are nine vehicle classes determined either by axles or, in the case of commercial vehicles, by axles and weight. Historically, all drivers were issued a ticket upon entering the System and were required to surrender the ticket and pay the appropriate toll upon exiting. Electronic toll collection methods, however, have been implemented throughout the System. See "THE TURNPIKE SYSTEM – E-ZPass Lanes."

Between 1957 and 2008, the Commission implemented only five revisions in its toll schedule, effective on September 1, 1969, August 1, 1978, January 2, 1987, June 1, 1991 and August 1, 2004. On August 1, 2004, Turnpike System tolls increased by 1.8 cents per mile for passenger vehicles from 4.1 to 5.9 cents per mile. Commercial vehicles had an average increase of 5.3 cents per mile. Such toll increase was consistent with the rate of inflation over the 13 years since the Commission's prior toll increase in 1991. All incremental revenue generated by such toll increase has been used to fund capital improvements to the System's roads, tunnels and other upgrades.

Since 2008, the Commission has implemented rate increases as follows:

- On July 22, 2008, the Commission approved a toll increase in the amount of 25% (except for the Southern Beltway and the Mon Fayette Expressway) which became effective on January 4, 2009, with the expectation that it would implement annual increases thereafter.

- On August 18, 2009, the Commission approved a toll increase in the amount of 3% (except for the Southern Beltway) which became effective on January 3, 2010.

- On July 13, 2010, the Commission adopted several revenue enhancement measures that took effect on January 2, 2011. For E-ZPass users, tolls increased by 3%. For cash customers, tolls increased by 10% (rounded to the nearest $0.05). (Tolls on the Southern Beltway were not increased.) Annual fees for use of E-ZPass transponders increased from $3 per transponder to $6 per transponder. Finally, the commercial discount program, which provided for tiered discounts of 10%, 15% and 20% off published toll rates depending on total monthly fares, was adjusted to provide tiered discounts of 5%, 10% and 15%. These revenue enhancements are being used to provide funds for payments under the Amended Funding Agreement and other Act 44 purposes, including funding of the Commission's capital expenditure program and normal operating expenditures.

- On July 19, 2011, the Commission approved a toll increase (except on the Southern Beltway) which became effective on January 2, 2012. E-ZPass users did not see a toll increase, and cash customers saw an increase of 10%. In addition, commercial discounts were reduced. The 15% volume discount was eliminated and the remaining discounts are a 5% discount for $5,000-$10,000 in monthly tolls and a 10% discount for more than $10,000 in monthly tolls. In addition, the Commission also approved approximate overall toll rate increases that among E-ZPass users and cash customers will average 3% annually for each of the 2013 and 2014 calendar years.

- At meetings on July 18, 2012 and September 4, 2012, the Commission approved toll increases which became effective on January 6, 2013. Tolls for cash customers generally increased by 10%, except for the Southern Beltway, and tolls for E-ZPass users increased by 2%. On the Southern Beltway, cash tolls for all classes (which had never increased since its opening in 2006) increased by 50%, and E-ZPass rates increased by 25%. Annual fees for non-commercial use of E-ZPass transponders decreased from $6 per transponder to $3 per transponder due to lower cost from the supplier. Finally, the commercial discount program was further adjusted. The 10% discount was eliminated and the minimum toll amount for discount eligibility increased from $5,000 to $10,000. The revised discount program now provides for a 5% discount on total monthly fares of $10,000 or more.

- At its meeting on July 16, 2013, the Commission clarified its previously approved toll increase which was to occur in January 2014. The Commission approved a differential to the toll increases which became effective on January 5, 2014. Tolls (except on the Southern Beltway) increased by 12% for cash customers and by 2% for E-ZPass users. The toll increase differential kept the overall toll revenue increase to approximately 3%, in keeping with previous approvals of the Commission. Additionally, the remaining commercial discount program (5% volume discount on total monthly fares of $10,000 or more) was approved for elimination, effective January 5, 2014.

- At its meeting on September 20, 2013 the Commission partially reinstated the commercial discount. The Commission will provide a three percent (3%) discount to Turnpike System commercial E-ZPass account holders that expend $20,000 or more in tolls per month on the Turnpike System.

Preliminary unaudited traffic data for the nine months ended February 28, 2014 indicates a 6.0% increase in adjusted gross toll revenue, with an increase in traffic volume of 0.4%, as compared to the same period in Fiscal Year 2012-13. Economic conditions and gasoline price increases have impacted traffic volumes during Fiscal Year 2012-13 and in the first nine months of Fiscal Year 2013-14.

The following Table I illustrates the current tolls and per mile rates applicable to each vehicle class for a trip on the Turnpike Mainline from Interchange 1 through Interchange 359:

TABLE 1
Current Tolls and Per Mile Rates for Mainline
Roadway East - West Complete Trip
Delaware River Bridge - Warrendale (Ticket System)

Vehicle Toll Class	Gross Vehicle Weight (Thousand Pound)	New Toll Rate Cash Effective 1/2014	Per Mile Cash Rate	New Toll Rate EZ-Pass Effective 1/2014	Per Mile EZ-Pass Rate
1	1-7	38.00	0.116	27.24	0.083
2	7-15	55.80	0.170	40.01	0.122
3	15-19	69.20	0.210	49.66	0.151
4	19-30	80.85	0.246	57.95	0.176
5	30-45	113.35	0.345	81.40	0.247
6	45-62	144.10	0.438	103.48	0.315
7	62-80	205.55	0.625	147.62	0.449
8	80-100	268.80	0.817	193.16	0.587
9	Over 100	1524.10	4.633	1095.49	3.330

Notes:
The above rates represent an "East West" trip for the ticket toll system between Warrendale (#30) and the Delaware River Bridge (#359) interchanges. The 30-mile Gateway to Warrendale roadway between Warrendale and the Ohio Turnpike has a barrier toll at the Gateway Mainline interchange (#2). For purposes of the Senior Indenture, the Mainline is the entire length of the roadway between Ohio and the Delaware River Bridge. The toll on the Gateway connector is payable only when traveling eastbound and is standard for all vehicles of a class, regardless of distance traveled. The cash rate as of January 5, 2014 is $5.90 for the first two axles, $11.65 for three axles, $17.45 for four axles, $23.10 for five axles and $28.90 for six axles. The E-ZPass rate is $4.14 for the first two axles, $8.28 for three axles, $12.42 for four axles, $16.55 for five axles, and $20.70 for six axles.

Act 44 requires the Commission to fix toll rates such that revenues from tolls and other sources to the Commission are sufficient to pay the cost of the System's operation, construction, expansion and maintenance, all Commission obligations and interest thereon, sinking fund requirements of the Commission, other requirements in any trust indentures, notes or resolutions, and payments to PennDOT under the Amended Funding Agreement.

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Five-Year Financial History

The following Tables II and III summarize certain operating and revenue information with respect to the System for the Fiscal Years from 2009 to 2013, and for the nine-month periods ended February 28, 2013 and February 28, 2014. This information is derived from the Commission's regularly prepared books and records. The financial information presented in Table III is a combination of cash basis financial statements with certain accruals included. **Such information is not presented in accordance with general accepted accounting principles and has not been audited.** In the opinion of management of the Commission, the financial information for the nine months ended February 28, 2013, and February 28, 2014, is presented on a basis consistent with the presentation of the audited information below. Such interim information is not indicative of the results that may be expected for the entire current Fiscal Year.

Tables II and III should be read in conjunction with the financial statements prepared in accordance with generally accepted accounting principles and related notes included in "APPENDIX B – AUDITED FINANCIAL STATEMENTS: 2013 AND 2012" of this Official Statement (the "***Financial Statements***").

The Commission currently makes certain operating and financial information, including its audited annual financial statements and information corresponding to the information set forth below in Tables II and III, available through the Municipal Securities Rulemaking Board -- Electronic Municipal Market Access (*www.emma.msrb.org*) pursuant to its undertakings in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. Information to be provided pursuant to the Commission's undertaking in connection with the bonds offered pursuant to this Official Statement is described in the forepart of this Official Statement under the caption "CONTINUING DISCLOSURE."

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TABLE II

Number of Vehicles and Fare Revenues – Summarized by Fare Classification

(in thousands)

	Fiscal Year Ended May 31,					Nine-Months Ending February 28,	
	2009	**2010**	**2011**	**2012**	**2013**	**2013**	**2014***
Number of Vehicles:							
Passenger	162,637	163,599	165,230	164,960	163,690	122,091	122,131
Commercial	235,82	22,933	23,812	24,127	24,207	17,914	18,419
Total	186,219	186,532	189,042	189,087	187,897	140,005	140,550
Fare Revenue							
Passenger	$353,885	$407,368	$435,751	$455,133	$471,514	$349,893	$368,997
Commercial	284,359	310,670	328,105	342,646	350,226	257,897	269,817
Total	638,245	718,038	763,856	797,779	821,740	607,790	638,814
Discount	-22,640	-24,211	-24,152	-16,981	-10,198	-8,735	-3,709
Net Fare Revenues	$615,605	$693,827	$739,704	$780,798	$811,542	$599,055	$635,105

* Unaudited

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TABLE III
Summary of System Revenues and Operating Expenditures
Before Interest and Other Charges [1]
(000's Omitted)
Fiscal Year End May 31

	2009	2010	2011	2012	2013	Nine months ended February 28 2013	Nine months ended February 28 2014 (unaudited)
Revenues							
Net Toll Revenues	$615,605	$693,827	$739,704	$780,798	$811,542	$599,009	$635,105
Concession Revenues	3,087	2,868	2,728	3,167	3,302	2,653	2,836
Interest Income (non bond proceeds)	6,478	5,560	11,089	15,771	19,497	15,515	11,780
Miscellaneous	14,816	13,337	16,202	19,923	16,792	13,536	12,109
Total Revenues	639,986	$715,592	$769,723	$819,659	$851,133	$630,713	$661,830
Operating Expenditures							
General & Administrative	$43,378	$41,467	$33,528	$40,335	$42,542	$30,378	$33,654
Operations Safety & Incident Response	3,308	4,048	3,979	4,078	4,455	3,448	3,010
Service Centers	17,497	19,596	20,384	25,570	24,480	19,108	16,890
Employee Benefits	72,767	69,387	70,441	77,563	80,670	59,597	62,315
Fare Collection	60,318	63,087	64,944	61,884	59,952	45,695	44,186
Normal Maintenance	61,327	64,347	65,285	58,096	65,924	49,105	58,699
Facilities and Energy Mgmt. Operations	112	80	2,866	7,644	8,903	6,568	6,961
Turnpike Patrol	34,127	34,337	34,056	34,658	36,171	27,137	29,505
Total Operating Expenditures	$292,834	$296,349	$295,483	$309,828	$323,097	$241,036	$255,220
Revenues less Operating Expenditures	$347,152	$419,243	$474,240	$509,831	$528,036	$389,677	$406,610
Senior Annual Debt Service Requirement	$153,568	$127,866	$120,570	$145,906	$142,552		
Coverage Ratio	2.26	3.28	3.93	3.49	3.70		
Annual Subordinate Debt Service Requirement	$12,066	$86,977	$123,186	$130,713	$156,067		
Coverage Ratio	2.10	1.95	1.95	1.84	1.77		
Annual MLF Enhanced Debt Service Requirement			$1,541	$10,063	$20,305		
Coverage Ratio			1.93	1.78	1.66		

(1) This summary of revenues and operating expenditures is not intended to present results of operations in conformity with generally accepted accounting principles. Debt service is net of capitalized interest and receipt of Federal Subsidy.

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Budget Process

The Commission's Finance and Administration Department develops preliminary budget information for all Commission departments. This information is provided to each of the respective departments for their review and to enable them to make any proposed revisions for their budget requests. The information is then returned to the Finance and Administration Department and a Commission wide preliminary budget is prepared. This budget is reviewed by senior management and, in cooperation with the respective departments, revisions are made when necessary to conform to the annual financial plan. The final recommended budget is then presented to the Board of Commissioners for formal approval.

In addition, Act 44 requires the Commission to prepare and submit a Financial Plan to the Secretary of the Budget no later than June 1 of each year for the ensuing Fiscal Year, describing its proposed operating and capital expenditures, borrowings, liquidity and other financial management covenants and policies, estimated toll rates and all other revenues and expenses. The purpose of the Financial Plan is to demonstrate that the Commission's operation in accordance with such plan can be reasonably anticipated to generate unencumbered funds sufficient to make all payments due to PennDOT under Act 44, Act 89 and the Amended Funding Agreement in the upcoming year after all other Commission obligations and interest thereon, sinking fund requirements of the Commission, other requirements in any trust indenture, notes or resolutions have been met. Any deviations and the causes therefor in prior year plans must be explained. The Commission delivered the Act 44 Financial Plan for Fiscal Year 2013-14 (June 1, 2013 through May 31, 2014) in a timely fashion to the Secretary of the Budget. Following the enactment of Act 89 the Commission delivered to the Secretary of the Budget an amended Act 44 Financial Plan for Fiscal Year 2013-2014 on March 5, 2014. The Commission expects to deliver the Act 44 Financial Plan for Fiscal Year 2014-15 on or prior to June 1, 2014. See "THE COMMISSION – Enabling Acts – *Rules Relating to Governance and Accountability Under the Enabling Acts*" above.

Performance Audit by the Auditor General

The Enabling Acts require the Auditor General of the Commonwealth to conduct an audit of the accounts of the Commission and to review its performance, procedures, operating budget, capital budget and debt every two years. The Act of October 23, 1988, P. L. 1059, No. 122 ("***Act 122***") also requires the Auditor General to conduct a financial audit and a compliance audit of the Commission every four years.

On January 8, 2013, former Auditor General Wagner issued a final report presenting the results of his quadrennial audit of the Commission under Act 44 and Act 122. The financial portion of the audit covered the period from June 1, 2005 to May 31, 2010, and the performance portion of the audit covered the period from June 1, 2007 to August 31, 2011. The Auditor General's office did not conduct its own financial audit but reviewed audits and supporting documentation of the independent firm that audits the Commission's financial statements annually, including working papers for the five fiscal years ended May 31, 2006 through May 31, 2010.

The audit report included recommendations to the Commission with respect to the following areas:

- non-revenue use of the Turnpike System by Commission employees;
- non-revenue use of the Turnpike System by nearly 5,000 consultants, contractors, and other state government officials;
- the monitoring, audit and evaluation by the Commission of the E-ZPass system;
- continued or expanded monitoring, review and inspection of the Turnpike System's tunnels;
- reimbursement of the travel and other expenses of Commissioners; and
- the Commission's use of interest rate swaps as part of its overall debt-management practices.

On January 2, 2013, in response to the release by the former Auditor General of a draft report, the Commission's then Acting Chief Executive Officer responded by letter to former Auditor General Wagner, addressing the proposed recommendations of the Department of Auditor General. On January 8, 2013, upon release of the final report, the Commission issued a press release making available to the public the Commission's response to the audit report.

The full text of the Department of Auditor General's final report may be found at *http://www.auditorgen.state.pa.us/department/press/PTC_Report_final_01082013.pdf*. For the Commission's response, see *http://www.paturnpike.com/press/2013/20130108145419.htm*.

Financial Policies and Guidelines

The Commission's Investment Policy and Guidelines, adopted on June 6, 1997 and amended from time to time thereafter (the "***Investment Policy***"), sets forth the purpose, objectives and investment guidelines for eligible securities for the investment of financial assets of the Commission. Eligible securities include those that are consistent with the Senior Indenture. For a discussion of the Commission's concentration of credit risk to particular issuers, see Note 4 to the Financial Statements.

The Investment Policy provides that appropriate benchmarks shall be developed for the various funds invested by the Commission and that the returns of the Commission's individual portfolio segments are to be compared to such benchmarks. Pursuant to the Investment Policy, the Commission's Investment Policy Committee must prepare an investment report for the Commissioners on a quarterly basis, including a management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the latest reporting period. The report is to include investment performance and demonstrate conformity with the Investment Policy.

The Commission adopted three additional financial policies on April 20, 2004: a Liquidity Standard Policy, a Debt Management Policy and an Interest Rate Swap Management Policy (the "***Swap Policy***"). These financial management policies were developed in recognition of the increasing financial sophistication of the Commission with respect to its debt structure and to provide guidance governing the issuance, management, ongoing evaluation and reporting of all debt obligations.

The Liquidity Standard Policy requires that the Commission maintain sufficient year-end fund balances to ensure levels of uncommitted reserves necessary to secure and protect its long-term debt and other financial obligations. Under this policy, the Commission budgets and maintains cumulative fund balances, including balances in the Reserve Maintenance Fund and the General Reserve Fund, equal to the greater of maximum annual debt service on those bonds not secured by a debt service reserve fund or 10% of annual budgeted revenues.

The Debt Management Policy establishes parameters and provides guidance governing the issuance and management of Commission debt. It addresses such issues as usage of unhedged variable rate debt, rate covenants and limitations on additional bonds and disclosure. Notwithstanding the rate covenants in the Senior Indenture and the Commission's Debt Management Policy, it is the internal policy of the Commission's management to maintain 2.00 debt service coverage on the Turnpike Revenue Bonds, 1.30 debt service coverage on the Subordinate Bonds and 1.20 debt service coverage on the Special Revenue Bonds. For a discussion of the rate covenant under the Senior Indenture, see "SUMMARY OF CERTAIN PROVISIONS OF AND DEFINED TERMS IN THE SENIOR INDENTURE—THE SENIOR INDENTURE—Rate Covenant" in Appendix E to this Official Statement. The Commission's Debt Management Policy is available at on the Commission's website at: *http://www.paturnpike.com/geninfo/Debt%20Management%20Policy%20Letter.pdf*. As of April 1, 2014, approximately 85% of the Commission's outstanding debt is fixed rate, six percent is synthetic fixed, eight percent variable rate, and one percent is synthetic variable.

The Commission's Swap Policy establishes guidelines for the use and management of all interest rate management agreements, including, but not limited to, interest rate swaps, swap options, caps, collars and floors (collectively, "***Swaps***") incurred in connection with the incurrence of debt. The Commission's Swap Policy was amended in May 2013 to reflect current regulations and best practices in the derivatives industry.

The Swap Policy authorizes the Commission to use Swaps to hedge interest rate movement, basis risk and other risks, to lock in a fixed rate or, alternatively, to create synthetic variable rate debt. Swaps may also be used to produce interest rate savings, limit or hedge variable rate payments, alter the pattern of debt service payments, manage exposure to changing market conditions in advance of anticipated bond issues (through the use of anticipatory hedging instruments) or for asset/liability matching purposes. Key elements of the Swap Policy include the following:

<u>Swap Counterparties – Credit Criteria</u>. The Commission will make its best efforts to work with qualified Swap counterparties that have a general credit rating of: (i) at least "A3" or "A" by two of the nationally recognized rating agencies and not rated lower than "A3" or "A" by any nationally recognized rating agency, or (ii) have a "non-terminating" "AAA" subsidiary as rated by at least one nationally recognized credit rating agency.

Term and Notional Amount. For Swaps tied to an issued series of bonds, the term of the Swap agreement shall not extend beyond the final maturity date of the related bonds. The total net notional amount of all Swaps related to a bond issue should not exceed the aggregate principal amount of outstanding bonds. In calculating the net notional amount, netting credit shall be given to any Swaps that offset each other for a specific bond transaction.

Security and Source of Repayment. The Commission may use the same security and source of repayment (pledged revenues) for Swaps as is used for bonds that are hedged by the Swap, if any, but shall consider the economic costs and benefits of subordinating the Commission's payments and/or termination payment under the Swap. The Commission shall consult with Bond Counsel regarding the legal requirements associated with making the payments under the Swap on a parity or non-parity basis with outstanding Commission debt.

Prohibited Agreements. The Commission will not use Swaps that:

- Are speculative or create extraordinary leverage as risk;

- Lack adequate liquidity to terminate without incurring a significant bid/ask spread; or

- Provide insufficient price transparency to allow reasonable valuation.

Annual Swap Report. The Commission's Chief Financial Officer, in consultation with the Commission's Financial Consultant, Swap Advisor and Bond Counsel, will evaluate the risks associated with outstanding Swaps at least annually and provide to the senior executives and the Commissioners a written report of the findings based upon criteria set forth in the Swap Policy.

Disclosure and Financial Reporting. The Commission will ensure that there is full and complete disclosure of all Swaps to rating agencies and in disclosure documents. Disclosure in marketing documents, including bond offering documents, shall provide a clear summary of the special risks involved with Swaps and any potential exposure to interest rate volatility or unusually large and rapid changes in market value. With respect to its financial statements, the Commission will adhere to the guidelines for the financial reporting of Swaps, as set forth by the Governmental Accounting Standards Board ("***GASB***") or other applicable regulatory agencies.

The Commission has interest rate exchange agreements with respect to its Senior Revenue Bonds, Series 2006A, Series 2008B, Series 2009A, Series 2009C, Series 2010B, Series 2011C, Series 2011D, Series 2012B and Series 2013B. In addition, the Commission has interest rate exchange agreements with respect to its Registration Fee Revenue Bonds, Series 2005, and Oil Franchise Tax Revenue Bonds, Series 2003C. As of March 31, 2014, the aggregate market value of the swaps to the counterparties thereto from the Commission was calculated to be approximately $71,128,198 (negative value to the Commission) with respect to swaps relating to the Senior Bonds referred to above, $43,074,524 (negative value to the Commission) with respect to swaps relating to the Registration Fee Revenue Bonds referred to above, and $1,748,757 (negative value to the Commission) with respect to swaps relating to the above-referenced Oil Franchise Tax Revenue Bonds. See Note 4, Note 8, and Note 13 to the Financial Statements. The

Commission does not have any interest rate exchange agreements associated with its Subordinate Revenue Bonds or Special Revenue Bonds.

There are a number of risks associated with Swaps that could affect the value of the Swaps, the ability of the Commission to accomplish its objectives in entering into the Swaps and the ability of the Commission to meet its obligations under the Swaps. These risks include, among others, the following: counterparty risk – the failure of the counterparty to make required payments; credit risk – the occurrence of an event modifying the credit rating of the Commission or its counterparty; termination risk – the need to terminate the transaction in a market that dictates a termination payment by the Commission; tax risk – the risk created by potential tax events that could affect Swap payments; and basis risk – the mismatch between actual variable rate debt service and variable rate indices used to determine Swap payments. The Commission actively monitors the degree of risk and exposure associated with the Swaps to which it is a party but can offer no assurances that compliance with its Swap Policy will prevent the Commission from suffering adverse financial consequences as a result of these transactions.

The Commission adopted a post-issuance compliance policy on December 6, 2011 to assist it in complying with the provisions of the Internal Revenue Code of 1986, as amended regarding the use of proceeds of tax-exempt bonds.

Copies of the Commission's Investment Policy, Liquidity Standard Policy, Debt Management Policy and Swap Policy can be found on the Commission's website at: *http://www.paturnpike.com/geninfo/policies.aspx*.

The policies of the Commission described above may be revised or amended at any time at the discretion of the Commission.

Credit Enhancement

Two series of the Commission's outstanding Turnpike Revenue Bonds have credit and/or liquidity enhancement as described below. See "Future Financing Considerations" below for a discussion of the Commission's plans regarding these Series of Turnpike Revenue Bonds.

Series	Maturity Range	Credit/Liquidity Enhancement	Expiration
$50,000,000 Pennsylvania Turnpike Commission Turnpike Multi-Modal Revenue Bonds, Series C of 2008	2036 – 2038	Letter of Credit provided by Barclays Bank, PLC	May 25, 2014
$100,000,000 Pennsylvania Turnpike Commission Turnpike Multi-Modal Revenue Bonds, Series B-1 of 2008	2038	Letter of Credit provided by Barclays Bank, PLC	May 25, 2014

Direct Purchase of Turnpike Revenue Bonds

The Commission has issued certain Turnpike Revenue Bonds in private placement direct purchase transactions. In May 2011, the Commission issued (i) its $232,775,000 Turnpike Multi-Modal Revenue Bonds, Series C-1 of 2011 (the "***2011 C-1 Bonds***") through a private placement with RBC Capital Markets, LLC to refund certain bonds under the Senior Indenture and (ii) its $65,555,000 Turnpike Multi-Modal Revenue Bonds, Series C-2 of 2011 (the "***2011 C-2 Bonds***", and together with the 2011 C-1 Bonds, the "***2011 C Bonds***") through a private placement with Sumitomo Mitsui Banking Corporation to refund certain bonds under the Senior Indenture. Each series of the 2011 C Bonds was issued with a floating interest rate based on the SIFMA Municipal Swap Index. Neither series of the 2011 C Bonds is subject to optional tender by the purchasers prior to maturity. However, each series of the 2011 C Bonds is subject to special mandatory tender on May 26, 2014 (the "***Special Mandatory Tender Date***"). Subject to certain conditions, in the event the applicable series of 2011 C Bonds cannot be remarketed, refunded, redeemed or otherwise paid on the Special Mandatory Tender Date, the 2011 C-1 Bonds are subject to mandatory redemption over a four-year accelerated principal amortization period and the 2011 C-2 Bonds are subject to mandatory redemption over a five-year accelerated principal amortization period, in each case at an increased rate of interest. Neither the 2011 C-1 Bonds nor the 2011 C-2 Bonds are secured by the debt service reserve fund under the Senior Indenture. Upon the occurrence of certain events of default or other redemption events, the 2011 C Bonds may become subject to immediate special mandatory redemption. See "Future Financing Considerations" below for a discussion of the Commission's plans regarding these Series of Turnpike Revenue Bonds.

Future Financing Considerations

The Commission may issue additional bonds under the Senior Indenture and the Subordinate Indenture. In addition, the Commission may, from time to time, issue other notes and bonds payable from such sources as may be available so long as the Tolls, the Oil Franchise Tax Revenues securing the Oil Franchise Tax Revenue Bonds or the Registration Fee Revenues securing the Registration Fee Revenue Bonds are not pledged to such other notes and bonds or, if pledged, are pledged on a subordinate basis. The Commission anticipates that it will borrow substantial additional funds for the purpose of funding capital expenditures for the System pursuant to the Ten Year Capital Plan. In addition, pursuant to Act 89, the Commission anticipates that it will borrow substantial additional funds for purposes of funding payments under Act 44, Act 89 and the Amended Funding Agreement through Fiscal Year 2021-2022. Such borrowings are expected to be undertaken principally under the Senior Indenture and the Subordinate Indenture. In addition, the Commission may from time to time increase toll rates to meet the debt, capital and operational obligations of the Commission. The most recent toll increase was effective January 5, 2014. See "CERTAIN FINANCIAL INFORMATION – Toll Schedule and Rates" above for further information.

The Commission expects to issue one or more additional series of Turnpike Revenue Bonds under the Senior Indenture during the spring and fall of 2014 for the purpose of funding costs of capital projects included in the Commission's Capital Plan and to refund its Turnpike Revenue Bonds, Series B-1 of 2008, Series C of 2008 and the 2011 C Bonds referred to above under captions "Credit Enhancement" and "Direct Purchase of Turnpike Revenue Bonds", as well as the December 1, 2014 maturity of its Turnpike Revenue Bonds, Series C of 2009 and Series D of 2011. The Commission also expects to issue additional bonds under the Subordinate Indenture, including one or more series of Subordinate Revenue Bonds in the fall of 2014, to finance all or a portion of its quarterly payments to PennDOT pursuant to the Amended Funding Agreement under the Enabling Acts. (See "THE COMMISSION—Enabling Acts – *Issuance of Bonds; Commission Payments*" above.) In addition, the Commission regularly evaluates market conditions with respect to the possible refunding of its outstanding Turnpike Revenue Bonds, Subordinate Revenue Bonds, Special Revenue Bonds, Oil Franchise Tax Revenue Bonds and Registration Fee Revenue Bonds.

In connection with funding for the I-95 Interchange project, the Commission anticipates borrowing up to $200 million in four tranches of up to $50 million each through the Immigrant Investor Program (known as the EB-5 visa program) administered by the U.S. Citizenship and Immigration Services in the period 2014 through 2017. Such debt would be issued under the Senior Indenture on parity with the Turnpike Revenue Bonds.

The ability of the Commission to repay such borrowings could be adversely affected by many factors, some of which are beyond the control of the Commission. For example, economic circumstances which result in significant declines in motor vehicle acquisition or operating cost increases could adversely affect the number of motor vehicles in use. An increase in the cost of fuel could adversely affect both the number of motor vehicles using the System and the mileage that such vehicles travel. Government regulations, such as Clean Air Act requirements, might also significantly restrict motor vehicle use and therefore diminish Tolls.

CERTAIN OTHER INFORMATION

Insurance

The Commission maintains All-Risk Property, Builder's Risk, Public Official bonds, Crime and Fiduciary insurance coverage and is self-insured for Workers' Compensation, Auto Liability, and General Liability claims.

For capital projects, the Commission maintains Builders' Risk insurance that covers buildings and structures, including temporary structures, while being constructed, erected or fabricated on Commission property. This insurance provides coverage against risk of physical damage and/or loss (subject to policy exclusions) to all buildings and structures during construction. Upon completion, a project is then covered under an All Risk insurance policy that has a $125 million per occurrence policy limit.

Deductibles range in amount depending on the line of coverage and the nature of the claim. For bridges, tunnels, overpasses, underpasses and viaducts, the deductible is $2 million. For buildings (including contents), toll plazas and equipment, warehouses and similar facilities, the deductible is $1 million.

Certain pre-specified construction projects are insured under an "Owner Controlled Insurance Program" until completion. Under these programs, the Commission, contractors and subcontractors are insured for Workers Compensation, General Liability, Builders Risk and other project-specific insurance with limits and large deductibles varying by project.

Personnel and Labor Relations

As of April 1, 2014, the Commission employed 2,091 persons, consisting of 499 management employees, 1,483 full-time union members, and 109 temporary union employees. Seventy-two and three-tenths percent (72.3%) of all employees are engaged in maintenance operations and fare collection. There are 808 field personnel in the 22 facilities.

In an effort to meet funding obligations and contain costs, in 2008 the Commission reduced overhead by eliminating vacant positions, offered early retirement incentives to eligible staff members, implemented a reduction-in-force program for positions no longer required, and reduced salary and benefit expenses by cutting 15 management positions. Subsequently, the Commission also reduced overtime by permanently shifting schedules, lowered expenses, and implemented a management pay freeze during Fiscal Years 2009-2010 and 2010-2011, and the first half of Fiscal Year 2011-2012. As a result, the Commission currently employs 459, or 17.92% fewer employees, than it did in 2002, the peak employment year over the past 12 years.

The civil service requirements applicable to the state government do not apply to employees of the Commission.

The Commission is a party to three collective bargaining agreements and one memorandum of understanding with Teamsters' Local Unions covering central office, field, professional and first level supervisory personnel. The three collective bargaining agreements became effective on October 1, 2007 and expired on September 30, 2011. An agreement was reached with one bargaining unit, which was effective as of November 19, 2013 and extends until September 30, 2017. No extension to either of the two remaining collective bargaining agreements has been executed. Those unions retain their right to strike during negotiations. Negotiations are ongoing with the two remaining collective bargaining units. The memorandum of understanding, which became effective on October 1, 2007, has no termination date. Since union representation began, the Commission has experienced one work stoppage which occurred on November 24, 2004 and lasted for seven days.

Retirement Plan

The State Employee's Retirement System of the Commonwealth ("***SERS***") is one of the nation's oldest and largest statewide retirement plans for public employees. SERS administers both a defined benefit plan and a defined contribution plan. The defined benefit plan is funded through a combination of employee contributions, employer contributions and investment earnings. The defined contribution plan (Commonwealth of Pennsylvania Deferred Compensation Program) is funded by voluntary employee contributions and investment earnings.

Substantially all employees of the Commission are covered by SERS. The costs of the defined benefit plan are paid by the Commission quarterly based upon a stipulated contribution rate. Participating agency contributions, including those for the Commission, are mandated by statute and are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to SERS members.

Article II of the Pennsylvania Constitution provides the General Assembly the authority to establish or amend benefit provisions. Act 2001-9, signed into law on May 17, 2001, established Class AA ("***Class AA***") membership whereby, generally, annual full retirement benefits for electing active members is 2.5% of the member's highest three-year average salary (final average salary) multiplied by years of service. Commission employees hired after June 30, 2001, but before January 1, 2011, are Class AA members. Members hired on or before June 30, 2001 had the option, but were not required, to elect Class AA membership.

Those members not electing Class AA membership are considered Class A ("***Class A***"). The general annual benefit for full retirement for Class A members is 2% of the member's final average salary multiplied by years of service. Retirement benefits for Class A and AA employees vest after 5 years of credited service. Class A and AA employees who retire at age 60 with three years of service or with 35 years of service if under age 60 are entitled to an unreduced annual retirement benefit.

On November 23, 2010, Pennsylvania Act 120 of 2010 ("***Act 120***") was enacted. Under this legislation, effective January 1, 2011, benefit reductions are mandated for future SERS members; however benefits for current members are preserved. New employees are subject to a higher contribution rate, an increase in the vesting period from five to ten years, elimination of lump-sum withdrawals, and an increase to the normal retirement age to obtain full, unreduced pension benefits. Rather than the current full benefit provision of 35 years of credited service, new employees' age and combined years of service must equal 92, including a minimum of 35 years of credited service, before they may receive full benefits. Act 120 established Class A-3 and Class A-4 memberships. Effective January 1, 2011, all new members to the System must elect one of these new membership classes. New members who elect Class A-3 will accrue benefits at 2% of their final average salary multiplied by years of service. Those members choosing Class A-4 will accrue benefits at 2.5% of their final average salary multiplied by years of service. Under Act 120, retirement benefits for Class A-3 and A-4 vest after 10 years of credited service. Class A-3 and A-4 members who retire at age 65 with three years of service or when the member's age (last birthday) plus his/her completed years of credit service total at least 92 (Rule of 92) are entitled to an unreduced annual retirement benefit. Members hired prior to January 1, 2011 retain their current full benefit provision of 35 years of credited service.

Covered Class A, Class AA, Class A-3 and A-4 employees are required by statute to contribute to SERS at a rate of 5.00%, 6.25%, 6.25% and 9.30% respectively, of their gross pay. Employees' contributions are recorded in individually identified accounts, which are also credited with interest, calculated quarterly to yield 4.00% per annum, as mandated by statute. Accumulated employee contributions and credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

Participating agency contributions, including those for the Commission, are also mandated by statute and are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to SERS members. The Commission's required retirement contribution, as a percentage of covered payroll, by class for the most recent five Fiscal Years of the Commonwealth is as follows:

Year Ended June 30 (Commonwealth's Fiscal Year)	Class A	Class AA	Class A-3	Class A-4
2013	8.43%	10.51%	7.29%	7.29%
2012	5.59	6.99	4.83	4.83
2011	3.29	4.11	4.11	4.11
2010	2.52	3.15		
2009	2.64	3.29		

The Commission's required contributions and percentage contributed for the most recent five Fiscal Years are as follows:

Year Ended May 31	Commission Required Contribution (in millions)	Percent Contributed
2013	$ 12.0	100%
2012	7.9	100
2011	5.3	100
2010	4.0	100
2009	3.8	100

The Commission has budgeted $19.0 million for Fiscal Year 2013-2014.

A copy of SERS's annual financial statements may be obtained by writing to: State Employees' Retirement System, 30 North Third Street, P.O. Box 1147, Harrisburg, Pennsylvania, 17108-1147. Additional information about SERS, including its Comprehensive Annual Financial Reports and actuarial valuation reports, are available at *www.sers.state.pa.us*.

On July 6, 2010, Pennsylvania Act 2010-46 was enacted which reduced the employer contribution rates for Fiscal Year 2010-2011, thus reducing the Commission's contribution rates for Fiscal Year 2010-2011 from 3.80% for Class A employees and 4.75% for Class AA employees to 3.29% for Class A employees and 4.11% for Class AA employees. This rate reduction was only for one year.

Act 120 also imposes limits referred to as "collars" on annual increases to employer contribution rates (i.e., the employer contribution rate for a particular year may not exceed the sum which results from adding the collar applicable for such year to the prior year's contribution rate). The collared percentage point increases are 3.0 for the Commonwealth's fiscal year ended June 30, 2012, 3.5 for the Commonwealth fiscal year ending June 30, 2013 and 4.5 each year thereafter until no longer needed. These limitations are intended to reduce spikes in employer contributions.

For more information on SERS, including Act 120, see the SERS website at *www.portal.state.pa.us/portal/server.pt/community/pension_funding/19115* and the disclosure beginning on page 56 of the Official Statement for the Commonwealth's General Obligation Bonds, Second Series of 2013, dated October 22, 2013, which may be found at *http://emma.msrb.org/EP768986-EP596201-EP997586.pdf* .

During the current session of the General Assembly, which lasts until December 2014, legislation was introduced (House Bill 1350 and Senate Bill 922, which were both based, in part, upon a proposal originally put forth by Governor Corbett in February 2013) which, if enacted, would affect future required pension contributions by the Commission (and other Commonwealth employers) for its employees by changing, in part, Pennsylvania's pension system for future Commonwealth employees (including Commission employees) from a defined benefit plan to a defined contribution plan, similar to 401(k) plans prevalent in the private sector. The proposed legislation makes no changes for current retirees nor would it make changes to the benefits already earned by current employees. Future benefits for current employees would be modified to reduce the retirement multiplier by 0.5 percent for all employees currently above a 2.0 times multiplier. In addition, the existing employer contribution rate collars, as implemented by Act 120, would be reduced. At present, the Act 120 collars have the effect of limiting the year-over-year increase in the employer contribution rate to 4.5 percent annually. The proposed legislation would reduce the Act 120 collars from 4.5 percent to 2.25 percent. The contribution collar rates would then rise 0.5 percent per year until reaching 4.5 percent or the annual required contribution level. Both House Bill 1350 and Senate Bill 922 have been introduced in their respective houses of the General Assembly and have been referred to the appropriate legislative committee for hearings. Following hearings in both chambers, House Bill 1350 and Senate Bill 922 were amended separately and divergently in the respective legislative committees of the House and Senate. In general, most provisions of Governor Corbett's original proposal were deleted and replaced with a varying proposal to shift all or portions of all new state employees to a defined contribution plan. Neither bill has been approved by either chamber to date. It is premature to predict the prospects of this (or similar) legislation in the General Assembly during the remainder of the current legislative session.

In February 2014, as part of his fiscal year 2014-2015 Executive Budget, Governor Corbett again proposed changes to Pennsylvania's pension systems similar to those he proposed in February 2013. Specifically, the Governor is again proposing to reduce the Act 120 collars from 4.5 percent to 2.25 percent. Similarly, the Governor's proposal would "offer" a defined contribution plan for future employees. No legislation pertaining to the Governor's proposal has been introduced to date in the General Assembly and it is premature to predict the prospects of this or similar proposals or legislation in the General Assembly during the remainder of the current legislative session.

Other Post-Employment Benefit Liabilities

The Commission maintains a welfare plan program (the "***Plan***"), one purpose of which is to provide benefits to eligible retirees and their dependents. The Commission established the Pennsylvania Turnpike Commission Retiree Medical Trust (the "***Trust***") on May 30, 2008 as an irrevocable trust, tax-exempt under the Internal Revenue Code, to provide funding of the Plan's other post-employment benefits ("***OPEB***" or the "***Benefits***"). Plan benefit provisions and retiree and dependent contribution rates are established and may be amended by the Commission.

Management Employee/Retiree. The Benefits funded by the Trust include certain post-employment medical, prescription drug, dental and vision benefits to management employees who have reached 20 years of service and are under age 60; and benefit eligibility changes from 20 to 10 years for retirees 60 years of age or older. The same coverage is provided to surviving spouses or domestic partners and dependents of management retirees who retired on or after March 1, 2001. Surviving spouses or domestic partners of retirees who retired prior to July 1, 1998 may purchase medical coverage at the group rate and dependents are offered coverage under COBRA. Surviving spouses or domestic partners of retirees who retired between July 1, 1998 and March 1, 2001 may purchase medical and prescription coverage at the group rate and dependents are offered coverage under COBRA. Medicare Part B premiums are paid by the retiree, spouse or dependent if age 65 or over, or under age 65 and disabled.

Union Employee/Retiree. The Benefits also include certain post-employment medical and prescription drug benefits to union employees who have reached 20 years of service and are under age 60; and benefit eligibility changes from 20 to 10 years for employees 60 years of age or older. The same coverage is provided to spouses or domestic partners and dependents of eligible union retirees until the death of the retiree. Surviving spouses or domestic partners are required to contribute the full cost of coverage and dependents are offered coverage under COBRA.

The Trust began making payments to benefit providers for retiree claims and related administrative fees in October 2008. Prior to that time, the Commission made such payments. For the year ended May 31, 2013, claims and administration expenses totaled $12.2 million.

Historically, the Commission has funded its post-employment benefit liabilities on a pay-as-you-go basis. In accordance with the pronouncements of the GASB applicable to the Commission, the Commission began reporting its unfunded actuarial accrued liabilities for OPEB and its annual OPEB cost each year commencing with its audited financial statements for the Fiscal Year ended May 31, 2008. The Commission's unfunded actuarial accrued liability (the "***UAAL***") as of March 1, 2012 was $98.4 million, using a 7% discount rate and assuming that the annual required contribution would be invested in an irrevocable separate trust account. The Commission is required, pursuant to GASB rules, to have biennial actuarial valuations of its OPEB obligations. The last biennial actuarial valuation was as of March 1, 2012. The March 1, 2012 valuation's actuarial methods and assumptions included an amortization period of "10 years (closed)." The Commission expects its latest biennial actuarial valuation to be completed and available prior to the end of the current fiscal year.

The Commission has adopted a Retiree Medical Trust Funding Policy, effective September 17, 2008, whereby the Commission anticipates approving an annual contribution to the Trust in the amount of the annual required contribution ("***ARC***") as determined by the Commission's actuary during the approval of its annual operating budget. The Commission's annual required contributions for Fiscal Year 2011-2012 and Fiscal Year 2012-2013, which includes the normal costs for the year, a component for the level dollar amortization of the total UAAL and a mid-year contribution interest component, were $28.8 million and $23.4 million, respectively. Actual contributions towards the ARC for Fiscal Year 2011-2012 and Fiscal Year 2012-2013 were $54.4 million and $56.3 million, respectively. The market value of the Trust's assets for the years ended May 31, 2012 and 2013 were $143.4 million and $217.0 million, respectively.

The Trust's financial statements are not included in the financial statements of the Commission. For additional information regarding the Benefits and the Trust, including funding status and actuarial methods and assumptions, see Note 10 to the Financial Statements.

Commission Compliance Department

The Commission created a Compliance Department in 2012, with the primary mission of developing, managing, and executing comprehensive audit and investigation programs that examine and promote the adequacy and effectiveness of the Commission's internal control system. The Compliance Department includes the offices of Chief Compliance Officer, and Inspector General, and the existing departments of Toll Revenue Audit, and Audit and Advisory Services. As head of the department, the Chief Compliance Officer oversees all aspects of operations auditing, toll revenue auditing, and internal and external investigations enforcement of Commission rules, regulations, policies and strategic planning, and the Commission's Code of Conduct.

Commission Office of Inspector General

In 2009, an Office of Inspector General (the "***OIG***") was created within the Commission to maintain integrity and efficiency at the Commission, and to further maintain public confidence in the Commission. The OIG has conducted numerous investigations of fraud, waste, abuse and misconduct that have resulted in the termination of Commission employees and a vendor contract. When appropriate, the OIG refers cases to law enforcement authorities for possible criminal prosecution. In 2012, the OIG became a unit of the newly created Compliance Department.

EXHIBIT I

PENNSYLVANIA TURNPIKE COMMISSION
FISCAL YEAR 2014 TEN-YEAR CAPITAL PLAN

Category	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total FINAL PLAN
Roadw ay/Safety	97,022,760	93,428,742	54,982,490	105,472,287	108,965,374	109,843,166	127,408,710	121,215,231	121,368,156	91,298,571	1,031,005,489
Bridge, Tunnel & Misc Structure	66,942,896	89,495,754	90,071,714	81,940,621	101,185,318	134,306,205	154,886,252	133,995,730	137,680,613	140,573,247	1,131,078,351
Total Reconstruction	193,368,299	316,646,095	329,332,516	246,145,101	214,363,961	242,683,422	234,812,359	280,578,498	303,451,450	251,479,565	2,612,861,264
Interchanges	57,397,316	76,896,001	120,203,244	141,049,924	110,124,580	17,121,836	3,530,305	0	0	0	526,323,206
Highw ay Miscellaneous	19,635,288	35,214,435	30,683,542	36,515,025	35,957,682	28,162,272	21,087,689	19,696,719	20,760,179	20,526,860	268,239,690
Total	434,366,558	611,681,027	625,273,505	611,122,958	570,596,915	532,116,901	541,725,315	555,486,179	583,260,398	503,878,244	5,569,508,001
Federally Reimbursed Funds	8,000,000	48,000,000	20,000,000	25,850,000	30,850,000	40,000,000	18,800,000	0	0	0	191,500,000
Highw ay Net	426,366,558	563,681,027	605,273,505	585,272,958	539,746,915	492,116,901	522,925,315	555,486,179	583,260,398	503,878,244	5,378,008,001
Re-capitalization	3,906,267	709,560	520,766	1,075,178	422,803	196,369	483,941	1,209,129	1,242,381	0	9,766,394
Sustainment	7,793,876	14,343,243	6,769,960	8,619,658	13,054,585	13,405,254	13,783,775	13,907,604	12,264,926	11,488,914	115,431,795
Compliance	1,671,025	1,773,899	1,822,682	3,232,372	3,343,864	3,435,820	3,530,305	3,627,388	3,727,142	3,829,638	29,994,135
New Energy Initiative	1,110,567	1,131,074	901,795	1,094,519	1,162,719	1,231,169	1,265,026	1,299,814	1,366,619	1,404,201	11,967,502
Facilities Design	22,063,537	22,384,133	25,285,515	22,408,393	3,901,174	4,008,457	4,118,689	4,231,953	4,348,332	4,467,911	117,218,094
Total	36,545,273	40,341,909	35,300,718	36,430,119	21,885,145	22,277,068	23,181,737	24,275,890	22,949,399	21,190,664	284,377,921
Fleet Equipment	13,986,481	13,222,068	13,612,326	16,270,189	14,635,571	16,782,610	20,801,088	18,376,945	18,908,962	19,455,609	166,051,848
Functional Business Softw are	7,115,180	24,058,545	14,665,218	12,064,827	12,482,922	12,962,776	11,307,861	11,800,197	12,842,700	15,318,552	134,618,778
Infrastructure HW/SW	8,118,821	5,747,434	5,967,980	6,658,686	6,442,511	3,905,382	4,012,780	3,929,671	4,037,737	4,148,775	52,969,776
Toll Collection/Operations	3,525,469	9,011,408	4,999,355	4,094,337	4,235,561	3,779,402	3,294,951	3,264,650	2,236,285	2,297,783	40,739,201
Total	18,759,469	38,817,387	25,632,553	22,817,850	23,160,994	20,647,560	18,615,593	18,994,517	19,116,722	21,765,110	228,327,755
AET Conversion	3,956,493	6,244,126	28,044,299	24,062,852	47,779,355	25,196,014	109,015,821	128,941,569	26,139,687	44,015,307	443,395,521
Grand Total	**507,614,274**	**710,306,516**	**727,863,400**	**710,703,968**	**678,057,979**	**617,020,153**	**713,339,553**	**746,075,101**	**670,375,167**	**610,304,934**	**6,691,661,047**
Highway Total	**434,366,558**	**611,681,027**	**625,273,505**	**611,122,958**	**570,596,915**	**532,116,901**	**541,725,315**	**555,486,179**	**583,260,398**	**503,878,244**	**5,569,508,001**
Grand Total NET	**499,614,274**	**662,306,516**	**707,863,400**	**684,853,968**	**647,207,979**	**577,020,153**	**694,539,553**	**746,075,101**	**670,375,167**	**610,304,934**	**6,500,161,047**

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APPENDIX B

AUDITED FINANCIAL STATEMENTS: 2013 AND 2012

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Basic Financial Statements

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania
Years Ended May 31, 2013 and 2012
With Report of Independent Auditors

Zelenkofske Axelrod LLC

A Certified Public Accounting and Auditing Firm

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Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

The Commissioners
Pennsylvania Turnpike Commission
Middletown, Pennsylvania

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Pennsylvania Turnpike Commission (the "Commission"), a component unit of the Commonwealth of Pennsylvania, as of and for the years ended May 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission, as of May 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of Accounting Pronouncements

As described in Note 2 to the financial statements, in 2013 the Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multi-Employer Plans,* the provisions of Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* the provisions of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and the provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

Emphasis of Matter

As more fully explained in Note 9, the Commission has committed to making significant payments under a Lease and Funding Agreement as required under the terms of Act 44. The Commission's ability to make such payments is dependent on its continuing capability to issue bonds to fund such payments and ultimately to raise tolls sufficient to repay its bonded debt. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress – postemployment healthcare benefits on pages 4 through 16 and page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The section information on pages on 76 through 88 and the schedules of cost of services detail on page 89 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The section information and schedules of cost of services detail are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the section information and cost of services detail are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Harrisburg, Pennsylvania
August 29, 2013

The management of the Pennsylvania Turnpike Commission (hereinafter referred to as the "Commission") offers this management's discussion and analysis ("MD&A") overview and analysis of the Commission's financial activities for the year ended May 31, 2013, which should be read in conjunction with the Commission's basic financial statements. Certain amounts presented in the prior period have been reclassified to conform to the current period financial statement presentation.

Overview of the Basic Financial Statements

This MD&A is intended to serve as an introduction to the Commission's basic financial statements. While the Commission is considered a component unit of the Commonwealth of Pennsylvania, it is also an enterprise fund. Therefore, the Commission's financial statements are presented in a manner similar to a private-sector business and have been prepared according to accounting principles generally accepted in the United States ("GAAP"). All of the current year's revenues are recorded when earned and expenses are recorded as they are incurred, regardless of when the cash is received or disbursed.

The statements of net position present information on all of the Commission's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the differences being reported as net position. Over time, increases or decreases in net position serve as a relative indicator of the change in financial position of the Commission.

The statements of revenues, expenses, and changes in net position show the result of the Commission's total operations during the fiscal year and reflect both operating and nonoperating activities, capital contributions, and the special item. Changes in net position (increases or decreases) reflect the current fiscal period's operating impact upon the overall financial position of the Commission.

The statements of cash flows provide a detailed analysis of all sources and uses of cash. The direct method of cash flows is presented, along with a reconciliation of operating income to net cash provided by operating activities. The statements of cash flows are divided into the following activities sections – operating, investing, capital and related financing, and noncapital financing.

Notes to the basic financial statements contain supplemental information and offer explanations to the basic financial statements. The notes are intended to assist the reader in understanding the Commission's basic financial statements.

Financial Analysis

Comparative Condensed Statements of Net Position

	May 31		
	2013	2012 *(Restated)*[1]	2011 *(Restated)*[1]
		(In Thousands)	
Assets and deferred outflows of resources			
Current assets	**$ 1,014,941**	$ 777,193	$ 914,591
Long-term investments	**728,103**	898,014	1,182,695
Capital assets, net of accumulated depreciation	**4,831,902**	4,715,957	4,564,858
Other assets	**158,471**	125,814	101,103
Total assets	**6,733,417**	6,516,978	6,763,247
Deferred outflows of resources	**117,369**	198,518	67,155
Total assets and deferred outflows of resources	**6,850,786**	6,715,496	6,830,402
Liabilities and deferred inflows of resources			
Current liabilities	**$ 597,007**	$ 523,912	$ 647,535
Debt, net of unamortized premium and unamortized refunding losses	**8,526,198**	7,776,161	7,330,665
Other noncurrent liabilities	**203,766**	284,892	178,315
Total liabilities	**9,326,971**	8,584,965	8,156,515
Deferred inflows of resources	**141,440**	108,503	78,393
Total liabilities and deferred inflows of resources	**9,468,411**	8,693,468	8,234,908
Net position			
Net investment in capital assets	**653,109**	967,760	1,049,972
Restricted for construction purposes	**228,757**	235,965	268,626
Restricted for debt service	**49,655**	37,611	39,433
Unrestricted	**(3,549,146)**	(3,219,308)	(2,762,537)
Total net position	**$ (2,617,625)**	$ (1,977,972)	$ (1,404,506)

[1] Certain 2012 and 2011 amounts were restated as discussed in Note 6.

Financial Analysis (continued)

The Commission's total net position decreased $639.7 million and $573.5 million for the fiscal years ended May 31, 2013 and 2012, respectively. The large decreases in net position in the fiscal years 2013 and 2012 were mainly the result of the $450 million paid in both years to the Pennsylvania Department of Transportation (PennDOT), as required by Act 44 and the Lease and Funding Agreement (Funding Agreement) between the Commission and PennDOT, and interest expense on the debt issued to fund these payments. These expenses were recorded as nonoperating expenses. Please refer to Note 9, Commitments and Contingencies, of the financial statements and to the Events That Will Impact Financial Position section of this MD&A for additional information regarding Act 44 and the Funding Agreement between the Commission and PennDOT.

Restricted net position is restricted for construction projects and debt service as defined in Trust Indentures and applicable bond issue official statements.

The Commission's total assets and deferred outflows of resources increased by $135.3 million in fiscal year 2013.This 2013 increase is mostly related to increases in cash and investments of $69.1 million, capital assets of $115.9 million, and the OPEB asset of $29.3 million. These increases were partially offset by a decrease in deferred outflows of resources of $81.1 million. The increase in capital assets is related to capital asset additions of $479.1 million offset by $311.7 million of depreciation expense. The increase in the OPEB asset is mostly related to the Commission's $54.8 million contributions to the Retiree Medical Trust. The decrease in deferred outflows of resources is the result of change in values of the Commission's hedging derivatives. For additional information, see: Note 4, Cash and Investments; Note 5, Capital Assets, and the Capital Assets and Debt Administration section of this MD&A; Note 11, Postemployment Benefits; and Note 9, Commitments and Contingencies.

Total assets and deferred outflows of resources decreased by $114.9 million in fiscal year 2012. This 2012 decrease is mostly related to a decrease in cash and investments of $421.6 million offset by increases in capital assets and deferred outflows of resources of $151.1 million and $131.4 million, respectively. The decrease in cash and investments was mainly the result of the acquisition of capital assets and the payment of debt service. The increase in capital assets is related to capital asset additions of $476.6 million offset by $300.8 million of depreciation expense. See Note 5, Capital Assets, and the Capital Assets and Debt Administration section of this MD&A for additional information regarding the Commission's capital assets. The increase in deferred outflows of resources is the result of change in values of the Commission's hedging derivatives. See Note 9, Commitments and Contingencies for additional information regarding the Commission's hedging derivatives.

Financial Analysis (continued)

Total liabilities and deferred inflows of resources increased by $774.9 million in fiscal year 2013 and by $458.6 million in fiscal year 2012. The fiscal year 2013 increase was mainly related to the issuance of senior debt to finance the costs of various capital expenditures set forth in the Commission's current ten-year plan and the issuance of subordinate debt to finance the costs of making payments to PennDOT in accordance with Act 44. See Note 7, Debt, for additional information regarding the new issuances of debt.

Comparative Condensed Statements of Revenues, Expenses and Changes in Net Position

	Year ended May 31		
	2013	2012	2011
		(Restated)[1]	*(Restated)*[1]
		(In Thousands)	
Operating:			
Operating revenues	**$ 831,636**	$ 803,939	$ 758,648
Cost of services	**(412,484)**	(387,506)	(359,870)
Depreciation	**(311,735)**	(300,777)	(281,587)
Operating income	**107,417**	115,656	117,191
Nonoperating revenues (expenses):			
Investment earnings	**30,048**	28,052	24,566
Other nonoperating revenues	**19,877**	21,196	19,709
Act 44 payments to PennDOT	**(450,000)**	(450,000)	(450,000)
Capital assets transferred to PennDOT	**-**	(22,783)	-
Interest and bond expense	**(393,822)**	(367,994)	(333,275)
Nonoperating expenses, net	**(793,897)**	(791,529)	(739,000)
Loss before capital contributions and special item	**(686,480)**	(675,873)	(621,809)
Capital contributions	**97,836**	102,407	62,074
Discontinued project	**(51,009)**	-	-
Decrease in net position	**$ (639,653)**	$ (573,466)	$ (559,735)

[1] Certain 2012 and 2011 amounts were restated as discussed in Note 6.

For fiscal years ended May 31, 2013, and 2012, operating and nonoperating revenues totaled $881.6 million and $853.2 million, respectively, while operating and nonoperating expenses totaled $1,568.0 million and $1,529.1 million, respectively.

Financial Analysis (continued)

Total operating and nonoperating revenues for fiscal year 2013 were $28.4 million or 3.3% higher than fiscal year 2012. This increase in revenue was mainly related to a $30.7 million increase in fare revenues resulting from a January 2013 toll increase of 2% for E-ZPass customers and 10% for cash customers, the full year impact of the January 2012 toll increase of 10% for cash customers and reductions in January 2013 and January 2012 to the post-paid, commercial-volume-discount program. Total traffic volumes were flat in fiscal year 2013 compared to fiscal year 2012.

Total operating and nonoperating revenues for fiscal year 2012 were $50.3 million or 6.3% higher than fiscal year 2011. The increase in total revenue was mainly related to a $41.1 million increase in fare revenues resulting from a January 2012 toll increase of 10% for cash customers, the full year impact of the January 2011 toll increase of 3% for E-ZPass customers and 10% for cash customers and reductions in both January 2012 and January 2011 to the post-paid, commercial-volume-discount program. Total traffic volumes were flat in fiscal year 2012 compared to fiscal year 2011. Additionally, other operating revenues were $4.2 million higher in fiscal year 2012 than in fiscal year 2011.

Total operating and nonoperating expenses for fiscal year 2013 were $38.9 million higher than fiscal year 2012 primarily due to increases in: cost of services of $25.0 million mainly related to increases in noncapitalizable contractor charges related to maintenance of the road, increase in employee benefits of $5.9 million driven by the contribution to the State Employees' Retirement System, increase of $5.1 million for materials and supplies which is primarily a winter materials increase of $4.9 million; depreciation expense of $11.0 related to an increase in assets being depreciated (see Note 5, Capital Assets); and interest and bond expenses of $25.8 million related to the increase in debt (see Note 7, Debt).

For the fiscal year ended May 31, 2013, the Commission recorded an expense of $51.0 million for the write-down of assets under construction related to design costs for the west leg of the PA Route 51 to Interstate Route 376 project. Due to the magnitude of the estimated costs of construction, the Commission believes it is unlikely to be economically feasible to complete this leg of the project. This expense was recorded as a special item in the statements of revenues, expenses and changes in net position.

Financial Analysis (continued)

Total expenses for fiscal year 2012 were $104.3 million higher than fiscal year 2011 primarily due to increases in: cost of services of $27.6 million mainly related to increases in noncapitalizable contractor charges related to maintenance of the road, employee and retiree benefits, transponder expense and auto/general tort expense; depreciation expense of $19.2 related to an increase in assets being depreciated (see Note 5, Capital Assets); interest and bond expenses of $34.7 million related to the increase in debt (see Note 7, Debt); and capital assets transferred to PennDOT of $22.8 million as described in Note 2, Summary of Significant Accounting Policies.

Capital Assets and Debt Administration

Capital Assets

Capital assets consist of land and intangible assets (right-of-way easements), buildings, improvements, equipment, infrastructure, and assets under construction. Infrastructure assets are typically items that are immovable such as highways, bridges, and tunnels. The Commission's investment in capital assets at May 31, 2013 amounted to $9.6 billion of gross asset value with accumulated depreciation of $4.8 billion, leaving a net book value of $4.8 billion. The net book value of capital assets at May 31, 2012 was $4.7 billion. Capital assets represented 70.5% and 70.2% of the Commission's total assets and deferred outflows of resources at May 31, 2013 and 2012, respectively.

Assets under construction at the end of fiscal year 2013 were $661.6 million, which was $202.9 million less than fiscal year 2012. In fiscal year 2013, $550.9 million of constructed capital assets were completed which was $157.6 million less than the $708.5 million of constructed capital assets completed in fiscal year 2012. In addition to constructed capital assets, the Commission had capital asset additions of approximately $80.1 million and $54.0 million in fiscal years 2013 and 2012, respectively.

A top priority of the Commission is to entirely reconstruct the Turnpike roadways, completely removing all original pavement and sub-base and replacing it with an entirely new roadway, including all facets of the highway such as barriers and guide rails, noise and retention walls, and drainage systems. From about 1998 to date, the Commission has rebuilt approximately 102 miles of roadways and bridges and much of the reconstructed roadway has been widened to accommodate six lanes. An additional eight miles of roadway reconstruction has been initiated, and another 135 miles of reconstruction is currently in design. Also, the Commission completed 70 miles of roadway resurfacing during fiscal year 2013, helping to maintain a quality-riding surface with a Turnpike System wide median IRI (International Roughness Index) of 75 which is rated as good.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Construction of the new Monongahela River Bridge and replacement of the Lehigh River and Pohopoco Creek Bridges were completed. The Commission constructed five new bridges, completely replaced eleven aging original bridges with new bridges, rehabilitated another four bridges, and constructed five new retaining walls in 2012. Of the Commission's bridges, 7.4% are rated structurally deficient which is below the national average of 11%. Sixty-one of the 64 bridges currently rated structurally deficient are either in construction or design for rehabilitation.

Facility projects continue to focus on environmental and safety compliance, and on the maintenance and repair of existing buildings including HVAC, electrical and plumbing systems. The Commission completed construction on the Searights Maintenance Facility in June 2012 and completed construction on the new District 4 Trades Warehouse in December 2012. Construction of the new Somerset Maintenance Facility is underway, and the advertisement for the new Plymouth Meeting Maintenance Facility is anticipated in September 2013. New Maintenance Facilities are under design currently with the Bowmansville Maintenance Facility in the master plan phase. Equipment purchases and regular maintenance of existing equipment is ongoing to ensure the Commission's fleet of dump trucks, plows, and other equipment is of sufficient number and functioning properly so that maintenance staff will be adequately equipped to maintain the roadway.

With the completion of Phase 2 for the Uniontown to Brownsville project, the Mon/Fayette Expressway is completed and open to traffic from the Pennsylvania/West Virginia line to PA 51 in Jefferson Hills Borough, a distance of 54 miles. Phase 2 of the Uniontown to Brownsville project, a seven mile section, opened to traffic on July 16, 2012. The preliminary design for the remainder of the Mon/Fayette Expressway project, extending from PA Route 51 to Interstate Route 376 in Pittsburgh, has been completed. Additional funding is required to construct this section. Due to the magnitude of the estimated costs of construction, the Commission believes it is unlikely to be economically feasible to complete the west leg of this project.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

The Southern Beltway is a series of three independent projects that are planned to be constructed from the Mon/Fayette Expressway near Finleyville as part of a beltway south of Pittsburgh to Pennsylvania Route 60 (PA 60) at the Pittsburgh International Airport. One project constructed as part of the Southern Beltway, a six-mile section of toll road in Allegheny County that connects PA 60 to U.S. Route 22 (U.S. 22), is in operation. The other two projects are in the design phase. The project from Interstate 79 (I-79) to Mon/Fayette Expressway has completed the environmental phase and is inactive until additional resources are found. The project from U.S. 22 to I-79 is in final design, and acquisition of the right-of-way is underway. Additional funding is needed to complete the design and construction of the project connecting U.S. 22 to Interstate 79.

The Commission has no legal obligation to complete the unfinished portions of the Mon/Fayette Expressway and Southern beltway projects at this time.

The Interstate 276 (I-276) section of the PA Turnpike and Interstate 95 (I-95) presently cross in Bucks County and no direct connection of these two roads exist. This project involves the construction of a direct interchange between I-276 and I-95 where the ramps carrying the I-95 designation would be higher speed ramps. The project also includes tolling modifications and reconstruction and widening of the interstates.

The first phase of the Interchange Project includes preparatory work and construction of a portion of the interchange between I-95 and the Turnpike Mainline, including northbound I-95 to the eastbound Turnpike Mainline and southbound I-95 to the westbound Turnpike Mainline. This phase includes construction of a new mainline toll plaza and an AET plaza westbound. Construction has commenced and is expected to continue through 2018. The second phase will include the completion of the reconstruction and widening of the remaining interchange connectors. The third phase will be the construction of an additional bridge over the Delaware River.

The above paragraphs describe the changes in capital assets occurring during the fiscal years ended May 31, 2013 and 2012. Please refer to the capital assets section in the notes to the financial statements (Note 5) for more detailed capital asset schedules.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Debt Administration

In April 2013, the Commission issued $92,465,000 2013 Series A Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2043. The 2013 A Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In April 2013, the Commission issued $71,701,729 2013 Series A Subordinate Bonds at a fixed rate with a maturity date of December 1, 2043. The 2013 Series A Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In January 2013, the Commission issued $176,075,000 2013 Series A Senior Bonds at a variable rate with a maturity date of December 1, 2018. The 2013 Series A Senior bonds were issued primarily to finance the cost of various capital expenditures set forth in the Commission's current ten-year capital plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges and for issuing the 2013 A bonds.

In November 2012, the Commission issued $70,060,000 2012 Series B Senior Bonds at a variable rate with a maturity date of December 1, 2016. The 2012 Series B Senior Bonds were issued primarily to current refund the $52,070,000 December 1, 2012 maturity of the Commission's 2009 Series C Variable Rate Turnpike Revenue Bonds and the $17,455,000 December 1, 2012 maturity of the Commission's 2011 Series D Variable Rate Turnpike Revenue Bonds.

In October 2012, the Commission issued $92,780,000 2012 Series B Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series B Motor License Fund-Enhanced Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In October 2012, the Commission issued $121,065,000 2012 Series B Subordinate Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series B Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Debt Administration (continued)

In July 2012, the Commission issued $200,215,000 2012 Series A Senior Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series A Senior Bonds were issued for the purpose of financing the costs of various capital expenditures set forth in the Commission's current ten-year plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges.

In April 2012, the Commission issued $94,935,000 2012 Series A Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series A Motor License Fund-Enhanced Subordinate Special Revenue Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In April 2012, the Commission issued $123,545,000 2012 Series A Subordinate Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series A Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In November 2011, the Commission issued $110,080,000 2011 Series E Senior Bonds at a fixed rate with a maturity date of December 1, 2030. The 2011 Series E Senior Bonds were issued primarily to current refund the 2001 Series R Senior Bonds.

In November 2011, the Commission issued $52,365,000 2011 Series D Senior Bonds at a variable rate with a maturity date of December 1, 2014. The 2011 Series D Senior Bonds were issued primarily to partially refund the 2009 Series C Senior Bonds.

In October 2011, the Commission issued $98,910,000 2011 Series B Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2041. The 2011 Series B Motor License Fund-Enhanced Subordinate Special Revenue Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In October 2011, the Commission issued $126,740,000 2011 Series B Subordinate Bonds at fixed rate with a maturity date of December 1, 2041. The 2011 Series B Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Debt Administration (continued)

The above paragraphs describe debt activity occurring during the fiscal years ended May 31, 2013 and 2012. Please refer to the debt and commitments and contingencies sections in the notes to the financial statements (Notes 7 and 9) for more detailed schedules and descriptions of long-term debt and swap activity.

Events That Will Impact Financial Position

On July 18, 2007, Act 44 was enacted, creating a "public-public partnership" between the Commission and PennDOT to provide funding for roads, bridges and transit throughout the Commonwealth. Subsequently, in order to effectuate the provisions of Act 44 requiring the Commission to make substantial annual payments to PennDOT, the Commission and PennDOT entered into a Lease and Funding Agreement (the Funding Agreement), incorporating many of the terms of Act 44. The term of the Funding Agreement is fifty (50) years from October 14, 2007, its effective date.

The Funding Agreement requires the Commission to make scheduled annual payments to PennDOT, payable in equal quarterly installments, to be used to provide funding for roads, bridges and transit in the Commonwealth. The Commission's obligation to pay the annual debt service on any Special Revenue Bonds on a timely basis is part of its payment obligation under the Funding Agreement. The Funding Agreement also granted the Commission the option to lease the portion of Interstate I-80 located in the Commonwealth from PennDOT upon the approval of the Federal Highway Administration (FHWA) of the conversion of such portion into a toll road (the Conversion). The Funding Agreement granted the unilateral option to the Commission to effectuate the Conversion at any time before the third anniversary of the Funding Agreement (the Conversion Period), with the option to extend the Conversion Period for up to three one-year periods.

Events That Will Impact Financial Position (continued)

On October 13, 2007, the Commission and PennDOT submitted a joint application to the FHWA for approval of the Conversion. The FHWA ultimately denied the application on April 6, 2010. Neither the Commission nor PennDOT appealed the FHWA's decision, nor did the Commission extend the Conversion Period during the notice period under the Funding Agreement or give notice of Conversion. Therefore, the Conversion Period lapsed on October 14, 2010 without the Commission effectuating Conversion or having the ability to do so in the future. The Funding Agreement provides that the Commission's aggregate annual payments to PennDOT are limited to $450 million annually upon lapse of the Conversion option and such payment amount commenced with the 2010-2011 Fiscal Year. Under existing law, all legal, financial and operational responsibility for I-80 remains with PennDOT.

In accordance with Act 44, the Commission is required to provide a financial plan to the Secretary of the Budget of the Commonwealth no later than June 1 of each year. The financial plan must describe the Commission's proposed operating and capital expenditures, borrowings, liquidity and other financial management covenants and policies, estimated toll rates and all other revenue and expenditures for the ensuing Fiscal Year. The financial plan must also show that the operation of the Turnpike System can reasonably be anticipated to result in the Commission's ability to meet its payment obligations to PennDOT pursuant to the Funding Agreement and Act 44. It does not, however, address the funding needs for the Mon/Fayette or Southern Beltway projects.

On May 31, 2013, the Commission submitted its financial plan for Fiscal Year 2013-14 (the Financial Plan). The Financial Plan incorporates the Commission's Capital Plan for Fiscal Year 2013-14 (the Proposed Capital Plan), which provides for $6.56 billion in capital spending over the period from Fiscal Year 2013-14 through the Fiscal Year 2022-23. The Proposed Capital Plan allows the Commission to accelerate a number of capital improvements and to pursue new initiatives to maintain and improve the Turnpike System. The Financial Plan indicates that in Fiscal Year 2012-13 it was able to meet all of its financial covenants and Act 44 obligations and was able to progress with its Capital Plan. Given the slow recovery of the economy, the Commission plans to continue the cost containment and efficiency measures it implemented within the past few years. These measures, together with future toll increases, are expected to allow the Commission to meet its financial covenants, Act 44 obligations, and capital needs during Fiscal Year 2013-14.

Events That Will Impact Financial Position (continued)

The Financial Plan concludes that the Commission will continue to meet all of its indenture covenants and all of its other obligations through the 2056-57 Fiscal Year. However, as a forward-looking report, the Financial Plan makes certain assumptions, including future toll increases, to reach its conclusion that the financial covenants, Act 44 obligations and capital needs will be met beyond Fiscal Year 2013-14. Key among these assumptions is the Commission's ability to raise all tolls throughout the Turnpike System. The Financial Plan reflects the expected full year effects of the January 2013 toll increase and the expected partial year impacts of the planned January 2014 toll increase. The Financial Plan does not assume any tolling of I-80 and assumes the $450 million reduced level of funding obligations required by Act 44. No assurances can be made by the Commission with respect to the assumptions made or conclusions reached in the Financial Plan. A complete copy of the Financial Plan is available on the Commission's website.

The above paragraphs provide a brief overview of Act 44 and its requirements. Please refer to the commitments and contingencies section in the notes to the financial statements (Note 9) for additional information regarding the Commission's commitments under the Funding Agreement.

Furthermore, legislation may be introduced that could affect the Commission and its obligations pursuant to Act 44. However, the Commission cannot predict what other legislation may be considered by the General Assembly during the 2013-2014 or future legislative sessions or if any other proposals or initiatives may lead to the adoption of legislation that may affect the Commission.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Net Position

	May 31 2013	2012 (Restated)[1]
	(In Thousands)	
Assets and deferred outflows of resources		
Current assets:		
Cash and cash equivalents	**$ 130,010**	$ 100,804
Short-term investments	**47,952**	25,545
Accounts receivable	**39,149**	36,254
Accrued interest receivable	**1,663**	2,252
Inventories	**16,871**	19,576
Restricted current assets:		
Cash and cash equivalents	**528,427**	351,584
Short-term investments	**241,914**	231,363
Accounts receivable	**5,400**	5,959
Accrued interest receivable	**3,555**	3,856
Total current assets	**1,014,941**	777,193
Noncurrent assets:		
Long-term investments:		
Long-term investments unrestricted	**197,127**	265,732
Long-term investments restricted	**530,976**	632,282
Total long-term investments	**728,103**	898,014
Capital assets not being depreciated:		
Land and intangibles	**271,310**	256,175
Assets under construction	**661,613**	864,474
Capital assets being depreciated:		
Buildings	**893,705**	832,592
Improvements other than buildings	**112,632**	95,198
Equipment	**549,578**	531,210
Infrastructure	**7,172,878**	6,704,803
Total capital assets before accumulated depreciation	**9,661,716**	9,284,452
Less accumulated depreciation	**4,829,814**	4,568,495
Total capital assets after accumulated depreciation	**4,831,902**	4,715,957
Other assets:		
Deferred issuance costs	**73,616**	71,402
OPEB asset	**58,127**	28,871
Other assets	**26,728**	25,541
Total other assets	**158,471**	125,814
Total noncurrent assets	**5,718,476**	5,739,785
Total assets	**6,733,417**	6,516,978
Deferred outflows of resources	**117,369**	198,518
Total assets and deferred outflows of resources	**$ 6,850,786**	$ 6,715,496

[1] Certain 2012 amounts were restated as discussed in Note 6.

The notes to the financial statements are an integral part of this statement.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Net Position (continued)

	May 31	
	2013	2012
		(Restated)[1]
	(In Thousands)	
Liabilities and deferred inflows of resources		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 350,017**	$ 355,803
Current portion of debt	**198,800**	127,275
Unearned income	**48,190**	40,834
Total current liabilities	**597,007**	523,912
Noncurrent liabilities:		
Debt, less current portion, net of unamortized premium of $178,859 and $117,576 in 2013 and 2012, respectively, and net of unamortized refunding loss of $152,171 and $166,511 in 2013 and 2012, respectively	**8,526,198**	7,776,161
Other noncurrent liabilities	**203,766**	284,892
Total noncurrent liabilities	**8,729,964**	8,061,053
Total liabilities	**9,326,971**	8,584,965
Deferred inflows of resources	**141,440**	108,503
Total liabilities and deferred inflows of resources	**9,468,411**	8,693,468
Net position		
Net investment in capital assets	**653,109**	967,760
Restricted for construction purposes	**228,757**	235,965
Restricted for debt service	**49,655**	37,611
Unrestricted	**(3,549,146)**	(3,219,308)
Total net position	**$ (2,617,625)**	$ (1,977,972)

[1] Certain 2012 amounts were restated as discussed in Note 6.

The notes to the financial statements are an integral part of this statement.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended May 31 2013	2012 (Restated)[1]
	(In Thousands)	
Operating revenues:		
Fares – net of discounts of \$10,198 and \$16,981 for the years ended May 31, 2013 and 2012, respectively	**\$ 811,542**	\$ 780,798
Other	**20,094**	23,141
Total operating revenues	**831,636**	803,939
Operating expenses:		
Cost of services	**412,484**	387,506
Depreciation	**311,735**	300,777
Total operating expenses	**724,219**	688,283
Operating income	**107,417**	115,656
Nonoperating revenues (expenses):		
Investment earnings	**30,048**	28,052
Other nonoperating revenues	**19,877**	21,196
Act 44 payments to PennDOT	**(450,000)**	(450,000)
Capital assets transferred to PennDOT	**-**	(22,783)
Interest and bond expense	**(393,822)**	(367,994)
Nonoperating expenses, net	**(793,897)**	(791,529)
Loss before capital contributions and special item	**(686,480)**	(675,873)
Capital contributions	**97,836**	102,407
Discontinued project	**(51,009)**	-
Decrease in net position	**(639,653)**	(573,466)
Net position at beginning of year	**(1,977,972)**	(1,404,506)
Net position at end of year	**\$ (2,617,625)**	\$ (1,977,972)

[1] Certain 2012 amounts were restated as discussed in Note 6.

The notes to the financial statements are an integral part of this statement.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Cash Flows

	Year Ended May 31 **2013**	2012
	(In Thousands)	
Operating activities		
Cash received from customer tolls and deposits	**$ 829,291**	$ 799,163
Cash payments for goods and services	**(253,179)**	(261,579)
Cash payments to employees	**(144,292)**	(139,717)
Cash received from other operating activities	**7,706**	9,649
Net cash provided by operating activities	**439,526**	407,516
Investing activities		
Proceeds from sales and maturities of investments	**1,631,813**	2,498,230
Interest received on investments	**25,232**	29,328
Purchases of investments	**(1,466,354)**	(2,188,178)
Net cash provided by investing activities	**190,691**	339,380
Capital and related financing activities		
Capital grants received	**7,240**	9,183
Cash proceeds from motor license grant	**28,000**	28,000
Cash proceeds from oil company franchise tax	**60,285**	61,897
Construction and acquisition of capital assets	**(507,650)**	(456,849)
Proceeds from sale of capital assets	**1,765**	862
Payments for bond and swap expenses	**(1,540)**	(595)
Payments for debt refundings	**(69,525)**	(345,745)
Payments for debt maturities	**(41,890)**	(62,030)
Interest paid on debt	**(182,611)**	(182,962)
Interest subsidy from Build America Bonds	**19,181**	22,387
Proceeds from debt issuances	**473,667**	167,906
Net cash used for capital and related financing activities	**(213,078)**	(757,946)
Noncapital financing activities		
Cash payments to PennDOT	**(450,000)**	(450,000)
Payments for bond and swap expenses	**(1,032)**	(1,180)
Payments for debt maturities	**(15,860)**	(12,245)
Interest paid on debt	**(160,512)**	(137,788)
Proceeds from debt issuances	**416,314**	468,106
Net cash used for noncapital financing activities	**(211,090)**	(133,107)
Increase (Decrease) in cash and cash equivalents	**206,049**	(144,157)
Cash and cash equivalents at beginning of year	**452,388**	596,545
Cash and cash equivalents at end of year	**$ 658,437**	$ 452,388

The notes to the financial statements are an integral part of this statement.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Cash Flows (continued)

	Year Ended May 31	
	2013	2012
	(In Thousands)	
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	**$ 107,417**	$ 115,656
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	**311,735**	300,777
Change in operating assets and liabilities:		
Accounts receivable	**(2,370)**	(2,975)
Inventories	**2,705**	3,973
Other assets	**(28,061)**	(25,328)
Accounts payable and accrued liabilities	**41,810**	9,923
Other noncurrent liabilities	**6,290**	5,490
Net cash provided by operating activities	**$ 439,526**	$ 407,516
Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and cash equivalents	**$ 130,010**	$ 100,804
Restricted cash and cash equivalents	**528,427**	351,584
Total cash and cash equivalents	**$ 658,437**	$ 452,388

The notes to the financial statements are an integral part of this statement.

Statements of Cash Flows (continued)

Noncash Activities

The Commission recorded a net decrease of $5.5 million and $1.9 million in the fair value of its investments for the years ended May 31, 2013 and 2012, respectively.

The Commission recorded $8.2 million and $6.0 million for the amortization of bond premiums for the years ended May 31, 2013 and 2012, respectively.

The Commission recorded $25.6 million and $23.0 million in expenses for amortization of deferred refunding losses, amortization of bond issuance costs and amortization of swap agreement costs for the years ended May 31, 2013 and 2012, respectively.

The Commission recorded an interest expense reduction of $11.7 million and $8.8 million for the years ended May 31, 2013 and 2012, respectively, related to GASB 53 entries.

The Commission has entered into contracts with the operators of service plaza restaurants and service stations to totally reconstruct several service plazas. The service plaza operators provide the capital for the reconstruction in exchange for lower rental rates. The Commission implemented GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements in fiscal year 2013 (including restatements of fiscal year 2012). The Commission recognized capital contribution revenues of $3.4 million and $1.8 million related to these arrangements for the years ended May 31, 2013 and 2012, respectively. See Note 6 for further discussion on the service plazas.

In fiscal year 2012, the Commission wrote down the value of its transponder inventory by $4.6 million to reflect lower market costs.

The Commission and PennDOT entered into an agreement regarding ownership of overhead bridges that carry state roads. Per the agreement, once the Commission replaces these overhead bridges, and after final inspections and supplemental agreements are signed by both parties, ownership and maintenance responsibilities of the bridges are transferred from the Commission to PennDOT. The Commission transferred assets with a net book value of $22.8 million to PennDOT during the fiscal year ended May 31, 2012. The Commission did not transfer any assets to PennDOT during the fiscal year ended May 31, 2013.

The notes to the financial statements are an integral part of this statement.

1. Financial Reporting Entity

The Pennsylvania Turnpike Commission (the Commission) was created as an instrumentality of the Commonwealth of Pennsylvania on May 21, 1937, with powers to construct, operate, and maintain the Turnpike System and to issue Turnpike revenue bonds, repayable solely from tolls and other Commission revenues. The Commission is considered a component unit of the Commonwealth of Pennsylvania (the Commonwealth).

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*. GASB Statement No. 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. GASB Statement No. 39 provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. The Commission believes it has no component units based on its review of GASB Statements No. 14 and No. 39.

The Commission consists of five members, one of whom is the Secretary of Transportation. The others are appointed by the Governor with the approval of a majority of the Senate.

2. Summary of Significant Accounting Policies

The financial statements of the Pennsylvania Turnpike Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below:

Basis of Accounting

The Commission's basic financial statements are presented on the accrual basis of accounting.

2. Summary of Significant Accounting Policies (continued)

Reclassifications

Certain amounts presented in the prior period have been reclassified to conform to the current period financial statements presentation.

Cash Equivalents

For purposes of the statements of cash flows, the Commission considers all highly liquid debt investment securities that mature within three months of acquisition to be cash equivalents.

Investments

Investments are stated at fair value with the exception of certain nonparticipating contracts such as repurchase agreements and other agreements structured as repurchase agreements that are reported at cost, which does not materially differ from fair value. Fair values are based on quoted market prices.

Capital Assets

Capital assets consist of land and intangible assets (right-of-way easements), buildings, improvements, equipment, infrastructure, and assets under construction. Infrastructure assets are typically items that are immovable such as highways, bridges, and tunnels. Capital assets are stated at cost. Donated capital assets are valued at their estimated fair value on the date received. Interest is capitalized based on average construction costs and the average bond interest rate, less interest earned on invested construction funds. Acquisitions of capital assets valued at $15,000 or greater are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Intangible assets have an indefinite life and, thus, are not depreciated. The following lives are used:

Buildings	10 – 45 years
Improvements other than buildings	15 – 20 years
Equipment	3 – 40 years
Infrastructure	10 – 50 years

Inventories

Inventories are valued at the lower of average cost (determined on a first-in, first-out method) or market. In fiscal year 2012, the Commission wrote down the value of its transponder inventory by $4.6 million to reflect lower market costs.

2. Summary of Significant Accounting Policies (continued)

Debt Premium/Discount and Issuance Costs

Debt premium/discount and issuance costs are being amortized using the effective interest rate method over the varying terms of the bonds issued.

Unearned Income

Unearned income is primarily related to E-ZPass customer deposits and microwave tower leases. E-ZPass customers of the Commission are required to deposit funds in advance of anticipated travel. Since this money is collected prior to the customers' travel and revenue recognition, it is recorded as unearned income. The Commission had unearned income of $48.2 million and $40.8 million at May 31, 2013 and 2012, respectively.

Net Position

GASB Statement No. 63 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The restrictions would be imposed by external parties including creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

2. Summary of Significant Accounting Policies (continued)

Operating Revenues

Revenues associated with operations of the Turnpike System are considered operating revenues. The principal operating revenues of the Commission are fare revenues from customers. Other operating revenues include: service station, restaurant, property and other rental income as well as electronic toll collection and violation enforcement fees related to the E-ZPass program. Also included is revenue from various sponsorship agreements.

Fare Revenues

Fare revenues are recognized when vehicles exit the Turnpike System. As of May 31, 2013 and 2012, approximately 68.3% and 66.8%, respectively, of the fare revenues were realized through electronic toll collection; the remainder was realized through cash collection or a credit card program for military and Class 9 vehicles.

Operating Expenses

Operating expenses relate directly to operating and maintaining the Turnpike System. The principal operating expenses of the Commission are cost of services and depreciation. Other expenses are considered nonoperating expenses.

Cost of Services

Cost of services includes: wages and salaries, benefits, utilities, fuels, professional fees and services, PA State Police services, and purchased goods, including materials and supplies.

Utilization of Resources

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources as needed.

Nonoperating Revenues (Expenses)

Nonoperating revenues include: investment earnings and other miscellaneous revenues not associated with the operations of the Turnpike System. Nonoperating expenses include: Act 44 payments to PennDOT, capital assets transferred to PennDOT, interest and bond expenses, and other miscellaneous expenses not associated with the operations of the Turnpike System.

2. Summary of Significant Accounting Policies (continued)

Nonoperating Revenues (Expenses) (continued)

Act 44 Payments to PennDOT

The Commission and PennDOT entered into a Lease and Funding Agreement as required under the terms of Act 44. See Note 9 for more information regarding this Lease and Funding Agreement.

Capital Assets Transferred to PennDOT

The Commission and PennDOT entered into an agreement regarding ownership of overhead bridges that carry state roads. Per the agreement, once the Commission replaces these overhead bridges, and after final inspections and supplemental agreements are signed by both parties, ownership and maintenance responsibilities of the bridges are transferred from the Commission to PennDOT. The Commission transferred assets with a net book value of $22.8 million to PennDOT during the fiscal year ended May 31, 2012. The Commission did not transfer any of these assets to PennDOT during the fiscal year ended May 31, 2013.

Capital Contributions

Capital contributions include: Oil Company Franchise Tax revenues, Motor License Registration Fee revenues, grants from other governments for reimbursement of capital costs for various highway construction projects, capital assets received from other third parties and amortization of deferred inflows of resources for service concession agreements.

Oil Company Franchise Tax Revenues

The Commission receives 14% of the additional 55 mills of the Commonwealth's Oil Company Franchise Tax revenues pursuant to Act 26 established in 1991. The revenues totaled $59.6 million and $63.2 million for the fiscal years ended May 31, 2013 and 2012, respectively. These revenues are kept in a separate fund as required by the applicable bond indenture.

Motor License Registration Fee Revenues

The Commission received $28.0 million in grants during each of the fiscal years ended May 31, 2013 and 2012 from the Commonwealth's Motor License Fund. The Commission has elected to account for this grant in a separate fund.

2. Summary of Significant Accounting Policies (continued)

Capital Contributions (continued)

Reimbursements from Other Governments

The Commission receives grants from other governments for reimbursement of costs for various highway construction projects. During the fiscal years ended May 31, 2013 and 2012, the Commission recognized $6.8 million and $9.4 million, respectively, as capital contributions from the Federal government.

Other Capital Contributions

The Commission has entered into long-term agreements with the operators of service plaza restaurants and service stations to totally reconstruct the service plazas. The service plaza operators provide the capital for the reconstruction in exchange for lower rental rates. The Commission implemented GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements in fiscal year 2013. The Commission recognized capital contribution revenues of $3.4 million and $1.8 million, as restated, related to these agreements for the years ended May 31, 2013 and 2012, respectively. See Note 6 for further discussion on the service plazas.

Adoption of Accounting Pronouncements

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The Commission adopted the remaining provisions of Statement No. 57 during the fiscal year ended May 31, 2013. The adoption of this statement had no impact on the Commission's financial statements for fiscal years ending May 31, 2013 and 2012.

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Commission adopted this statement for its fiscal year ended May 31, 2013 financial statements. See Note 6 for further discussion including the restatement of prior year amounts, as required.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The adoption of this statement had no significant impact on the Commission's financial statements for fiscal years ending May 31, 2013 and 2012.

2. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncements (continued)

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Commission adopted this statement for its fiscal year ended May 31, 2013 financial statements. See the basic financial statements and the net position section earlier in this note for further discussion.

Pending Changes in Accounting Principles

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The Commission is required to adopt Statement No. 61 for its fiscal year ended May 31, 2014 financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Commission is required to adopt Statement No. 65 for its fiscal year ended May 31, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. The Commission is required to adopt Statement No. 66 for its fiscal year ended May 31, 2014.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* The Commission is required to adopt Statement No. 67 for its fiscal year ended May 31, 2015.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* The Commission is required to adopt Statement No. 68 for its fiscal year ended May 31, 2016.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The Commission is required to adopt Statement No. 69 for its fiscal year ended May 31, 2015.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Pending Changes in Accounting Principles (continued)

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The Commission is required to adopt Statement No. 70 for its fiscal year ended May 31, 2015.

The Commission has not yet completed the various analyses required to estimate the financial statement impact of these new pronouncements.

3. Indenture Requirements and Restrictions

The Commission's debt has been issued under the provisions of four separate Trust Indentures (collectively referred to as Indentures):

- A Senior Turnpike Toll Revenue Trust Indenture dated July 1, 1986 which was amended and restated as of March 1, 2011, as supplemented, between the Commission and the Trustee, U.S. Bank Corp., successor to Wachovia Bank;

- An Oil Franchise Tax Trust Indenture dated August 1, 1998, as supplemented, between the Commission and the Trustee, Bank of New York Mellon Trust Company, N.A., successor to National City Bank;

- A Registration Fee Revenue Trust Indenture dated July 1, 2005 between the Commission and the Trustee, Bank of New York Mellon Trust Company, N.A., successor to National City Bank; and

- A Subordinate Turnpike Toll Revenue Trust Indenture dated April 1, 2008, as supplemented, between the Commission and the Trustee, Wells Fargo Bank, N.A., successor to TD Bank, N.A.

Accordingly, certain activities of the Commission are restricted by these Identures.

4. Cash and Investments

Following is a summary of cash and cash equivalents and investments by type:

Cash and Cash Equivalent and Investment Types	May 31 **2013**	2012
	(In Thousands)	
U.S. Treasuries	**$ 105,795**	$ 28,426
GNMA mortgages	**12,327**	15,245
Government agency securities	**183,474**	258,724
Municipal bonds	**373,181**	376,526
Corporate obligations	**306,667**	453,432
Total investment securities	**981,444**	1,132,353
Investment derivatives – basis swaps	**36,525**	22,569
Cash and cash equivalents	**658,437**	452,388
Total cash and cash equivalents and investments	**$ 1,676,406**	$ 1,607,310

Cash and Cash Equivalents

Cash deposits are in various financial institutions. The Indentures require that cash deposits be either insured or collateralized by a pledge of direct obligations of the United States Government or the Commonwealth of Pennsylvania or otherwise in accordance with the laws of the Commonwealth of Pennsylvania governing trust funds of public bodies.

The following summary presents the amount of Commission deposits all of which are fully insured or collateralized with securities held by the Commission or its agent in the Commission's name.

	Total Bank Balance	Total Book Balance
	(In Thousands)	
May 31, 2013		
Cash and cash equivalents	**$ 657,123**	**$ 658,437**
May 31, 2012		
Cash and cash equivalents	$ 460,918	$ 452,388

4. Cash and Investments (continued)

Cash Equivalents and Investment Securities

The Indentures (as listed in Note 3) permit investments in obligations of, or guaranteed by, the United States of America, its agencies, and its instrumentalities (United States Government obligations); certificates of deposit issued by institutions insured by the FDIC or fully collateralized with United States Government obligations; investment agreements with certain financial institutions; commercial paper and asset-backed securities rated in the highest category by applicable rating agencies; money market funds and auction rate certificates rated in one of the two highest categories by applicable rating agencies; corporate bonds and medium term notes with a minimum rating of “AA-”; investments in long-term debt obligations of any state or political subdivision but only to the extent that the applicable rating agency has assigned a rating to such obligations, which at the time of purchase is not lower than the highest underlying rating assigned to any series of Commission bonds then outstanding; and repurchase agreements with banks or primary government dealers reporting to the Federal Reserve Bank of New York collateralized with obligations of, or guaranteed by, the United States of America.

Debt insurers have placed additional restrictions on construction funds. For these funds, corporate bonds, auction rate certificates, asset-backed securities, and medium term notes are not allowed.

The Commission has an investment policy that defines guidelines and operational factors governing the investment of financial assets. The policy generally has the same restrictions regarding permitted investments as the Indentures. Permitted investments include:

- U.S. Treasury Bills, Notes, Bonds, Strips;

- Time Deposits issued by a banking association organized and doing business under the laws of the United States of America or of any state that may have a combined capital and surplus of at least $50,000,000;

- Certificates of Deposit that are fully collateralized and issued by a bank, savings and loan or trust company organized under the laws of the United States or any state thereof;

- Investment Agreements with a bank, a bank holding company or a financial institution that has outstanding long-term indebtedness rated “AA” or better by Moody’s and S&P;

- Obligations of any federal agencies which obligations are backed by the full faith and credit of the United States of America;

4. Cash and Investments (continued)

Cash Equivalents and Investment Securities (continued)

- Senior debt obligations rated a minimum "AA" by S&P and "Aa2" by Moody's and issued by government-sponsored enterprises which include Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation; and Federal National Mortgage Association;
- Mortgage-backed securities issued by an approved Federal agency and collateralized mortgage obligations so long as such securities are rated a minimum of "Aa2" by Moody's and "AA" by S&P's;
- Debt obligations of any state or local government entity with securities rated in the "Aa/AA" category;
- Commercial paper rated not less than "A-1/P-1/F-1", corporate bonds rated "Aa3/AA-" or better, and asset-backed securities rated "AAA";
- Repurchase agreements with banks or primary government dealers reporting to the Federal Reserve Bank of New York, collateralized by investments with a minimum 102% valuation in securities of U.S. Treasury bills, notes, bonds, strips, or obligations of any of federal agencies or senior debt obligations described above; and
- Share or Certificates in any short-term investment fund investing not less than 90% of its assets in obligations of U.S. treasury bills, notes, bonds, strips or time deposits.

All investment ratings shall be based on security ratings at the time of purchase. The portfolio's average credit quality should be rated "Aa3/AA-" or better by Moody's/S&P. Investments are generally purchased with the intent of holding to maturity with flexibility to restructure and rebalance portfolio holdings to manage risk and benefit from market opportunities.

The investment policy imposes the following additional limitations:

- Investments in any single Federal agency, not carrying the full faith and credit of the U.S. Government, are limited to 35% of the portfolio.
- Investments in certificates of deposit and investment agreements are limited to 30% of the portfolio.
- Combined exposure to commercial paper, corporate bonds, and asset-backed securities, in aggregate, is limited to 35% of the total portfolio.

4. Cash and Investments (continued)

Cash Equivalents and Investment Securities (continued)

- Investments in any single issuer, excluding U.S. Treasury and Federal Agencies, are limited to 5% of the portfolio.

The Commission's investment policy also limits investments to those issues expected to mature within five years, taking into consideration call, prepayment, or other features that may impact maturity.

The Commission's exposure to credit risk for investment securities as of May 31, 2013 is as follows:

Investment Type	AAA	AA	A	A-1	Below A	Total
			Quality Rating (In Thousands)			
Government agency securities	$ 183,474	$ -	$ -	$ -	$ -	$ 183,474
Municipal bonds	21,920	229,711	31,155	90,395	-	373,181
Corporate obligations	64,213	190,820	7,497	42,099	2,038	306,667
	$ 269,607	$ 420,531	$ 38,652	$ 132,494	$ 2,038	$ 863,322

Investments guaranteed by the full faith of the U.S. Government, such as U.S. Treasuries and GNMA mortgages, are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of Credit Risk

As of May 31, 2013, the Commission had no investments of more than 5% of its consolidated portfolio.

Interest Rate Risk

On May 31, 2013, the effective duration of the Commission's investments, by type, was as follows:

Investment Type	Fair Value	Effective Duration
	(In Thousands)	*(In Years)*
U.S. Treasuries	$ 105,795	2.6436
GNMA mortgages	12,327	3.0475
Government agency securities	183,474	1.9039
Municipal bonds	373,181	1.2441
Corporate obligations	306,667	1.3977
Total investment securities	$ 981,444	

4. Cash and Investments (continued)

Investment Derivatives – Basis Swaps

Following is a summary of the Commission's basis swaps at May 31, 2013:

	Notional Amount *(Thousands)*	Weighted Avg. Mat. *(Years)*	Effective Date	Maturity Date	Terms	Fair Value *(Thousands)*	Counterparty	Credit Ratings Moody's/ S&P's/Fitch
	$ 107,784					$ 6,482	JP Morgan Chase	Aa3/A+/A+
	107,784					7,110	Merrill Lynch CS*	Baa2/A-/A
	107,784				Pay 67% of 1-month LIBOR	4,993	PNC	A2/A/A+
	134,733				Receive 60.08% of 10-year maturity of the USD-ISDA	8,891	UBS AG	A2/A/A
A	458,085	8.4	7/1/2007	12/1/2030	swap rate	27,476		
	112,000				Pay SIFMA	(7,127)	JP Morgan Chase	Aa3/A+/A+
	48,000				Receive 63% of 1-month	(3,054)	UBS AG	A2/A/A
B	160,000	16.1	8/14/2003	12/1/2032	LIBOR + 20 basis points	(10,181)		
	80,000				Pay 67% of 1-month LIBOR	4,940	JP Morgan Chase	Aa3/A+/A+
	80,000				Receive 60.15% of 10-year maturity of the USD-ISDA	4,940	Royal Bank of Canada	Aa3/AA-/AA
C	160,000	16.0	11/15/2007	11/15/2032	swap rate	9,880		
D	145,065	15.9	6/1/2010	6/1/2039	Pay SIFMA Receive 99.68% of 3-month LIBOR	7,845	GSMMDP	Aa2/AAA/NR
E	145,065	15.9	6/1/2010	6/1/2039	Pay SIFMA Receive 99.80% of 3-month LIBOR	7,921	Deutsche Bank	A2/A+/A+
F	107,784	1.5	1/1/2011	1/1/2015	Pay 60.08% of 10-year maturity of the USD-ISDA swap rate Receive 67% of 1-month LIBOR	(2,845)	Deutsche Bank	A2/A+/A+
G	134,733	1.5	1/1/2011	1/1/2015	Pay 60.08% of 10-year maturity of the USD-ISDA swap rate Receive 67% of 1-month LIBOR	(3,571)	Deutsche Bank	A2/A+/A+
						$ 36,525		

1-month LIBOR was 0.19428% at May 31, 2013
3-month LIBOR was 0.27525% at May 31, 2013
10-year maturity of the USD-ISDA swap rate was 2.329% at May 31, 2013
SIFMA was 0.12% at May 31, 2013

* On November 15, 2012, the Commission executed an amendment to the swap agreements to include Merrill Lynch Derivative Products as guarantor. Merrill Lynch Derivative Products credit ratings were Aa3/AAA/NR (Moody's/S&P/Fitch).

See Note 9 for additional disclosures regarding derivative instruments.

5. Capital Assets

Summaries of changes to capital assets for the years ended May 31, 2013 and 2012 are as follows:

	Balance May 31, 2012	Additions	Transfers	Reductions	Balance May 31, 2013
	(In Thousands)				
Capital assets not being depreciated (cost)					
Land and intangibles	$ 256,175	$ 15,287	$ -	$ 152	$ 271,310
Assets under construction	864,474	399,036	(550,888)	51,009	661,613
Total capital assets not being depreciated	1,120,649	414,323	(550,888)	51,161	932,923
Capital assets being depreciated (cost)					
Buildings	832,592	27,576	38,502	4,965	893,705
Improvements other than buildings	95,198	13,492	3,942	-	112,632
Equipment	531,210	11,270	13,971	6,873	549,578
Infrastructure	6,704,803	12,444	494,473	38,842	7,172,878
Total capital assets being depreciated	8,163,803	64,782	550,888	50,680	8,728,793
Less accumulated depreciation for:					
Buildings	294,378	22,746	-	4,965	312,159
Improvements other than buildings	61,774	4,478	-	-	66,252
Equipment	369,478	29,244	-	6,609	392,113
Infrastructure	3,842,865	255,267	-	38,842	4,059,290
Total accumulated depreciation	4,568,495	311,735	-	50,416	4,829,814
Total capital assets being depreciated, net	3,595,308	(246,953)	550,888	264	3,898,979
Total capital assets	$ 4,715,957	$ 167,370	$ -	$ 51,425	$ 4,831,902

For the fiscal year ended May 31, 2013, the Commission recorded an expense of $51.0 million for the write-down of assets under construction related to design costs for the west leg of the PA Route 51 to Interstate Route 376 project. Due to the magnitude of the estimated costs of construction, the Commission believes it is unlikely to be economically feasible to complete this leg of the project. This expense was recorded as a special item in the statements of revenues, expenses and changes in net position.

Notes to Financial Statements (continued)

5. Capital Assets (continued)

	Balance May 31, 2011	Additions	Transfers	Reductions	Balance May 31, 2012
	(In Thousands)				
Capital assets not being depreciated (cost)					
Land and intangibles	$ 248,011	$ 8,164	$ -	$ -	$ 256,175
Assets under construction	1,151,520	422,605	(708,518)	1,133	864,474
Total capital assets not being depreciated	1,399,531	430,769	(708,518)	1,133	1,120,649
Capital assets being depreciated (cost)					
Buildings	813,936	12,398	12,435	6,177	832,592
Improvements other than buildings	92,725	1,590	883	-	95,198
Equipment	498,255	17,722	22,882	7,649	531,210
Infrastructure	6,041,749	14,106	672,318	23,370	6,704,803
Total capital assets being depreciated	7,446,665	45,816	708,518	37,196	8,163,803
Less accumulated depreciation for:					
Buildings	277,522	23,033	-	6,177	294,378
Improvements other than buildings	57,863	3,911	-	-	61,774
Equipment	349,082	27,252	-	6,856	369,478
Infrastructure	3,596,871	246,581	-	587	3,842,865
Total accumulated depreciation	4,281,338	300,777	-	13,620	4,568,495
Total capital assets being depreciated, net	3,165,327	(254,961)	708,518	23,576	3,595,308
Total capital assets	$ 4,564,858	$ 175,808	$ -	$ 24,709	$ 4,715,957

The Commission incurred interest costs of $11.1 million and $13.4 million for the fiscal years ended May 31, 2013 and 2012, respectively, which qualified for capitalization. For fiscal year 2013, there was a $0.1 million interest income offset; therefore, $11.0 million was capitalized. For fiscal year 2012, there was no interest income offset; therefore, the full $13.4 million was capitalized.

6. Service Concession Arrangements

There are 17 service plazas along the Turnpike System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services. The Commission has entered into long term service plaza redevelopment agreements with HMSHost Restaurants, LLC and Sunoco, Inc. to design, reconstruct, finance, operate and maintain all of the service plazas. The Commission has no responsibility for maintaining the service plazas under the agreements. The Commission maintains the ability to approve and/or modify the services that the operators can provide and the rates that can be charged. The service plaza operators are compensated by the users of the services and share a portion of that revenue with the Commission as rental payments. Upon completion of construction, the reconstructed assets are recognized by the Commission. The current contracts with HMSHost Restaurants, LLC and Sunoco, Inc. expire on August 25, 2036 and January 31, 2022, respectively. Sunoco, Inc.'s lease may be extended for three additional five-year periods. The first extension shall be at the discretion of Sunoco, Inc., and the second and third extensions shall be mutually agreed to by both parties.

As of May 31, 2013, the Commission had capitalized $97.2 million in assets representing twelve service plazas that had fully completed construction and recognized deferred inflows of resources of $88.4 million related to these assets in accordance with GASB Statement No. 60. Also, as of May 31, 2013 and in accordance with GASB Statement No. 60, the Commission recognized a receivable and deferred inflow of resources in the amount of $26.7 million for the present value of guaranteed minimum rent payments scheduled to begin upon completion of all construction.

In accordance with GASB Statement No. 60, the applicable May 31, 2012 balances were restated. As of May 31, 2012, the Commission had capitalized $55.1 million in service plaza capital assets. Deferred inflows of resources in the amount of $49.8 million were recognized related to these assets. The present value of future guaranteed minimum rent payments scheduled to begin upon completion of all construction was recorded as a receivable and also as deferred inflows of resources in the amount of $25.5 million. These amounts increased total other assets by $25.5 million to $125.8 million and increased the deferred inflows of resources by $75.3 million to $108.5 million. Capital contributions were decreased by $13.4 million to $102.4 million due to deferring the previously recognized contributions. The result of these transactions decreased net investment in capital assets by $49.8 million to $967.8 million.

7. Debt

Following is a summary of debt outstanding:

	May 31 2013	May 31 2012
	(In Thousands)	
Mainline Senior Debt		
2001 Series T: Issued $86,660 in September 2001 at 4.13% to 5.50%, due in varying installments through December 1, 2013. Interest paid each June 1 and December 1.	**$ 27,005**	$ 40,260
2004 Series A: Issued $269,245 in June 2004 at 5.00% to 5.50%, due in varying installments through December 1, 2034. Interest paid each June 1 and December 1.	**269,245**	269,245
2006 Series A: Issued $118,015 in June 2006 at 5.00%, due in varying installments through December 1, 2026. Interest paid each June 1 and December 1.	**118,015**	118,015
2008 Series B Multi-Modal: Issued $402,000 in May 2008 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month), due in varying installments through December 1, 2038. Series B-2 through B-6 refunded in May 2011.	**100,000**	100,000
2008 Series C Multi-Modal Revenue: Issued $50,000 in August 2008 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month), due in varying installments through June 1, 2038.	**50,000**	50,000
2009 Series A Build America Bonds: Issued $275,000 in July 2009 at 6.105%, due in varying installments through June 1, 2039. Interest paid each June 1 and December 1.	**275,000**	275,000
2009 Series B: Issued $375,010 in December 2009 at 3% to 5%, due in varying installments through December 1, 2025. Interest paid each June 1 and December 1.	**375,010**	375,010
2009 Series C: Issued $208,280 in December 2009 at a variable rate (based on SIFMA + 0.52% to 1.05%, paid the 1st of each month), due in varying installments through December 1, 2014. Partially refunded in November 2011.	**104,140**	156,210
2010 Series A: Issued $209,230 in July 2010 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month), due in varying installments through December 1, 2036.	**194,370**	198,725
2010 Series B Build America Bonds: Issued $600,000 in September 2010 at 5.5%, due in varying installments through December 1, 2049. Interest paid each June 1 and December 1.	**600,000**	600,000
2011 Series A: Issued $68,660 in April 2011 at 4% to 5%, due in varying installments through December 1, 2023. Interest paid each June 1 and December 1.	**68,660**	68,660
2011 Series B: Issued $92,035 in April 2011 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month), due in varying installments through June 1, 2015.	**69,860**	69,860
2011 Series C: Issued $298,330 in May 2011 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month), due in varying installments through December 1, 2038.	**294,355**	296,390
2011 Series D: Issued $52,365 in November 2011 at a variable rate (based on SIFMA +0.05% to 0.55%, reset weekly, paid the 1st of each month), due in equal installments through December 1, 2014. Partially refunded in December 2012.	**34,910**	52,365
2011 Series E: Issued $110,080 in November 2011 at 3.63% to 5%, due in varying installments through December 1, 2030. Interest paid each June 1 and December 1.	**110,080**	110,080
2012 Series A: Issued $200,215 in July 2012 at 3% to 5%, due in varying installments through December 2042. Interest paid each June 1 and December 1.	**200,215**	-

7. Debt (continued)

	May 31 2013	2012
	(In Thousands)	
Mainline Senior Debt (continued)		
2012 Series B: Issued $70,060 in November 2012 at a variable rate (based on SIFMA +.55%, reset weekly, paid the 1st of each month) Due at December 1, 2016.	**$ 70,060**	$ -
2013 Series A: Issued $176,075 in January 2013 at a variable rate (based on SIFMA +.60% and .68%, reset weekly, paid the 1st of each month). Due in varying installments through December 1, 2018	**176,075**	-
Total Mainline Senior Debt Payable	**3,137,000**	2,779,820
Mainline Subordinate Debt		
2008 Sub-Series A-1 Subordinate: Issued $176,565 in April 2008 at 4.125% to 5.00%, due in varying installments through June 1, 2038. Interest paid each June 1 and December 1.	**176,565**	176,565
2008 Sub-Series A-2 Subordinate (Federally Taxable): Issued $68,290 in April 2008 at 3.74% to 6.41%, due in varying installments through June 1, 2022. Interest paid each June 1 and December 1.	**53,975**	58,060
2008 Sub-Series B-1, B-2 Subordinate (B-2 Federally Taxable): Issued $233,905 in July 2008 at 5.00% to 7.47%, due in varying installments through June 1, 2036. Interest paid each June 1 and December 1.	**233,905**	233,905
2008 Sub-Series C-1, C-3, C-4 Subordinate (C-4 Federally Taxable): Issued $411,110 in October 2008 at 4.00% to 6.25%, due in varying installments through June 1, 2038. Interest paid each June 1 and December 1. Sub-Series C-3 refunded July 2009 and Sub-Series C-4 refunded June 2010.	**221,585**	225,000
2009 Series A Subordinate: Issued $308,035 in January 2009 at 3.00% to 5.00%, due in varying installments through June 1, 2039. Interest paid each June 1 and December 1.	**292,730**	297,985
2009 Series B Subordinate: Issued $856,735 in July 2009 at 3.00% to 5.75%, due in varying installments through June 1, 2039. Interest paid each June 1 and December 1.	**856,735**	856,735
2009 Series C Subordinate: Issued $99,998 in July 2009 at 6.25%, due in varying installments through June 1, 2033. Interest to be compounded semi-annually from July 2009 until June 1, 2016, thereafter paid each June 1 and December 1. Series C issued as Capital Appreciation Bonds (CABs). Compounded interest to be paid at maturity or earlier redemption.	**126,670**	119,108
2009 Series D Subordinate: Issued $324,745 in October 2009 at 4.00% to 5.50%, due in varying installments through December 1, 2041. Interest paid each June 1 and December 1.	**324,745**	324,745
2009 Series E Subordinate: Issued $200,005 in October 2009 at 6.00% to 6.375%, due in varying installments through December 1, 2038. Interest to be compounded semi-annually from October 2009 to December 1, 2017, thereafter paid each June 1 and December 1. Series E issued as CABs. The compounded interest to be paid at maturity or earlier redemption.	**249,798**	234,817
2010 Sub-Series A-1, A-2, A-3 Subordinate Motor License Fund-Enhanced Special Revenue: Issued $187,816 in July 2010 at 4.50% to 5.50%. Sub-Series A-1 due in varying installments through December 1, 2038. Interest paid each June 1 and December 1. Sub-Series A-2 issued as convertible CABs. Interest will compound semi-annually until December 1, 2015, thereafter paid each June 1 and December 1. Compound interest paid at maturity or earlier redemption. Sub-Series A-3 issued as CABs. Compounded interest to be paid at maturity or earlier redemption.	**203,486**	197,697

7. Debt (continued)

	May 31 2013	May 31 2012
	(In Thousands)	
Mainline Subordinate Debt (continued)		
2010 Sub-Series B-1, B-2 Subordinate: Issued $273,526 in July 2010 at 5.00%. Sub-Series B-1 due in varying installments through December 1, 2037. Sub-Series B-2 issued as convertible CABs. Interest compounded semi-annually until December 1, 2015, thereafter paid each June 1 and December 1. Compounded interest paid at maturity or earlier redemption.	**$ 303,442**	$ 292,354
2010 Sub-Series B-1, B-2, B-3 Subordinate Motor License Fund-Enhanced Special Revenue: Issued $105,299 in October 2010 at 3.95% to 5.125%, due in varying installments through December 1, 2040. Sub-Series B-1 interest paid each June 1 and December 1. Sub-Series B-2 issued as convertible CABs. Interest compounded semi-annually until December 1, 2015, thereafter paid each June 1 and December 1. Compound interest paid at maturity or earlier redemption. Sub-Series B-3 issued as CABs with interest paid at maturity or earlier redemption.	**113,645**	110,301
2010 Sub-Series C-1, C-2, C-3 Subordinate: Issued $138,916 in October 2010 at 4.25% to 5.45%. Sub-Series C-1 due in varying installments through December 1, 2040. Sub-Series C-2 issued as convertible CABs. Interest compounded semi-annually until December 1, 2015, thereafter paid each June 1 and December 1. Compound interest paid at maturity or earlier redemption. Sub-Series C-3 issued as CABs with interest paid at maturity or earlier redemption.	**151,276**	146,308
2011 Series A Subordinate: Issued $135,655 in April 2011 at 5.00% to 6.50%, due in varying installments through December 1, 2041. Interest paid each June 1 and December 1.	**135,655**	135,655
2011 Series A Subordinate Motor License Fund-Enhanced Special Revenue: Issued $102,620 in April 2011 at 5.00% to 6.00%, due in varying installments through December 1, 2041. Interest paid each June 1 and December 1.	**102,620**	102,620
2011 Series B Subordinate: Issued $126,740 in October 2011 at 2.00% to 5.25%, due in varying installments through December 1, 2041. Interest paid each June 1 and December 1.	**123,635**	126,740
2011 Series B Subordinate Motor License Fund-Enhanced Special Revenue: Issued $98,910 in October 2011 at 3.00% to 5.00%, due in varying installments through December 1, 2041. Interest paid each June 1 and December 1.	**98,910**	98,910
2012 Series A Subordinate: Issued $123,545 in April 2012 at 3.00% to 5.00%, due in varying installments through December 1, 2042. Interest paid each June 1 and December 1.	**123,545**	123,545
2012 Series A Subordinate Motor License Fund-Enhanced Special Revenue: Issued $94,935 in April 2012 at 2.00% to 5.00%, due in varying installments through December 1, 2042. Interest paid each June 1 and December 1.	**94,935**	94,935
2012 Series B Subordinate: Issued $121,065 in October, 2012 at 2% to 5%, due in varying installments through December 1, 2042. Interest paid each June 1 and December 1.	**121,065**	-
2012 Series B Subordinate Motor License Fund-Enhanced Special Revenue: Issued $92,780 in October, 2012 at 3% to 5%, due in varying installments through December 1, 2042. Interest paid each June 1 and December 1.	**92,780**	-
2013 Series A Subordinate: Issued $71,702 in April, 2013 at 3.125% to 5%, due in varying installments through December 1, 2043. Sub-Series A-1 Serial bond interest paid each June 1 and December 1. Sub-Series A-1 Term bond interest paid each June 1 and December 1. Sub-Series A-2 issued as convertible CABs. Interest compounded semi-annually until December 1, 2018, thereafter paid each June 1 and December 1.	**71,870**	-

7. Debt (continued)

	May 31 2013	2012
	(In Thousands)	
Mainline Subordinate Debt (continued)		
2013 Series A Subordinate Motor License Fund-Enhanced Special Revenue: Issued $92,465 in April, 2013 at 3% to 5%, due in varying installments through December 1, 2043. Interest paid each June 1 and December 1.	**$ 92,465**	$ -
Total Mainline Subordinate Debt Payable	**4,366,037**	3,955,985
Total Mainline Senior and Subordinate Debt Payable	**7,503,037**	6,735,805
Oil Company Franchise Tax Senior Debt		
2003 Series A Oil Company Franchise Tax Revenue: Issued $124,730 in August 2003 at 2.50% to 5.25%, due in varying installments through December 1, 2024. Interest paid each June 1 and December 1. Partially defeased in November 2006.	**35,770**	40,510
2003 Series C Oil Company Franchise Tax Multi-Modal Revenue: Issued $160,000 in August 2003 at a variable rate, converted to a fixed rate of 5.00% in May 2008, due in varying installments through December 1, 2032. Interest paid each June 1 and December 1.	**160,000**	160,000
2006 Series A Oil Company Franchise Tax Revenue Refunding: Issued $98,705 in November 2006 at 5.00%, due in varying installments through December 1, 2023. Interest paid each June 1 and December 1.	**90,665**	93,585
2009 Series A, B, C Oil Company Franchise Tax Revenue: Issued $164,181 in October 2009. Series A issued at 2.00% to 5.85%, due in varying installments through December 1, 2023. Series B (Build America Bonds, Issuer Subsidy, Federally Taxable) issued at 5.85%, due in varying installments through December 1, 2037. Interest paid each June 1 and December 1. Series C issued as CABs at 5.30%. Interest on the CABs is deferred until maturity on December 1, 2039.	**163,233**	163,601
Total Oil Company Franchise Tax Senior Debt Payable	**449,668**	457,696
Oil Company Franchise Tax Subordinate Debt		
2003 Series B Subordinate Oil Company Franchise Tax Revenue: Issued $197,955 in August 2003 at 2.38% to 5.50%, due in varying installments through December 1, 2032. Interest paid each June 1 and December 1. Partially defeased in November 2006.	**55,185**	59,075
2006 Series B Subordinate Oil Company Franchise Tax Revenue Refunding: Issued $141,970 in November 2006 at 3.75% to 5.00%, due in varying installments through December 1, 2031. Interest paid each June 1 and December 1.	**136,375**	138,540
2009 Series D, E Subordinate Oil Company Franchise Tax Revenue: Issued $134,065 in October 2009. Series D issued at 2.00% to 5.00%, due in varying installments through December 1, 2027. Series E (Build America Bonds, Issuer Subsidy, Federally Taxable) issued at 6.378%, due in varying installments through December 1, 2037.	**130,395**	131,210
Total Oil Company Franchise Tax Subordinate Debt Payable	**321,955**	328,825
Total Oil Company Franchise Tax Senior and Subordinate Debt Payable	**771,623**	786,521

7. Debt (continued)

	May 31 2013	May 31 2012
	(In Thousands)	
Motor License Registration Fee Debt		
2005 Series A: Issued $234,135 in August 2005 at 3.25% to 5.25%, due in varying installments through July 15, 2030. Interest paid each January 15 and July 15.	**$ 192,225**	$ 198,620
2005 Series B, C, D: Issued $231,425 in August 2005 at a variable rate (based on SIFMA, reset weekly, paid the 15th of each month), due in varying installments through July 15, 2041.	**231,425**	231,425
Total Motor License Registration Fee Debt Payable	**423,650**	430,045
Total Debt Payable	**8,698,310**	7,952,371
Unamortized premium	**178,859**	117,576
Unamortized deferred loss on refundings	**(152,171)**	(166,511)
Total debt, net of unamortized premium and deferred loss on refundings	**8,724,998**	7,903,436
Less current portion	**198,800**	127,275
Debt, noncurrent portion	**$ 8,526,198**	$ 7,776,161

SIFMA was 0.12% on May 31, 2013

As disclosed in Note 3, the Commission's Trust Indentures impose certain restrictions and requirements. The Commission's Trust Indenture for the Series 2008 A Turnpike Subordinate Revenue Bonds imposes that the Commission establish and maintain schedules of tolls for traffic over the Turnpike System as required by the Senior Indenture, and in addition, the amount paid into the General Reserve Fund of the Senior Indenture in each fiscal year and for each Commission Payment, will be at least sufficient to provide funds in an amount not less than: (1) 115% of the Annual Debt Service for each fiscal year on account of all outstanding Revenue Bonds and Revenue Bonds Parity Obligations; (2) 100% of the Annual Debt Service for such fiscal year on account of all Outstanding Guaranteed Bonds, Guaranteed Bonds Parity Obligations and Subordinated Indebtedness; and (3) any payment by the Commission required by the Subordinate Indenture for restoring a deficiency in the Debt Service Fund within an eighteen (18) month period.

The Amended and Restated Trust Indenture of 2001 requires that tolls be adequate to provide funds to cover current expenses and (1) provide funds in an amount not less than the greater of 130% of the maximum principal and interest requirements for the succeeding year, or (2) 100% of the maximum principal and interest payments for the next fiscal year plus the amount required for maintenance of the Turnpike System as determined by the Commission's Consulting Engineer. If any deficiencies occur, the Commission is authorized to raise tolls accordingly.

7. Debt (continued)

The Oil Company Franchise Tax Revenue Bonds are secured by a pledge and assignment by the Commission to the Trustee of: (1) all proceeds from the Commission's allocation of the Commonwealth of Pennsylvania's Oil Company Franchise Tax; (2) the Commission's right to receive its allocation of the Oil Company Franchise Tax and any portion of the allocation actually received by the Commission; (3) all monies deposited into accounts or funds created by the 1998 Indenture, as supplemented; and, (4) all investment earnings on all monies held in accounts and funds established by the 1998 Indenture.

The 1998 Indenture requires the Commission to petition the General Assembly of the Commonwealth of Pennsylvania for additional funds in the event that the Commission's allocation of the Oil Company Franchise Tax is inadequate to pay maximum principal and interest payments for the succeeding year.

Pursuant to Section 20 of Act 3, the Commonwealth appropriates $28.0 million of Act 3 revenues to the Commission annually. The $28.0 million is payable to the Commission in the amount of $2.3 million per month. The Registration Fee Revenue Bonds are secured by a pledge and assignment by the Commission to the Trustee of any receipts, revenues and other moneys received by the Trustee on or after the date of the Indenture from the Commission's allocation of Act 3 revenues and any income earned on any fund or account established pursuant to the Indenture.

The Commission entered into a loan agreement to borrow up to $200 million in four tranches of up to $50 million each through the Immigrant Investor Program (known as the EB-5 visa program) administered by the U.S. Citizenship and Immigration Services. The Commission anticipates borrowing this money in the period 2014 through 2017 to fund a portion of the I-95 Interchange Project. Such debt would be issued under the Senior Indenture on parity with the Turnpike Revenue Bonds. As of May 31, 2013, the Commission has not borrowed any money under this agreement.

7. Debt (continued)

Changes in debt are as follows:

	Balance at June 1, 2012	Additions	Reductions	Balance at May 31, 2013	Due Within One Year
			(In Thousands)		
Mainline debt	$ 6,735,805	$ 872,262	$ 105,030	$ 7,503,037	$ 175,530
Oil Company Franchise Tax debt	786,521	952	15,850	771,623	16,550
Motor License Registration Fee debt	430,045	-	6,395	423,650	6,720
	7,952,371	873,214	127,275	8,698,310	198,800
Premium (discount), net	117,576	69,467	8,184	178,859	-
Unamortized deferred loss on refundings	(166,511)	(203)	(14,543)	(152,171)	-
	$ 7,903,436	$ 942,478	$ 120,916	$ 8,724,998	$ 198,800

	Balance at June 1, 2011	Additions	Reductions	Balance at May 31, 2012	Due Within One Year
			(In Thousands)		
Mainline debt	$ 6,482,647	$ 651,888	$ 398,730	$ 6,735,805	$ 105,030
Oil Company Franchise Tax debt	800,811	905	15,195	786,521	15,850
Motor License Registration Fee debt	436,140	-	6,095	430,045	6,395
	7,719,598	652,793	420,020	7,952,371	127,275
Premium (discount), net	92,167	32,160	6,751	117,576	-
Unamortized deferred loss on refundings	(176,560)	(13,700)	(23,749)	(166,511)	-
	$ 7,635,205	$ 671,253	$ 403,022	$ 7,903,436	$ 127,275

The issuance of new debt is conducted in accordance with the terms of the applicable Trust Indenture and approval of the Commissioners.

In October 2011, the Commission issued $126,740,000 2011 Series B Subordinate Bonds at a fixed rate with a maturity date of December 1, 2041. The 2011 Series B Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

7. Debt (continued)

In October 2011, the Commission issued $98,910,000 2011 Series B Motor License Fund Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2041. The 2011 Series B Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In November 2011, the Commission issued $52,365,000 2011 Series D Senior Bonds at a variable rate with a maturity date of December 1, 2014. The 2011 Series D Bonds were issued primarily to partially refund the 2009 Series C Senior Bonds. The refunding did not change the Commission's debt service. The transaction resulted in an economic loss of $0.3 million.

In November 2011, the Commission issued $110,080,000 2011 Series E Senior Bonds at a fixed rate with a maturity date of December 1, 2030. The 2011 Series E Bonds were issued primarily to current refund a portion of the 2001 Series R Bonds. This partial refunding of the 2001 Series R Bonds allowed the Commission to reduce its debt service by approximately $14.6 million. The transaction resulted in an economic gain of approximately $8.1 million.

In April 2012, the Commission issued $123,545,000 2012 Series A Subordinate Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series A Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In April 2012, the Commission issued $94,935,000 2012 Series A Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 Series A Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In July 2012, the Commission issued $200,215,000 2012 Series A Turnpike Revenue Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 A bonds are being issued for the purpose of financing the costs of various capital expenditures set forth in the Commission's current ten-year plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges.

In October 2012, the Commission issued $121,065,000 2012 Series B Subordinate Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 B Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

7. Debt (continued)

In October 2012, the Commission issued $92,780,000 2012 Series B Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2042. The 2012 B Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In November 2012, the Commission issued $70,060,000 2012 Series B Senior Bonds at a variable rate with a maturity date of December 1, 2016. The 2012 B Senior Bonds were issued primarily to current refund the $52,070,000 December 1, 2012 maturity of the Commission's Variable Rate Turnpike Revenue Bonds, Series C of 2009 and the $17,455,000 December 1, 2012 maturity of the Commission's Variable Rate Turnpike Revenue bonds, Series D of 2011 Bonds and for payment of the costs of issuance of the 2012 Series B Senior Bonds. The refunding did not change the Commission's debt service. The transaction resulted in an economic loss of $0.5 million.

In January 2013, the Commission issued $176,075,000 2013 Series A Senior Bonds at a variable rate with a maturity date of December 1, 2018. The 2013 A Senior bonds were issued primarily to finance the cost of various capital expenditures set forth in the Commission's current ten-year capital plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges and for issuing the 2013 A bonds.

In April 2013, the Commission issued $71,701,729 2013 Series A Subordinate Bonds at a fixed rate with a maturity date of December 1, 2043. The 2013 A Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In April 2013, the Commission issued $92,465,000 2013 Series A Motor License Fund-Enhanced Subordinate Special Revenue Bonds at a fixed rate with a maturity date of December 1, 2043. The 2013 A Subordinate Bonds were issued primarily to provide funds to finance the costs of making payments to PennDOT in accordance with Act 44.

In prior years, the Commission defeased certain revenue bonds by placing funds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the Commission's financial statements. At May 31, 2013 and 2012, the Commission had $415.0 million and $424.9 million, respectively, of defeased bonds outstanding.

7. Debt (continued)

Debt service requirements subsequent to May 31, 2013 related to all section debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2014	$ 198,800	$ 339,493	$ 538,293
2015	192,255	335,804	528,059
2016	129,465	330,913	460,378
2017	198,120	357,484	555,604
2018	231,135	355,856	586,991
2019-2023	972,355	1,786,159	2,758,514
2024-2028	1,245,241	1,551,563	2,796,804
2029-2033	1,590,104	1,275,421	2,865,525
2034-2038	2,106,846	867,854	2,974,700
2039-2043	1,378,414	361,312	1,739,726
2044-2048	317,700	90,793	408,493
2049 and thereafter	137,875	11,570	149,445
	$ 8,698,310	$ 7,664,222	$ 16,362,532

Debt service requirements subsequent to May 31, 2013 related to the Mainline debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2014	$ 175,530	$ 290,099	$ 465,629
2015	167,915	287,475	455,390
2016	103,985	283,710	387,695
2017	171,460	311,467	482,927
2018	203,165	311,111	514,276
2019-2023	814,715	1,584,982	2,399,697
2024-2028	1,032,201	1,395,996	2,428,197
2029-2033	1,323,979	1,176,251	2,500,230
2034-2038	1,785,617	827,464	2,613,081
2039-2043	1,268,895	315,310	1,584,205
2044-2048	317,700	90,793	408,493
2049 and thereafter	137,875	11,570	149,445
	$ 7,503,037	$ 6,886,228	$ 14,389,265

7. Debt (continued)

Debt service requirements subsequent to May 31, 2013 related to Oil Company Franchise Tax are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2014	$ 16,550	$ 39,107	$ 55,657
2015	17,290	38,386	55,676
2016	18,070	37,621	55,691
2017	18,885	36,826	55,711
2018	19,785	35,972	55,757
2019-2023	109,790	164,408	274,198
2024-2028	151,235	133,113	284,348
2029-2033	186,430	93,510	279,940
2034-2038	221,289	39,109	260,398
2039-2043	12,299	45,701	58,000
	$ 771,623	$ 663,753	$ 1,435,376

Debt service requirements subsequent to May 31, 2013 related to Motor License Registration Fee debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2014	$ 6,720	$ 10,287	$ 17,007
2015	7,050	9,943	16,993
2016	7,410	9,582	16,992
2017	7,775	9,191	16,966
2018	8,185	8,773	16,958
2019-2023	47,850	36,769	84,619
2024-2028	61,805	22,454	84,259
2029-2033	79,695	5,660	85,355
2034-2038	99,940	1,281	101,221
2039-2043	97,220	301	97,521
	$ 423,650	$ 114,241	$ 537,891

7. Debt (continued)

Swap Payments and Associated Debt

Net swap payments and related debt service requirements related to all sections subsequent to May 31, 2013, assuming current interest rates remain the same for the term of the agreements, are as follows:

Year Ending May 31	Principal Maturities	Interest	Hedging Derivative	Total
	(In Thousands)			
2014	$ 71,635	$ 9,945	$ 25,530	$ 107,110
2015	71,720	9,270	25,530	106,520
2016	2,275	8,835	25,528	36,638
2017	72,445	8,613	25,531	106,589
2018	2,475	8,326	25,530	36,331
2019-2023	34,030	41,354	127,988	203,372
2024-2028	133,585	23,812	136,007	293,404
2029-2033	163,705	8,942	105,456	278,103
2034-2038	265,515	4,508	54,743	324,766
2039-2043	135,520	415	7,735	143,670
	$ 952,905	$ 124,020	$ 559,578	$ 1,636,503

Mainline net swap payments and related debt service requirements for the 2006 Series A, 2008 Series B Multi-Modal, 2009 Series C Senior, 2011 Series C Senior, 2011 Series D Senior and 2012 B Senior bond issues are as follows:

Year Ending May 31	Principal Maturities	Interest	Hedging Derivative	Total
	(In Thousands)			
2014	$ 71,635	$ 9,528	$ 16,084	$ 97,247
2015	71,720	8,854	16,084	96,658
2016	2,275	8,418	16,083	26,776
2017	72,445	8,197	16,085	96,727
2018	2,475	7,910	16,084	26,469
2019-2023	34,030	39,271	80,760	154,061
2024-2028	133,585	21,728	88,779	244,092
2029-2033	129,440	6,941	60,077	196,458
2034-2038	165,575	3,227	25,710	194,512
2039-2043	38,300	114	906	39,320
	$ 721,480	$ 114,188	$ 336,652	$ 1,172,320

7. Debt (continued)

Swap Payments and Associated Debt (continued)

Motor License net swap payments and related debt service requirements for the 2005 Series B, C, and D bond issues are as follows:

Year Ending May 31	Principal Maturities	Interest	Hedging Derivative	Total
		(In Thousands)		
2014	$ -	$ 417	$ 9,446	$ 9,863
2015	-	416	9,446	9,862
2016	-	417	9,445	9,862
2017	-	416	9,446	9,862
2018	-	416	9,446	9,862
2019-2023	-	2,083	47,228	49,311
2024-2028	-	2,084	47,228	49,312
2029-2033	34,265	2,001	45,379	81,645
2034-2038	99,940	1,281	29,033	130,254
2039-2043	97,220	301	6,829	104,350
	$ 231,425	$ 9,832	$ 222,926	$ 464,183

As rates vary, variable rate bond interest payments and net swap payments will vary.

8. Retirement Benefits

Substantially all employees of the Commission participate in the Commonwealth of Pennsylvania State Employees' Retirement System (SERS), a cost-sharing multiple-employer public employee retirement system that was established under the provisions of Public Law 858, No. 331. It is a defined benefit plan that is funded through a combination of employee contributions, employer contributions and investment earnings. Membership in SERS is mandatory for most Commission employees which provides retirement, death, and disability benefits.

Article II of the Pennsylvania Constitution provides the General Assembly the authority to establish or amend benefit provisions. Act 2001-9, signed into law on May 17, 2001, established Class AA membership whereby, generally, annual full retirement benefits for electing active members is 2.5% of the member's highest three-year average salary (final average salary) multiplied by years of service. Commission employees hired after June 30, 2001, but before January 1, 2011, are Class AA members. Members hired on or before June 30, 2001 had the option, but were not required, to elect Class AA membership.

8. Retirement Benefits (continued)

Those members not electing Class AA membership are considered Class A. The general annual benefit for full retirement for Class A members is 2% of the member's final average salary multiplied by years of service. Retirement benefits for Class A and AA employees vest after five years of credited service. Class A and AA employees who retire at age 60 with three years of service or with 35 years of service if under age 60 are entitled to an unreduced annual retirement benefit.

Act 120, signed into law on November 23, 2010, established Class A-3 and Class A-4 memberships. Effective January 1, 2011, all new members to SERS must elect one of these new membership classes. New members who elect Class A-3 will accrue benefits at 2% of their final average salary multiplied by years of service. Those members choosing Class A-4 will accrue benefits at 2.5% of their final average salary multiplied by years of service. Under Act 120, retirement benefits for Class A-3 and A-4 vest after ten years of credited service. Class A-3 and A-4 members who retire at age 65 with three years of service or when the member's age (last birthday) plus his/her completed years of credit service total at least 92 (Rule of 92) are entitled to an unreduced annual retirement benefit.

Covered Class A, Class AA, Class A-3 and A-4 employees are required by statute to contribute to SERS at a rate of 5%, 6.25%, 6.25% and 9.3% respectively, of their gross pay. Employees' contributions are recorded in individually identified accounts, which are also credited with interest, calculated quarterly to yield 4% per annum, as mandated by statute. Accumulated employee contributions and credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

Participating agency contributions, including those for the Commission, are also mandated by statute and are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to SERS members. The Commission's retirement contribution, as a percentage of covered payroll, by class is as follows:

Year Ended June 30	Class A	Class AA	Class A-3	Class A-4
2013	**8.43%**	**10.51%**	**7.29%**	**7.29%**
2012	5.59%	6.99%	4.83%	4.83%
2011	3.29%	4.11%	4.11%	4.11%

8. Retirement Benefits (continued)

The Commission's required contributions and percentage contributed are as follows:

Year Ended May 31	Commission Required Contribution *(In Millions)*	% Contributed
2013	**$12.0**	**100%**
2012	$ 7.9	100%
2011	$ 5.3	100%

A copy of SERS's annual financial statements can be obtained by writing to: State Employees' Retirement System, 30 North Third Street, P.O. Box 1147, Harrisburg, Pennsylvania 17108-1147. Additional information about SERS, including its CAFR and actuarial valuation reports, are available at www.sers.state.pa.us.

9. Commitments and Contingencies

Litigation

The Commission is a defendant in a number of legal proceedings pertaining to matters normally incidental to routine operations. Such litigation includes, but is not limited to, claims asserted against the Commission arising from alleged torts, alleged breaches of contracts, and condemnation proceedings. Tort claims against the Commission are generally barred by sovereign immunity, except as waived by statute. Further, to the extent waived, damages for any loss are limited by sovereign immunity to $250,000 for each person and $1,000,000 for each accident. Based on the current status of all of the Commission's legal proceedings, it is the opinion of Commission management and counsel that they will not have a material effect on the Commission's financial position.

9. Commitments and Contingencies (continued)

Internal Revenue Service Examination and Correspondence

The Commission received correspondence from the IRS dated September 27, 2010. In that letter, the IRS stated that the Commission's $275,000,000 Turnpike Revenue Bonds, Series A of 2009 (Federally Taxable-Issuer Subsidy-Build America Bonds) had been named for examination. The IRS further stated that it "routinely" examines municipal debt issuances to determine compliance with Federal tax requirements and that at this time, the IRS has no reason to believe that the Commission's debt issuance fails to comply with any of the applicable tax requirements.

The Commission received additional correspondence from the IRS dated June 7, 2011. In that letter, the IRS stated that they completed their examination of the Commission's $275,000,000 Turnpike Revenue Bonds, Series A of 2009 (Federally Taxable-Issuer Subsidy-Build America Bonds). As a result, the IRS made a determination to close the examination with no-change to the position that the Commission is allowed a refundable credit with respect to each interest payment under the Bonds as provided in section 54AA and section 6431 of the Internal Revenue Code of 1986, as amended (the "Code").

Open Purchase Order Commitments

The Commission had open purchase order commitments of approximately $681.1 million and $545.3 million at May 31, 2013 and 2012, respectively.

Lease and Funding Agreement between the Commission and PennDOT

On July 18, 2007, Act 44 was enacted, creating a "public-public partnership" between the Commission and PennDOT to provide funding for roads, bridges and transit throughout the Commonwealth. Subsequently, in order to effectuate the provisions of Act 44 requiring the Commission to make substantial annual payments to PennDOT, the Commission and PennDOT entered into a Lease and Funding Agreement (the Funding Agreement), incorporating many of the terms of Act 44. The term of the Funding Agreement is fifty (50) years from October 14, 2007, its effective date.

9. Commitments and Contingencies (continued)

Lease and Funding Agreement between the Commission and PennDOT (continued)

The Funding Agreement requires the Commission to make scheduled annual payments to PennDOT, payable in equal quarterly installments, to be used to provide funding for roads, bridges and transit in the Commonwealth. The Commission's obligation to pay the annual debt service on any Special Revenue Bonds on a timely basis is part of its payment obligation under the Funding Agreement. The Funding Agreement also granted the Commission the option to lease the portion of Interstate I-80 located in the Commonwealth from PennDOT upon the approval of the Federal Highway Administration (FHWA) of the conversion of such portion into a toll road (the Conversion). The Funding Agreement granted the unilateral option to the Commission to effectuate the Conversion at any time before the third anniversary of the Funding Agreement (the Conversion Period), with the option to extend the Conversion Period for up to three one-year periods.

On October 13, 2007, the Commission and PennDOT submitted a joint application to the FHWA for approval of the Conversion. The FHWA ultimately denied the application on April 6, 2010. Neither the Commission nor PennDOT appealed the FHWA's decision, nor did the Commission extend the Conversion Period during the notice period under the Funding Agreement or give notice of Conversion. Therefore, the Conversion Period lapsed on October 14, 2010 without the Commission effectuating Conversion or having the ability to do so in the future. The Funding Agreement provides that the Commission's aggregate annual payments to PennDOT are limited to $450 million annually upon lapse of the Conversion option and such payment amount commenced with the 2010-2011 Fiscal Year. Under existing law, all legal, financial and operational responsibility for I-80 remains with PennDOT.

The Commission made payments of $450 million (recorded as nonoperating expense) in both fiscal years reported in these statements.

The Commission is required by the terms of the Funding Agreement and Act 44 to fix and adjust tolls at levels that will generate revenues (together with other available moneys) sufficient to pay, among other things, amounts to PennDOT pursuant to the Funding Agreement when due and other obligations of the Commission, and the Commission has covenanted in the Subordinate Indenture to set tolls at a level sufficient to meet its coverage obligations taking into account any additional debt incurred in order to make such payments. The Commission believes that Turnpike System revenues should enable it to satisfy its reduced payment obligations as set forth in Act 44 without reliance on any I-80 toll revenues.

9. Commitments and Contingencies (continued)

Lease and Funding Agreement between the Commission and PennDOT (continued)

Due to the significance of the quarterly payments under Act 44, the Commission currently does not have excess cash from operations to finance its required payments to PennDOT. Therefore, the Commission plans to continue to increase toll rates annually and to issue debt for the foreseeable future to finance the majority of these payments. There can be no assurance that the Commission will be able to continue to issue debt on terms that are acceptable, or at all, to finance these obligations. The sole and exclusive remedy for the failure to make the required payments to PennDOT under the Funding Agreement is that all actions of the Commission taken by a vote of the Commissioners thereafter must be approved by a unanimous vote of all Commissioners until such time as the payment is made. However, under Act 44, a unanimous vote is not required if it would prevent the Commission from complying with covenants with "current bondholders, debt holders or creditors." The Funding Agreement does not refer to "current bondholders, debt holders or creditors," but provides that a unanimous vote is not required if it would prevent the Commission from complying with covenants with "bondholders, debt holders or creditors having such status as of the Effective Date," which under the Funding Agreement is defined as October 14, 2007. These voting procedures have not become effective as the Commission has not missed any payments under the Funding Agreement.

Act 44 provides that all required payments under the Funding Agreement or as required by Act 44 shall be subordinate obligations of the Commission payable solely from the General Reserve Fund after meeting all other Commission requirements pursuant to any financial documents, financial covenants, liquidity policies or agreements in effect at the Commission.

9. Commitments and Contingencies (continued)

Interest Rate Swaps

The fair value and notional amount of derivative instruments outstanding at May 31, 2013 and May 31, 2012, classified by type and the changes in fair value of such derivative instruments for the years then ended as reported in the fiscal year 2013 and fiscal year 2012 financial statements are as follows:

		Changes in fair value		Fair Value at May 31, 2013		
	May 31, 2012	Classification	Amount	Classification	Amount	Notional
			(In Thousands)			
Cash flow hedges:						
Pay-fixed interest rate swap	$ (198,518)	Deferred outflow	$ 81,149	Noncurrent liabilities	$ (117,369)	$ 685,455
Fair value hedges:						
Receive-fixed rate swap	33,229	Deferred inflow	(6,912)	Noncurrent liabilities	26,317	118,015
Investment derivative instruments:						
Basis swaps	22,569	Investment earnings	13,956	Long-Term investments	36,525	1,310,732
Total PTC	$ (142,720)		$ 88,193		$ (54,527)	

		Changes in fair value		Fair Value at May 31, 2012		
	May 31, 2011	Classification	Amount	Classification	Amount	Notional
			(In Thousands)			
Cash flow hedges:						
Pay-fixed interest rate swap	$ (67,155)	Deferred outflow	$ (131,363)	Noncurrent liabilities	$ (198,518)	$ 685,455
Fair value hedges:						
Receive-fixed rate swap	17,664	Deferred inflow	15,565	Noncurrent liabilities	33,229	118,015
Investment derivative instruments:						
Basis swaps	20,142	Investment earnings	2,427	Long-Term investments	22,569	1,315,792
Total PTC	$ (29,349)		$ (113,371)		$ (142,720)	

9. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

Fair Values

Fair values of the Commission's derivative instruments were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bonds due on the date of each future net settlement payment on the swaps.

Recent Activity

In November 2011, the Commission issued 2011 Series D Senior Bonds primarily to partially refund the 2009 Series C Senior Bonds. Concurrently, $38,495,000 of the related swaps were deemed terminated and are now associated with the 2011 Series D Senior Bonds. The fair value of these swaps at the time of the deemed termination was a negative $5,046,312. This amount is being amortized over the three year period ending December 1, 2014, which is final maturity for both the 2009 Series C Senior Bonds and the 2011 Series D Senior Bonds.

In November 2012, the Commission issued 2012 Series B Senior Bonds primarily to partially refund the 2009 Series C Senior Bonds and the 2011 Series D Senior Bonds. Concurrently, $38,495,000 of the 2009 Series C Senior Bonds related swaps and $12,831,667 of the 2011 Series D Senior Bonds related swaps were deemed terminated and are now associated with the 2012 Series B Senior Bonds. The fair value of these swaps at the time of the deemed termination was a negative $7,428,303. This amount is being amortized over the two year period ending December 1, 2014, which is the final maturity for both the 2009 Series C Senior Bonds and the 2011 Series D Senior Bonds.

9. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

Following is a summary of the hedging derivatives in place as of May 31, 2013. These hedging derivatives contain certain risks and collateral requirements as described below (in thousands):

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Moody's/ S&P/Fitch	Book Fair Value	Full Value (to) from Counterparty
Pay fixed	Hedge of changes of								
Interest	cash flows of 2012 Series	$ 12,836			Pay 4.403%,	Bank of America*	A3/A/A	$ 704	$ (4,163)
Rate	B Bonds (formerly	25,655			receive 67.00%	JP Morgan Chase	Aa3/A+/A+	1,406	(8,321)
Swap	2009 Series C & 2011	12,836			of 1-month	UBS AG	A2/A/A	704	(4,163)
	Series D Bonds)	$ 51,327	11/30/2012	12/1/2030	LIBOR			$ 2,814	$ (16,647)
Pay fixed	Hedge of changes of	$ 6,418			Pay 4.403%,	Bank of America*	A3/A/A	$ 79	$ (2,082)
Interest	cash flows of 2011 Series D	12,827			receive 67.00%	JP Morgan Chase	Aa3/A+/A+	159	(4,161)
Rate	D Bonds (formerly	6,418			of 1-month	UBS AG	A2/A/A	79	(2,082)
Swap	2009 Series C Bonds)	$ 25,663	12/1/2011	12/1/2030	LIBOR			$ 317	$ (8,325)
Pay fixed	Hedge of changes of	$ 19,266			Pay 4.403%,	Bank of America*	A3/A/A	$ (2,112)	$ (6,249)
Interest	cash flows of 2009	38,508			receive 67.00%	JP Morgan Chase	Aa3/A+/A+	(4,221)	(12,489)
Rate	Series C Bonds (formerly	19,266			of 1-month	UBS AG	A2/A/A	(2,112)	(6,249)
Swap	2002 Series A Bonds)	$ 77,040	12/9/2009	12/1/2030	LIBOR			$ (8,445)	$ (24,987)
		$ 57,860				Citibank	A3/A/A	$ (14,238)	$ (14,238)
Pay fixed		57,845				JP Morgan Chase	Aa3/A+/A+	(14,234)	(14,234)
Interest	Hedge of changes of	57,860				Merrill Lynch CS*	Baa2/A-/A	(14,231)	(14,231)
Rate	cash flows on the 2005	57,860			Pay 4.2015%,	Morgan Stanley	Baa1/A-/A	(14,231)	(14,231)
Swap	Series B,C,D Bonds	$ 231,425	8/17/2005	7/15/2041	receive SIFMA			$ (56,934)	$ (56,934)
Pay fixed		$ 33,333				GSMMDP	Aa2/AAA/NR	$ (11,755)	$ (11,755)
Interest	Hedge of changes in	33,333				Merrill Lynch CS*	Baa2/A-/A	(11,754)	(11,754)
Rate	cash flow on the 2008	33,334			Pay 4.887%,	Morgan Stanley	Baa1/A-/A	(11,755)	(11,755)
Swap	Series B Bonds	$ 100,000	6/1/2008	12/1/2038	receive SIFMA			$ (35,264)	$ (35,264)
Pay fixed	Hedge of changes of	$ 66,667				GSMMDP	Aa2/AAA/NR	$ (6,619)	$ (23,510)
Interest	cash flow on the 2011	66,667				Merrill Lynch CS*	Baa2/A-/A	(6,619)	(23,509)
Rate	Series C Bonds (formerly	66,666			Pay 4.887%,	Morgan Stanley	Baa1/A-/A	(6,619)	(23,510)
Swap	2008 Series B Bonds)	$ 200,000	5/26/2011	12/1/2038	receive SIFMA			$ (19,857)	$ (70,529)
Total pay fixed interest rate swaps		$ 685,455						$ (117,369)	$ (212,686)
Pay variable									
Interest	Hedge of changes of								
Rate	fair value of 2006 Series				Receive 4.186%,				
Swap	A Bonds	$ 118,015	6/9/2006	12/1/2026	Pay SIFMA	Citibank	A3/A/A	$ 26,317	$ 26,317

1-month LIBOR was 0.19428% at May 31, 2013.
SIFMA was 0.12 % at May 31, 2013.

* On November 15, 2012, the Commission executed an amendment to the swap agreements to include Merrill Lynch Derivative Products as guarantor. Merrill Lynch Derivative Products credit ratings were Aa3/AAA/NR (Moody's/S&P/Fitch).

The full value (to) from Counterparty listed is the mid-market value at May 31, 2013. The difference between full value and book fair value is related to the value of the swaps at the time the related bonds were refunded. This value is being amortized over the shorter of the life of the original bonds or the refunding bonds.

9. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

- ***Credit Risk*** – The Commission is exposed to credit risk for both hedging derivatives and investment derivatives (see Note 4) that have positive fair values. The Commission was exposed to credit risk with respect to the 2012 Series B Senior Bonds, 2011 Series D Senior Bonds, and 2006 Series A Senior Bonds swaps at May 31, 2013. The Commission is also exposed to credit risk with respect to the (A), (C), (D) and (E) basis swaps listed in Note 4. However, should interest rates change and the fair values of the other swaps become positive, the Commission would have additional credit risk exposure.

  To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Collateral would be posted with a third-party custodian and would be in the form of cash, U.S. Treasury Obligations, or U.S. Government Agency Securities.

  The Commission's derivative agreements contain netting provisions, under which transactions executed with a single counterparty within a credit are netted in the event of default or counterparty insolvency. At May 31, the Commission had net credit risk exposure to four counterparties, one of which posted collateral in the amount of $32.2 million, pursuant to the provisions of the derivative agreement. Two counterparties were not required to post collateral because the fair values at year end were below the collateral threshold amounts. The remaining counterparty's credit rating was investment grade; therefore, no collateral was required.

- ***Interest Rate Risk*** – The Commission is exposed to variable interest rates with respect to the fixed-to-variable swap agreement associated with the 2006 Series A Senior Bonds. Additionally, the Commission will be exposed to variable interest rates if the swap provider for a variable-to-fixed swap agreement defaults or if a variable-to-fixed swap is terminated.

9. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

- ***Basis Risk*** – The Commission is exposed to basis risk on its basis swaps because the variable-rate payments received by the Commission on these derivative instruments are based on rates other than the interest rates the Commission pays on these derivative instruments. See the basis swap schedule in Note 4 for the terms of the interest rate swap agreements. The Commission's exposure to basis risk for the swaps listed in Note 4 is as follows:

  (A) – To the extent 67% of 1-month LIBOR exceeds 60.08% of the 10-year maturity of the USD-ISDA Swap Rate

  (B) – To the extent SIFMA exceeds 63% of 1-month LIBOR + 20 basis points

  (C) – To the extent 67% of 1-month LIBOR exceeds 60.15% of the 10-year maturity of the USD-ISDA Swap Rate

  (D) – To the extent SIFMA exceeds 99.68% of 3-month LIBOR

  (E) – To the extent SIFMA exceeds 99.80% of 3-month LIBOR

  (F) – To the extent 60.08% of the 10-year maturity of the USD-ISDA Swap Rate exceeds 67% of 1-month LIBOR

  (G) – To the extent 60.08% of the 10-year maturity of the USD-ISDA Swap Rate exceeds 67% of 1-month LIBOR

- ***Termination Risk*** – The swap agreements may be terminated due to a number of circumstances and the Commission retains the option to terminate the swaps at any time. If a swap agreement is terminated (by either party), the respective variable-rate bond would no longer carry a synthetic fixed interest rate. Also, if at the time of termination, the swap had a negative fair value, the Commission would be liable to the swap counterparty for a liability equal to the swap's full value. It is generally the Commission's intent at the time of swap execution to maintain the swap transactions for the life of the financing.

9. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

- ***Collateral Requirements*** – The Commission's derivative instruments related to its Mainline Turnpike Revenue Bonds require the Commission to post collateral in the form of eligible securities or cash if its senior credit rating falls below specified thresholds. These thresholds vary from agreement to agreement, with most in the "A3" (Moody's Investors Service) and "A-" (Standard & Poor's and Fitch Rating Service) levels. The Commission's Mainline senior bond rating was "A1" from Moody's and "A+" from both Standard & Poor's and Fitch at May 31, 2013. Based on May 31, 2013 full values, the Commission could be required to post $125.4 million in collateral for its derivative instruments if its ratings fall below the agreement thresholds.

  The Commission's derivative instruments related to its Oil Company Franchise Tax Revenue Bonds require the Commission to post collateral in the form of eligible securities or cash if its credit rating falls below specified thresholds. These thresholds vary from agreement to agreement, with most in the "A3" (Moody's Investors Service) and A- (Standard & Poor's and Fitch Rating Service) levels. The Commission's Oil Company Franchise Tax senior bond rating is currently "Aa3" from Moody's and "AA" from Standard & Poor's. Based on May 31, 2013 full values, the Commission could be required to post $5.2 million in collateral for its derivative instruments if its ratings fall below the agreement thresholds.

  The Commission's derivative instruments related to its Motor Vehicle Registration Fee Revenue Bonds require the Commission to post collateral in the form of eligible securities or cash if its credit rating falls below specified thresholds and/or in the event of certain uncured insurer events of default. These thresholds vary from agreement to agreement. The Commission's Motor Vehicle Registration Fee Revenue bond rating was "Aa3" from Moody's, "A" from Standard & Poor's and "AA-" from Fitch at May 31, 2013. Based on May 31, 2013 full values, the Commission could be required to post $56.9 million in collateral for its derivative instruments if its ratings fall below the agreement thresholds.

10. Related Party Transactions

The Commission incurred costs of $38.2 million and $36.1 million for the fiscal years ended May 31, 2013 and 2012 respectively, related to its use of the Commonwealth's State Police in patrolling the Turnpike System.

11. Postemployment Benefits

Plan Description

The Commission maintains a welfare plan program (the Plan), for the purpose of providing benefits to eligible retirees and their dependents. The Plan is a single employer, defined benefit plan. The Commission established the Pennsylvania Turnpike Commission Retiree Medical Trust (the Trust) on May 30, 2008 as an irrevocable trust, tax-exempt under the Internal Revenue Code, to provide funding of the Plan's other post-employment benefits (OPEB).

The Trust is administered by the Trustees. PNC Bank serves as custodian of the assets of the Trust. Payments from the Trust are made by the custodian at the direction of the Trustees. The Trust's financial statements are not included in the financial statements of a public employee retirement system. The Trust issues a stand-alone financial report, which can be obtained by contacting the Commission's Accounting Department.

Plan benefit provisions and retiree and dependent contribution rates are established and may be amended by the Commission.

Management Employees/Retirees

The benefits funded by the Trust include certain post-employment medical, prescription drug, dental and vision benefits to management employees who have reached 20 years of service and are under age 60; and benefit eligibility changes from 20 to 10 years for retirees 60 years of age or older. The same coverage is provided to surviving spouses and dependents of management retirees who retired on or after March 1, 2001. Surviving spouses of retirees who retired prior to March 1, 2001 are required to contribute the full cost of the coverage and dependents are offered coverage under COBRA. Medicare Part B premiums are paid by the retiree, spouse or dependent if age 65 or over, or under age 65 and disabled.

Union Employees/Retirees

The benefits also include certain post-employment medical and prescription drug benefits to union employees who have reached 20 years of service and are under age 60; and benefit eligibility changes from 20 to 10 years for employees 60 years of age or older. The same coverage is provided to spouses and dependents of eligible union retirees until the death of the retiree. Surviving spouses are required to contribute the full cost of coverage and dependents are offered coverage under COBRA.

11. Postemployment Benefits (continued)

Funding Policy

The Commission has adopted a Retiree Medical Trust Funding Policy, effective September 17, 2008, whereby the Commission anticipates approving an annual contribution to the Trust in the amount of the Annual Required Contribution (ARC) as determined by the Commission's actuary during the approval of its annual operating budget.

Annual OPEB Cost and Net OPEB Asset

The following chart summarizes the components of the Commission's annual OPEB cost, actual contributions, percentage of annual OPEB cost contributed, increase in the net OPEB asset and the net OPEB asset at the end of the fiscal year.

	Year ended May 31		
	2013	2012	2011
	(Dollar Amounts in Thousands)		
Normal cost	**$ 9,019**	$ 7,356	$ 6,931
Trust expense assumption	**150**	-	-
Amortization	**13,095**	20,377	18,745
Interest	**1,159**	1,088	1,027
Annual required contribution (ARC)	**23,423**	28,821	26,703
Interest on net OPEB asset	**(2,021)**	(283)	(141)
Adjustment to ARC	**4,110**	527	168
Annual OPEB cost	**25,512**	29,065	26,730
Employer contributions	**54,768**	54,397	28,505
Percentage of annual OPEB cost contributed	**214.7%**	187.2%	106.6%
Increase in net OPEB asset	**29,256**	25,332	1,775
Net OPEB asset – beginning of year	**28,871**	3,539	1,764
Net OPEB asset – end of year	**$ 58,127**	$ 28,871	$ 3,539

11. Postemployment Benefits (continued)

Annual OPEB Cost and Net OPEB Asset (continued)

The ARC and its components (normal cost, trust expense assumption, UAAL amortization, and mid-year contribution interest) in the table on the previous page were obtained from the biennial actuarial valuations, prepared by an independent actuary. The fiscal year 2013 and 2012 ARC and Annual OPEB cost amounts were obtained from a March 1, 2012 valuation. The fiscal year 2011 ARC amount was obtained from a March 1, 2010 valuation.

Retiree and spouse contribution rates at May 31, 2013 are as follows:

- Management employees and union employees who retired prior to July 1, 1998 and October 1, 1997, respectively—the retiree/spouse contributes the full cost of coverage less the Commission's monthly subsidy of $19.28 once the retiree turns 65.

- Union employees who retired on October 1, 1997 or later—the retiree/spouse contributes the full cost of coverage less the Commission's monthly subsidy of $73.50 when the retiree or spouse reach age 65.

- Surviving spouses are paying 100% of the premiums, except for surviving spouses of Management employees who retired after March 1, 2001.

Funding Status and Funding Progress

The actuarial value of assets, AAL, and UAAL amounts for the fiscal year ended May 31, 2012 and 2010 in the chart below were obtained from actuarial valuations, prepared by independent actuaries, as of March 1, 2012 and 2010, respectively.

Fiscal Year Ended May 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
			(Dollar Amounts in Thousands)			
2012	$ 152,341	$ 250,750	$ 98,409	60.8%	$ 124,241	79.2%
2010	66,436	263,398	196,962	25.2%	123,754	159.2%

11. Postemployment Benefits (continued)

Actuarial Methods and Assumptions

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information depicting the change in the actuarial value of Plan assets over time relative to the actuarial accrued liability for benefits.

The valuation measurements in the charts on the previous pages are, in part, the result of estimates of the value of reported amounts and assumptions about the probability of events in the long term. Such actuarially determined estimates are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Also, the valuation measurements are based, in part, on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the Commission and the Plan members through the respective valuation dates. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A summary of the actuarial methods and assumptions used in the March 1, 2012 valuation is as follows:

Actuarial cost method	Projected Unit Credit
Discount rate	7%
Rate of return on assets	7%
Amortization method	Level dollar
Amortization period	10 years (closed)
Asset valuation method	Fair value
Benefit Assumption – increases/decreases	No changes

Health Cost Trend: The healthcare trend assumption for medical and pharmacy benefits and premiums is based on the Society of Actuaries-Getzen Model version 11.1 utilizing the baseline assumptions included in the model, except GDP inflation is assumed to be 2.75% per year and real GDP growth is assumed to be 1.8% per year, for fiscal years 2016 and later. Further adjustments are made for aging, percentage of costs associated with administrative expenses, inflation on administrative costs, and potential excise tax due to Healthcare Reform.

11. Postemployment Benefits (continued)

Actuarial Methods and Assumptions (continued)

The health cost trend assumption for medical and pharmacy benefits at sample years is as follows:

Valuation Year Ending February 28	Pre-65 Trend	Post-65 Trend
2013	7.3%	7.3%
2014	7.4%	7.4%
2015	6.2%	6.2%
2016	5.9%	5.9%
2017	5.9%	5.9%
2018	5.8%	5.8%
2019	5.8%	5.8%
2020	5.8%	5.8%
2025	5.8%	5.7%
2030	6.8%	5.7%
2035	6.6%	5.6%
2040	6.0%	5.4%
2045	5.8%	5.6%
2050	5.7%	5.5%
2055	5.6%	5.9%

The health cost trend assumptions for dental and vision benefits and premiums are assumed to be 4.5% per year.

Salary increases were not considered as OPEB benefits are not based upon pay.

12. Self-Insurance

The Commission is exposed to various risks of losses such as theft of, damage to, and destruction of assets, errors and omissions, third-party torts, injuries to employees, injuries to third parties due to accidents caused by Commission automobiles, and natural disasters. The Commission has purchased commercial insurance for all risks of losses, including employee medical benefits, except for torts, injuries to employees and injuries to third parties due to accidents caused by Commission automobiles. No settlements exceeded insurance coverage for each of the past three years.

12. Self-Insurance (continued)

The Commission recorded a liability of $37.6 million and $31.9 million for loss and loss adjustment expenses on claims relating to self-insurance that have been incurred but not reported as of May 31, 2013 and 2012, respectively. This liability is based on GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be recorded if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is calculated based on the Commission's past loss experience. The liability for automobile and general tort was not discounted. The liability for workers' compensation was discounted using a rate of 3.25% and 4.05% for each of the fiscal years ended May 31, 2013 and 2012. The liability includes amounts for claims adjustment expense and is net of any salvage and subrogation. Salvage and subrogation were not material for the years ended May 31, 2013 and 2012. The Commission believes the liability established is reasonable and appropriate to provide for settlement of losses and related loss adjustment expenses.

Management believes that its reserve for claims incurred but not reported is determined in accordance with generally accepted actuarial principles and practices. However, estimating the ultimate liability is a complex and judgmental process inasmuch as the amounts are based on management's informed estimates and judgments using data currently available. As additional experience and data become available regarding claim payments and reporting patterns, legislative developments and economic conditions, the estimates are revised accordingly and the impact is reflected currently in the Commission's financial statements.

The self-insurance liabilities are $37.6 million and $31.9 million for fiscal years ended May 31, 2013 and 2012, respectively. The self-insurance liabilities recorded as accounts payable and accrued liabilities are $2.7 million and $1.9 million for the fiscal years ended May 31, 2013 and 2012, respectively. The self-insurance liabilities recorded as other noncurrent liabilities are $34.9 million and $30.0 million for the fiscal years ended May 31, 2013 and 2012, respectively.

12. Self-Insurance (continued)

The following summaries provide aggregated information on self-insurance liabilities:

	June 1, 2012 Liability	Effects of Discount as of June 1, 2012	Incurred Claims Current Year	Incurred Claims Prior Years	Paid Claims Current Year	Paid Claims Prior Years	Effects of Discount as of May 31, 2013	May 31, 2013 Liability
			(In Thousands)					
Year ended May 31, 2013								
Workers' compensation	**$ 6,278**	**$ 2,056**	**$ 1,558**	**$ 1,504**	**$ (568)**	**$ (2,491)**	**$ (1,675)**	**$ 6,662**
Automobile/general tort	**25,586**	**-**	**5,897**	**(416)**	**(54)**	**(94)**	**-**	**30,919**
	$ 31,864	**$ 2,056**	**$ 7,455**	**$ 1,088**	**$ (622)**	**$ (2,585)**	**$ (1,675)**	**$ 37,581**

	June 1, 2011 Liability	Effects of Discount as of June 1, 2011	Incurred Claims Current Year	Incurred Claims Prior Years	Paid Claims Current Year	Paid Claims Prior Years	Effects of Discount as of May 31, 2012	May 31, 2012 Liability
			(In Thousands)					
Year ended May 31, 2012								
Workers' compensation	$ 6,328	$ 1,833	$ 897	$ 2,544	$ (561)	$ (2,707)	$ (2,056)	$ 6,278
Automobile/general tort	20,477	-	6,155	2,224	(556)	(2,714)	-	25,586
	$ 26,805	$ 1,833	$ 7,052	$ 4,768	$ (1,117)	$ (5,421)	$ (2,056)	$ 31,864

The foregoing reflects an adjustment for a deficiency of $1.1 million and $4.8 million for the fiscal years ended May 31, 2013 and 2012, respectively, for prior years' incurred claims that resulted from a change in estimate as more information became available.

13. Compensated Absences

Sick leave is earned at a rate of 3.08 hours every two weeks, or ten days per year. Unused sick leave may be carried over from year to year up to a maximum of 18 days. In November of each year, employees are reimbursed for all accumulated unused sick leave above the maximum. Sick leave payouts were $1.9 and $1.8 million in November 2012 and 2011 respectively.

Vacation leave is earned at varying rates, depending on years of service. Management employees earn between 4.62 and 8.93 hours every two weeks. Union employees earn between 3.08 and 8.93 hours every two weeks.

13. Compensated Absences (continued)

Upon termination of employment, all unused sick and vacation leave is paid to the employee. The compensated absences liabilities are $16.7 million and $16.1 million for fiscal years ended May 31, 2013 and 2012, respectively. The compensated absences liabilities recorded as accounts payable and accrued liabilities are $9.2 million and $9.7 million for the fiscal years ended May 31, 2013 and 2012, respectively. The compensated absences liabilities recorded as other noncurrent liabilities are $7.5 million and $6.4 million for the fiscal years ended May 31, 2013 and 2012, respectively.

A summary of changes to compensated absences for the years ended May 31, 2013 and 2012 is as follows:

Fiscal Year Ended May 31	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
			(In Thousands)		
2013	**16,146**	**12,771**	**12,187**	**16,730**	**9,202**
2012	16,182	11,882	11,918	16,146	9,709

14. Letters of Credit

The Commission has outstanding letters of credit with several banks as described in the paragraphs below:

Supplemental Trust Indenture No. 13 dated as of May 1, 2008, amendment and restatement of the Amended and Restated Indenture of Trust dated as of March 1, 2011, between the Commission and U.S. Bank National Association required a Letter of Credit to be established for the 2008 Series B-1 Turnpike Multi-Modal Revenue Bonds. The Commission entered into a Letter of Credit with Barclays Bank PLC in the amount of up to $102,136,987 for purposes of paying debt service obligations on the bonds. The Commission draws against this letter of credit each month to fund the related debt service payments. The Commission makes monthly reimbursements for these draws against the letter of credit. During fiscal year 2013, the Commission made draws against the Letter of Credit and reimbursements to Barclays in the amount of $202,049 and $202,049, respectively. There were no outstanding draws against the Letter of Credit at May 31, 2013.

14. Letters of Credit (continued)

Supplemental Trust Indenture No. 14 dated as of August 1, 2008, amendment and restatement of the Amended and Restated Indenture of Trust dated as of March 1, 2011, between the Commission and U.S. Bank National Association required a Letter of Credit to be established for the 2008 Series C Turnpike Multi-Modal Revenue Bonds. The Commission entered into a Letter of Credit with Barclays Bank PLC in the amount of up to $50,854,795 for purposes of paying debt service obligations on the bonds. The Commission draws against this letter of credit each month to fund the related debt service payments. The Commission makes monthly reimbursements for these draws against the letter of credit. During fiscal year 2013, the Commission made draws against the Letter of Credit and reimbursements to Barclays in the amount of $87,117 and $87,117, respectively. There were no outstanding draws against the Letter of Credit at May 31, 2013.

Pennsylvania insurance law requires a Letter of Credit, Surety Bond, or Escrow from entities that self-insure their Workers Compensation. Therefore, the Commission has four (4) Standby Letters of Credit to satisfy the PA Turnpike's collateral requirement under the expired Owner Controlled Insurance Program (OCIP) with Zurich American Insurance. As of May 31, 2013, there have been no draws against these Letters of Credit. The Letters of Credit are as follows:

- $450,000 Letter of Credit with PNC Bank, N.A. for beneficiary Zurich American Insurance for the Allegheny River Bridge OCIP.

- $581,000 Letter of Credit with PNC Bank, N.A. for beneficiary Zurich American Insurance for the Uniontown to Brownsville Phase I OCIP.

- $2,000,000 Letter of Credit with Wells Fargo Bank, N.A. for beneficiary Zurich American Insurance for the Uniontown to Brownsville Phase II OCIP.

- $255,000 Letter of Credit with Wells Fargo Bank, N.A. for beneficiary Zurich American Insurance for the Susquehanna River Bridge and Valley Forge to Norristown Widening OCIPs.

As of May 31, 2012, there was a $90,000 Letter of Credit with PNC Bank, N.A. for beneficiary Zurich American Insurance for the Findlay Connector OCIP. This Letter of Credit was closed on November 27, 2012.

15. Subsequent Events

On June 27, 2013, the Commission entered into two novation agreements for three swaps with UBS AG and The Bank of New York Mellon. The prior counterparty to the Commission for both novation agreements was UBS AG; the subsequent counterparty to the Commission for both novation agreements is The Bank of New York Mellon. The total notional amount of the three swaps was $221,253,000 at May 31, 2013.

On July 23, 2013, the Commission issued 2013 Series B Senior Bonds in the principal amount of $265,155,000 at a variable rate maturing on December 1, 2020. The 2013 B bonds were issued for the purpose of financing the costs of: (a) the current refunding of the Commission's outstanding (1) Variable Rate Turnpike Revenue Bonds, Series C of 2009, maturing on December 1, 2013, in the aggregate principal amount of $52,070,000; (2) Turnpike Multi-Modal Revenue Refunding Bonds Series A-1 of 2010, maturing on December 1, 2035, currently outstanding in the aggregate principal amount of $97,230,000; (3) Turnpike Multi-Modal Revenue Refunding Bonds, Series A-2 of 2010, maturing on December 1, 2035, currently outstanding in the aggregate principal amount of $97,140,000; and (4) Variable Rate Turnpike Revenue Bonds, Series D of 2011, maturing on December 1, 2013, currently outstanding in the aggregate principal amount of $17,455,000; and (b) issuing the 2013 B Bonds.

On August 20, 2013, the Commission issued 2013 Series C Senior Bonds in the principal amount of $222,935,000 at a fixed interest rate maturing on December 1, 2043. The 2013 Series C Senior Bonds were issued for the purpose of financing the costs of: (a) various capital expenditures set forth in the Commission's current ten-year capital plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges; and (b) issuing the 2013 Series C Senior Bonds.

Required Supplementary Information

Required Supplementary Information

Schedule of Funding Progress – Postemployment Healthcare Benefits

(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
March 1, 2012	$ 152,341	$ 250,750	$ 98,409	60.8%	$ 124,241	79.2%
March 1, 2010	66,436	263,398	196,962	25.2%	123,754	159.2%
March 1, 2008	14,000	228,067	214,067	6.1%	118,559	180.6%

Following is a listing of changes in assumptions used in the March 1, 2012 valuation compared with previous valuations.

- ***Economic Assumptions*** – The discount rate was reduced from 8% to 7%.

- ***Healthcare Assumptions*** – Per capita claims costs were updated based on recent experience of Commission retirees and the healthcare trend was modified to reflect the use of the "Getzen" model and to incorporate the estimated impact of the excise tax beginning in 2018 due to Healthcare Reform. Assumed health plan elections for members attaining age 65 were modified from 100% electing Signature 65 to 2/3rd electing Signature 65 and 1/3rd electing Freedom Blue (without Rx).

- ***Demographic assumptions*** – For members eligible for unreduced retirement benefits in SERS prior to age 60, the rate of retirement was increased to 15% for all ages. For members hired after December 31, 2010, the rates of retirement for ages 60-64 were modified if not eligible for unreduced retirement benefits in SERS. The mortality assumption was revised to reflect anticipated future improvements after 2010.

- ***Other assumptions*** – A 2% load of active liabilities and normal costs for medical and Rx benefits was added to reflect the possibility of supplemental employees transferring to regular employees subsequent to the valuation date. A trust expense assumption was also added.

- ***Actuarial method*** – The end of the attribution period was modified from first eligibility for benefits to expected retirement age.

Other Supplementary Information

Other Supplementary Information

Section Information

For accounting purposes, the Pennsylvania Turnpike Commission maintains its records in three sections: Mainline, Oil Franchise, and Motor License. These sections are based on the types of revenues and the associated bond issues.

The Mainline section consists of income and expenses directly associated with the operations of the Turnpike System. In addition, all bonds pledged against this revenue source are included in this section.

The Oil Company Franchise section consists of revenues received from the Commission's allocation of the Commonwealth's Oil Company Franchise Tax. This revenue is pledged against the Oil Company Franchise Tax Debt as listed in Note 7.

The Motor License section consists of an annual income of $28 million which has been provided to the Commission pursuant to Section 20 of Act 3 of the Commonwealth of Pennsylvania. This income is pledged against the Motor License Registration Fee Debt as listed in Note 7.

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Net Position

	May 31, 2013			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Assets and deferred outflows of resources				
Current assets:				
Cash and cash equivalents	**$ 130,010**	**$ -**	**$ -**	**$ 130,010**
Short-term investments	**47,952**	**-**	**-**	**47,952**
Accounts receivable	**39,149**	**-**	**-**	**39,149**
Accrued interest receivable	**1,663**	**-**	**-**	**1,663**
Inventories	**16,871**	**-**	**-**	**16,871**
Restricted current assets:				
Cash and cash equivalents	**449,577**	**58,566**	**20,284**	**528,427**
Short-term investments	**214,369**	**21,448**	**6,097**	**241,914**
Accounts receivable	**1,110**	**4,290**	**-**	**5,400**
Accrued interest receivable	**2,283**	**1,135**	**137**	**3,555**
Total current assets	**902,984**	**85,439**	**26,518**	**1,014,941**
Noncurrent assets:				
Long-term investments:				
Long-term investments unrestricted	**197,127**	**-**	**-**	**197,127**
Long-term investments restricted	**372,599**	**133,653**	**24,724**	**530,976**
Total long-term investments	**569,726**	**133,653**	**24,724**	**728,103**
Capital assets not being depreciated:				
Land and intangibles	**271,310**	**-**	**-**	**271,310**
Assets under construction	**661,613**	**-**	**-**	**661,613**
Capital assets being depreciated:				
Buildings	**893,705**	**-**	**-**	**893,705**
Improvements other than buildings	**112,632**	**-**	**-**	**112,632**
Equipment	**549,578**	**-**	**-**	**549,578**
Infrastructure	**7,172,878**	**-**	**-**	**7,172,878**
Total capital assets before accumulated depreciation	**9,661,716**	**-**	**-**	**9,661,716**
Less accumulated depreciation	**4,829,814**	**-**	**-**	**4,829,814**
Total capital assets after accumulated depreciation	**4,831,902**	**-**	**-**	**4,831,902**
Other assets:				
Deferred issuance costs	**57,795**	**11,788**	**4,033**	**73,616**
OPEB Asset	**58,127**	**-**	**-**	**58,127**
Other assets	**26,728**	**-**	**-**	**26,728**
Total other assets	**142,650**	**11,788**	**4,033**	**158,471**
Total noncurrent assets	**5,544,278**	**145,441**	**28,757**	**5,718,476**
Total assets	**6,447,262**	**230,880**	**55,275**	**6,733,417**
Deferred outflows of resources	**60,435**	**-**	**56,934**	**117,369**
Total assets and deferred outflows of resources	**$ 6,507,697**	**$ 230,880**	**$ 112,209**	**$ 6,850,786**

Section Information (continued)

Schedule of Net Position (continued)

	May 31, 2013			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Liabilities and deferred inflows of resources				
Current liabilities:				
Accounts payable and accrued liabilities	**$ 320,773**	**$ 24,660**	**$ 4,584**	**$ 350,017**
Current portion of debt	**175,530**	**16,550**	**6,720**	**198,800**
Unearned income	**48,190**	**-**	**-**	**48,190**
Total current liabilities	**544,493**	**41,210**	**11,304**	**597,007**
Noncurrent liabilities:				
Debt, less current portion, net of unamortized premium, and net of unamortized refunding loss	**7,354,889**	**760,348**	**410,961**	**8,526,198**
Other noncurrent liabilities	**146,418**	**414**	**56,934**	**203,766**
Total noncurrent liabilities	**7,501,307**	**760,762**	**467,895**	**8,729,964**
Total liabilities	**8,045,800**	**801,972**	**479,199**	**9,326,971**
Deferred inflows of resources	**141,440**	**-**	**-**	**141,440**
Total liabilities and deferred inflows of resources	**8,187,240**	**801,972**	**479,199**	**9,468,411**
Net position				
Net investment in capital assets	**1,828,277**	**(761,520)**	**(413,648)**	**653,109**
Restricted for construction purposes	**-**	**182,099**	**46,658**	**228,757**
Restricted for debt service	**41,326**	**8,329**	**-**	**49,655**
Unrestricted	**(3,549,146)**	**-**	**-**	**(3,549,146)**
Total net position	**$(1,679,543)**	**$ (571,092)**	**$ (366,990)**	**$(2,617,625)**

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Revenues, Expenses and Changes in Net Position

	May 31, 2013			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating revenues:				
Net fares	$ 811,542	$ -	$ -	$ 811,542
Other	20,094	-	-	20,094
Total operating revenues	831,636	-	-	831,636
Operating expenses:				
Cost of services	411,572	894	18	412,484
Depreciation	311,735	-	-	311,735
Total operating expenses	723,307	894	18	724,219
Operating income (loss)	108,329	(894)	(18)	107,417
Nonoperating revenues (expenses):				
Investment earnings	27,624	2,106	318	30,048
Other nonoperating revenues	17,431	2,446	-	19,877
Act 44 payments to PennDOT	(450,000)	-	-	(450,000)
Interest and bond expense	(337,906)	(36,355)	(19,561)	(393,822)
Nonoperating expenses, net	(742,851)	(31,803)	(19,243)	(793,897)
Loss before capital contributions and special item	(634,522)	(32,697)	(19,261)	(686,480)
Capital contributions	10,274	59,562	28,000	97,836
Discontinued project	-	(51,009)	-	(51,009)
(Decrease) Increase in net position	(624,248)	(24,144)	8,739	(639,653)
Net position at beginning of year	(1,022,159)	(580,473)	(375,340)	(1,977,972)
Intersection transfers	(33,136)	33,525	(389)	-
Net position at end of year	$(1,679,543)	$ (571,092)	$ (366,990)	$(2,617,625)

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Cash Flows

	May 31, 2013			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating activities				
Cash received from customer tolls and deposits	$ 829,291	$ -	$ -	$ 829,291
Cash payments for goods and services	(252,275)	(886)	(18)	(253,179)
Cash payments to employees	(143,900)	(392)	-	(144,292)
Cash received from other operating activities	7,706	-	-	7,706
Net cash provided by (used for) operating activities	440,822	(1,278)	(18)	439,526
Investing activities				
Proceeds from sales and maturities of investments	1,371,376	233,566	26,871	1,631,813
Interest received on investments	20,639	3,932	661	25,232
Purchases of investments	(1,214,333)	(218,159)	(33,862)	(1,466,354)
Net cash provided by (used for) investing activities	177,682	19,339	(6,330)	190,691
Capital and related financing activities				
Capital grants received	7,240	-	-	7,240
Cash proceeds from motor license grant	-	-	28,000	28,000
Cash proceeds from oil company franchise tax	-	60,285	-	60,285
Construction and acquisition of capital assets	(484,489)	(23,161)	-	(507,650)
Proceeds from sale of capital assets	1,765	-	-	1,765
Payments for bond and swap expenses	(1,202)	-	(338)	(1,540)
Payments for debt refundings	(69,525)	-	-	(69,525)
Payments for debt maturities	(19,645)	(15,850)	(6,395)	(41,890)
Interest paid on debt	(122,848)	(39,514)	(20,249)	(182,611)
Interest subsidy from Build America Bonds	16,735	2,446	-	19,181
Proceeds from debt issuances	473,667	-	-	473,667
Net cash (used for) provided by capital and related financing activities	(198,302)	(15,794)	1,018	(213,078)
Noncapital financing activities				
Cash payments to PennDOT	(450,000)	-	-	(450,000)
Payments for bond and swap expenses	(1,032)	-	-	(1,032)
Payments for debt maturities	(15,860)	-	-	(15,860)
Interest paid on debt	(160,512)	-	-	(160,512)
Proceeds from debt issuances	416,314	-	-	416,314
Net cash used for noncapital financing activities	(211,090)	-	-	(211,090)
Increase (Decrease) in cash and cash equivalents	209,112	2,267	(5,330)	206,049
Cash and cash equivalents at beginning of year	370,475	56,299	25,614	452,388
Cash and cash equivalents at end of year	$ 579,587	$ 58,566	$ 20,284	$ 658,437

Section Information (continued)

Schedule of Cash Flows (continued)

	Year Ended May 31, 2013			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 108,329	$ (894)	$ (18)	$ 107,417
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	311,735	-	-	311,735
Change in operating assets and liabilities:				
Accounts receivable	(2,370)	-	-	(2,370)
Inventories	2,705	-	-	2,705
Other assets	(28,061)	-	-	(28,061)
Accounts payable and accrued liabilities	42,194	(384)	-	41,810
Other noncurrent liabilities	6,290	-	-	6,290
Net cash provided by (used for) operating activities	$ 440,822	$ (1,278)	$ (18)	$ 439,526
Reconciliation of cash and cash equivalents to the statements of net position:				
Cash and cash equivalents	$ 130,010	$ -	$ -	$ 130,010
Restricted cash and cash equivalents	449,577	58,566	20,284	528,427
Total cash and cash equivalents	$ 579,587	$ 58,566	$ 20,284	$ 658,437

Section Information (continued)

Schedule of Cash Flows (continued)

Noncash activities

The Commission recorded a net decrease of $ 5.5 million in the fair value of its investments for the year ended May 31, 2013. (Decreases) Increases by section were: Mainline, $(8.0) million; Oil Franchise, $2.1 million and Motor License, $0.4 million.

The Commission recorded $8.2 million for the amortization of bond premium for the year ended May 31, 2013. Amortization by section was: Mainline, $6.4 million; Oil Franchise, $1.1 million and Motor License, $0.7 million.

The Commission recorded $25.6 million for the amortization of deferred refunding losses, amortization of bond issuance costs and amortization of swap agreement costs for the year ended May 31, 2013. Amortization by section was: Mainline, $23.2 million; Oil Franchise, $1.3 million and Motor License, $1.1 million.

The Commission recorded an interest expense reduction of $11.7 million in the Mainline section for the year ended May 31, 2013 related to GASB 53 entries.

The Commission has entered into contracts with the operators of service plaza restaurants and service stations to totally reconstruct several service plazas. The service plaza operators provide the capital for the reconstruction in exchange for lower rental rates. The Commission implemented GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements in fiscal year 2013 (including restatements of fiscal year 2012). The Commission recognized Mainline capital contribution revenues of $3.4 million related to these arrangements for the year ended May 31, 2013. See Note 6 for further discussion on the service plazas.

The Commission and PennDOT entered into an agreement regarding ownership of overhead bridges that carry state roads. Per the agreement, once the Commission replaces these overhead bridges, and after final inspections and supplemental agreements are signed by both parties, ownership and maintenance responsibilities of the bridges are transferred from the Commission to PennDOT. The Commission did not transfer any assets to PennDOT during the fiscal year ended May 31, 2013.

The Commission records intersection activity related to revenue, expense, asset and liability transfer between its sections. Some of the intersection entries are related to cash transfers; others are noncash transfers as required. Net intersection transfers for the year ended May 31, 2013 were: from Mainline, $33.1 million; to Oil Franchise, $33.5 million; and from Motor License, $0.40 million.

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Net Position *(Restated)*[1]

	May 31, 2012			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Assets and deferred outflows of resources				
Current assets:				
Cash and cash equivalents	$ 100,804	$ -	$ -	$ 100,804
Short-term investments	25,545	-	-	25,545
Accounts receivable	36,254	-	-	36,254
Accrued interest receivable	2,252	-	-	2,252
Inventories	19,576	-	-	19,576
Restricted current assets:				
Cash and cash equivalents	269,671	56,299	25,614	351,584
Short-term investments	210,152	18,973	2,238	231,363
Accounts receivable	946	5,013	-	5,959
Accrued interest receivable	2,452	1,273	131	3,856
Total current assets	667,652	81,558	27,983	777,193
Noncurrent assets:				
Long-term investments:				
Long-term investments unrestricted	265,732	-	-	265,732
Long-term investments restricted	457,774	152,587	21,921	632,282
Total long-term investments	723,506	152,587	21,921	898,014
Capital assets not being depreciated:				
Land and intangibles	256,175	-	-	256,175
Assets under construction	864,474	-	-	864,474
Capital assets being depreciated:				
Buildings	832,592	-	-	832,592
Improvements other than buildings	95,198	-	-	95,198
Equipment	531,210	-	-	531,210
Infrastructure	6,704,803	-	-	6,704,803
Total capital assets before accumulated depreciation	9,284,452	-	-	9,284,452
Less accumulated depreciation	4,568,495	-	-	4,568,495
Total capital assets after accumulated depreciation	4,715,957	-	-	4,715,957
Other assets:				
Deferred issuance costs	54,811	12,415	4,176	71,402
OPEB asset	28,871	-	-	28,871
Other assets	25,541	-	-	25,541
Total other assets	109,223	12,415	4,176	125,814
Total noncurrent assets	5,548,686	165,002	26,097	5,739,785
Total assets	6,216,338	246,560	54,080	6,516,978
Deferred outflows of resources	110,751	-	87,767	198,518
Total assets and deferred outflows of resources	$6,327,089	$ 246,560	$ 141,847	$6,715,496

[1] Certain 2012 amounts were restated as discussed in Note 6.

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Net Position *(Restated)*[1] (continued)

	May 31, 2012			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Liabilities and deferred inflows of resources				
Current liabilities:				
Accounts payable and accrued liabilities	$ 317,906	$ 32,341	$ 5,556	$ 355,803
Current portion of debt	105,030	15,850	6,395	127,275
Unearned income	40,834	-	-	40,834
Total current liabilities	463,770	48,191	11,951	523,912
Noncurrent liabilities:				
Debt, less current portion, net of unamortized premium, and net of unamortized refunding loss	6,582,340	776,351	417,470	7,776,161
Other noncurrent liabilities	194,635	2,491	87,766	284,892
Total noncurrent liabilities	6,776,975	778,842	505,236	8,061,053
Total liabilities	7,240,745	827,033	517,187	8,584,965
Deferred inflows of resources	108,503	-	-	108,503
Total liabilities and deferred inflows of resources	7,349,248	827,033	517,187	8,693,468
Net position				
Net investment in capital assets	2,169,923	(782,475)	(419,688)	967,760
Restricted for construction purposes	-	191,617	44,348	235,965
Restricted for debt service	27,226	10,385	-	37,611
Unrestricted	(3,219,308)	-	-	(3,219,308)
Total net position	$(1,022,159)	$ (580,473)	$ (375,340)	$(1,977,972)

[1] Certain 2012 amounts were restated as discussed in Note 6.

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Revenues, Expenses and Changes in Net Position *(Restated)*[1]

	May 31, 2012			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating revenues:				
Net fares	$ 780,798	$ -	$ -	$ 780,798
Other	23,090	51	-	23,141
Total operating revenues	803,888	51	-	803,939
Operating expenses:				
Cost of services	386,497	964	45	387,506
Depreciation	300,777	-	-	300,777
Total operating expenses	687,274	964	45	688,283
Operating income (loss)	116,614	(913)	(45)	115,656
Nonoperating revenues (expenses):				
Investment earnings	10,582	16,823	647	28,052
Other nonoperating revenues	16,305	4,891	-	21,196
Act 44 payments to PennDOT	(450,000)	-	-	(450,000)
Capital assets transferred to PennDOT	(22,783)	-	-	(22,783)
Interest and bond expense	(312,116)	(36,923)	(18,955)	(367,994)
Nonoperating expenses, net	(758,012)	(15,209)	(18,308)	(791,529)
Loss before capital contributions	(641,398)	(16,122)	(18,353)	(675,873)
Capital contributions	11,172	63,235	28,000	102,407
(Decrease) Increase in net position	(630,226)	47,113	9,647	(573,466)
Net position at beginning of year	(453,024)	(567,353)	(384,129)	(1,404,506)
Intersection transfers	61,091	(60,233)	(858)	-
Net position at end of year	$(1,022,159)	$ (580,473)	$ (375,340)	$(1,977,972)

[1] Certain 2012 amounts were restated as discussed in Note 6.

Section Information (continued)

Schedule of Cash Flows

	May 31, 2012			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating activities				
Cash received from customer tolls and deposits	$ 799,163	$ -	$ -	$ 799,163
Cash payments for goods and services	(260,901)	(639)	(39)	(261,579)
Cash payments to employees	(139,204)	(513)	-	(139,717)
Cash received from other operating activities	9,598	51	-	9,649
Net cash provided by (used for) operating activities	408,656	(1,101)	(39)	407,516
Investing activities				
Proceeds from sales and maturities of investments	2,362,553	128,412	7,265	2,498,230
Interest received on investments	22,586	6,078	664	29,328
Purchases of investments	(2,095,197)	(83,437)	(9,544)	(2,188,178)
Net cash provided by (used for) investing activities	289,942	51,053	(1,615)	339,380
Capital and related financing activities				
Capital grants received	9,153	30	-	9,183
Cash proceeds from motor license grant	-	-	28,000	28,000
Cash proceeds from oil company franchise tax	-	61,897	-	61,897
Construction and acquisition of capital assets	(387,325)	(69,524)	-	(456,849)
Proceeds from sale of capital assets	862	-	-	862
Payments for bond and swap expenses	(355)	(240)	-	(595)
Payments for debt refundings	(345,745)	-	-	(345,745)
Payments for debt maturities	(40,740)	(15,195)	(6,095)	(62,030)
Interest paid on debt	(122,552)	(40,117)	(20,293)	(182,962)
Interest subsidy from Build America Bonds	17,496	4,891	-	22,387
Proceeds from debt issuances	167,906	-	-	167,906
Net cash (used for) provided by capital and related financing activities	(701,300)	(58,258)	1,612	(757,946)
Noncapital financing activities				
Cash payments to PennDOT	(450,000)	-	-	(450,000)
Payments for bond and swap expenses	(1,180)	-	-	(1,180)
Payments for debt maturities	(12,245)	-	-	(12,245)
Interest paid on debt	(137,788)	-	-	(137,788)
Proceeds from debt issuances	468,106	-	-	468,106
Net cash used for noncapital financing activities	(133,107)	-	-	(133,107)
Decrease in cash and cash equivalents	(135,809)	(8,306)	(42)	(144,157)
Cash and cash equivalents at beginning of year	506,284	64,605	25,656	596,545
Cash and cash equivalents at end of year	$ 370,475	$ 56,299	$ 25,614	$ 452,388

Other Supplementary Information (continued)

Section Information (continued)

Schedule of Cash Flows (continued)

	Year Ended May 31, 2012			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 116,614	$ (913)	$ (45)	$ 115,656
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	300,777	-	-	300,777
Change in operating assets and liabilities:				
Accounts receivable	(2,975)	-	-	(2,975)
Inventories	3,973	-	-	3,973
Other assets	(25,328)	-	-	(25,328)
Accounts payable and accrued liabilities	10,111	(194)	6	9,923
Other noncurrent liabilities	5,484	6	-	5,490
Net cash provided by (used for) operating activities	$ 408,656	$ (1,101)	$ (39)	$ 407,516
Reconciliation of cash and cash equivalents to the statements of net position:				
Cash and cash equivalents	$ 100,804	$ -	$ -	$ 100,804
Restricted cash and cash equivalents	269,671	56,299	25,614	351,584
Total cash and cash equivalents	$ 370,475	$ 56,299	$ 25,614	$ 452,388

Section Information (continued)

Schedule of Cash Flows (continued)

Noncash activities

The Commission recorded a net decrease of $ 1.9 million in the fair value of its investments for the year ended May 31, 2012. (Decreases) Increases by section were: Mainline, $(9.2) million; Oil Franchise, $11.1 million and Motor License, $0.0 million.

The Commission recorded $6.0 million for the amortization of bond premium for the year ended May 31, 2012. Amortization by section was: Mainline, $4.2 million; Oil Franchise, $1.1 million and Motor License, $0.7 million.

The Commission recorded $23.0 million for the amortization of deferred refunding losses, amortization of bond issuance costs and amortization of swap agreement costs for the year ended May 31, 2012. Amortization by section was: Mainline, $20.7 million; Oil Franchise, $1.3 million and Motor License, $1.0 million.

The Commission recorded an interest expense reduction of $8.8 million in the Mainline section for the year ended May 31, 2012 related to GASB 53 entries.

The Commission has entered into contracts with the operators of service plaza restaurants and service stations to totally reconstruct several service plazas. The service plaza operators provide the capital for the reconstruction in exchange for lower rental rates. The Commission implemented GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements in fiscal year 2013 (including restatements of fiscal year 2012). The Commission recognized Mainline capital contribution revenues of $1.8 million related to these arrangements for the year ended May 31, 2012. See Note 6 for further discussion on the service plazas.

In fiscal year 2012, the Commission wrote down the value of its transponder inventory in the Mainline section by $4.6 million to reflect lower market costs.

The Commission and PennDOT entered into an agreement regarding ownership of overhead bridges that carry state roads. Per the agreement, once the Commission replaces these overhead bridges, and after final inspections and supplemental agreements are signed by both parties, ownership and maintenance responsibilities of the bridges are transferred from the Commission to PennDOT. The Commission transferred assets with a net book value of $22.8 million from its Mainline section to PennDOT during the fiscal year ended May 31, 2012.

The Commission records intersection activity related to revenue, expense, asset and liability transfer between its sections. Some of the intersection entries are related to cash transfers; others are noncash transfers as required. Net intersection transfers for the year ended May 31, 2012 were: to Mainline, $61.1 million; from Oil Franchise, $60.2 million; and from Motor License, $0.9 million.

Other Supplementary Information (continued)

Schedules of Cost of Services Detail

The following tables provide additional detail for the costs of services reported in the statements of revenues, expenses and changes in net position.

Fiscal Year Ended May 31, 2013	**Mainline Operating**	**Mainline Capital**	**Total Mainline**	**Oil Franchise**	**Motor License**	**Total**
General & administrative	**$ 42,542**	**$ 72,659**	**$ 115,201**	**$ 681**	**$ 18**	**$ 115,900**
Operations safety & incident response	**4,455**	**-**	**4,455**	**-**	**-**	**4,455**
Service centers	**24,480**	**-**	**24,480**	**-**	**-**	**24,480**
Employee benefits	**80,670**	**6,634**	**87,304**	**213**	**-**	**87,517**
Fare collection	**59,952**	**-**	**59,952**	**-**	**-**	**59,952**
Maintenance	**65,924**	**988**	**66,912**	**-**	**-**	**66,912**
Facilities and energy mgmt operations	**8,903**	**8,194**	**17,097**	**-**	**-**	**17,097**
Turnpike patrol	**36,171**	**-**	**36,171**	**-**	**-**	**36,171**
Total cost of services	**$ 323,097**	**$ 88,475**	**$ 411,572**	**$ 894**	**$ 18**	**$ 412,484**

Fiscal Year Ended May 31, 2012	**Mainline Operating**	**Mainline Capital**	**Total Mainline**	**Oil Franchise**	**Motor License**	**Total**
General & administrative	$ 40,335	$ 61,837	$ 102,172	$ 704	$ 45	$ 102,921
Operations safety & incident response	4,078	-	4,078	-	-	4,078
Service centers	25,570	-	25,570	-	-	25,570
Employee benefits	77,563	4,254	81,817	208	-	82,025
Fare collection	61,884	-	61,884	-	-	61,884
Maintenance	58,096	2,838	60,934	52	-	60,986
Facilities and energy mgmt operations	7,644	7,740	15,384	-	-	15,384
Turnpike patrol	34,658	-	34,658	-	-	34,658
Total cost of services	$ 309,828	$ 76,669	$ 386,497	$ 964	$ 45	$ 387,506

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF AND DEFINED TERMS IN THE SUBORDINATE INDENTURE AND SUPPLEMENTAL INDENTURE NO. 16

The following sets forth the definitions derived from the Subordinate Indenture and the Supplemental Indenture No. 16 concerning the Subordinate Indenture Bonds and the 2014A Bonds and the operation of the Subordinate Indenture and the Supplemental Indenture No. 16. This summary of such terms does not purport to be complete or definitive and is subject to all of the terms and provisions of the Subordinate Indenture and the Supplemental Indenture No. 16, copies of which will be available at the corporate trust office of Wells Fargo Bank, N.A., as trustee.

DEFINITIONS OF CERTAIN TERMS

In addition to words and terms elsewhere defined in this Official Statement, the following words and terms used in this Official Statement and this Appendix C and the Subordinate Indenture and Supplemental Indenture No. 16 shall have the following meanings unless the context clearly indicates otherwise:

"Act 44" -- an Act of the General Assembly of Pennsylvania approved July 18, 2007, No. 2007-44, including all amendments and any successor act, as amended.

“Act 89” -- an Act of the General Assembly of Pennsylvania approved November 25, 2013, No. 2013-89.

"Additional Subordinate Indenture Bonds" -- Subordinate Indenture Bonds of any Series, other than the Original Subordinate Indenture Bonds, authorized to be issued under the Subordinate Indenture.

"Administrative Expenses" -- costs and fees in connection with the Subordinate Indenture Bonds and Parity Obligations including, without limitation, costs and fees of the Trustee, Consultants, Counsel, Bond Counsel and the Commission.

"Annual Debt Service" -- (a) The amount of principal and interest paid or payable with respect to Subordinate Indenture Bonds in a Fiscal Year plus (b) Reimbursement Obligations paid or payable by the Commission in such Fiscal Year (but only to the extent they are not duplicative of such principal and interest), plus (c) Approved Swap Agreement payments paid or payable by the Commission in such Fiscal Year, minus (d) the amounts, if any, paid or payable to the Commission in such Fiscal Year with respect to Approved Swap Agreements, provided that the difference between the amounts described in clauses (c) and (d) shall be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth below. The following assumptions shall be used to determine the Annual Debt Service becoming due in any Fiscal Year:

(a) in determining the principal amount paid or payable with respect to Subordinate Indenture Bonds or Reimbursement Obligations in each Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness, including amounts paid or payable pursuant to any mandatory redemption schedule for such Indebtedness;

(b) if any of the Indebtedness or proposed Indebtedness constitutes Balloon Indebtedness, then such amounts thereof as constitute Balloon Indebtedness shall be treated as if such Indebtedness is to be amortized in substantially equal annual installments of principal and interest over a term of 25 years from the date of issuance of such Indebtedness. Anything to the contrary in the Subordinate Indenture notwithstanding, during the year preceding the final maturity date of such Indebtedness, all of the principal thereof shall be considered to be due on such maturity date unless the Commission provides to the Trustee a certificate of a Financial Consultant certifying that, in its judgment, the Commission will be able to refinance such Balloon Indebtedness, in which event the Balloon Indebtedness shall be amortized over the term of the Indebtedness expected to refinance such Balloon Indebtedness and shall bear the interest rate specified in the certificate of the Financial Consultant;

(c) if any of the Indebtedness or proposed Indebtedness constitutes Variable Rate Indebtedness, then interest in future periods shall be based on the Assumed Variable Rate; and

(d) termination or similar payments under an Approved Swap Agreement shall not be taken into account in any calculation of Annual Debt Service.

"Applicable Long-Term Indebtedness" -- includes Subordinate Indenture Bonds, Additional Subordinate Indenture Bonds and Parity Obligations.

"Approved Swap Agreement" -- shall have the meaning set forth under "Approved and Parity Swap Obligations" of this Appendix C.

"Assumed Variable Rate" -- in the case of (a) Outstanding Variable Rate Indebtedness, the average interest rate on such Indebtedness for the most recently completed 12-month period; and (b) proposed Variable Rate Indebtedness, (1) which will, in the opinion of Bond Counsel delivered at the time of the issuance thereof be excluded from gross income for federal income tax purposes, the average of the Security Industry and Financial Markets Association Municipal Swap Index as the successor to the Bond Market Association Swap Index ("SIFMA Index") for the 12 months ending 7 days preceding the date of calculation plus 100 basis points, or (2) in the case of Subordinate Indenture Bonds not described in clause (1), the London Interbank Offered Rate ("LIBOR") most closely resembling the reset period for the Variable Rate Indebtedness plus 100 basis points; provided that if the SIFMA Index or LIBOR shall cease to be published, the index to be used in its place shall be that index which the Commission in consultation with the Financial Consultant determines most closely replicates such index, as set forth in a certificate of a Commission Official filed with the Trustee.

"Authorized Denominations" -- with respect to any Additional Subordinate Indenture Bonds issued under a Supplemental Indenture, those denominations specified in such Supplemental Indenture; with respect to the 2014A Subordinate Bonds, $5,000 and any integral multiple thereof, and with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds, the 2014A Subordinate Capital Appreciation Bonds and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, $5,000 Maturity Amount and any integral multiple thereof.

"Balloon Indebtedness" -- Long-Term Indebtedness of which 25% or more of the principal matures in the same Fiscal Year and is not required by the documents pursuant to which such Indebtedness was issued to be amortized by payment or redemption prior to that Fiscal Year, provided that such Indebtedness will not constitute Balloon Indebtedness if the Trustee is provided a certificate of a Commission Official certifying that such Indebtedness is not to be treated as Balloon Indebtedness (because, by way of example, such Indebtedness is intended to serve as "wrap around" Indebtedness).

"Bank" -- as to any particular Series of Subordinate Indenture Bonds, each Person (other than a Bond Insurer or PennDOT) providing a letter of credit, a line of credit, a guaranty or another credit or liquidity enhancement facility as designated in the Supplemental Indenture providing for the issuance of such Subordinate Indenture Bonds.

"Bank Fee" -- any commission, fee or expense payable to a Bank pursuant to a Reimbursement Agreement (but not amounts payable as reimbursement for amounts drawn under a Credit Facility or interest on such amounts).

"Bankruptcy Law" -- Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such Title and any other applicable federal or state bankruptcy, insolvency or similar law.

"Beneficial Owner" -- the beneficial owner of any Subordinate Indenture Bond which is held by a nominee.

"Bond Buyer Index" -- shall mean the Bond Buyer 20 Bond Index as published weekly in "The Bond Buyer". If such Index shall cease to be published, the Financial Consultant shall select another index which shall be reflective of the Commission's fixed borrowing cost.

"Bond Counsel" -- any attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"Bond Insurer" -- as to any particular maturity or any particular Series of Subordinate Indenture Bonds, the Person undertaking to insure such Subordinate Indenture Bonds as designated in a Supplemental Indenture providing for the issuance of such Subordinate Indenture Bonds.

"Book-Entry-Only System" -- a system similar to the system described in the Subordinate Indenture pursuant to which bonds are registered in book-entry form.

"Business Day" -- a day other than (i) a Saturday and Sunday, (ii) a day on which the Trustee or banks and trust companies in New York, New York are authorized or required to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" -- any Additional Subordinate Indenture Bonds of any Series so designated in a Supplemental Indenture; provided, however, that the term "Capital Appreciation Bonds" shall only be used with respect to such Additional Subordinate Indenture Bonds of any Series the interest on which is payable only at maturity or earlier redemption in amounts determined by reference to the Compounded Amount of such Subordinate Indenture Bonds.

"Chief Engineer" -- the employee of the Commission designated its "Chief Engineer" or any successor title.

"Class" -- the Revenue Bonds or their Holders, collectively, or the Special Revenue Bonds or their Holders, collectively, or any future type of Subordinate Indenture Bond, unique in its security or purposes in relation to other Subordinate Indenture Bonds, or its Holders, collectively.

"Code" -- the Internal Revenue Code of 1986, as amended, and the regulations proposed or in effect with respect thereto.

"Commonwealth" -- the Commonwealth of Pennsylvania.

"Commission Official" -- any commissioner, director, officer or employee of the Commission authorized to perform specific acts or duties by resolution duly adopted by the Commission.

"Commission Payments" -- the covenant by the Commission and the payments made by the Commission, all as set forth in the section "Commission Payments," with respect to payments to be made to the Trustee.

"Compounded Amount" -- any date and with respect to any particular Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Original Principal Amount of such Capital Appreciation Bond or Convertible Capital Appreciation Bond plus accretion of principal, based on compounding on each Compounding Date to the date of maturity thereof (with respect to a Capital Appreciation Bond) or the Current Interest Commencement Date (with respect to a Convertible Capital Appreciation Bond) at the same interest rate as shall produce a compound amount on such date of maturity or Current Interest Commencement Date, as applicable, equal to the principal amount thereof on such date; provided that Compounded Amount on any day which is not a Compounding Date shall be determined on the assumption that the Compounded Amount accrues in equal daily amounts between Compounding Dates.

"Compounding Date" -- the date on which interest on a Capital Appreciation Bond or Convertible Capital Appreciation Bond (prior to the Current Interest Commencement Date) is compounded and added to principal.

"Consultant" -- a Person who shall be independent, appointed by the Commission as needed, qualified and having a nationwide and favorable reputation for skill and experience in such work for which the Consultant was appointed. In those situations in which a Consultant is appointed to survey risks and to recommend insurance coverage, such Consultant may be a broker or agent with whom the Commission transacts business.

"Convertible Capital Appreciation Bond" -- any Additional Subordinate Indenture Bonds of any Series so designated in a Supplemental Indenture as to which prior to the Current Interest Commencement Date with respect thereto, interest will not be paid on a current basis, but will be added to the principal on each Compounding Date, and after the Current Interest Commencement Date interest will be paid on a current basis on the Compounded Amount as of the Current Interest Commencement Date.

"Counsel" -- an attorney or law firm (who may, without limitation, be counsel for the Commission, the Commonwealth or other governmental entity or agency of the Commonwealth) not unsatisfactory to the Trustee.

"Credit Facility" -- any letter of credit, line of credit, standby letter of credit, DSRF Security, indemnity or surety insurance policy or agreement to purchase a debt obligation or any similar extension of credit, credit enhancement or liquidity support obtained by the Commission from a responsible financial or insurance institution, to provide for or to secure payment of principal and purchase price of, and/or interest on Subordinate Indenture Bonds pursuant to the provisions of a Supplemental Indenture under which such Subordinate Indenture Bonds are issued. The use of such definition is not intended to preclude the Commission from providing the credit or liquidity support with respect to one or more series of Subordinate Indenture Bonds directly rather than through a financial or insurance institution.

"Current Interest Commencement Date" -- the date established prior to the issuance of each series of Convertible Capital Appreciation Bonds, as set forth in a Supplemental Indenture, at which time the semiannual compounding of interest ceases and after such date interest is payable currently on the Compounded Amount on the ensuing interest payment dates.

"Debt Service Reserve Fund Bonds" -- shall mean the Long-Term Indebtedness specified by the Commission in the Subordinate Indenture or any Supplemental Indenture that is secured by the Debt Service Reserve Fund, as such fund is described in the forepart of this Official Statement under the caption "SECURITY OR THE 2014A BONDS -- Debt Service Reserve Fund."

"Debt Service Reserve Requirement" -- the amount equal to the lesser of (1) Maximum Annual Debt Service on account of all the Debt Service Reserve Fund Bonds, (2) 10% of the aggregate Outstanding principal amount of all the Debt Service Reserve Fund Bonds, and (3) 125% of average Annual Debt Service for all Debt Service Reserve Fund Bonds for each Fiscal

Year for the remaining life of such Bonds, provided in any such case that such amount does not exceed what is permitted by the Code.

"DSRF Security" -- shall have the meaning set forth in the section of this Official Statement "Debt Service Reserve Fund."

“Defaulted Interest” -- interest on any 2014A Subordinate Bonds or, with respect to any 2014A Subordinate Convertible Capital Appreciation Bond and any 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date, which is payable but not paid on the date due.

"Enabling Acts" -- shall mean Act 44, Act 89, and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P.L. 774, Act 211; the Act of May 24, 1945, P.L. 972; the Act of February 26, 1947, P.L. 17; the Act of May 23, 1951, P.L. 335; the Act of August 14, 1951, P.L. 1232; and the Act of September 30, 1985, P.L. 240, No. 61 to the extent not repealed by Act 44.

"Event of Bankruptcy" -- the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Commission as debtor, under Bankruptcy Law.

"Financial Consultant" -- any financial advisor or firm of financial advisors of favorable national reputation for skill and experience in performing the duties for which a Financial Consultant is required to be employed pursuant to the provisions in the Subordinate Indenture and who is retained by the Commission as a Financial Consultant for the purposes of the Subordinate Indenture.

"Fiscal Year" -- the period commencing on the first day of June and ending on the last day of May of the following year.

"Fitch" -- Fitch, Inc., its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized rating agency designated by the Commission.

"Fixed Rate Bonds" -- Subordinate Indenture Bonds issued at a fixed interest rate.

"Funding Agreement" -- the Lease and Funding Agreement dated as of October 14, 2007, as it may be amended, between the Commission and PennDOT.

"Funding Agreement Rental Payments" -- rental payments required by the Funding Agreement.

"Government Obligations" --

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the U.S.,

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the U.S., the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the U.S. (including any securities described in clause (a) above issued or held in book entry form in the name of the Trustee only on the books of the Department of Treasury of the U.S.),

(c) any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the U.S. or any state thereof in the capacity of custodian,

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA, and

(e) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that cash, obligations described in clause (a), (b), (c) or (d) above, or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or redemption price of and interest on such obligations, and provided further that, at the time of purchase, such obligations are rated by the Rating Agency in its highest rating category.

"Immediate Notice" -- notice transmitted by electronic means, in writing, by telecopier or other electronic means or by telephone (promptly confirmed in writing) and received by the Person to whom it was addressed.

"Indebtedness" -- any obligation or debt incurred for money borrowed.

"Interest Payment Date" -- with respect to the 2014A Subordinate Bonds, each June 1 and December 1, commencing December 1, 2014, and with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds and 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, each June 1 and December 1 commencing on the June 1 immediately following the applicable Current Interest Commencement Date for the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, as applicable.

"Issuance Cost" -- costs incurred by or on behalf of the Commission in connection with the issuance of Subordinate Indenture Bonds including, without limitation, the following: payment of financial, legal, accounting and appraisal fees and expenses, the Commission’s fees and expenses attributable to the issuance of the Subordinate Indenture Bonds, the cost of printing, engraving and reproduction services, fees and expenses incurred in connection with any Credit Facility and any Approved Swap Obligation, legal fees and expenses for Bond Counsel, Commission’s counsel, Trustee’s counsel and Underwriter’s counsel relating to the issuance of the Subordinate Indenture Bonds, the initial or acceptance fee of the Trustee, and all other fees, charges and expenses incurred in connection with the issuance of the Subordinate Indenture Bonds and the preparation of the Subordinate Indenture.

"Letter of Representations" -- the letter of representations or similar document executed by the Commission and delivered to the Securities Depository (and any amendments thereto or successor agreements) for one or more Series of Book Entry Bonds.

"Long-Term Indebtedness" -- all Indebtedness, which is not (a) Short-Term Indebtedness or (b) Subordinated Indebtedness.

“Maturity Amount” -- as to any 2014A Subordinate Convertible Capital Appreciation Bond or any 2014A MLF Special Revenue Convertible Capital Appreciation Bond, the Compounded Amount as of the applicable Current Interest Commencement Date and as to any 2014A Subordinate Capital Appreciation Bond, the Compounded Amount as of the date of maturity of such bond.

“Maximum Annual Debt Service" -- at any point in time, the maximum amount of annual Debt Service on all applicable Long-Term Indebtedness paid or payable in the then current or any future Fiscal Year.

"Moody’s" -- Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody’s" shall be deemed to refer to any other nationally recognized rating agency designated by the Commission.

"Motor License Fund" -- the Commonwealth Motor License Fund.

"Original Principal Amount" -- the Compounded Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond as of the date of original issuance.

"Original Subordinate Indenture Bonds" -- the Commission’s Subordinated Turnpike Revenue Bonds, Series 2008A, issued in an aggregate principal amount of $244,855,000.

"Outstanding" or "outstanding" in connection with Subordinate Indenture Bonds -- all Subordinate Indenture Bonds which have been authenticated and delivered under the Subordinate Indenture, except:

(a) Subordinate Indenture Bonds theretofore cancelled or delivered to the Trustee for cancellation under the Subordinate Indenture;

(b) Subordinate Indenture Bonds which are deemed to be no longer Outstanding in accordance with the section "Defeasance; Deposit of Funds for Payment of Subordinate Indenture Bonds"; and

(c) Subordinate Indenture Bonds in substitution for which other Subordinate Indenture Bonds have been authenticated and delivered pursuant to the Subordinate Indenture.

"Parity Obligations" -- Revenue Bonds Parity Obligations and Special Revenue Bonds Parity Obligations as separately secured in accordance with the Subordinate Indenture.

"Parity Swap Agreement" -- shall have the meaning set forth in this Appendix C in the section entitled "Approved and Parity Swap Obligations."

"Parity Swap Agreement Counterparty" -- the counterparty to a Parity Swap Agreement with the Commission or with the Trustee.

"Paying Agent" -- with respect to any series of Subordinate Indenture Bonds, that Person appointed pursuant to the Subordinate Indenture to make payments to Subordinate Indenture Bondholders of interest and/or principal pursuant to the terms of the Subordinate Indenture, which initially shall be the Trustee.

"Payments" -- Funding Agreement, grant or other payments made to PennDOT pursuant to the provisions of Act 44 or the Funding Agreement.

"PennDOT" -- Pennsylvania Department of Transportation.

"Permitted Investments" -- (to the extent permitted by law)

(a) Government Obligations;

(b) obligations issued or guaranteed as to full and timely payment of principal and interest by any agency or Person controlled or supervised by and acting as an instrumentality of the U.S., pursuant to authority granted by the U.S. Congress;

(c) obligations of the Governmental National Mortgage Association, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Maritime Administration and Public Housing Authorities, provided that the full and timely payment of the principal and interest on such obligations shall be unconditionally guaranteed by the U.S.;

(d) obligations of the Federal Intermediate Credit Corporation and of the Federal National Mortgage Association;

(e) obligations of the Federal Banks for Cooperation;

(f) obligations of Federal Land Banks;

(g) obligations of Federal Home Loan Banks; provided that the obligations described in clauses (c) through (f) above shall constitute Permitted Investments only to the extent that the Rating Agency has assigned a rating to such obligations which is not lower than the highest rating assigned by such Rating Agency to any series of Subordinate Indenture Bonds then Outstanding;

(h) certificates of deposit of any bank, savings and loan or trust company organized under the laws of the U.S. or any state thereof, including the Trustee or any holder of the Subordinate Indenture Bonds, provided that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by Permitted Investments described in (a), (b), (c), (d), (e), (f) or (g) above having a market value at all times equal to the uninsured amount of such deposit;

(i) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which are rated by S&P, Moody's and Fitch in one of their two highest rating categories;

(j) investment agreements (which term, for purposes of this clause, shall not include repurchase agreements) with a Qualified Financial Institution;

(k) repurchase agreements with banks or primary government dealers reporting to the Federal Reserve Bank of New York ("Repurchasers"), including but not limited to the Trustee and any of its affiliates, provided that each such repurchase agreement results in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified Permitted Investments described in (a), (b), (c), (d), (e), (f) or (g) above which are free and clear of any claims by third parties and are segregated in a custodial or trust account held either by the Trustee or by a third party (other than the Repurchaser) as the agent solely of, or in trust solely for the benefit of, the Trustee, provided that Government Obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such Government Obligations or the repurchase price thereof set forth in the applicable repurchase agreement;

(1) Bonds or notes issued by any state or municipality which are rated by S&P, Moody's and Fitch in one of their two highest rating categories;

(m) Commercial paper rated in the highest short term, note or commercial paper Rating Category by S&P, Moody's and Fitch;

(n) Any auction rate certificates which are rated by S&P, Moody's and Fitch in one of their two highest rating categories;

(o) Corporate bonds and medium term notes rated at least "AA-" by Moody's and S&P;

(p) Asset-backed securities rated in the highest rating category by Moody's and S&P; or

(q) Any other investment approved by the Commission for which confirmation is received from the Rating Agency that such investment will not adversely affect such Rating Agency's rating on the Subordinate Indenture Bonds.

"Person" -- an individual, public body, a public instrumentality, a corporation, a limited liability company, a partnership, limited liability partnership, an association, a joint stock company, a trust and any unincorporated organization.

"Policy Costs" -- a periodic fee or charge required to be paid to maintain a DSRF Security.

"Project" or "Cost"-- any financing which is authorized by the Enabling Acts or which may be hereafter authorized by law.

"Projected Annual Debt Service" -- for any future period of time, shall equal the amount of Maximum Annual Debt Service on all Long-Term Indebtedness then Outstanding and on any Long-Term Indebtedness proposed to be issued.

"Projected Debt Service Coverage Ratio" -- for the immediately two following Fiscal Years, the ratio determined by dividing the projected amounts to be paid into the General Reserve Fund for each of such years by the Projected Annual Debt Service for each of such years.

"Rate Covenant" -- the requirement to establish and maintain a schedule of Tolls sufficient to provide the funds required, as more fully described in the forepart of this Official Statement under the caption "SECURITY FOR THE 2014A BONDS -- Rate Covenant."

"Rating Agency" -- Fitch, Moody's, S&P and such other nationally recognized securities rating agency as may be so designated in writing to the Trustee by a Commission Official.

"Rating Category" -- each major rating classification established by the Rating Agency, determined without regard to gradations such as "1," "2" and "3" or "plus" and "minus."

"Record Date" -- unless otherwise provided with respect to any series of Subordinate Indenture Bonds in a Supplemental Indenture: (a) for Subordinate Indenture Bonds on which interest is payable on the first day of a month, the fifteenth day of the immediately preceding month; or (b) for Subordinate Indenture Bonds on which interest is payable on the fifteenth day of a month, the last day of the immediately preceding month. However, in each case, if the date specified above is not a Business Day, then the Record Date shall be the Business Day next preceding the date specified above.

"Reimbursement Agreement" -- an agreement between the Commission and one or more Banks pursuant to which, among other things, such Bank or Banks issue a Credit Facility with respect to Subordinate Indenture Bonds of one or more Series and the Commission agrees to reimburse such Bank or Banks for any drawings made thereunder.

"Reimbursement Obligation" -- an obligation of the Commission pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility and to pay interest on such drawn amounts pursuant to such Reimbursement Agreement.

"Responsible Officer" -- when used with respect to the Trustee, any officer in the corporate trust department (or any successor thereto) of the Trustee, or any other officer or representative of the Trustee customarily performing functions similar to those performed by any of such officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Revenue Bonds" -- bonds issued pursuant to the Subordinate Indenture for the purpose of making Payments to PennDOT to finance transit programs and other purposes pursuant to Act 44 and which are not secured by Commonwealth Motor License Fund Payments, but have a senior claim on Commission Payments.

"Revenue Bonds Parity Obligations" -- Revenue Bonds and all other obligations agreed by the Commission to be on a parity therewith.

"S&P" -- Standard & Poor's Ratings Services, a unit of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Commission.

"Secured Owner" -- each Person who is a Subordinate Indenture Bondholder of any Subordinate Indenture Bonds, each Parity Swap Agreement Counterparty providing a Parity Swap Agreement, each Bank providing a Credit Facility, each Bond Insurer providing a Bond insurance policy with respect to a Parity Obligation, each provider of a DSRF Security and holders of other Parity Obligations.

"Senior Indenture" -- the Amended and Restated Trust Indenture originally dated as of July 1, 1986 and amended and restated as of March 1, 2001 between the Commission and U.S. Bank National Association, as successor trustee, as it may be amended, supplemented or replaced, in connection with the Commission's main line toll revenue bonds.

"Senior Indenture Trustee" -- the legal Person that is the trustee under the Senior Indenture whether by contract or operation of law.

"Series" or "Sub-Series" means any series or sub-series of bonds issued pursuant to the Subordinate Indenture or any Supplemental Indenture. With respect to the 2014A Bonds, it means each of the 2014A Subordinate Revenue Bonds and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds.

"Short-Term Indebtedness" -- all Indebtedness which matures in less than 365 days and is designated as Short-Term Indebtedness pursuant to the Subordinate Indenture. In the event a

Bank has extended a line of credit or the Commission has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days shall be considered Short-Term Indebtedness and the full amount of such commitment or program shall not be treated as Short-Term Indebtedness to the extent that such facility remains undrawn.

"Special Record Date" – with respect to the 2014A Bonds, the date fixed by the Trustee for payment of Defaulted Interest.

"Special Revenue Bonds" – bonds issued pursuant to the Subordinate Indenture and authorized pursuant to Section 9511.4 of Act 44 which are secured by Commonwealth Motor License Fund payments but are subordinate to Revenue Bonds with respect to their claim on Commission Payments.

"Special Revenue Bonds Parity Obligations" -- Special Revenue Bonds and all other obligations agreed by the Commission to be on a parity therewith with respect to their claim on Commission Payments.

"Special Revenue Bond Payments" -- payments received from the Commonwealth's Motor License Fund pursuant to Act 44 for the purpose of paying debt service on Special Revenue Bonds.

"Subordinate Indenture" -- the Subordinate Trust Indenture dated as of April 1, 2008 by and between the Commission and the Trustee, as supplemented and amended through the dated date of the Supplemental Indenture No. 16, and as further supplemented and amended by Supplemental Indenture No. 16, and as it may be further supplemented and amended from time to time.

"Subordinate Indenture Bond" or "Subordinate Indenture Bonds" -- Original Subordinate Indenture Bonds and all other indebtedness of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued as Additional Subordinate Indenture Bonds under the Subordinate Indenture, other than Additional Subordinate Indenture Bonds issued as Subordinated Indebtedness.

"Subordinate Indenture Bond Owner," "Subordinate Indenture Bondholder," "Holder," "Owner" or "Registered Owner" (or the lower case version of the same) -- the Person in whose name any Subordinate Indenture Bond or Subordinate Indenture Bonds are registered on the books maintained by the Subordinate Indenture Registrar.

"Subordinated Indebtedness" -- Indebtedness that is subordinated and junior in all respects to payment of all or any Series of Subordinate Indenture Bonds and other Parity Obligations incurred under the Subordinate Indenture, provided certain prior conditions imposed by the Subordinate Indenture are met.

"Sub-Series" -- with respect to the 2014A Subordinate Revenue Bonds, each of the 2014A Subordinate Bonds, the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A Subordinate Capital Appreciation Bonds.

"Supplemental Indenture" -- any supplemental indenture to the Subordinate Indenture, now or hereafter duly authorized and entered into in accordance with the provisions of the Subordinate Indenture.

"System" -- what are commonly referred to as the "Main Line" and the "Northeast Extension" of the Commission and any other roads for which the Commission has operational responsibility and is collecting Tolls, unless the Commission identifies such roads in a writing addressed to the Trustee (other than the "Main Line" and the "Northeast Extension") as not being part of the System for the purposes of the Subordinate Indenture. Notwithstanding the foregoing, no portion of Interstate 80 shall be deemed to be a portion of the "System" unless the Commission affirmatively makes such election in a writing to the Trustee.

"Tender Indebtedness" -- any Indebtedness or portion thereof:

(a) the terms of which include (1) an option or an obligation on the part of the Secured Owner to tender all or a portion of such Indebtedness to the Commission, the Trustee, the Paying Agent or another fiduciary or agent for payment or purchase and (2) a requirement on the part of the Commission to purchase or cause to be purchased such Indebtedness or portion thereof if properly presented; and

(b) which is rated in either (1) one of the two highest long-term Rating Categories by the Rating Agency or (2) the highest short-term, note or commercial paper Rating Category by the Rating Agency.

"Tolls" -- all rates, rents, fees, charges, fines or other income derived by the Commission from vehicular usage of the System, and all rights to receive the same.

"Trustee" -- Wells Fargo Bank, N.A. (successor to TD Bank, National Association), a national banking association organized and existing under the laws of the United States of America, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Trust Estate" -- has the meaning provided in the forepart of this Official Statement under the caption "SECURITY FOR THE 2014A BONDS – 2014A Subordinate Revenue Bonds – General".

"U.S." -- United States of America.

"Variable Rate Bonds" — Subordinate Indenture Bonds issued as Variable Rate Indebtedness.

"Variable Rate Indebtedness" -- any Indebtedness the interest rate on which fluctuates from time to time subsequent to the time of incurrence. Variable Rate Indebtedness may include, without limitation, (a) "auction rate" Indebtedness, that is, Variable Rate Indebtedness (1) the interest rate applicable to which (after an initial period following the issuance thereof or the conversion thereof to such an interest rate mode) is reset from time to time through an auction or bidding system and (2) which the Commission has no obligation to repurchase in connection with the resetting of the interest rate applicable thereto except to the extent proceeds are available for such purpose either from the remarketing of such Variable Rate Indebtedness or from such other sources as identified in the Supplemental Indenture pursuant to which such Variable Rate Indebtedness was issued, (b) Tender Indebtedness, (c) commercial paper Indebtedness which is intended to be reissued and refinanced periodically, or (d) other forms of Indebtedness on which the interest fluctuates or is subject to being set or reset from time to time.

SUBORDINATE INDENTURE

Subordinate Indenture Bonds

All Subordinate Indenture Bonds shall be issued substantially and shall contain such maturities, payment terms, interest rate provisions, redemption or prepayments features and other provisions as shall be set forth in the Supplemental Indenture providing for their issuance. Subordinate Indenture Bonds include Revenue Bonds, Special Revenue Bonds and such other related bonds as the Commission may determine.

Subordinate Turnpike Revenue Bonds.

Revenue Bonds shall be issued under the Subordinate Indenture for the purpose of making Payments to PennDOT to finance transit programs and other purposes pursuant to Act 44 and Act 89. The Revenue Bonds shall be senior in right of payment to the Special Revenue Bonds.

Subordinate Special Revenue Turnpike Revenue Bonds

Subordinate Special Revenue Turnpike Revenue Bonds shall be issued under the Subordinate Indenture for the purpose of making Funding Agreement Rental Payments to PennDOT for the purposes of financing highway and bridge construction and paying other Costs of the Department (as defined in Act 44). The payment of debt service on the Special Revenue Bonds shall be junior in right of payment to the payment of debt service on the Revenue Bonds and the restoration of any deficiency in the Debt Service Reserve Fund for the Revenue Bonds pursuant to the Subordinate Indenture.

Limited Obligations

The Subordinate Indenture Bonds shall be limited obligations of the Commission, payable solely from the Trust Estate. The Subordinate Indenture Bonds shall constitute a valid claim of the respective owners thereof against the Trust Estate to the extent provided in the Subordinate Indenture, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Subordinate Indenture Bonds as provided in the Subordinate

Indenture, and which shall be utilized for no other purpose, except as expressly authorized in the Subordinate Indenture. The Subordinate Indenture Bonds shall not constitute general obligations of the Commission and under no circumstances shall the Subordinate Indenture Bonds be payable from, nor shall the holders thereof have any rightful claim to, any income, revenues, funds or assets of the Commission other than those pledged in the Subordinate Indenture as security for the payment of the Subordinate Indenture Bonds.

Additional Subordinate Indenture Bonds

The Commission will not issue or incur any other Indebtedness having a parity lien on the Trust Estate except for Additional Subordinate Indenture Bonds issued pursuant to this Section and other Parity Obligations. Additional Subordinate Indenture Bonds may be issued and the Trustee shall authenticate and deliver such Additional Subordinate Indenture Bonds when there have been filed with the Trustee the following:

(a) A copy certified by a Commission Official of the resolution or resolutions of the Commission authorizing (1) the execution and delivery of a Supplemental Indenture providing for, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates and redemption provisions of such Additional Subordinate Indenture Bonds, and (2) the issuance, sale, execution and delivery of the Additional Subordinate Indenture Bonds;

(b) An original executed counterpart of the Supplemental Indenture;

(c) An opinion or opinions of Bond Counsel, addressed to the Commission and the Trustee, to the effect that (1) issuance of the Additional Subordinate Indenture Bonds is permitted under the Subordinate Indenture, (2) each of the Supplemental Indenture and the Additional Subordinate Indenture Bonds has been duly authorized, executed and delivered and is a valid, binding and enforceable obligation of the Commission, subject to bankruptcy, equitable principles and other standard legal opinion exceptions and (3) subject to the last paragraph of this Section, interest on the Additional Subordinate Indenture Bonds is not included in gross income for federal income tax purposes under the Code;

(d) A request and authorization of the Commission, signed by a Commission Official, to the Trustee to authenticate and deliver the Additional Subordinate Indenture Bonds to such Person or persons named therein after confirmation of payment to the Trustee for the account of the Commission of a specified sum (which may include directions as to the disposition of such sum);

(e) A certificate of the Commission, signed by a Commission Official, that the Commission is not in default under the Subordinate Indenture and evidence satisfactory to the Trustee that, upon issuance of the Additional Subordinate Indenture Bonds, amounts will be deposited in the Funds under the Subordinate Indenture adequate for the necessary balances therein after issuance of the Additional Subordinate Indenture Bonds (including an amount sufficient to satisfy the Debt Service Reserve Requirement if the Additional Subordinate Indenture Bonds constitute Debt Service Reserve Fund Bonds);

(f) A certificate of the Commission, signed by a Commission Official, specifying the amount of each Class of Subordinate Indenture Bonds Outstanding after issuance of the Additional Subordinate Indenture Bonds, identifying the Additional Subordinate Indenture Bonds as Revenue Bonds or Special Revenue Bonds, Short-Term Indebtedness, Long-Term Indebtedness or Subordinated Indebtedness and demonstrating with reasonable detail that the provisions of the Senior Indenture and of the Subordinate Indenture with respect to the incurrence of additional indebtedness have been met for the issuance of such Additional Subordinate Indenture Bonds; and

(g) Such further documents, moneys and securities as are required by the provisions of the Supplemental Indenture.

Anything in the Subordinate Indenture to the contrary notwithstanding, Additional Subordinate Indenture Bonds may bear interest which is included in gross income for federal income tax purposes under the Code, in which event provisions in the Subordinate Indenture requiring or referencing the exclusion of interest on Subordinate Indenture Bonds from gross income for federal income tax purposes may be ignored or modified, as appropriate, as set forth in an opinion of Bond Counsel.

Approved and Parity Swap Obligations

The Commission may enter into one or more contracts having an interest rate, currency, cash-flow, or other basis desired by the Commission (a "Swap Agreement"), including, without limitation, interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures contracts, contracts providing for payments based on levels of or changes in interest rates, currency exchange rates, stock or other indices, or contracts to exchange cash flows or a series of payments, and contracts including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, currency rate, spread or similar exposure. In the event the Commission wishes the payments to be made and received by the Commission under the Swap Agreement to be taken into account in any calculation of Annual Debt Service under the Subordinate Indenture, the Commission shall file with the Trustee the following on or before entering into the Swap Agreement (in which event, such Swap Agreement shall constitute an "Approved Swap Agreement"):

(a) A copy certified by a Commission Official of the resolution or resolutions of the Commission authorizing the execution and delivery of the Swap Agreement (no Supplemental Indenture being required unless the Commission determines it to be necessary or appropriate);

(b) An original executed counterpart of the Swap Agreement;

(c) An opinion of Bond Counsel addressed to the Commission and to the Trustee, to the effect that execution of the Swap Agreement is permitted under the laws of the Commonwealth and will not adversely affect the exclusion from gross income from interest on any Subordinate Indenture Bonds (or any other Commission bonds to which such Swap Agreement relates) for federal income tax purposes; provided that if the Swap Agreement relates to Subordinate Indenture Bonds being issued and the Swap Agreement is entered into prior to the issuance of such Subordinate Indenture Bonds, the portion of the opinion of Bond Counsel referring to tax-exempt status of the Subordinate Indenture Bonds need not be delivered until such Subordinate Indenture Bonds are issued;

(d) A certificate of the Commission, signed by a Commission Official, that the Commission is not under default under the Subordinate Indenture;

(e) Evidence that the execution of the Swap Agreement will not result in a reduction or withdrawal of the rating then assigned to any Subordinate Indenture Bonds by the Rating Agency;

(f) Evidence that the relevant provisions of the Subordinate Indenture have been met with respect to additional indebtedness as applicable to Swap Agreements; and

(g) Such further documents as are required by the Swap Agreement or Bond Counsel.

In the event the Commission wishes to enter into an Approved Swap Agreement and to have any or all of its obligations thereunder be on parity with certain other Subordinate Indenture Bonds and certain other Parity Obligations, it shall file with the Trustee the items set forth above, together with a supplemental indenture granting such parity position (in which event, such Swap Agreement shall constitute a "Parity Swap Agreement"). Upon entering into a Parity Swap Agreement, unless otherwise provided in the supplemental indenture, the Commission shall pay to the Trustee for deposit into the Interest Account the net amount payable, if any, to the Parity Swap Agreement Counterparty as if such amounts were additional amounts of interest due; and the Trustee shall pay on behalf of the Commission to the Parity Swap Agreement Counterparty, to the extent required under the Parity Swap Agreement, amounts deposited in the Interest Account. Net amounts received by the Commission or the Trustee from the counterparty pursuant to a Parity Swap Agreement shall be deposited to the credit of the Interest Account for the related Series of Subordinate Indenture Bonds or to such other account as designated by a Commission Official.

Amounts paid by or to the Commission pursuant to Approved Swap Agreements which do not constitute Parity Swap Agreements shall not be required to be made through the Trustee as described in the preceding paragraph (but shall be taken into account in calculation of Annual Debt Service as provided in the definition of such term).

Conversions of Variable Rate Indebtedness to Fixed Rate Indebtedness

The Commission may convert Variable Rate Indebtedness to a fixed rate if permitted pursuant to the terms thereof and if the Commission was in compliance with the Rate Covenant for the most recently completed Fiscal Year. If the Commission did not meet the Rate Covenant for such Fiscal Year, the Commission must treat the proposed conversion as if it constituted the issuance of Additional Subordinate Indenture Bonds by meeting the requirements set forth in the Subordinate Indenture (computing the Annual Debt Service with respect to such Variable Rate

Indebtedness proposed to be converted as bearing interest at the Bond Buyer Index or such other rate as identified by a Financial Consultant as being more appropriate under the circumstances).

Commission Payments

The Commission has covenanted to make the Commission Payments as described under "SECURITY FOR THE 2014A BONDS — Commission Payments" in the forepart of this Official Statement.

In the event of any failure by the Commission to make any of the payments required to be deposited in the Interest Sub-Account or Principal Sub-Account for the Special Revenue Bonds, the Trustee shall promptly, after utilizing any available funds in the Residual Fund or the applicable Account of the Debt Service Reserve Fund, transfer to such Sub-Accounts from any balances in the Interest Sub-Account or Principal Sub-Account for the Subordinated Special Revenue Bonds such amounts as are necessary to correct such deficiencies. Notwithstanding the foregoing, any funds on deposit in the Special Revenue Bonds Receipts Account or the Special Revenue Bonds Funded Debt Service Sub-Account, or transferred from either account to the Special Revenue Bonds Interest Sub-Account or Principal Sub-Account for the payment of debt service on Special Revenue Bonds pursuant to the Subordinate Indenture, may only be used for the payment of debt service on Special Revenue Bonds and may not be used for the payment of debt service on Revenue Bonds or for any other purpose.

In the event of any failure by PennDOT or the Treasurer of the Commonwealth to deposit funds transferred from the Motor License Fund into the Special Revenue Bonds Receipts Account as required in the preceding paragraph for the payment of any interest or principal due on Special Revenue Bonds, then the Trustee shall withdraw such amounts from the Special Revenue Bonds Funded Debt Service Sub-Account and transfer the monies to the Special Revenue Bonds Interest Sub-Account or the Principal Sub-Account, as appropriate, on the applicable Interest Payment Date, principal payment date or mandatory sinking fund installment date. If monies are received from the Motor License Fund subsequent to payments being made pursuant to this Section, then such Motor License Fund monies shall be transferred from the Special Revenue Bonds Receipts Account to the Special Revenue Bonds Funded Debt Service Sub-Account, as set forth in the forepart of this Official Statement under the caption "SECURITY FOR THE 2014A BONDS -- Debt Service Fund" to restore any deficiency thereunder.

Rate Covenant

The Commission covenants that it will establish and maintain schedules of Tolls for traffic over the System as required by the Senior Indenture as described under "SECURITY FOR THE 2014A BONDS — Rate Covenant" in the forepart of this Official Statement.

Creation of Funds

In addition to any funds created by any Supplemental Indenture, the Subordinate Indenture creates the following funds: Commission Payments Fund, Administrative Expenses

Fund, Debt Service Fund, Debt Service Reserve Fund, Motor License Fund Repayment Fund, Rebate Fund, and Residual Fund. Amounts deposited in such funds shall be held in trust by the Trustee until applied as directed under the Subordinate Indenture. Such funds are further described in the forepart of this Official Statement under each respective fund name under the overall caption "SECURITY FOR THE 2014A BONDS".

Rebate Fund

The Commission covenants to calculate and to pay directly to the government of the U.S. all amounts due for payment of "arbitrage rebate" under Section 148(f) of the Code with respect to any Subordinate Indenture Bonds. Nevertheless, the Commission in the future may deposit with the Trustee or direct the Trustee to deposit in the Rebate Fund amounts held in any Fund hereunder for any or all Series of Subordinate Indenture Bonds (which direction shall specify the procedures for collection and payment of amounts due in respect of arbitrage rebate) if (a) required under any amendments to Section 148(f) of the Code or (b) the Commission otherwise determines that the funding of the Rebate Fund is necessary or appropriate. The Rebate Fund is a trust fund but the amounts therein do not constitute part of the Trust Estate. Amounts on deposit in the Rebate Fund may be used solely to make payments to the U.S. under Section 148 of the Code and to pay costs related to the calculation of the amounts due. Upon satisfaction of the Commission's covenants described above, any amounts remaining in the Rebate Fund shall be deposited in the Commission Payments Fund.

Moneys Set Aside for Principal and Interest Held in Trust

All moneys which the Trustee shall have set aside (or deposited with any paying agent) for the purpose of paying any of the Subordinate Indenture Bonds, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective holders of the applicable Series of such Subordinate Indenture Bonds. However, any moneys which shall be so held or deposited by the Trustee, and which shall remain unclaimed by the holders of such Subordinate Indenture Bonds for the period of five years after the date on which such Subordinate Indenture Bonds shall have become payable, shall be paid to the Commission upon its written request or to such officer, board or body as may then be entitled by law to receive the same; thereafter the holders of such Subordinate Indenture Bonds shall look only to the Commission or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Additional Security

Except as otherwise provided or permitted in the Subordinate Indenture, the Trust Estate securing Subordinate Indenture Bonds issued under the terms of the Subordinate Indenture shall be shared on a parity with other Parity Obligations as provided in the Subordinate Indenture. The Commission may, however, in its discretion, provide additional security or credit enhancement for specified Parity Obligations with no obligation to provide such additional security or credit enhancement to other Parity Obligations, except that no additional security or credit enhancement shall be provided unless there shall have been first delivered to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on any Subordinate Indenture Bonds for federal income tax purposes will not be adversely affected thereby. Moreover, the Commission may provide in a Supplemental Indenture that Subordinate Indenture Bonds issued thereunder are not secured, or are secured only in part or only under certain circumstances, by the Trust Estate.

Investment of Moneys

Moneys held in any of the funds or accounts under the Subordinate Indenture may be retained uninvested, if deemed necessary by the Commission, as trust funds and secured as provided in the Subordinate Indenture or may be invested in Permitted Investments. All investments shall be made by the Trustee upon the oral request of the Commission, which is confirmed in writing by a Commission Official specifying the account or fund from which moneys are to be invested and designating the specific Permitted Investments to be acquired.

All investments must be subject to withdrawal or must mature or be subject to repurchase or redemption by the holder, not later than the earlier of (a) the date or dates set forth for similar investments in the applicable Supplemental Indenture or (b) the date on which the moneys may reasonably be expected to be needed for the purpose of the Subordinate Indenture.

Investments acquired with the moneys in any fund or account shall be a part of such fund or account and, for the purposes of determining the amount in such fund or account, shall be valued at their then fair market value. The interest or income received on an investment shall remain in the fund or account to which the investment is credited except for interest or income received on investments credited to the 2014A Subordinate Revenue Bonds Project Fund and the 2014 MLF Subordinate Special Revenue Bonds Project Fund, which amounts shall be transferred to the 2014A MLF Subordinate Special Revenue Bonds Interest Sub-Account of the Debt Service Fund as directed under Supplemental Indenture No. 16.

The Trustee shall withdraw, redeem or sell all or a portion of any investment upon receipt of the written direction from the Commission or upon a determination by the Trustee that moneys in such fund or account are to be applied or paid by the Trustee pursuant to the provisions of the Subordinate Indenture, and the proceeds thereof shall be deposited by the Trustee in the appropriate fund or account. Neither the Trustee nor the Commission shall be liable or responsible for any depreciation in the value of the Permitted Investments or for any losses incurred upon any unauthorized disposition thereof.

Each fund and account held under the Subordinate Indenture shall be valued by the Trustee at least once annually within thirty days after the end of each Fiscal Year.

Payment of Principal, Interest and Premium

The Commission covenants that it will promptly pay, by disbursement to the Trustee which is authorized to make the required payments, the principal of, premium, if any, and the interest on every Subordinate Indenture Bond and other Parity Obligations issued or agreed by the Commission to be parity under the provisions of the Subordinate Indenture at the places, on the dates and in the manner provided in the Subordinate Indenture and in said Subordinate Indenture Bonds and other Parity Obligations and will promptly pay all Administrative Expenses and any payments required to be made by the Commission to the Commonwealth's Motor License Fund. Except as otherwise provided in the Subordinate Indenture, all such monies are payable solely from Commission Payments, which Commission Payments are pledged to the payment thereof in the manner and to the extent provided in the Subordinate Indenture. Neither the general credit of the Commission nor the general credit nor the taxing power of the Commonwealth or any political subdivision, agency or instrumentality thereof is pledged for the payment of the obligations described in the Subordinate Indenture.

Limitations on Issuance of Additional Subordinate Indenture Bonds and Execution of Approved Swap Agreements

(a) Long-Term Indebtedness.

(1) The Commission agrees that it will not issue any Additional Subordinate Indenture Bonds constituting Long-Term Indebtedness unless prior to or contemporaneously with the incurrence thereof, the relevant provisions of the Senior Indenture and the Subordinate Indenture are met after taking into account as part of the calculations the issuance of such Additional Subordinate Indenture Bonds under the Subordinate Indenture and there are delivered to the Trustee:

(i) a certificate of a Commission Official certifying that the amount paid into the General Reserve Fund under the Senior Indenture for the most recent Fiscal Year preceding the delivery of such certificate for which audited financial statements are available divided by the Annual Debt Service on Outstanding Revenue Bonds including any Revenue Bonds to be issued at that time, and on Outstanding Revenue Bonds Parity Obligations, including Revenue Bonds Parity Obligations to be issued at that time, was not less than 1.15; and

(ii) a certificate of a Commission Official certifying that the amount paid into the General Reserve Fund under the Senior Indenture for the most recent Fiscal Year preceding the delivery of such certificate for which audited financial statements are available divided by the Annual Debt Service on Outstanding Special Revenue Bonds including any Special Revenue Bonds to be issued at that time, and on Outstanding Special Revenue Bonds Parity Obligations, including Special Revenue Bonds to be issued at that time, was not less than 1.00; or

(iii) a report of a Consultant to the effect that the Projected Debt Service Coverage Ratio is not less than 1.10 for the Outstanding Bonds, including any Bonds to be issued at that time, and Parity Obligations.

(2) If the Long-Term Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Indebtedness, a certificate of a Commission Official certifying the Maximum Annual Debt Service on all Applicable Long-Term Indebtedness prior to the issuance of the proposed Long-Term Indebtedness is greater than the Maximum Annual Debt Service on

all Applicable Long-Term Indebtedness after the issuance of such proposed Long-Term Indebtedness.

(3) If the Long-Term Indebtedness being incurred consists of Special Revenue Bonds, a certificate provided by or on behalf of the Commission certifying that the balance in the Motor License Fund at the end of the fiscal year immediately preceding the issuance of the Special Revenue Bonds is equal to at least three times the Maximum Annual Debt Service on all Outstanding Special Revenue Bonds after the issuance of the proposed Special Revenue Bonds.

(4) If the additional Series of Subordinate Indenture Bonds are refunding Subordinate Indenture Bonds issued to refund other Subordinate Indenture Bonds, the following shall be delivered:

(i) Evidence satisfactory to the Trustee that the Commission has made provision as required by the Subordinate Indenture for the payment or redemption of all Subordinate Indenture Bonds to be refunded;

(ii) A written determination by the Trustee or by a firm of certified independent public accountants or other qualified firm acceptable to the Commission and the Trustee that the proceeds (excluding accrued interest) of the refunding Subordinate Indenture Bonds, together with any other money to be deposited for such purpose with the Trustee, or in escrow for the benefit of the Trustee, upon the issuance of the refunding Bonds and the investment income to be earned on funds held by, or in escrow for the benefit of, the Trustee for the payment or redemption of other Subordinate Indenture Bonds will be sufficient without reinvestment to pay, whether upon redemption or at maturity, the principal of and premium, if any, and interest on the Subordinate Indenture Bonds to be refunded and the estimated expenses incident to the refunding; and

(iii) Either a written determination by the Trustee or by a firm of certified independent public accountants or other qualified firm acceptable to the Commission and the Trustee that after the issuance of the refunding Subordinate Indenture Bonds and the provision for payment or redemption of all Subordinate Indenture Bonds to be refunded, Debt Service for each Fiscal Year in which there will be Outstanding Subordinate Indenture Bonds (not including Subordinate Indebtedness) of any Series not to be refunded will not be more than Debt Service for the Fiscal Year would have been respectively in each case on all Outstanding Revenue Bonds and on all Outstanding Special Revenue Bonds (in each case not including Subordinate Indebtedness) immediately before the issuance of the refunding Bonds, including the Subordinate Indenture Bonds, to be refunded.

(b) Subordinated Indebtedness. The Commission may incur Indebtedness (hereinafter referred to as "Subordinated Indebtedness") without limit which is subordinated and junior in all respects to payment of all or any Series of Subordinate Indenture Bonds and other Parity Obligations incurred under the Subordinate Indenture so that the same is payable as to principal and interest once all other payments have been made under the Subordinate Indenture from the amounts on deposit to the credit of the Commission Payments Fund as long as prior to or contemporaneously with the incurrence thereof, there is delivered to the Trustee:

(1) a certificate of a Commission Official certifying that the Rate Covenant would have been met during the preceding Fiscal Year taking into account the Maximum Annual Debt Service on such Subordinated Indebtedness, and

(2) the other items listed in the Subordinate Indenture for incurring Additional Subordinate Indenture Bonds (as the same may be modified to reflect the fact that such Indebtedness is Subordinated Indebtedness).

Such Subordinated Indebtedness and the payment thereof may be secured by a lien and pledge (a) subordinate to that of the Subordinate Indenture Bonds or any Series thereof on the Commission Payments or (b) prior to, on a parity with or subordinate to, the Subordinate Indenture Bonds or any Series thereof on Other Revenues, in which event the Commission and the Trustee may establish such other accounts under the Subordinate Indenture as they deem necessary or appropriate.

(c) Approved Swap Agreements. The Commission agrees that it will not enter into any Approved Swap Agreement unless prior to or contemporaneously with the incurrence thereof, the provisions of the Subordinate Indenture are met and there is delivered to the Trustee one of the certificates or reports required in subsection (b) above, which takes into account the expected payments by and to the Commission pursuant to such Approved Swap Agreement in calculating Annual Debt Service.

Covenant as to Funding Agreement

The Commission covenants it will not agree to any amendments or supplements to the Funding Agreement or waivers thereunder which adversely affect the holders of the Subordinate Indenture Bonds. The Commission covenants, as set forth in the Funding Agreement, that its obligations to pay Funding Agreement Rental Payments shall be subordinate obligations of the Commission, payable from amounts in the General Reserve Fund only as permitted by any financing documents, financial covenants, liquidity policies or agreements in effect of the Commission. The Commission agrees that Funding Agreement Rental Payments will not be made when there is an outstanding uncured Event of Default under the Senior Indenture or this Subordinate Indenture.

Tax Covenants

The Commission covenants that it will neither make nor direct the Trustee to make any investment or other use of the proceeds of any Series of tax exempt Subordinate Indenture Bonds issued under the Subordinate Indenture that would cause such Series of tax exempt Subordinate Indenture Bonds to be "arbitrage bonds", as that term is defined in Section 148(a) of the Code, and that it will comply with the requirements of the Code throughout the term of such Series of tax exempt Subordinate Indenture Bonds. The Trustee covenants that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

Notwithstanding the foregoing, the Commission hereby reserves the right to elect to issue one or more Series of Additional Subordinate Indenture Bonds, the interest on which is not exempt from federal income taxation. If such election is made prior to the issuance of such Additional Subordinate Indenture Bonds, then the covenants contained in this Section shall not apply to such Series of Subordinate Indenture Bonds.

The Commission covenants that it (1) will take, or use its best efforts to require to be taken, all actions that may be required of the Commission for the interest on the Subordinate Indenture Bonds to be and remain not included in gross income for federal income tax purposes and (2) will not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

Events of Default

Each of the following is an "Event of Default" with respect to a particular Series under the Subordinate Indenture:

(a) Default in the payment of any installment of principal, redemption premium, if any, interest or other amount due on that particular Class of Subordinate Indenture Bonds when the same becomes due and payable;

(b) Default in the payment by the Commission of any other Parity Obligation of that particular Class;

(c) With respect only to Special Revenue Bonds and subject to the provisions of the Subordinate Indenture, default in the performance or breach of the covenants contained in the Subordinate Indenture;

(d) Subject to the provisions of the Subordinate Indenture, default in the performance or breach of any other covenant, warranty or representation of the Commission contained in the Subordinate Indenture (other than a default under subsections (a) and (b) of this "Events of Default" Section);

(e) The occurrence of any Event of Default under any Supplemental Indenture with respect to that particular Class; or

(f) (1) The occurrence of an Event of Bankruptcy of the Commission; (2) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Commission or of any substantial portion of its property, which appointment shall not have been rescinded or stayed within ninety (90) days after taking effect; or (3) the ordering of the winding up or liquidation of the affairs of the Commission.

Remedies

(a) The Trustee, upon the occurrence of an Event of Default may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Revenue Bonds Outstanding and subject, to the requirements of the Subordinate Indenture, shall proceed to protect and enforce its rights and the rights of the holders of the applicable Series of Subordinate Indenture Bonds under the Subordinate Indenture by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained in the Subordinate Indenture or in aid of the execution of any power granted in the Subordinate Indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, in reliance upon the advice of Counsel, may deem most effective to protect and enforce any of the rights or interests of the applicable Series of Subordinate Indenture Bondholders under the applicable Series of Subordinate Indenture Bonds or the Subordinate Indenture.

(b) Without limiting the generality of the foregoing, the Trustee shall at all times have the power to institute and maintain such proceedings as it may deem expedient: (1) to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Subordinate Indenture, and (2) to protect its interests and the interests of the Subordinate Indenture Bondholders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including the power to maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order which may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the Trust Estate or be prejudicial to the interests of the Subordinate Indenture Bondholders or the Trustee.

(c) The Trustee, upon the occurrence of an Event of Default may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Special Revenue Bonds Outstanding, appoint a co-trustee to represent the holders of the Special Revenue Bonds in all proceedings to enforce payments from the Motor License Fund and the Special Revenue Bonds Funded Debt Service Sub-Account except as to any enforcement relating to the covenants of Act 44, which shall require the written direction of the Holders of not less than twenty-five (25%) of the principal amount of the Special Revenue Bonds then Outstanding, as set forth under the section "Covenants as to Act 44— Special Revenue Bonds" in the Subordinate Indenture.

(d) Notwithstanding anything to the contrary contained in the Subordinate Indenture, the Trustee shall proceed to protect and enforce its rights under the section "Commission Payments" and the rights of the holders of the applicable Series of Subordinate Indenture Bonds under the section "Commission Payments" by a suit or suits in equity or at law, either for the specific performance or mandamus of any covenant or agreement contained in the Subordinate Indenture in a manner that the Trustee in reliance, upon the advice of Counsel, may deem most effective to protect and enforce any of its rights under the section "Commission Payments" or the interests of the applicable Series of Subordinate Indenture Bondholders under the section "Commission Payments."

Marshaling of Assets

Upon the occurrence of an Event of Default, all moneys in all Funds (other than moneys in the Rebate Fund and the Motor License Fund Repayment Fund) shall be available to be utilized by the Trustee in accordance with the Subordinate Indenture. The rights of the Trustee under the Subordinate Indenture shall be applicable. During the continuance of any such Event of Default, all provisions of the Subordinate Indenture relating to the utilization of Funds shall be superseded by the right of the Trustee to marshal assets under the Subordinate Indenture. Subsequent to the curing or waiver of any such Event of Default, the provisions of the Subordinate Indenture relating to utilization of Funds shall be reinstated.

Trustee May File Proofs of Claim

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding under the Bankruptcy Law relating to the Commission, any other obligor upon the Subordinate Indenture Bonds or any property of the Commission, the Trustee (whether or not the principal of the Subordinate Indenture Bonds shall then be due and payable by acceleration or otherwise, and whether or not the Trustee shall have made any demand upon the Commission for the payment of overdue principal, redemption premium, if any, and interest) shall be entitled and empowered, by intervention in such proceeding or other means:

(1) to file and prove a claim for the whole amount of the principal, redemption premium, if any, and interest owing and unpaid in respect of the Subordinate Indenture Bonds then Outstanding or for breach of the Subordinate Indenture and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and Counsel) and of the holders allowed in such proceeding; and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and Counsel, and any other amounts due the Trustee under the Subordinate Indenture.

(b) No provision of the Subordinate Indenture empowers the Trustee to authorize or consent to or accept or adopt on behalf of any Subordinate Indenture Bondholders any plan of reorganization, arrangement, adjustment or composition affecting any of the Subordinate Indenture Bonds or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder in any proceeding described in subsection (a) above.

Notice and Opportunity to Cure Certain Defaults

No default under (c) and (d) of the section "Events of Default" above shall constitute an Event of Default under the Subordinate Indenture until written notice of such default shall have been given to the Commission by the Trustee or by the holders of at least 25% in aggregate principal amount of the applicable Series of Subordinate Indenture Bonds Outstanding, and the Commission shall have had thirty (30) days after receipt of such notice to correct such default or cause such default to be corrected, and shall have failed to do so. In the event, however, that the default is such that it cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Commission within such period and diligently pursued (as determined by the Trustee) until the default is corrected.

Priority of Payment Following Event Of Default

Any portion of the Trust Estate held or received by the Trustee, by any receiver or by any Subordinate Indenture Bond Owner pursuant to any right given or action taken under the provisions of the Subordinate Indenture, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and liabilities incurred by the Trustee and the transfer to Secured Owners (other than Owners of the Subordinate Indenture Bonds) of amounts to which they are entitled by virtue of their parity position, shall be deposited and applied as follows:

(a) first, to the payment to the persons entitled thereto of all installments of interest then due on the applicable Series of Revenue Bonds, with interest on overdue installments, if lawful, at their respective rates from the respective dates upon which they became due, in the order of maturity and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment;

(b) second, to the payment to the persons entitled thereto of the unpaid principal of any of the applicable Series of Revenue Bonds which shall have become due with interest on such Revenue Bonds at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Revenue Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal (or Compounded Amount) and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege;

(c) third, to the payment to the persons entitled thereto of all installments of interest then due on the applicable Series of Special Revenue Bonds, with interest on overdue installments, if lawful, at their respective rates from the respective dates upon which they became due, in the order of maturity and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment;

(d) fourth, to the payment to the persons entitled thereto of the unpaid principal of any of the applicable Series of Special Revenue Bonds which shall have become due with interest on such Special Revenue Bonds at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Special Revenue Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal (or Compounded Amount) and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; and

(e) fifth, to the payment of any other amounts then owing under the Subordinate Indenture, and, after said deposit into the Debt Service Fund, there shall be paid the Subordinated Indebtedness issued or incurred by the Commission pursuant to the Subordinate Indenture.

(f) notwithstanding anything in the foregoing to the contrary, any funds on deposit in the Special Revenue Bonds Receipt Account or the Special Revenue Bonds Funded Debt Service Sub-Account may only be used for the payment of debt service on Special Revenue Bonds and may not be used for the payment of debt service on Revenue Bonds or for any other purpose and shall be applied to the payment ratably of interest and principal, according to the amount of principal (or Compounded Amount) and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the foregoing provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Owners of Subordinate Indenture Bonds with respect to which the Event of Default occurred and shall not be required to make payment to any Subordinate Indenture Bond Owner until such Subordinate Indenture Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Revenue Bondholders May Direct Proceedings

The owners of a majority in aggregate principal amount of the Revenue Bonds Outstanding shall, subject to the requirements of the Subordinate Indenture, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under the Subordinate Indenture, provided that such direction shall not be in conflict with any rule of law or the Subordinate Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of Subordinate Indenture Bondholders not parties to such direction or would subject the Trustee to personal liability or expense. If no Revenue Bonds are Outstanding, the owners of a majority in aggregate principal amount of Special Revenue Bonds Outstanding shall have the right to direct all actions as set forth hereof, except as to any enforcement relating to the covenants of Act 44, which shall require the written direction of the Holders of not less than twenty-five percent (25%) of the principal amount of the Special Revenue Bonds then Outstanding, as set forth in the Subordinate Indenture. Notwithstanding the foregoing, the Trustee shall have the right to select and retain Counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction pursuant to the above.

Limitations on Rights of Subordinate Indenture Bondholders

(a) No Subordinate Indenture Bondholder shall have any right to pursue any other remedy under the Subordinate Indenture or the Subordinate Indenture Bonds unless: (1) an Event of Default shall have occurred and is continuing; (2) the owners of not less than a majority in aggregate principal amount of the applicable Series of Subordinate Indenture Bonds then Outstanding have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names; (3) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (4) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (5) no direction inconsistent with such request has been given to the Trustee during such 60 day period by the holders of a majority in aggregate principal amount of the Subordinate Indenture Bonds Outstanding.

(b) The provisions of subsection (a) of this Section are conditions precedent to the exercise by any Subordinate Indenture Bondholder of any remedy under the Subordinate Indenture. The exercise of such rights is further subject to the provisions of the Subordinate Indenture. No one or more Subordinate Indenture Bondholders shall have any right in any manner whatever to enforce any right under the Subordinate Indenture, except in the manner provided in the Subordinate Indenture. All proceedings at law or in equity with respect to an Event of Default shall be instituted and maintained in the manner provided in the Subordinate Indenture for the equal and ratable benefit of the Subordinate Indenture Bondholders of all Subordinate Indenture Bonds Outstanding.

Unconditional Right of Subordinate Indenture Bondholder to Receive Payment

Notwithstanding any other provision of the Subordinate Indenture, any Subordinate Indenture Bondholder shall have the absolute and unconditional right to receive payment of principal of, redemption premium, if any, and interest on the Subordinate Indenture Bonds on and after the due date thereof, and to institute suit for the enforcement of any such payment.

Restoration of Rights and Remedies

If the Trustee or any Subordinate Indenture Bondholder has instituted any proceeding to enforce any right or remedy under the Subordinate Indenture, and any such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or such Subordinate Indenture Bondholder, then the Commission, the Trustee and the Subordinate Indenture Bondholders, subject to any determination in such proceeding, shall be restored to their former positions under the Subordinate Indenture, and all rights and remedies of the Trustee and the Subordinate Indenture Bondholders shall continue as though no such proceeding had been instituted.

Rights and Remedies Cumulative

No right or remedy conferred under the Subordinate Indenture upon or reserved to the Trustee is intended to be exclusive of any other right or remedy, but each such right or remedy shall, to the extent permitted by law, be cumulative of and in addition to every other right or remedy given under the Subordinate Indenture or now or hereafter existing at law, in equity or otherwise. The assertion or employment of any right or remedy under the Subordinate Indenture shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Delay or Omission Not Waiver

No delay or omission by the Trustee or any Subordinate Indenture Bondholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of such Event of Default. Every right and remedy given by the Subordinate Indenture or by law to the Trustee or the Subordinate Indenture Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or the Subordinate Indenture Bondholders, as the case may be.

Waiver of Defaults

(a) The holders of a majority in aggregate principal amount of each Series of Outstanding Subordinate Indenture Bonds may, by written notice to the Trustee and subject to the requirements of the Subordinate Indenture, waive any existing default or Event of Default with respect to that particular Series and its consequences, except an Event of Default under (a) or (b) of "Events of Default" set forth above. Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes. No waiver of any default or Event of Default shall extend to or effect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

(b) Notwithstanding any provision of the Subordinate Indenture, in no event shall any Person, other than all of the affected Subordinate Indenture Bondholders, have the ability to waive any Event of Default under the Subordinate Indenture if such event results or may result, in the opinion of Bond Counsel, in interest on any of the Subordinate Indenture Bonds becoming includable in gross income for federal income tax purposes if the interest on such Subordinate Indenture Bonds was not includable in gross income for federal income tax purposes prior to such event.

Notice of Events of Default

If an Event of Default occurs of which the Trustee has or is deemed to have notice under the Subordinate Indenture the Trustee shall give Immediate Notice thereof to the Commission. Within 90 days thereafter (unless such Event of Default has been cured or waived), the Trustee shall give notice of such Event of Default to each Subordinate Indenture Bondholder then Outstanding, provided, however, that except in the instance of an Event of Default under "Events of Default" paragraphs (a) or (b), the Trustee may withhold such notice if and so long as the Trustee in good faith determines that the withholding of such notice does not materially adversely affect the interests of any Class of Subordinate Indenture Bondholders, and provided, further, that notice to Subordinate Indenture Bondholders of any Event of Default under "Events of Default" paragraphs (c) and (d) shall be subject to the provisions of the section "Priority of Payment Following Event of Default" and shall not be given until the grace period has expired.

The Trustee; Qualifications of Trustee

The Subordinate Indenture contains provisions relating to the appointment and duties of the Trustee. The Trustee under the Subordinate Indenture shall at all times be a trustee under the Subordinate Indenture which shall be a corporation or banking association organized and doing business under the laws of the U.S. or of any state, authorized under such laws to exercise corporate trust powers, which has a combined capital and surplus of at least $50,000,000, or is an affiliate of, or has a contractual relationship with, a corporation or banking association meeting such capital and surplus requirement which guarantees the obligations and liabilities of the proposed trustee, and which is subject to supervision or examination by federal or state banking authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or the requirements of such banking authority, then for purposes hereof, the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions hereof, it shall resign promptly in the manner and with the effect specified in the Subordinate Indenture.

Resignation or Removal of Trustee; Appointment of Successor Trustee

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to the Subordinate Indenture shall become effective until the acceptance of appointment by the successor Trustee under the Subordinate Indenture.

(b) The Trustee may resign at any time by giving written notice to the Commission. Upon receiving such notice of resignation, the Commission shall promptly appoint a successor Trustee by an instrument in writing. If an instrument of acceptance has not been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee or any Subordinate Indenture Bondholder may petition a court of competent jurisdiction for the appointment of a successor Trustee.

(c) Prior to the occurrence and continuance of an Event of Default under the Subordinate Indenture, or after the curing or waiver of any such Event of Default, the Commission or the holders of a majority in aggregate principal amount of the Outstanding Subordinate Indenture Bonds of each Class, may remove the Trustee and shall appoint a successor Trustee. In the event there shall have occurred and be continuing an Event of Default under the Subordinate Indenture, the holders of a majority in aggregate principal amount of each

Class of Outstanding Subordinate Indenture Bonds may remove the Trustee and shall appoint a successor Trustee. In each instance, such removal and appointment shall be accomplished by an instrument or concurrent instruments in writing signed by the Commission or such holders, as the case may be, and delivered to the Trustee, the Commission, the holders of the Outstanding Subordinate Indenture Bonds and the successor Trustee.

(d) If at any time: (1) the Trustee shall cease to be eligible and qualified under the Subordinate Indenture and shall fail or refuse to resign after written request to do so by the Commission or the holder of any Subordinate Indenture Bond, or (2) the Trustee shall become incapable of acting or shall be adjudged insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee, its property or affairs for the purpose of rehabilitation, conservation or liquidation, then in either such case (i) the Commission may remove the Trustee and appoint a successor Trustee in accordance with the provisions of paragraph (c) above; or (ii) any holder of a Subordinate Indenture Bond then Outstanding may, on behalf of the holders of all Outstanding Subordinate Indenture Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

(e) The Commission shall give written notice of each resignation or removal of the Trustee and each appointment of a successor Trustee to each holder of Subordinate Indenture Bonds then Outstanding as listed in the Subordinate Indenture Bond Register. Each such notice shall include the name and address of the applicable corporate trust office of the successor Trustee.

Notices to Subordinate Indenture Bondholders; Waiver

Where the Subordinate Indenture provides for notice to Subordinate Indenture Bondholders of any event, such notice shall be sufficiently given (unless otherwise expressly provided in the Subordinate Indenture) if in writing and mailed, first class postage prepaid, to each Subordinate Indenture Bondholder affected by each event, at his or her address as it appears on the Subordinate Indenture Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. In any case where notice to Subordinate Indenture Bondholders is given by mail, neither the failure to mail such notice, nor any default in any notice so mailed to any particular Subordinate Indenture Bondholder shall affect the sufficiency of such notice with respect to other Subordinate Indenture Bondholders. Where the Subordinate Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Subordinate Indenture Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

For so long as the Subordinate Indenture Bonds are registered solely in the name of the Securities Depository or its nominee, where the Subordinate Indenture provides for notice to the Subordinate Indenture Bondholders of the existence of, or during the continuance of, any Event of Default, the Trustee, at the expense of the Commission, shall: (a) establish a record date (the "Record Date") for determination of the Persons entitled to receive such notice; (b) request a securities position listing from the Securities Depository showing the Depository Participants holding positions in the Subordinate Indenture Bonds affected by such notice as of the Record Date for such notice; (c) mail, first class postage prepaid, copies of the notice as provided above to each Depository Participant identified in the securities position listing as holding a position in the Subordinate Indenture Bonds as of the Record Date for the notice, to each nationally recognized municipal securities information repository (within the meaning of Rule 15c2- 12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934), and to any Person identified to the Trustee as a nonobjecting beneficial owner pursuant to the immediately following clause; (d) request that the Depository Participant retransmit the notice to all Persons for which it served as nominee on the Record Date, including nonobjecting beneficial owners, or retransmit the notice to objecting beneficial owners and provide a listing of nonobjecting beneficial owners for whom the Depository Participant served as nominee on the Record Date to the Trustee, (e) provide on behalf of the Commission and not as its agent, an undertaking to pay to any Depository Participant or other nominee (other than the Securities Depository) the reasonable costs of transmitting the notice to Persons for whom the Depository Participant acts as nominee; and (f) provide as many copies of the notice as may be requested by any nominee owner of the Subordinate Indenture Bonds. Any default in performance of the duties required by this paragraph shall not affect the sufficiency of notice to the Subordinate Indenture Bondholders given in accordance with the first paragraph above, nor the validity of any action taken under the Subordinate Indenture in reliance on such notice to Subordinate Indenture Bondholders.

Supplemental Indentures Without Subordinate Indenture Bondholders' Consent

The Commission and the Trustee may from time to time and at any time enter into Supplemental Indentures, without the consent of or notice to any Subordinate Indenture Bondholder, to effect any one or more of the following:

(a) cure any ambiguity, defect or omission or correct or supplement any provision in the Subordinate Indenture or in any Supplemental Indenture;

(b) provide for earlier or larger deposits to the Revenue Bonds Account or Special Revenue Bonds Account of the Debt Service Fund;

(c) grant to or confer upon the Trustee for the benefit of the Subordinate Indenture Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Subordinate Indenture Bondholders or the Trustee which are not contrary to or inconsistent with the Subordinate Indenture as then in effect or to subject to the pledge and lien of the Subordinate Indenture additional revenues, properties or collateral including Defeasance Obligations;

(d) add to the covenants and agreements of the Commission in the Subordinate Indenture other covenants and agreements thereafter to be observed by the Commission or to surrender any right or power reserved in the Subordinate Indenture to or conferred upon the Commission which are not contrary to or inconsistent with the Subordinate Indenture as then in effect;

(e) by action taken on or before the issuance by the Commission of the first Series or Sub-Series of Special Revenue Bonds, modify, alter, supplement or amend the section "Covenants as to Act 44 — Special Revenue Bonds";

(f) permit the appointment of a co-trustee under the Subordinate Indenture;

(g) modify, alter, supplement or amend the Subordinate Indenture in such manner as shall permit the qualification of the Subordinate Indenture, if required, under the Trust Indenture Act of 1939, the Securities Act of 1933, state securities laws or any similar statute;

(h) cure formal defects or omissions that, if not cured, would cause interest on Subordinate Indenture Bonds to be includible in gross income for federal income tax purposes;

(i) make any other change in the Subordinate Indenture that is determined by the Trustee not to be materially adverse to the interests of the Subordinate Indenture Bondholders;

(j) identify particular characteristics of Subordinate Indenture Bonds for purposes not inconsistent with the Subordinate Indenture including, without limitation, credit or liquidity support, remarketing, serialization, mandatory tender for purchase and defeasance;

(k) implement the issuance of Additional Subordinate Indenture Bonds, or the incurrence of other Parity Obligations or of Subordinated Indebtedness permitted under the Subordinate Indenture; or

(1) if all Subordinate Indenture Bonds in a Series are Book Entry Bonds, amend, modify, alter or replace any Letter of Representations as provided in the Subordinate Indenture or other provisions relating to Book Entry Bonds.

The Trustee shall not be obligated to enter into any such Supplemental Indenture which adversely affects the Trustee's own rights, duties or immunities under the Subordinate Indenture.

Supplemental Indentures Requiring Subordinate Indenture Bondholders' Consent

The Commission and the Trustee, at any time and from time to time, may execute and deliver a Supplemental Indenture for the purpose of making any modification or amendment to the Subordinate Indenture, but only with the written consent of the holders of at least a majority in aggregate principal amount of the Revenue Bonds Outstanding at the time such consent is given, and in case such modification adversely affects the holders of the Special Revenue Bonds, of PennDOT; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Subordinate Indenture Bonds so affected remain Outstanding, the consent of the holders of such Subordinate Indenture Bonds shall not be required and such Subordinate Indenture Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Subordinate Indenture Bonds under this Section. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture shall permit any of the following, without the consent of each Subordinate Indenture Bondholder whose rights are affected thereby:

(a) a change in the terms of stated maturity or redemption of any Subordinate Indenture Bond or of any installment of interest thereon;

(b) a reduction in the principal amount of or redemption premium on any Subordinate Indenture Bond or in the rate of interest thereon or a change in the coin or currency in which such Subordinate Indenture Bond is payable;

(c) the creation of a lien on or a pledge of any part of the Trust Estate which has priority over or parity with (to the extent not permitted under the Subordinate Indenture) the lien or pledge granted to the Subordinate Indenture Bondholders under the Subordinate Indenture (but this provision shall not apply to the release of any part of the Trust Estate as opposed to the creation of a prior or parity lien or pledge);

(d) the granting of a preference or priority of any Subordinate Indenture Bond or Subordinate Indenture Bonds over any other Subordinate Indenture Bond or Subordinate Indenture Bonds, except to the extent permitted under the Subordinate Indenture;

(e) a reduction in the aggregate principal amount of Subordinate Indenture Bonds of which the consent of the Subordinate Indenture Bondholders is required to effect any such modification or amendment; or

(f) a change in the provisions of this "Supplemental Indentures Requiring Subordinate Indenture Bondholders' Consent" section.

Notwithstanding the foregoing, the holder of any Subordinate Indenture Bond may extend the time for payment of the principal of or interest on such Subordinate Indenture Bond; provided, however, that upon the occurrence of an Event of Default, funds available under the Subordinate Indenture for the payment of the principal of and interest on the Subordinate Indenture Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Notice of any Supplemental Indenture executed pursuant to this Section shall be given to the Subordinate Indenture Bondholders promptly following the execution thereof.

Discharge

If (a) the principal of any Subordinate Indenture Bonds and the interest due or to become due thereon, together with any redemption premium required by redemption of any of the Subordinate Indenture Bonds prior to maturity, shall be paid, or is caused to be paid, or is provided for under the Subordinate Indenture, at the times and in the manner to which reference is made in the Subordinate Indenture Bonds, according to the true intent and meaning thereof, or the outstanding Subordinate Indenture Bonds shall have been paid and discharged in accordance with the Subordinate Indenture, and (b) all of the covenants, agreements, obligations, terms and conditions of the Commission under the Subordinate Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Subordinate Indenture Bond Registrar and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions of the Subordinate Indenture, then the right, title and interest of the Trustee in the Trust Estate shall thereupon cease and the Trustee, on request of the Commission and at the expense of the Commission, shall release the Subordinate Indenture and the Trust Estate and shall execute such documents to evidence such release as may be reasonably required by the Commission and shall turn over to the Commission, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds under the Subordinate Indenture except for amounts required to pay such Subordinate Indenture Bonds or held as described under "Rebate Fund."

Defeasance; Deposit of Funds for Payment of Subordinate Indenture Bonds

If the Commission deposits with the Trustee moneys or Defeasance Obligations which, together with the earnings thereon, are sufficient to pay the principal amount of and redemption premium on any particular Subordinate Indenture Bond or Subordinate Indenture Bonds becoming due, either at maturity, by means of mandatory sinking fund redemption or by call for optional redemption or otherwise, together with all interest accruing thereon to the due date or Redemption Date, and pays or makes provision for payment of all fees, costs and expenses of the Commission and the Trustee due or to become due with respect to such Subordinate Indenture Bonds, all liability of the Commission with respect to such Subordinate Indenture Bond or Subordinate Indenture Bonds shall cease, such Subordinate Indenture Bond or Subordinate Indenture Bonds shall be deemed not to be Outstanding under the Subordinate Indenture and the holder or holders of such Subordinate Indenture Bond or Subordinate Indenture Bonds shall be restricted exclusively to the moneys or Defeasance Obligations so deposited, together with any earnings thereon, for any claim of whatsoever nature with respect to such Subordinate Indenture Bond or Subordinate Indenture Bonds, and the Trustee shall hold such moneys, Defeasance Obligations and earnings in trust for such holder or holders. In determining the sufficiency of the moneys and Defeasance Obligations deposited pursuant to this Section, the Trustee shall receive, at the expense of the Commission, and may rely upon: (a) a verification report of a firm of nationally recognized independent certified public accountants or other qualified firm acceptable to the Commission and the Trustee; provided, however, that the Trustee may waive the requirement for the provision of such verification report if the Subordinate Indenture Bonds which are being defeased will be paid and cancelled within 90 days and the Trustee can calculate the interest to be paid on such Subordinate Indenture Bonds to and including such payment or redemption date; and (b) an opinion of Bond Counsel to the effect that (1) all conditions set forth in the Subordinate Indenture have been satisfied and (2) that defeasance of any Subordinate Indenture Bonds will not cause interest on the Subordinate Indenture Bonds to be includable in gross income for federal income tax purposes. Upon such defeasance, all rights of the Commission, including its right to provide for optional redemption or prepayment of any Subordinate Indenture Bonds on dates other than planned pursuant to such defeasance shall cease unless specifically retained by filing a written notification thereof with the Trustee at the time the Defeasance Obligations are deposited with the Trustee.

At such times as any Subordinate Indenture Bonds shall be deemed to be paid under the Subordinate Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Subordinate Indenture, except for the purposes of any such payment from such money or Defeasance Obligations.

Notice of Defeasance

(a) In case any of the Subordinate Indenture Bonds, for the payment of which moneys or Defeasance Obligations have been deposited with the Trustee pursuant to the Subordinate Indenture, are to be redeemed on any date prior to their maturity, the Commission shall give to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Subordinate Indenture Bonds on the redemption date for such Subordinate Indenture Bonds.

(b) In addition to the foregoing notice, in the event such Subordinate Indenture Bonds to be redeemed are not by their terms subject to redemption within the next succeeding 60 days, the Trustee shall give further notice to the Subordinate Indenture Bondholders that the deposit required by the Subordinate Indenture has been made with the Trustee and that said Subordinate Indenture Bonds are deemed to have been paid in accordance the Subordinate Indenture and stating the maturity or redemption date or dates upon which moneys are to be available for the payment of the principal of and redemption premium, if any, on said Subordinate Indenture Bonds; such further notice shall be given promptly following the making of the deposit required by the Subordinate Indenture; and such further notice also shall be given in the manner set forth in the Subordinate Indenture; but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of the deposit.

(c) If the Commission has retained any rights pursuant to the Subordinate Indenture, notice thereof shall be sent to Subordinate Indenture Bondholders of such Subordinate Indenture Bonds as soon as practicable and not later than any notice required by paragraphs (a) or (b) above.

Limitation of Liability of Officials of the Commission

No covenant, stipulation, obligation or agreement contained in the Subordinate Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Commission in his individual capacity, and neither the members of the Commission nor any official executing the Subordinate Indenture Bonds shall be liable personally on the Subordinate Indenture Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Notwithstanding anything to the contrary contained herein, the Trustee, the Subordinate Indenture Bondholders and any other party entitled to seek payment from the Commission under or to enforce the Subordinate Indenture and the Subordinate Indenture Bonds will be entitled to look solely to the Trust Estate, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Commission under the Subordinate Indenture and the Subordinate Indenture Bonds, and no other property or assets of the Commission or any officer or director of the Commission shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under the Subordinate Indenture and the

Subordinate Indenture Bonds, or for the performance of any of the covenants or warranties contained herein.

Voting Rights of Capital Appreciation Bond Holders and Convertible Capital Appreciation Bond Holders

For purposes of any consent, request, direction, approval, objection or other instrument requiring the action of the Holders of Subordinate Indenture Bonds, or any Class thereof, the principal amount of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds attributed to a Holder thereof shall be based on the accreted value of such Capital Appreciation Bonds or Convertible Capital Appreciation Bonds as of the most recent Compounding Date.

APPENDIX D

FORM OF OPINION OF CO-BOND COUNSEL

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APPENDIX D

The proposed form of legal opinion of Clark Hill Thorp Reed and Raffaele & Puppio, LLP, co-bond counsel is set forth below. The actual opinions will be delivered on the date of delivery of the bonds referred to therein and may vary from the form to reflect circumstances both factual and legal at the time of delivery. Recirculation of the Official Statement following the date hereof shall create no implication that Clark Hill Thorp Reed and/or Raffaele & Puppio, LLP have reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

We have acted as Co-Bond Counsel in connection with the issuance and sale by the Pennsylvania Turnpike Commission (the "Commission") of $148,300,359.25 aggregate principal amount of its Turnpike Subordinate Revenue Bonds, Series A of 2014 consisting of $108,050,000 Sub-Series A-1, $25,300,166.35 Sub-Series A-2 (Convertible Capital Appreciation Bonds) and $14,950,192.90 Sub-Series A-3 (Capital Appreciation Bonds) (collectively, the "2014A Subordinate Revenue Bonds"), and $59,739,936.20 aggregate principal amount of its Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2014 (Convertible Capital Appreciation Bonds) (the "2014A Special Revenue Bonds" and, together with the 2014A Subordinate Revenue Bonds, the "2014A Bonds"), pursuant to a Subordinate Trust Indenture, dated as of April 1, 2008, as amended and supplemented prior to the date hereof (as so amended and supplemented, the "Existing Subordinate Indenture"), and as further supplemented by Supplemental Trust Indenture No. 16, dated as of April 1, 2014 ("Supplemental Indenture No. 16" and, together with the Existing Subordinate Indenture, the "Subordinate Indenture"), between the Commission and Wells Fargo Bank, N.A., as successor trustee to TD Bank, National Association (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Subordinate Indenture.

We have examined (i) an executed counterpart of Supplemental Indenture No. 16, (ii) the respective forms of the 2014A Bonds, (iii) a copy, certified or otherwise identified to our satisfaction, of the Existing Subordinate Indenture, (iv) the Tax Regulatory Agreement and Non-Arbitrage Certificate of the Commission of even date herewith (the "Tax Regulatory Agreement") on which we rely, and (v) such constitutional and statutory provisions and such other resolutions, certificates, instruments and documents as we have deemed necessary or appropriate in order to enable us to render an informed opinion as to the matters set forth herein.

In rendering the opinions set forth below, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to such opinions, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents and the representations and warranties made therein without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion, under existing law and as of the date hereof, and subject to the qualifications and limitations set forth herein, that:

1. The Commission is a validly existing instrumentality of the Commonwealth of Pennsylvania and has the power to enter into the transactions contemplated by Supplemental Indenture No. 16 and to carry out its obligations thereunder.

2. Supplemental Indenture No. 16 has been duly authorized, executed and delivered by the Commission and constitutes the valid and binding obligation of the Commission, enforceable against the Commission in accordance with its terms.

3. The 2014A Bonds have been duly and validly authorized and issued by the Commission and constitute the valid and binding limited obligations of the Commission, enforceable against the

Commission in accordance with their terms, payable from the sources provided therefor in the Subordinate Indenture.

4. The 2014A Bonds are exempt from personal property taxes in Pennsylvania, and the interest on the 2014A Bonds is exempt from Pennsylvania corporate net income tax and from Pennsylvania personal income tax.

5. Interest on the 2014A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the first sentence assumes compliance by the Commission and the Pennsylvania Department of Transportation with covenants contained in the Supplemental Indenture and the Tax Regulatory Agreement and the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the 2014A Bonds in order that interest thereon continues to be and remains excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the 2014A Bonds to become included in gross income for federal income tax purposes retroactively to the date of issuance of the 2014A Bonds.

We express no opinion regarding any other federal, state or local tax consequences arising with respect to the 2014A Bonds.

The opinions set forth above as to the enforceability of the 2014A Bonds and Supplemental Indenture No. 16 are subject to applicable bankruptcy, reorganization, moratorium, insolvency or other laws affecting creditors' rights or remedies generally (including, without limitation, laws relating to fraudulent conveyances or transfers) and are subject to general principles of equity and the exercise of judicial discretion in appropriate cases (regardless of whether such enforceability is considered in a proceeding in equity or at law).

The opinions set forth above are rendered on the basis of, and limited to, federal law and the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof. We express no opinion herein as to any matter not set forth in the numbered paragraphs above. In particular, we assume no responsibility for, and express no opinion herein with respect to, the accuracy, adequacy or completeness of the Preliminary Official Statement or the Official Statement prepared in respect of the 2014A Bonds, including the appendices thereto, and we make no representation that we have independently verified any such information.

We call to your attention that the 2014A Bonds are not in any way a debt or liability of the Commonwealth of Pennsylvania or any instrumentality, agency or political subdivision thereof other than the Commission, nor do the 2014A Bonds or the Subordinate Indenture pledge the general credit or taxing power of the Commonwealth of Pennsylvania or any instrumentality, agency or political subdivision thereof. The Commission has no taxing power.

The opinions set forth above are given solely for your benefit and may not be relied on by any other person or entity without our express prior written consent. The opinions set forth above are given solely as of the date hereof, and we do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur including, but not limited to, those that may affect the tax status of interest on the 2014A Bonds.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF AND DEFINED TERMS IN THE SENIOR INDENTURE

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF AND DEFINED TERMS IN THE SENIOR INDENTURE

The following sets forth the definitions derived from the Senior Indenture concerning the Senior Revenue Bonds and the operation of the Senior Indenture. This summary of such terms does not purport to be complete or definitive and is subject to all of the terms and provisions of the Senior Indenture, a copy of which will be available at the corporate trust office of U.S. Bank National Association, as the trustee under the Senior Indenture (the "Senior Trustee"). Any references to "principal amount" shall mean the principal amount of any Senior Revenue Bonds plus the accreted amount on any Senior Revenue Bond which constitutes a capital appreciation or similar bond.

DEFINITIONS OF CERTAIN TERMS

In addition to words and terms elsewhere defined in this Official Statement, the following words and terms used in this Official Statement and this Appendix E and the Senior Indenture shall have the following meanings unless the context clearly indicates otherwise:

"Additional Senior Revenue Bonds" -- the Senior Revenue Bonds of any series authorized to be issued under the Senior Indenture.

"Annual Debt Service" -- (i) the amount of principal and interest paid or payable with respect to Senior Revenue Bonds in a Fiscal Year plus (ii) Senior Indenture Reimbursement Obligations paid or payable by the Commission in such Fiscal Year (but only to the extent they are not duplicative of such principal and interest), plus (iii) the amounts, if any, paid or payable by the Commission in such Fiscal Year with respect to Senior Indenture Approved Swap Agreements, minus (iv) the amounts, if any, paid or payable to the Commission in such Fiscal Year with respect to Senior Indenture Approved Swap Agreements, provided that the difference between the amounts described in clauses (iii) and (iv) shall be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth below. The following assumptions shall be used to determine the Annual Debt Service becoming due in any Fiscal Year:

(a) in determining the principal amount paid or payable with respect to Senior Revenue Bonds or Senior Indenture Reimbursement Obligations in each Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Senior Indenture Indebtedness, including amounts paid or payable pursuant to any mandatory redemption schedule for such Senior Indenture Indebtedness;

(b) if any of the Senior Indenture Indebtedness or proposed Senior Indenture Indebtedness constitutes Balloon Senior Indenture Indebtedness, then such amounts thereof as constitute Balloon Senior Indenture Indebtedness shall be treated as if such Senior Indenture Indebtedness is to be amortized in substantially equal annual installments of principal and interest over a term of 25 years from the date of issuance of such Senior Indenture Indebtedness;

anything to the contrary in the Senior Indenture notwithstanding, during the year preceding the final maturity date of such Senior Indenture Indebtedness, all of the principal thereof shall be considered to be due on such maturity date unless the Commission provides to the Senior Trustee a certificate of a Financial Consultant certifying that, in its judgment, the Commission will be able to refinance such Balloon Senior Indenture Indebtedness, in which event the Balloon Senior Indenture Indebtedness shall be amortized over the term of the Senior Indenture Indebtedness expected to refinance such Balloon Senior Indenture Indebtedness and shall bear the interest rate specified in the certificate of the Financial Consultant;

(c) if any of the Senior Indenture Indebtedness or proposed Senior Indenture Indebtedness constitutes Variable Rate Senior Indenture Indebtedness, then interest in future periods shall be based on the Senior Indenture Assumed Variable Rate;

(d) termination or similar payments under a Senior Indenture Approved Swap Agreement shall not be taken into account in any calculation of Annual Debt Service; and

(e)) if any cash subsidy payments (the "Subsidy Payments") from the United States Treasury pursuant to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009 (Pub.L. 111-5) pertaining to "Build America Bonds") are scheduled to be received by the Commission with respect to any Bonds which are eligible for such Subsidy Payments, each of the Subsidy Payments may be deducted from the interest payable on such Bonds in the period in which such Subsidy Payment is scheduled to be received.

"Applicable Long-Term Senior Indenture Indebtedness" -- includes Senior Revenue Bonds, Additional Senior Revenue Bonds, Senior Indenture Reimbursement Obligations and obligations of the Commission under Senior Indenture Approved Swap Agreements, to the extent the same constitute Long-Term Senior Indenture Indebtedness, and excludes Subordinated Senior Indenture Indebtedness.

"Balloon Senior Indenture Indebtedness" -- Senior Indenture Long-Term Indebtedness of which 25% or more of the principal matures in the same Fiscal Year and is not required by the documents pursuant to which such Senior Indenture Indebtedness was issued to be amortized by payment or redemption prior to that Fiscal Year, provided that such Senior Indenture Indebtedness will not constitute Balloon Senior Indenture Indebtedness if the Senior Trustee is provided a certificate of a Commission Official certifying that such Senior Indenture Indebtedness is not to be treated as Balloon Senior Indenture Indebtedness (because, by way of example, such Indebtedness is intended to serve as "wrap around" Senior Indenture Indebtedness).

"Commission Official" – any commissioner, director, officer or employee of the Commission authorized to perform specific acts or duties by resolution duly adopted by the Commission.

"Consultant" -- a Person who shall be independent, appointed by the Commission as needed, qualified and having a nationwide and favorable reputation for skill and experience in such work for which the Consultant was appointed. In those situations in which a Consultant is appointed to survey risks and to recommend insurance coverage, such Consultant may be a broker or agent with whom the Commission transacts business.

“Credit Facility” -- any letter of credit, line of credit, standby letter of credit, indemnity or surety insurance policy or agreement to purchase a debt obligation or any similar extension of credit, credit enhancement or liquidity support obtained by the Commission from a responsible financial or insurance institution, to provide for or to secure payment of principal and purchase price of, and/or interest on Senior Revenue Bonds pursuant to the provisions of a Supplemental Senior Indenture under which such Senior Revenue Bonds are issued. The use of such definition is not intended to preclude the Commission from providing the credit or liquidity support with respect to one or more series of Senior Revenue Bonds directly rather than through a financial or insurance institution.

“Current Expenses” -- the Commission’s reasonable and necessary current expenses of maintenance, repair and operation of the System, including, without limiting the generality of the foregoing, all premiums for insurance and payments into any self-insurance reserve fund, all administrative and engineering expenses relating to maintenance, repair and operation of the System, fees and expenses of the Senior Trustee and of the Senior Indenture Paying Agents, periodic fees or charges to maintain a Senior Indenture Debt Service Reserve Fund security, legal expenses and any other expenses required to be paid by the Commission as shown in the Annual Operating Budget for the System.

“Event of Senior Indenture Bankruptcy” -- the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Commission as debtor under Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such title and any other applicable federal or state bankruptcy, insolvency or similar law.

"Financial Consultant" – any financial advisor or firm of financial advisors of favorable national reputation for skill and experience in performing the duties for which a Financial Consultant is required to be employed pursuant to the provisions hereof and who is retained by the Commission as a Financial Consultant for the purposes hereof.

“Historical Debt Service Coverage Ratio” -- for any period of time, the ratio determined by dividing Net Revenues for such period by the Annual Debt Service for all Applicable Long-Term Indebtedness which is Outstanding during such period.

“Historical Pro Forma Debt Service Coverage Ratio” -- for any period of time, the ratio determined by dividing Net Revenues for such period by the Senior Indenture Maximum Annual Debt Service for all Applicable Long-Term Senior Indenture Indebtedness then outstanding and the Applicable Long-Term Senior Indenture Indebtedness proposed to be issued.

“Immediate Notice” -- notice transmitted by electronic means, in writing, by telecopier or other electronic means or by telephone (promptly confirmed in writing) and received by the Person to whom it was addressed.

“Issuance Cost” -- costs incurred by or on behalf of the Commission in connection with the issuance of Additional Senior Revenue Bonds including, without limitation, the following: payment of financial, legal, accounting and appraisal fees and expenses, the Commission's fees and expenses attributable to the issuance of the Senior Revenue Bonds, the cost of printing, engraving and reproduction services, fees and expenses incurred in connection with any Credit Facility and any Senior Indenture Approved Swap Obligation, legal fees and expenses for Bond Counsel, Commission's counsel, Trustee's counsel and Underwriter's counsel relating to the issuance of the Senior Revenue Bonds, the initial or acceptance fee of the Trustee, and all other fees, charges and expenses incurred in connection with the issuance of the Senior Revenue Bonds and the preparation of the Senior Indenture.

“Long-Term Senior Indenture Indebtedness” -- all Senior Indenture Indebtedness, which is not (a) Short-Term Senior Indenture Indebtedness or (b) Subordinated Senior Indenture Indebtedness.

“Net Revenues” -- the amount by which total Revenues exceed Current Expenses for any particular period.

“Original Senior Indenture” – the Indenture of Trust dated as of July 1, 1986 by and between the Commission and First Union Bank, as successor trustee to Fidelity Bank, National Association (the “Original Trustee”).

“Other Revenues” -- any funds received or payable to the Commission, other than Revenues, which the Commission chooses to include as security for Senior Indenture Parity Obligations and/or Subordinated Senior Indenture Indebtedness pursuant to a Supplemental Senior Indenture.

“Outstanding” or “outstanding” in connection with Senior Revenue Bonds -- all Senior Revenue Bonds which have been authenticated and delivered under the Senior Indenture, except: (a) Senior Revenue Bonds theretofore cancelled or delivered to the Senior Trustee for cancellation under the Senior Indenture; (b) Senior Revenue Bonds which are deemed to be no longer Outstanding in accordance with the Senior Indenture; and (c) Senior Revenue Bonds in substitution for which other Senior Revenue Bonds have been authenticated and delivered pursuant to the Senior Indenture. In determining whether the owners of a requisite aggregate principal amount of Senior Revenue Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Senior Indenture, Senior Revenue Bonds which are held by or on behalf of the Commission (unless all of the Outstanding Senior Revenue Bonds are then owned by the Commission) shall be disregarded for the purpose of any such determination.

“Other Revenues” – any funds received or payable to the Commission, other than Revenues, which the Commission chooses to include as security for Senior Indenture Parity Obligations and/or Subordinated Senior Indenture Indebtedness pursuant to a Supplemental Indenture.

"Person" – an individual, a public body, a corporation, a partnership, an association, a joint stock company, a trust, and any unincorporated organization.

"Prior Senior Indenture" – the Original Senior Indenture as supplemented and amended by a First Supplemental Indenture, dated as of August 1, 1986, a Second Supplemental Indenture, dated as of November 15, 1988, a Third Supplemental Indenture, dated as of May 15, 1989, a Fourth Supplemental Indenture, dated as of November 15, 1989, a Fifth Supplemental Indenture, dated as of May 15, 1990, a Sixth Supplemental Indenture, dated as of November 15, 1990, a Seventh Supplemental Indenture, dated as of June 1, 1991, an Eighth Supplemental Indenture, dated as of July 1, 1991, a Ninth Supplemental Indenture, dated as of November 15, 1991, a Tenth Supplemental Indenture, dated as of August 1, 1992, an Eleventh Supplemental Indenture, dated as of June 1, 1998, and a Twelfth Supplemental Indenture, dated as of March 1, 2001.

"Projected Annual Debt Service" -- for any future period of time, shall equal the amount of Senior Indenture Maximum Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness then Outstanding and on any Applicable Long-Term Senior Indenture Indebtedness proposed to be issued.

"Projected Debt Service Coverage Ratio" -- for the two Fiscal Years following the end of any period during which interest was fully capitalized on the Applicable Long-Term Indebtedness proposed to be issued, the ratio determined by dividing Projected Net Revenues for such period by the Projected Annual Debt Service for such period.

"Projected Net Revenues" -- projected Net Revenues for the period in question, taking into account any revisions of the Tolls which have been approved by the Commission and which will be effective during such period and any additional Tolls which the Commission or the Consultant, as appropriate, estimates will be received by the Commission following the completion of any Project then being constructed or proposed to be constructed.

"Rate Covenant" -- the requirement to establish and maintain a schedule of Tolls sufficient to provide the funds required pursuant to the Senior Indenture provisions described under "The Senior Indenture—Rate Covenant" in this Appendix E.

"Reimbursement Agreement" – an agreement between the Commission and one or more Senior Indenture Banks pursuant to which, among other things, such Senior Indenture Bank or Senior Indenture Banks issue a Credit Facility with respect to Senior Revenue Bonds of one or more series and the Commission agrees to reimburse such Senior Indenture Bank or Senior Indenture Banks for any drawings made thereunder.

"Revenues" -- (a) all Tolls received by or on behalf of the Commission from the System, (b) any other sources of revenues or funds of the Commission which the Commission chooses to include in the Senior Trust Estate pursuant to a Supplemental Senior Indenture, and (c) the interest and income earned on any fund or account where said interest or income is required to be credited to the Senior Indenture Revenue Fund pursuant to the Senior Indenture. As more fully provided in the Senior Indenture, in the event the Commission receives advances or prepayments or otherwise operates or participates in a system in which funds are collected prior to the actual usage of the System, such funds shall not be deemed to be Revenues until the usage occurs or the funds are earned pursuant to the agreement under which the Commission receives such funds.

"Senior Indenture" -- that certain Amended and Restated Trust Indenture originally dated as of July 1, 1986 and Amended and Restated as of March 1, 2001, between the Commission and the Senior Trustee, as supplemented and amended.

"Senior Indenture Approved Swap Agreement" -- a contract having an interest rate, currency, cash-flow, or other basis desired by the Commission, including, without limitation, interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures contracts, contracts providing for payments based on levels of or changes in interest rates, currency exchange rates, stock or other indices, or contracts to exchange cash flows or a series of payments, and contracts including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, currency rate, spread or similar exposure for which the Commission has satisfied the conditions under the Senior Indenture to have payments to be made and received by the Commission thereunder taken into account in the calculation of Annual Debt Service.

"Senior Indenture Assumed Variable Rate" -- in the case of (1) Outstanding Variable Rate Senior Indenture Indebtedness, the average interest rate on such Senior Indenture Indebtedness for the most recently completed 12-month period; and (2) proposed Variable Rate Senior Indenture Indebtedness, (a) which will, in the opinion of Bond Counsel delivered at the time of the issuance thereof be excluded from gross income for federal income tax purposes, the average of the Bond Market Association Swap Index ("BMA Index") for the 12 months ending 7 days preceding the date of calculation plus 100 basis points, or (b) in the case of Bonds not described in clause (a), the London Interbank Offered Rate ("LIBOR") most closely resembling the reset period for the Variable Rate Senior Indenture Indebtedness plus 100 basis points; provided that if the BMA Index or LIBOR shall cease to be published, the index to be used in its place shall be that index which the Commission in consultation with the Financial Consultant determines most closely replicates such index, as set forth in a certificate of a Commission Official filed with the Senior Trustee.

"Senior Indenture Bank" -- as to any particular series of Senior Revenue Bonds, each Person (other than a Senior Indenture Bond Insurer) providing a letter of credit, a line of credit, a guaranty or another credit or liquidity enhancement facility as designated in the Supplemental Senior Indenture to the Senior Indenture providing for the issuance of such Senior Revenue Bonds.

"Senior Indenture Bond Insurer" – as to any particular maturity or any particular Series of Senior Revenue Bonds, the Person undertaking to insure such Bonds as designated in a Supplemental Indenture providing for the issuance of such Bonds.

"Senior Indenture Events of Default" -- those events described under "The Senior Indenture—Events of Default" in this Appendix E, and such other events specified in any Supplemental Senior Indenture.

"Senior Indenture Indebtedness" -- any obligation or debt incurred for money borrowed.

"Senior Indenture Maximum Annual Debt Service" -- at any point in time the maximum amount of Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness, as required by the context (e.g., whether relating to all such Applicable Long-Term Senior Indenture Indebtedness or only specified Applicable Long-Term Senior Indenture Indebtedness) paid or payable in the then current or any future Fiscal Year.

"Senior Indenture Parity Obligations" -- includes Senior Revenue Bonds and other obligations of the Commission owed to Senior Indenture Secured Owners, but excludes Subordinated Senior Indenture Indebtedness.

"Senior Indenture Parity Swap Agreement" -- a Senior Indenture Approved Swap Agreement secured under the Senior Indenture on parity with all Senior Revenue Bonds and other Senior Indenture Parity Obligations.

"Senior Indenture Paying Agent" -- with respect to any Series of Senior Revenue Bonds that Person appointed pursuant to the Senior Indenture to make payments to bondholders of interest and/or principal pursuant to the terms of the Senior Indenture, which is currently the Senior Trustee.

"Senior Indenture Reimbursement Obligation" -- an obligation of the Commission pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility and to pay interest on such drawn amounts pursuant to such Reimbursement Agreement.

"Senior Indenture Secured Owner" -- each Person who is a bondholder of any Senior Revenue Bonds, each counterparty providing a Senior Indenture Parity Swap Agreement, each Senior Indenture Bank providing a Credit Facility and each Bond Insurer providing a bond insurance policy with respect to a Senior Indenture Parity Obligation.

"Senior Indenture Tender Indebtedness" – any Senior Indenture Indebtedness or portion thereof:

(a) The terms of which include (1) an option or an obligation on the part of the Secured Owner to tender all or a portion of such Indebtedness to the Commission, the Trustee, the Paying Agent or another fiduciary or agent for payment or purchase, and (2) a requirement on the part of the Commission to purchase or cause to be purchased such Indebtedness or portion thereof if properly presented; and

(b) Which is rated in either (1) one of the two highest long-term Rating Categories by the Rating Agency or (2) the highest short-term, note or commercial paper Rating Category by the Rating Agency.

"Senior Revenue Bond" or "Senior Revenue Bonds" -- any Senior Revenue Bonds outstanding under the Senior Indenture or the Prior Senior Indenture, and Senior Indenture

Indebtedness of any kind or class, including Senior Revenue Bonds, notes, bond anticipation notes, commercial paper and other obligations, issued as Additional Senior Revenue Bonds under the Senior Indenture, other than Additional Senior Revenue Bonds issued as Subordinated Senior Indenture Indebtedness.

"Senior Trust Estate" -- all right, title and interest of the Commission in and to (i) all Revenues, (ii) all monies deposited into accounts or funds created by the Senior Indenture and held by or on behalf of the Senior Trustee (other than the Senior Indenture Rebate Fund), (iii) any insurance proceeds and other moneys required to be deposited in the Senior Indenture, (iv) all payments received by the Commission pursuant to Senior Indenture Parity Swap Agreements, and (v) all investment earnings on all moneys held in accounts and funds established by the Senior Indenture, other than the Senior Indenture Rebate Fund.

"Short-Term Senior Indenture Indebtedness" -- all Senior Indenture Indebtedness which matures in less than 365 days and is designated as Short-Term Indebtedness pursuant to the Senior Indenture. In the event a Senior Indenture Bank has extended a line of credit or the Commission has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days shall be considered Short-Term Senior Indenture Indebtedness and the full amount of such commitment or program shall not be treated as Short-Term Senior Indenture Indebtedness to the extent that such facility remains undrawn.

"Subordinated Senior Indenture Indebtedness" -- Senior Indenture Indebtedness which is subordinated and junior in all respects to payment of all Senior Revenue Bonds and other Senior Indenture Parity Obligations incurred pursuant to or in compliance with the Senior Indenture.

"Supplemental Senior Indenture" -- any duly authorized Supplemental Indenture as a supplement to the Senior Indenture, entered into in accordance with the provisions of the Senior Indenture, including any Supplemental Senior Indenture pursuant to which (and only for so long as) Senior Revenue Bonds are Outstanding thereunder.

"Tolls" -- all rates, rents, fees, charges, fines or other income derived by the Commission from vehicular usage of the System, and all rights to receive the same.

"Trustee" -- the Trustee at the time in question, whether the initial Trustee or a successor.

"Variable Rate Senior Indenture Indebtedness" -- any Senior Indenture Indebtedness the interest rate on which fluctuates from time to time subsequent to the time of incurrence. Variable Rate Senior Indenture Indebtedness may include, without limitation, (a) "auction rate" Senior Indenture Indebtedness described in the Senior Indenture, (b) certain Senior Indenture Tender Indebtedness, (c) commercial paper Senior Indenture Indebtedness which is intended to be reissued and refinanced periodically, or (d) other forms of Senior Indenture Indebtedness on which the interest fluctuates or is subject to being set or reset from time to time.

THE SENIOR INDENTURE

Rate Covenant

The Commission has covenanted in the Senior Indenture that it will at all times establish and maintain schedules of Tolls for traffic over the System so that the Net Revenues of the System in each Fiscal Year will at all times be at least sufficient to provide funds in an amount not less than: (1) the greater of (i) 130% of the Annual Debt Service for such Fiscal Year on account of all Applicable Long-Term Senior Indenture Indebtedness then outstanding under the provisions of the Senior Indenture, or (ii) 100% of the Senior Indenture Maximum Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness, plus (a) the amount of required transfers from the Senior Indenture Revenue Fund to the credit of the Senior Indenture Reserve Maintenance Fund pursuant to the Annual Capital Budget, and (b) an amount sufficient to restore any deficiency in the Senior Indenture Debt Service Reserve Fund within an 18 month period; plus (2) the amount of any Short-Term Senior Indenture Indebtedness outstanding under the Senior Indenture for more than 365 consecutive days. In addition, the amount of Net Revenues in excess of the sum of the amounts set forth in clauses (1) and (2) above, together with Other Revenues pledged to the payment of Subordinated Senior Indenture Indebtedness, shall be sufficient to pay the Annual Debt Service for any Subordinated Senior Indenture Indebtedness (such covenant is referred to as the "Rate Covenant").

The Commission's failure to meet the Rate Covenant shall not constitute a Senior Indenture Event of Default under the Senior Indenture if: (i) no Senior Indenture Event of Default occurred in debt service payments as a result of such failure; and (ii) the Commission promptly after determining that the Rate Covenant was not met retains a Consultant to make written recommendations as to appropriate revisions to the schedules of Tolls necessary or appropriate to meet the Rate Covenant and advises the Senior Trustee in writing of such retention. Anything in the Senior Indenture to the contrary notwithstanding, if the Commission shall comply with the recommendations of the Consultant in respect of Tolls, it will not constitute a Senior Indenture Event of Default under the provisions of the Senior Indenture if the Commission fails to meet the Rate Covenant during the succeeding Fiscal Year as long as no Senior Indenture Event of Default has occurred in debt service payments. If the Commission does not comply with the recommendations of the Consultant in respect of Tolls, the Senior Indenture Senior Trustee may, and upon the request of the holders of not less than 25% in principal amount of the Senior Revenue Bonds then outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction any appropriate action to compel the Commission to revise the schedules of Tolls. The Commission covenants that it will adopt and charge Tolls in compliance with any final order or decree entered in any such proceeding.

In the event that the Consultant shall fail to file with the Commission such recommendations in writing within 60 days after such retention, the Senior Trustee may designate and appoint a different Consultant to make recommendations as to an adjustment of the schedules of Tolls, which recommendations shall be reported in writing to the Commission and to the Senior Trustee within 60 days after such retention. Such written report shall for all purposes be considered to be the equivalent of and substitute for the recommendations of the Consultant retained by the Commission.

In preparing its recommendations, the Consultant may rely upon written estimates of Revenues prepared by the other Consultants of the Commission. Copies of such written estimates signed by such Consultants shall be attached to such recommendations. The Commission covenants that promptly after receipt of such recommendations and the adoption of any revised schedules of Tolls, certified copies thereof will be filed with the Senior Trustee.

Any change in classification which results in a reduced Toll or any new classification shall be reviewed by the Commission with a Consultant before implementing the same unless the same is temporary (e.g., having a duration of less than one year). In addition, in the event the Commission did not meet the Rate Covenant for the preceding Fiscal Year, any classification resulting in a reduced Toll or a new classification shall be subject to a Consultant approving the same before it is implemented. In all events, the Commission shall not make a change in classification or any new classification which would cause the Commission to fail to meet the Rate Covenant.

The Commission has agreed that Tolls will be classified in a reasonable way to cover all traffic, so that the Tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic; provided that the foregoing shall not be interpreted to restrict the Commission's right, in its discretion in connection with its management of the System, to establish and maintain flexible Toll schedules including, but not limited to, provisions for utilizing or otherwise taking into account, peak and nonpeak pricing, introductory pricing, weight, method of payment, frequency, carpooling, electronic and other Toll collection technologies, traffic management systems, and similar classifications. The Commission has agreed that it shall not grant free passage or reduced Tolls within a class, except in the limited manner permitted by the Senior Indenture, which includes, among others, for operational or safety reasons including, but not limited to, reasons arising out of a work stoppage, work slowdown or work action, and for use by the Army, Air Force, Navy, Coast Guard, Marine Corps or National Guard or any branch thereof in time of war or other emergency. Any reduced Toll or grant of free passage shall be reviewed by the Commission with a Consultant before implementing the same unless the same is temporary (e.g., having duration of less than one year).

In the event the Commission did not meet the Rate Covenant for the preceding Fiscal Year, any reduced Toll or free passage shall be subject to a Consultant approving the same before it is implemented unless the circumstances require immediate implementation, in which event the Commission shall obtain such approval promptly following implementation. In all events, the Commission shall not reduce Tolls or grant free passage if it would cause the Commission to fail to meet the Rate Covenant.

The Commission's covenant as to uniformity of Tolls shall not be construed as requiring that Tolls for any given class of traffic be identical in amount throughout the entire System for trips of approximately identical lengths. The Commission may fix and place in effect schedules of Tolls for any given class of traffic wherein the Tolls charged for travel on a given section of the System shall be different from the Tolls charged on another section of the System notwithstanding the fact that both of said sections may be of identical or approximately identical length.

Creation of Funds

The following funds are created under the Senior Indenture, the Senior Indenture:

(a) Construction Fund;

(b) Revenue Fund;

(c) Debt Service Fund;

(d) Debt Service Reserve Fund;

(e) Reserve Maintenance Fund;

(f) General Reserve Fund; and

(g) Rebate Fund.

All Revenues are deposited into the Senior Indenture Revenue Fund and from there are transferred, in the following order of priority, to: the Senior Indenture Rebate Fund, the Operating Account held by the Commission outside of the Indenture, the Senior Indenture Debt Service Fund, the Senior Indenture Reserve Maintenance Fund, the Senior Indenture Debt Service Reserve Fund, and, provided there are moneys in the Senior Indenture Revenue Fund in excess of the amount required to be retained in the Senior Indenture Revenue Fund for future transfers to the Senior Indenture Debt Service Fund, the Senior Indenture General Reserve Fund.

Senior Indenture Debt Service Fund

There are two separate accounts in the Senior Indenture Debt Service Fund known as the “Interest Account” and the “Principal Account.” The Senior Trustee and the Commission may create such additional accounts in the Senior Indenture Debt Service Fund pursuant to a Supplemental Senior Indenture as they deem necessary or appropriate.

On or before the last business day preceding each interest payment date or principal (or sinking fund redemption) payment date or such other day as set forth in a Supplemental Senior Indenture, after making the deposits to the Senior Indenture Operating Account pursuant to the Senior Indenture or identified in a certificate of a Commission Official, the Senior Trustee shall withdraw from the Senior Indenture Revenue Fund and deposit to the applicable Account in the Senior Indenture Debt Service Fund (or to a Series Credit Facility Fund in lieu of either of the foregoing) the amounts due on any Senior Indenture Parity Obligation.

The moneys in the Interest and Principal Accounts shall be held by the Senior Trustee in trust for the benefit of the Senior Revenue Bonds, to the extent the foregoing are payable from such accounts, and, to said extent and pending application, shall be subject to a lien and charge in favor of the owners of Senior Revenue Bonds until paid out or transferred as provided in the Senior Indenture. There shall be withdrawn from the Interest Account (and any available capitalized interest) and the Principal Account from time to time and set aside or deposited with the Senior Trustee sufficient money for paying the interest on and the principal of and premium on the Senior Revenue Bonds as the same shall become due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the Senior Indenture Debt Service Fund as provided in any Supplemental Senior Indenture.

If at the time the Senior Trustee is required to make a withdrawal from the Senior Indenture Debt Service Fund the moneys therein shall not be sufficient for such purpose, the Senior Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the following funds or accounts and transfer the same to the Senior Indenture Debt Service Fund in the following order: the Senior Indenture Debt Service Reserve Fund, the Senior Indenture General Reserve Fund, and the Senior Indenture Reserve Maintenance Fund.

With respect to any Bonds for which Subsidy Payments are scheduled to be received by the Commission, the Commission shall deposit or cause to be deposited all such Subsidy Payments, as and when received, into a separate account of the Debt Service Fund held for each such Series of Bonds, and such Subsidy Payments shall be applied to pay debt service on the corresponding Series of Bonds with respect to which such Subsidy Payments are received.

Senior Indenture Debt Service Reserve Fund

The Senior Indenture establishes a Senior Indenture Debt Service Reserve Fund and provides that a special account within the Senior Indenture Debt Service Reserve Fund may be created with respect to each series of Senior Indenture Debt Service Reserve Fund Bonds issued under the Senior Indenture and any Supplemental Senior Indenture.

In each Fiscal Year, after first having made the deposits to the Senior Indenture Operating Account, Senior Indenture Debt Service Fund and Senior Indenture Reserve Maintenance Fund described above, the Trustee shall transfer from the Senior Indenture Revenue Fund on or before the last day of each month to the credit of the Senior Indenture Debt Service Reserve Fund (a) the amount, if any, required to make the amount on deposit in the Senior Indenture Debt Service Reserve Fund equal to the Senior Indenture Debt Service Reserve Requirement which restoration, as implied by the Rate Covenant, is intended to occur within eighteen (18) months; and (b) the amount set forth in a Supplemental Senior Indenture if an amount different from the Senior Indenture Debt Service Reserve Requirement is required.

To the extent accounts are created in the Senior Indenture Debt Service Reserve Fund for Senior Indenture Debt Service Reserve Fund Bonds, the funds and DSRF Security, as hereinafter defined, held therein shall be available to make payments required under the Senior Indenture for the benefit of all Senior Indenture Debt Service Reserve Fund Bonds.

Moneys held in the Senior Indenture Debt Service Reserve Fund shall be used for the purpose of paying interest on, maturing principal and mandatory sinking fund redemption price of Senior Indenture Debt Service Reserve Fund Bonds whenever and to the extent that the moneys held for the credit of the Senior Indenture Debt Service Fund shall be insufficient for such purpose. If at any time the moneys and the principal amount of any DSRF Security held in the Senior Indenture Debt Service Reserve Fund shall exceed the Senior Indenture Debt Service Reserve Requirement, the Commission shall direct whether such excess moneys shall be transferred by the Trustee to the credit of the Senior Indenture General Reserve Fund or used to reduce the principal amount of any DSRF Security.

In the event the Trustee shall be required to withdraw funds from the Senior Indenture Debt Service Reserve Fund to restore a deficiency in the Senior Indenture Debt Service Fund arising with respect to Senior Indenture Debt Service Reserve Fund Bonds, the amount of such deficiency shall be allocated pro rata among such Bonds except to the extent provided in the last sentence of the next paragraph.

In lieu of the deposit of moneys into the Senior Indenture Debt Service Reserve Fund, the Commission may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the DSRF Security will not result in the rating on any outstanding Bonds being downgraded) (each, a "DSRF Security") payable to the Trustee for the benefit of the Bondholders in an amount equal to the difference between the Senior Indenture Debt Service Reserve Requirement and the amounts then on deposit in the Senior Indenture Debt Service Reserve Fund. The DSRF Security shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which moneys will be required to be withdrawn from the Senior Indenture Debt Service Reserve Fund and applied to the payment of the principal of or interest on any Senior Revenue Bonds to the extent that such withdrawals cannot be made by amounts on deposit in the Senior Indenture Debt Service Reserve Fund.

If a disbursement is made pursuant to a DSRF Security, the Commission shall be obligated either (a) to reinstate the maximum limits of such DSRF Security or (b) to deposit into the Senior Indenture Debt Service Reserve Fund, funds in the amount of the disbursement made under such DSRF Security, or a combination of such alternatives, as shall provide that the amount credited to the Senior Indenture Debt Service Reserve Fund equals the Senior Indenture Debt Service Reserve Requirement within a time period of eighteen (18) months.

If the DSRF Security shall cease to have a rating described in the second preceding paragraph, the Commission shall use reasonable efforts to replace such DSRF Security with one having the required rating, but shall not be obligated to pay, or commit to pay, increased fees, expenses or interest in connection with such replacement or to deposit Revenues in the Senior Indenture Debt Service Reserve Fund in lieu of replacing such DSRF Security with another.

Additional Security; Parity With Other Parity Obligations

Except as otherwise provided or permitted in the Senior Indenture, the Senior Trust Estate securing all Bonds issued under the terms of the Senior Indenture shall be shared on a parity with other Parity Obligations on an equal and ratable basis. The Commission may, however, in its discretion, provide additional security or credit enhancement for specified Parity Obligations with no obligation to provide such additional security or credit enhancement to other Parity Obligations, except that no additional security or credit enhancement shall be provided unless there shall have been first delivered to the Senior Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on any Senior Revenue Bonds for federal income tax purposes will not be adversely affected thereby. Moreover, the Commission may provide in a Supplemental Senior Indenture that bonds issued thereunder are not secured, or are secured only in part or only under certain circumstances, by the Trust Estate.

Additional Long-Term Senior Indenture Indebtedness

The Commission agrees that it will not issue any Additional Senior Revenue Bonds constituting Long-Term Senior Indenture Indebtedness unless prior to or contemporaneously with the incurrence thereof, certain provisions of the Senior Indenture are met and there is delivered to the Senior Trustee: (1) a certificate of a Commission Official certifying that the Historical Pro Forma Debt Service Coverage Ratio for the most recent Fiscal Year preceding the delivery of such certificate for which audited financial statements are available was not less than 1.75; or (2) a report of a Consultant to the effect that (i) the Net Revenues of the Commission during the preceding Fiscal Year were at least 130% of the Senior Indenture Maximum Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness then Outstanding and on any Applicable Long-Term Senior Indenture Indebtedness proposed to be issued (which report may assume any revisions of the Tolls which have been approved by the Commission subsequent to the beginning of such Fiscal Year were in effect for the entire Fiscal Year), and (ii) the Projected Debt Service Coverage Ratio is not less than 1.30; or (3) if the Long-Term Senior Indenture Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Senior Indenture Indebtedness, a certificate of a Commission Official certifying the Senior Indenture Maximum Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness prior to the issuance of the proposed Long-Term Senior Indenture Indebtedness is greater than the Senior Indenture Maximum Annual Debt Service on all Applicable Long-Term Senior Indenture Indebtedness after the issuance of such proposed Long-Term Senior Indenture Indebtedness.

Other Additional Senior Indenture Parity Obligations

In addition to additional Long-Term Senior Indenture Indebtedness described above, the Commission is also permitted to incur additional Short-Term Senior Indenture Indebtedness and Senior Indenture Parity Swap Agreements under certain conditions set forth in the Senior Indenture.

Events of Default

Each of the following is a “Senior Indenture Event of Default” under the Senior Indenture:

(a) Default in the payment of any installment of principal, redemption premium, if any, interest or other amount due on any Senior Revenue Bond when the same becomes due and payable;

(b) Default in the payment by the Commission of any other Senior Indenture Parity Obligation;

(c) Subject to the provisions relating to notice and opportunity to cure certain defaults, default in the performance or breach of any covenant, warranty or representation of the Commission contained in the Senior Indenture (other than a default under (a) and (b) above);

(d) The occurrence of any Event of Default under any Supplemental Senior Indenture; or

(e) (1) The occurrence of an Event of Senior Indenture Bankruptcy of the Commission; (2) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Commission or of any substantial portion of its property, which appointment shall not have been rescinded or stayed within ninety (90) days after taking effect; or (3) the ordering of the winding up or liquidation of the affairs of the Commission.

No default under paragraph (c) above under “Events of Default” shall constitute a Senior Indenture Event of Default until written notice of such default shall have been given to the Commission by the Senior Trustee or by the holders of at least 25% in aggregate principal amount of the Senior Revenue Bonds Outstanding, and the Commission shall have had thirty (30) days after receipt of such notice to correct such default or cause such default to be corrected, and shall have failed to do so. In the event, however, that the default is such that it cannot be corrected within such thirty (30) day period, it shall not constitute a Senior Indenture Event of Default if corrective action is instituted by the Commission within such period and diligently pursued (as determined by the Trustee) until the default is corrected.

Remedies Upon Default

If an Event of Default occurs and is continuing, the Senior Trustee may, and upon the written request to the Senior Trustee by the holder or holders of not less than a majority in aggregate principal amount of the Senior Revenue Bonds then Outstanding shall, subject to the requirement that the Senior Trustee be provided with indemnity satisfactory to it, by written notice to the Commission, declare the principal and interest on of the Senior Revenue Bonds to the date of acceleration to be immediately due and payable.

At any time after such a declaration of acceleration has been made and before the entry of a judgment or decree for payment of the money due, the Senior Trustee may, or the holders of not less than a majority in aggregate principal amount of the Senior Revenue Bonds then Outstanding, may by written notice to the Commission and the Senior Trustee, and subject to the provision to the Senior Trustee of satisfactory indemnity, direct the Senior Trustee to rescind and annul such declaration and its consequences if: (1) there has been paid to or deposited with the Senior Trustee by or for the account of the Commission, or provision satisfactory to the Senior Trustee has been made for the payment of a sum sufficient to pay: (i) all overdue installments of interest on the Senior Revenue Bonds; (ii) the principal of and redemption premium, if any, on any Senior Revenue Bonds which have become due other than by such declaration of acceleration and interest thereon; (iii) all amounts due on other Senior Indenture Parity Obligations; (iv) to the extent lawful, interest upon overdue installments of interest and redemption premium, if any; and (v) all sums paid or advanced by the Senior Trustee under the Senior Indenture, together with the reasonable compensation, expenses, disbursements and advances of the Senior Trustee, its agents and counsel prior to the date of notice of rescission; and (2) all Events of Default, other than those described in paragraphs (a) and (b) above under "Events of Default", if any, which have occasioned such acceleration, have been cured or waived.

No such rescission and annulment shall affect any subsequent default or impair any consequent right.

Priority of Payment Following Event of Default

Any portion of the Senior Trust Estate held or received by the Senior Trustee, by any receiver or by any Senior Revenue Bond Owner pursuant to any right given or action taken under the provisions of the Senior Indenture, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and liabilities incurred by the Senior Trustee and the transfer to Senior Indenture Secured Owners (other than Owners of the Senior Revenue Bonds) of amounts to which they are entitled by virtue of their parity position, shall be deposited and applied as follows:

(a) If the principal of all the Senior Revenue Bonds then Outstanding and the interest accrued thereon has been declared to be due and payable immediately pursuant to the acceleration provisions described above (or, but for any legal prohibition on such declaration of acceleration, such principal and interest would have been declared to be due and payable immediately pursuant to such Section or the provisions of any applicable Senior Indenture Reimbursement Agreement) and such declaration has not been rescinded and annulled, there shall be deposited into the Senior Indenture Debt Service Fund moneys sufficient to pay the amounts described in clauses (i), (ii) and (iii) below, and all such moneys shall be applied, as promptly as practicable (but subject to the provisions of the last paragraph of this Section), proportionately to: (i) the payment to the persons entitled thereto of all payments of interest then due on the Senior Revenue Bonds with interest on overdue installments, if lawful, at their respective rates from the respective dates upon which they became due, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (ii) the payment to the persons entitled thereto of the unpaid principal of any of the Senior Revenue Bonds which shall have become due (or which but for any legal prohibition on such declaration of acceleration would have become due) with interest on such Bonds at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Senior Revenue Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; and (iii) the payment of any other amounts then owing under the Senior Indenture; and, after said deposit into the Senior Indenture Debt Service Fund, there shall be paid the Subordinated Senior Indenture Indebtedness issued or incurred by the Commission pursuant to the Senior Indenture.

(b) If the principal of and interest on all Senior Revenue Bonds then Outstanding and has not been declared to be due and payable immediately pursuant to the acceleration provisions described above (or deemed to be due and payable as contemplated in paragraph (a) above) or if such a declaration has been rescinded and annulled, then there shall be deposited into the Senior Indenture Debt Service Fund moneys sufficient to pay the amounts described in clauses (i), (ii) and (iii) below, and all such moneys shall be applied, as promptly as practicable (but subject to the provisions of the last paragraph of this Section), (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Senior Revenue Bonds, with interest on overdue installments, if lawful, at their respective rates from the respective dates upon which they became due, in the order of maturity and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Senior Revenue Bonds which shall have become due with interest on such Bonds at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Senior Revenue Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; and (iii) third, to the payment of any other amounts then owing under the Senior Indenture, and, after said deposit into the Senior Indenture Debt Service Fund, there shall be paid the Subordinated Indebtedness issued or incurred by the Commission pursuant to the Senior Indenture.

Whenever moneys are to be applied pursuant to the above provisions, such moneys shall be applied at such times, and from time to time, as the Senior Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Senior Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Senior Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Owners of Senior Revenue Bonds with respect to which the Event of Default occurred and shall not be required to make payment to any Senior Revenue Bond Owner until such Bonds shall be presented to the Senior Trustee for appropriate endorsement or for cancellation if fully paid.

[End of Appendix E]

APPENDIX F

DEBT SERVICE REQUIREMENTS OF THE TURNPIKE REVENUE BONDS AND SUBORDINATE INDENTURE BONDS

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APPENDIX F
DEBT SERVICE REQUIREMENTS OF THE TURNPIKE REVENUE BONDS AND SUBORDINATE INDENTURE BONDS

Fiscal Year	Existing Debt Service on Senior Indenture Bonds[1,2,3,4,5,6]	Existing Debt Service on Subordinate Revenue Bonds[4,6,7]	Subordinate Revenue Bonds, Series A of 2014			Total Debt Service from Subordinate Revenue Bonds[6,7]
			Principal[6]	Interest[6,7]	Total[6,7]	
2014	$181,620,065	$196,475,287	$0	$0	$0	$196,475,287
2015	269,045,295	201,213,082	330,000	3,126,393	3,456,393	204,669,475
2016	264,723,813	202,827,043	185,000	5,302,369	5,487,369	208,314,412
2017	266,878,044	219,093,074	585,000	5,296,819	5,881,819	224,974,893
2018	293,194,125	220,676,066	1,025,000	5,279,269	6,304,269	226,980,335
2019	265,549,451	250,341,365	1,515,000	5,238,269	6,753,269	257,094,634
2020	285,452,228	253,439,187	2,060,000	5,177,669	7,237,669	260,676,856
2021	280,035,735	269,373,868	2,680,000	5,074,669	7,754,669	277,128,537
2022	177,422,709	269,039,354	3,375,000	4,940,669	8,315,669	277,355,023
2023	199,050,973	273,795,920	-	4,771,919	4,771,919	278,567,839
2024	200,989,891	273,086,276	650,000	4,771,919	5,421,919	278,508,195
2025	200,670,609	273,532,977	305,000	5,819,641	6,124,641	279,657,617
2026	201,020,839	273,455,384	-	6,884,613	6,884,613	280,339,996
2027	164,465,545	286,442,908	-	6,884,613	6,884,613	293,327,520
2028	134,141,591	286,463,138	-	6,884,613	6,884,613	293,347,750
2029	135,008,205	286,524,054	-	6,884,613	6,884,613	293,408,666
2030	160,526,766	282,420,145	4,030,000	6,884,613	10,914,613	293,334,758
2031	161,461,306	282,391,759	4,260,000	6,683,113	10,943,113	293,334,872
2032	190,458,250	282,377,719	4,485,000	6,470,113	10,955,113	293,332,831
2033	191,425,620	282,469,819	4,620,000	6,245,863	10,865,863	293,335,681
2034	192,434,927	282,572,515	4,745,000	6,014,863	10,759,863	293,332,378
2035	193,468,717	282,662,926	4,895,000	5,777,613	10,672,613	293,335,539
2036	191,585,603	285,594,963	2,165,000	5,575,694	7,740,694	293,335,656
2037	192,619,189	285,248,153	2,620,000	5,467,444	8,087,444	293,335,596
2038	193,677,488	284,822,391	3,175,000	5,336,444	8,511,444	293,333,835
2039	194,772,462	256,296,699	21,555,000	5,177,694	26,732,694	283,029,393
2040	116,031,579	171,592,104	14,899,220	14,025,724	28,924,944	200,517,048
2041	128,446,394	212,202,014	13,266,063	18,256,600	31,522,663	243,724,676
2042	129,637,628	206,645,910	7,411,519	26,937,981	34,349,500	240,995,410
2043	130,861,163	30,978,250	18,543,558	18,945,942	37,489,500	68,467,750
2044	118,989,422	13,188,000	24,920,000	1,246,000	26,166,000	39,354,000
2045	97,710,645	-	-	-	-	-
2046	72,540,826	-	-	-	-	-
2047	72,589,849	-	-	-	-	-
2048	72,633,704	-	-	-	-	-
2049	72,673,699	-	-	-	-	-
2050	72,721,942	-	-	-	-	-
	$6,466,536,298	**$7,477,242,347**	**$148,300,359**	**$221,383,749**	**$369,684,108**	**$7,846,926,456**

(1) All variable rate debt, unless subject to an interest rate swap agreement, is shown at an assumed rate of 4.0%. All variable rate debt which is swapped to a fixed rate is shown at the fixed swap rate. As only a portion of principal on the 2009C, 2011D, 2012B and 2013B Turnpike Revenue Bonds (SIFMA Index Notes) is swapped, the interest rate is a calculated as a weighted average between (a) an assumed rate of 4.0% plus the fixed spread and (b) the swap rate of 4.403% plus the fixed spread, based on the outstanding principal amounts of unhedged and hedged bonds.

(2) Interest reflects anticipated receipt of federal subsidy with respect to Build America Bonds, subject to applying the 7.2% reduction in subsidy from federal fiscal year 2014 through federal fiscal year 2024. For information regarding the effects of sequestration on federal subsidy payable with respect to the Commission's outstanding Build America Bonds, see "CERTAIN RISK FACTORS – Reductions in subsidy payable to the Commission for its outstanding Build America Bonds due to sequestration" in this Official Statement.

(3) Does not reflect any refunding of 2009C, 2011D, 2012B, 2013A or 2013B Turnpike Revenue Bonds (SIFMA Index Notes) prior to their respective maturity dates. The Commission expects that it will refund such bonds prior to maturity subject to market conditions at the time. See APPENDIX A — "THE PENNSYLVANIA TURNPIKE COMMISSION — CERTAIN FINANCIAL INFORMATION – Future Financing Considerations."

(4) Interest net of capitalized interest; does not reflect any expected earnings credited against debt service.

(5) All fixed rate debt, unless subject to an interest rate swap agreement, is shown at the actual interest rate. All fixed rate debt which is swapped to a floating rate is shown at an assumed rate of 4.0% plus the fixed spread.

(6) Totals may not add due to rounding.

(7) Includes compounded interest on Subordinate Convertible Capital Appreciation Bonds and Subordinate Capital Appreciation Bonds.

APPENDIX F
DEBT SERVICE REQUIREMENTS OF THE TURNPIKE REVENUE BONDS AND SUBORDINATE INDENTURE BONDS
(continued)

Fiscal Year	Existing Debt Service on MLF Enhanced Subordinate Special Revenue Bonds[1,2,3]	MLF Enhanced Special Revenue Bonds Series A of 2014: Principal[2]	Interest[2,3]	Total[2,3]	Total Debt Service on MLF Enhanced Subordinate Special Revenue Bonds[1,2,3]	Aggregate Debt Service[2]
2014	$29,631,684	$0	$0	$0	$29,631,684	$407,727,037
2015	36,026,573	-	-	-	36,026,573	509,741,342
2016	36,524,913	-	-	-	36,524,913	509,563,138
2017	45,194,388	-	-	-	45,194,388	537,047,325
2018	45,760,088	-	-	-	45,760,088	565,934,548
2019	46,337,988	-	-	-	46,337,988	568,982,073
2020	48,348,388	-	-	-	48,348,388	594,477,472
2021	53,750,375	-	-	-	53,750,375	610,914,646
2022	54,423,825	-	-	-	54,423,825	509,201,556
2023	58,044,675		3,985,890	3,985,890	62,030,565	539,649,377
2024	58,706,475		3,985,890	3,985,890	62,692,365	542,190,451
2025	59,737,813		3,985,890	3,985,890	63,723,703	544,051,928
2026	59,994,625		3,985,890	3,985,890	63,980,515	545,341,350
2027	77,172,269	502,940	4,187,950	4,690,890	81,863,159	539,656,224
2028	77,828,206	1,144,991	4,414,174	5,559,165	83,387,371	510,876,712
2029	78,505,831	1,872,649	4,634,291	6,506,940	85,012,771	513,429,643
2030	79,162,788	-	3,763,815	3,763,815	82,926,603	536,788,126
2031	79,835,513	592,114	4,001,701	4,593,815	84,429,328	539,225,505
2032	80,480,038	1,483,851	4,322,614	5,806,465	86,286,503	570,077,584
2033	81,654,963	2,564,637	4,663,228	7,227,865	88,882,828	573,644,129
2034	82,346,488	3,798,802	4,997,288	8,796,090	91,142,578	576,909,882
2035	83,046,375	5,168,511	5,307,954	10,476,465	93,522,840	580,327,096
2036	83,738,700	8,604,174	6,556,266	15,160,440	98,899,140	583,820,400
2037	84,450,931	10,117,175	6,620,391	16,737,565	101,188,496	587,143,282
2038	85,155,556	11,763,544	6,639,526	18,403,070	103,558,626	590,569,950
2039	85,920,344	1,049,213	1,323,777	2,372,990	88,293,334	566,095,188
2040	60,545,700	1,232,739	1,331,016	2,563,755	63,109,455	379,658,081
2041	61,295,831	1,430,116	1,331,419	2,761,535	64,057,366	436,228,436
2042	53,346,550	1,675,971	1,339,379	3,015,350	56,361,900	426,994,938
2043	36,811,713	1,946,066	1,340,705	3,286,770	40,098,483	239,427,396
2044	23,074,013	1,374,712	949,368	2,324,080	25,398,093	183,741,514
2045	-	3,417,734	1,759,081	5,176,815	5,176,815	102,887,460
2046	-	-	-	-	-	72,540,826
2047	-	-	-	-	-	72,589,849
2048	-	-	-	-	-	72,633,704
2049	-	-	-	-	-	72,673,699
2050	-	-	-	-	-	72,721,942
	$1,926,853,613	**$59,739,936**	**$85,427,504**	**$145,167,440**	**$2,072,021,053**	**$16,385,483,806**

(1) Interest net of capitalized interest; does not reflect any expected earnings credited against debt service.
(2) Totals may not add due to rounding.
(3) Includes compounded interest on Subordinate Convertible Capital Appreciation Bonds and Subordinate Capital Appreciation Bonds.

APPENDIX G

TRAFFIC AND REVENUE STUDY

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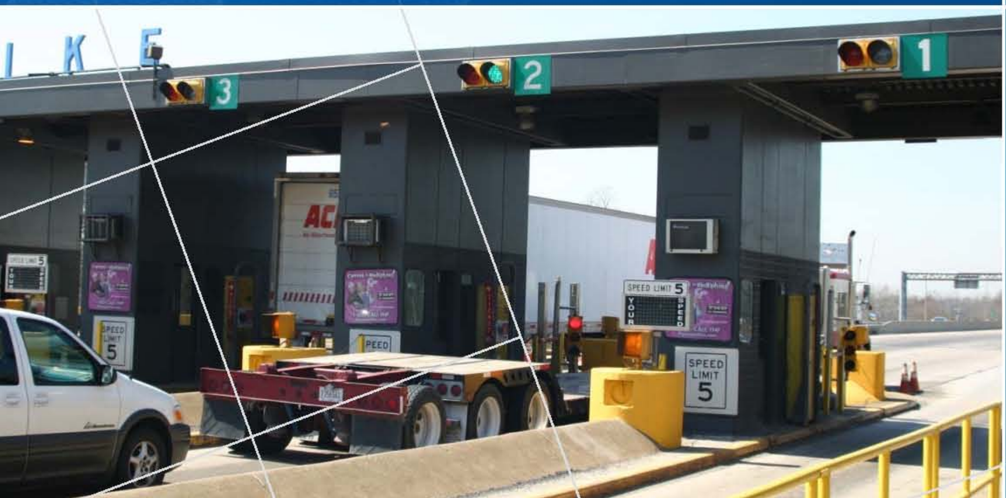
Pennsylvania Turnpike 2012 Traffic and Revenue Forecast Study

March 9, 2012



Pennsylvania Turnpike Commission

CDM Smith

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Chapter 1

Introduction

This report summarizes the analyses conducted by CDM Smith (formerly Wilbur Smith Associates) in developing updated traffic and toll revenue estimates for the various toll facilities operated by the Pennsylvania Turnpike Commission (PTC). CDM Smith forecasts have been used by PTC for more than 20 years in support of the issuance of bond financing and for internal financial planning. In light of the current economic climate, it is more important than ever to have up-to-date traffic and revenue forecasts based on the most current information available.

CDM Smith last developed a detailed investment grade traffic and toll revenue study in January 2009. Since that time additional “bring down” letters have also been developed to update forecasts developed in the 2009 study. Bring down letters were developed in March 2010 and February 2011. The purpose of a bring down letter is to update actual traffic and revenue experience since the last study and to adjust short term (2 to 5 year) forecasts based on recent trends. Detailed economic analyses are not conducted as part of a bring down letter and therefore longer term forecasts are not adjusted from those originally developed as part of the latest investment grade study.

This current study included a comprehensive evaluation of the most currently available long term socioeconomic forecasts, and is, therefore, meant to be an update of the January 2009 investment grade study. This forecast includes updated long term traffic and revenue forecasts through 2041. PTC’s most recent assumptions regarding future toll rate increases, discount levels for the commercial volume-discount program, and future capital improvements have been incorporated into this study. Additional assumptions regarding future E-ZPass market share and toll elasticities have also been updated for this work.

PTC has been studying the possible implementation of all electronic tolling (AET) on its facilities. CDM Smith has been a member of the study team analyzing both the potential traffic and toll revenue impacts as well as the potential capital and maintenance and operating (M&O) cost impacts AET may have on the Turnpike. No final decision has yet been made regarding implementation of AET, though studies continue and implementation, should it occur, would not be for several years. As such, AET is not assumed in the forecasts developed for this study. It should be noted, however, that PTC has emphasized that a key requirement of AET is that it be net revenue positive and enhance the overall financial strength of the Turnpike. Absent this, among other criteria, AET would not be implemented on the Turnpike System.

Report Structure

This report is comprised of four chapters, including the following:

Chapter 1: Introduction
Chapter 2: Turnpike Characteristics
Chapter 3: Socioeconomic Trends and Forecasts
Chapter 4: Transaction and Toll Revenue Forecasts

Following is a brief description of each Chapter.

Chapter 2 (Turnpike Characteristics) provides a review of monthly and annual transaction and toll revenue trends. Data are provided for passenger cars and commercial vehicles separately. Information is provided for the entire Turnpike System as well as for each of the individual toll facilities (Ticket System, Turnpike 43, etc.) that make up the Turnpike System. E-ZPass market share trends, historical toll rate adjustments, and changes to the commercial volume-discount program are also summarized in Chapter 2.

Chapter 3 (Socioeconomic Trends and Forecasts) summarizes trends and forecasts in key socioeconomic variables, including population, employment, retail sales, and gross regional product. This data is broken down (at a county level) to reflect the actual market share for the various interchanges on the Turnpike System. Pennsylvania statewide data, as well as data for surrounding states and the United States, are also provided for each of these variables. Trends and forecasts in motor fuel prices are also covered in this chapter. The methodology used to estimate future traffic growth is described in detail. The ultimate product of Chapter 3 is a table showing the assumed growth rates used to develop traffic and toll revenue estimates for passenger cars and commercial vehicles for each Turnpike toll facility.

Chapter 4 (Transaction and Toll Revenue Forecasts) begins with a review of the assumed roadway improvement program for the Pennsylvania Turnpike. Planned toll rate adjustments throughout the 30 year forecast period are identified. A review of the impact of the 25 percent toll increase (January 2009) is provided to show the relatively inelastic nature of the Turnpike. Because of the toll differential that now exists between cash and E-ZPass, assumptions regarding future E-ZPass market share are important. All assumptions regarding E-ZPass market share throughout the forecast period are discussed in this chapter. Finally, estimates of traffic and gross toll revenue are provided through 2041. Forecasts are provided for passenger cars and commercial vehicles, for both the ticket system and the combined barrier systems, as well as for the total Turnpike.

Chapter 2

Turnpike Characteristics

This chapter presents historical transaction and gross toll revenue trends on the Turnpike facilities. It also presents actual trends in the E-ZPass market share and historical toll increases. A comparison is presented between the current Turnpike per-mile toll rate on I-76/I-276 and other toll road facilities. Lastly, recent changes to the PTC's commercial volume-discount program are described.

The Pennsylvania Turnpike Facilities

Figure 2-1 provides an overview of the Turnpike System, identifying each of its six toll facilities:

- Mainline I-76/I-276
- Northeast Extension I-476
- Turnpike I-376 (PA 60)
- Turnpike 576 (Southern Beltway)
- Turnpike 43 – Mon/Fayette Expressway
- Turnpike 66

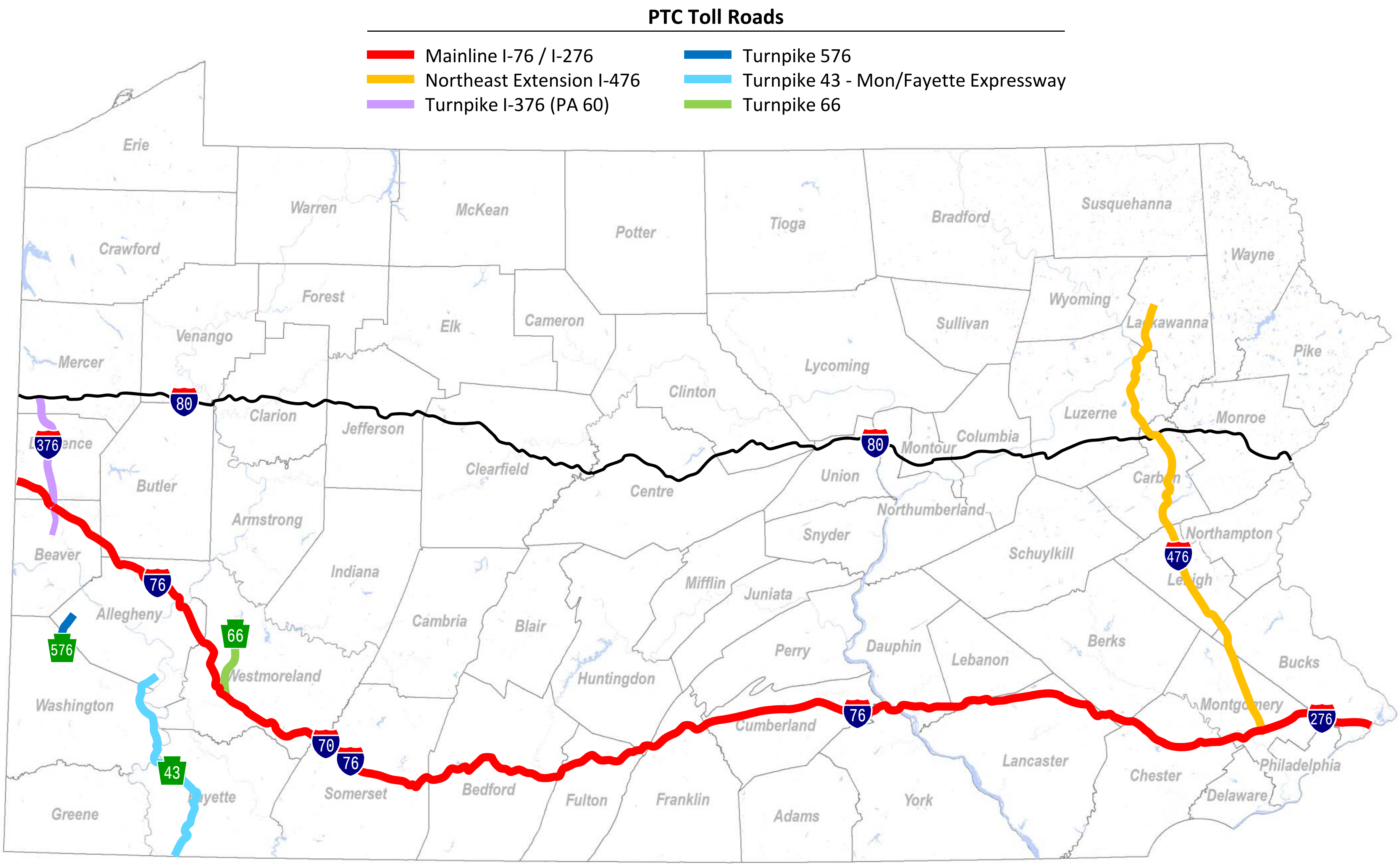
There are two toll collection systems on the Turnpike System; a ticket system, and a barrier system. The ticket system is comprised of the majority of Mainline I-76 / I-276 (from Interchange 30 in western Pennsylvania to Interchange 359 near the New Jersey border) and the majority of the Northeastern Extension (from Interchange 20 to Interchange 131).

The Barrier system is comprised of Turnpikes I-376 (PA 60), Turnpike 66, Turnpike 43, and Turnpike 576 (Southern Beltway). In addition, one barrier toll plaza exists on Mainline I-76/I-276 consisting of the Gateway Mainline Toll Plaza. This toll plaza was converted from a ticket-system plaza to a barrier-system plaza in 2003. For continuity, ticket system traffic and toll revenue trends include the Gateway Barrier Plaza in this report. Two other barrier toll plazas exist at the northern end of the Northeast Extension; consisting of Clarks Summit and Keyser Avenue.

The ticket system is by far the largest component of the Turnpike System. As seen in Figure 2-2, the ticket system accounted for 94.5 percent of the Turnpike System's total gross toll revenue, and 82.1 percent of the total transactions in calendar year 2011. Fixed barrier locations accounted for only 5.5 percent of gross toll revenue and 17.9 percent of transactions.

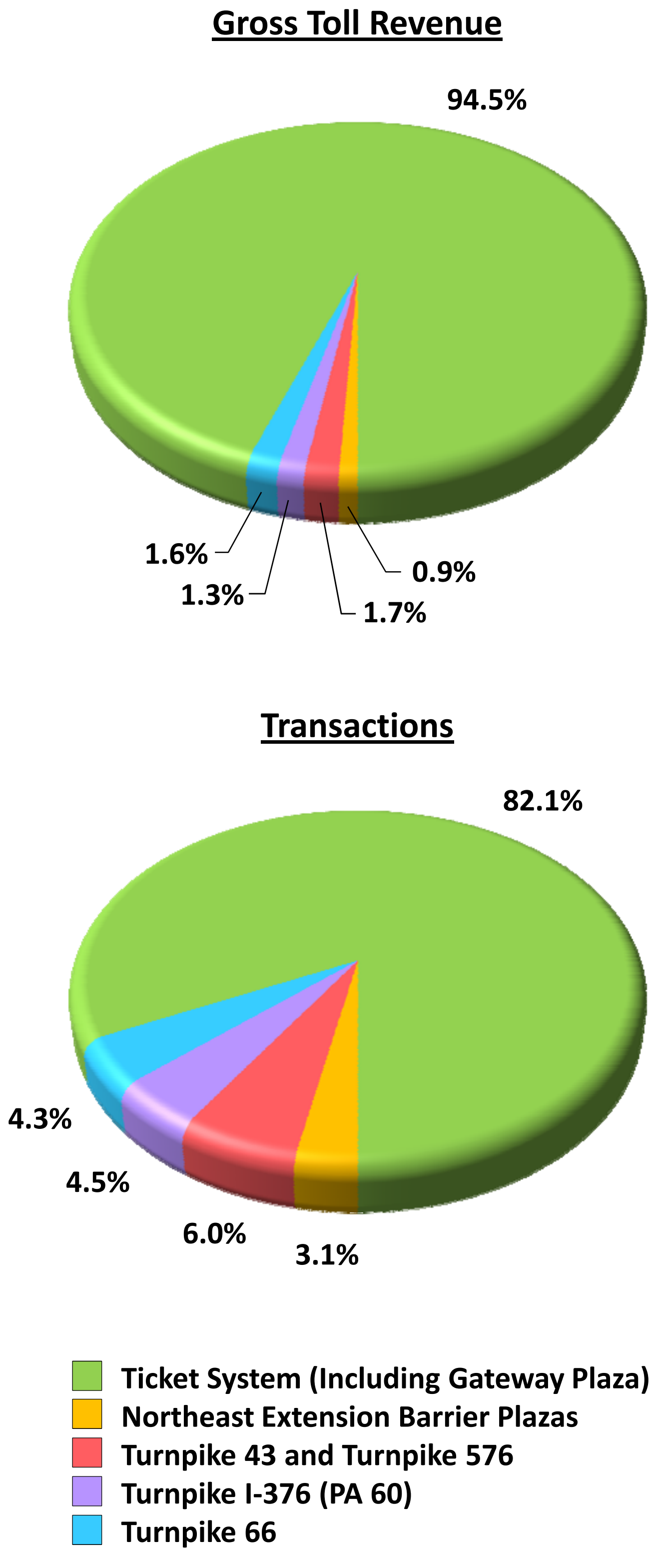
Turnpike Transaction and Toll Revenue Trends

This section presents long-term annual transaction trends on the ticket and barrier systems by toll plaza. Recent monthly transaction and toll revenue trends are also presented for the two systems.



PENNSYLVANIA TURNPIKE COMMISSION (PTC) TOLL ROAD FACILITIES

FIGURE 2-1



PERCENT OF CALENDAR YEAR 2011 TRANSACTIONS AND GROSS TOLL REVENUE BY FACILITY

CDM Smith

FIGURE 2-2

Finally, long term annual transaction and adjusted gross toll revenue trends are presented for the entire Turnpike System.

Ticket System Transaction Trends

Table 2-1 identifies average annual daily traffic trends for each of the ticket system locations between 1991 and 2011. Gateway barrier plaza (Interchange 2) is also shown in this table. Please note that in 2003 the west end of the system converted from a ticket system to a barrier system. Thus, volumes shown at Gateway are not comparable between 2002 and 2003. Also at this time, exit toll plazas were removed from Interchanges 10, 13 and 28 as the new endpoint of the ticket system (identified in this table as Interchange 30) was shifted to between Interchanges 28 and 39. Also as footnoted in Table 2-1, two-way toll collection was replaced by one-way toll collection at Gateway in 2006. Traffic values in Table 2-1 were doubled from that point forward to simulate total two-way traffic volumes in order to be comparable to historical trends.

Passenger-car trends are shown on the first page of Table 2-1. Average annual percent changes are shown for various time periods. Relatively strong growth was experienced during the first decade (1991-2001) where total passenger-car transactions grew at an annual rate of 3.7 percent. Growth in passenger-car transactions slowed to 0.9 percent per year in the decade from 2001 -2011. This decreased growth rate was primarily due to the economic recession that began in late 2007. Growth in annual transactions was only 0.1 percent between 2006 through 2011, due largely to the recession. A secondary reason for the reduced growth in transactions was the multiple toll increases that took place in 1991 (32 percent), 2004 (42.5 percent), 2009 (25 percent), 2010 (3 percent), and 2011 (3 percent E-ZPass and 10 percent cash). As will be discussed in Chapter 3 and Chapter 4, it is believed the recession has had more impact on the low growth in transactions than the toll rate increases. Overall, passenger-car transactions increased by 2.3 percent per year from 1991 through 2011.

The second page of Table 2-1 shows historical commercial-vehicle transaction trends on the ticket system. As with passenger cars, the strongest period of growth for commercial vehicles was between 1991 and 2001. Commercial traffic increased at a 3.6 percent annual rate over that period. Over the most recent ten-year period (2001-2011) commercial traffic grew at an annual rate of 1.5 percent. This is heavily influenced by the negative 1.4 percent annual growth between 2006 and 2011 when commercial activity was particularly impacted by the economic recession. Still, over the entire twenty-year period from 1991 to 2011, commercial transactions increased at an average annual rate of 2.5 percent.

Total-vehicle transaction trends are shown on the third page of Table 2-1. Because passenger cars make up about 82 percent of total ticket system toll transactions, the trends and growth rates for total vehicles closely mirror those for passenger cars.

Barrier System Transaction Trends

Table 2-2 identifies average annual daily traffic trends for each of the Turnpike barrier systems. Transactions on the barrier system have been increasing at a faster rate than on the Mainline I-76/I-276. Passenger car transactions increased by an average 9.5 percent per year from 1994 to 2001, and by 4.7 percent per year from 2001 to 2011. During the recession, from 2006 to 2011, passenger-car transactions grew by 5.4 percent per year. In general, the higher growth rates in passenger-car transactions are attributable to several items, including 1) these tend to be younger facilities that have

Table 2-1
Passenger Cars - Ticket System (Including Gateway Plaza) - Average Daily Transactions
Pennsylvania Turnpike System

Interchange (Milepost)[1]	1991[2]	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004[3]	2005	2006	2007	2008	2009[4]	2010[5]	2011[8]	Avg. Annual % Change 1991-01	2001-11	2006-11	1991-11
	Calendar Year																								
2[6]	6,873	6,916	6,999	7,064	7,288	7,292	7,496	7,815	7,850	7,333	8,056	9,082	13,828	16,379	15,873	16,388	16,365	16,192	16,882	17,432	17,486	1.6	8.1	1.3	4.8
10[7]				1,556	1,691	1,836	1,911	2,010	2,064	2,164	2,302	2,344										NA	NA	NA	NA
13[7]	1,740	1,654	1,581	1,507	1,488	1,516	1,604	1,743	1,759	1,771	1,824	1,860										0.5	NA	NA	NA
28[7]	7,414	7,445	7,519	7,574	7,819	8,232	8,569	9,211	9,369	9,399	9,940	10,183										3.0	NA	NA	NA
30[7]													7,374	11,585	11,269	11,419	11,940	12,056	12,232	12,118	12,023	NA	NA	1.0	NA
39	4,019	4,013	4,029	4,035	4,053	4,279	4,483	4,827	5,003	4,939	5,180	5,186	5,448	5,417	5,154	5,181	5,613	5,627	5,495	5,527	5,333	2.6	0.3	0.6	1.4
48	7,198	7,196	7,235	7,257	7,045	7,602	8,084	7,962	8,686	9,251	8,998	9,366	9,505	9,377	9,101	9,129	9,406	9,226	9,087	8,879	8,576	2.3	(0.5)	(1.2)	0.9
57	15,621	15,624	15,714	15,763	15,887	16,101	16,700	17,291	17,626	17,782	18,337	18,436	18,770	18,598	18,087	18,290	18,198	18,305	18,083	17,452	17,172	1.6	(0.7)	(1.3)	0.5
67	7,874	7,971	8,113	8,236	8,226	8,398	8,586	9,082	9,481	9,533	9,593	9,789	10,303	10,054	9,437	9,582	9,614	9,068	8,674	8,776	8,718	2.0	(1.0)	(1.9)	0.5
75	7,785	7,629	7,519	7,391	7,651	8,046	8,331	8,706	9,684	8,594	8,868	9,366	9,394	9,191	8,880	8,779	8,806	8,522	8,433	8,550	8,246	1.3	(0.7)	(1.2)	0.3
91	2,126	2,149	2,185	2,216	2,311	2,212	2,253	2,352	2,381	2,142	2,236	2,204	2,253	2,239	2,257	2,237	2,478	2,395	2,351	2,371	2,279	0.5	0.2	0.4	0.3
110	1,944	1,949	1,966	1,978	2,024	2,025	2,030	2,059	1,916	1,848	1,911	2,031	2,061	1,948	1,892	1,927	2,067	2,119	2,104	2,136	2,159	(0.2)	1.2	2.3	0.5
146	1,943	1,927	1,922	1,912	2,038	2,135	2,222	2,479	2,728	2,760	2,960	3,225	3,290	3,370	3,163	3,037	3,059	2,994	2,972	2,945	2,848	4.3	(0.4)	(1.3)	1.9
161	5,407	5,214	5,057	4,893	5,109	5,214	5,438	5,697	5,838	5,828	6,331	6,599	6,820	6,713	6,517	6,356	6,216	6,005	6,356	6,262	6,064	1.6	(0.4)	(0.9)	0.6
180	570	566	566	564	569	586	617	643	673	630	661	700	715	761	691	676	711	675	655	658	645	1.5	(0.3)	(0.9)	0.6
189	358	362	368	373	381	407	428	462	480	453	436	477	488	483	448	443	440	426	409	418	409	2.0	(0.6)	(1.6)	0.7
201	430	439	451	462	477	500	521	549	567	574	591	661	670	679	649	658	662	614	603	642	634	3.2	0.7	(0.7)	2.0
226	4,333	4,327	4,346	4,354	4,675	4,665	4,281	4,626	4,886	4,792	5,304	5,180	5,365	5,262	4,939	4,959	4,973	4,736	4,628	4,899	4,705	2.0	(1.2)	(1.0)	0.4
236	2,672	2,726	2,797	2,862	3,499	3,665	3,495	3,641	3,889	4,039	4,172	4,580	4,804	4,796	4,567	4,562	4,661	4,507	4,470	5,074	4,883	4.6	1.6	1.4	3.1
242	3,974	3,905	3,858	3,802	4,186	4,146	4,080	4,295	4,699	5,103	5,081	5,400	5,781	5,734	5,352	5,196	5,265	6,068	5,894	5,476	5,371	2.5	0.6	0.7	1.5
247	7,164	7,182	7,241	7,282	7,608	7,989	7,991	8,409	8,818	9,004	9,125	9,739	10,217	10,256	9,917	9,553	9,902	10,073	9,952	10,478	10,155	2.4	1.1	1.2	1.8
266	2,212	2,241	2,282	2,319	2,363	2,500	2,643	2,867	2,987	3,037	3,214	3,381	3,663	3,695	3,643	3,602	3,740	3,577	3,484	3,571	3,442	3.8	0.7	(0.9)	2.2
286	4,750	4,887	5,056	5,220	5,453	5,490	5,729	6,041	6,096	6,242	6,472	6,655	6,954	7,207	6,969	7,185	7,397	7,060	6,910	6,937	6,766	3.1	0.4	(1.2)	1.8
298	4,001	4,035	4,092	4,139	4,224	4,330	4,844	5,253	5,513	5,661	6,187	6,682	7,201	7,359	7,335	7,457	7,446	7,448	7,176	7,018	6,789	4.5	0.9	(1.9)	2.7
312	6,439	6,587	6,775	6,950	7,070	6,723	7,311	7,838	8,361	8,824	9,437	10,008	10,421	10,455	10,291	10,558	11,011	10,635	10,234	10,353	10,315	3.9	0.9	(0.5)	2.4
326	22,920	21,881	21,009	20,122	20,707	21,092	21,337	22,360	21,643	21,531	24,784	25,264	26,928	28,231	28,201	28,173	27,069	26,975	27,783	29,284	28,965	0.8	1.6	0.6	1.2
333	12,073	10,730	9,592	8,553	8,975	9,296	9,912	10,337	10,665	10,585	11,335	11,901	12,297	12,586	11,861	11,455	11,312	11,848	11,904	12,166	12,093	(0.6)	0.6	1.1	0.0
20				22,910	25,569	26,959	28,430	29,605	29,628	30,770	31,945	33,406	34,130	35,753	35,452	36,060	36,659	35,518	34,961	35,236	35,478	NA	1.1	(0.3)	NA
339	14,473	15,262	16,186	17,125	18,179	18,335	18,812	20,185	20,031	19,967	21,056	21,380	22,140	22,015	21,709	21,561	21,203	20,312	20,989	22,973	23,265	3.8	1.0	1.5	2.4
340												998	1,318	1,541	1,570	1,581	1,537	1,521	1,370	1,422	1,447	NA	NA	(1.7)	NA
343	17,576	18,267	19,100	19,926	21,963	22,370	22,902	23,207	22,397	23,085	23,753	24,197	24,850	25,716	25,152	24,609	26,054	25,277	25,165	26,569	26,178	3.1	1.0	1.2	2.0
351	21,666	21,995	22,458	22,876	24,361	24,750	25,685	26,256	26,089	26,665	27,653	28,556	29,503	30,084	29,563	29,433	29,917	29,315	29,196	29,690	28,170	2.5	0.2	(0.9)	1.3
352																				158	1,805	NA	NA	NA	NA
358	5,065	5,050	5,065	5,068	5,024	5,215	5,291	5,422	5,476	5,373	5,317	5,478	5,755	6,011	5,856	5,854	5,917	5,964	5,767	5,716	5,538	0.5	0.4	(1.1)	0.4
359	14,113	14,026	14,019	13,979	14,248	14,595	14,829	15,312	15,450	15,565	16,349	16,765	17,532	18,086	17,844	17,635	17,727	17,274	16,943	17,255	16,846	1.5	0.3	(0.9)	0.9
31	5,191	5,936	6,826	7,830	8,256	8,760	9,980	10,594	11,187	11,381	11,430	12,411	12,939	13,166	12,941	13,034	13,304	13,389	13,431	13,432	12,950	8.2	1.3	(0.1)	4.7
44	4,141	4,358	4,615	4,877	5,087	5,344	5,595	6,250	6,526	6,690	6,693	6,981	7,378	7,926	7,950	8,149	8,235	8,313	8,399	8,478	8,157	4.9	2.0	0.0	3.4
56	7,764	8,248	8,811	9,387	9,907	10,534	11,218	11,290	11,843	12,558	13,363	13,805	14,528	15,392	15,064	15,318	15,581	14,950	15,339	16,008	15,365	5.6	1.4	0.1	3.5
74	2,551	2,669	2,809	2,949	3,059	3,261	3,452	3,709	3,885	3,897	4,137	4,323	4,442	4,691	4,562	4,657	4,796	4,811	4,723	4,722	4,580	5.0	1.0	(0.3)	3.0
95	3,020	3,105	3,211	3,313	3,397	3,603	3,832	4,003	4,150	4,144	4,151	4,413	4,599	5,020	4,722	4,750	4,761	4,709	5,021	5,200	4,859	3.2	1.6	0.5	2.4
105	1,970	2,053	2,152	2,250	2,305	2,329	2,442	4,003	2,593	2,611	2,716	2,859	2,946	3,243	3,033	3,060	3,188	3,062	3,232	3,337	3,234	3.3	1.8	1.1	2.5
115	2,018	2,286	2,606	2,965	3,170	3,232	3,401	3,548	3,587	3,592	3,697	4,042	4,013	4,256	4,051	4,047	4,043	4,128	4,289	4,067	3,948	6.2	0.7	(0.5)	3.4
Total	241,388	242,810	246,130	273,839	287,342	295,564	306,765	321,939	326,504	330,117	345,595	359,914	370,623	385,275	375,967	376,550	381,271	375,695	375,594	383,685	377,896	3.7	0.9	0.1	2.3
Percent Change Over Prior Year		0.6	1.4	11.3	4.9	2.9	3.8	4.9	1.4	1.1	4.7	4.1	3.0	4.0	(2.4)	0.2	1.3	(1.5)	(0.0)	2.2	(1.5)				

(1) Interchanges 2 through 259 reflect those for the Mainline 1-76/I-276. Interchanges 31 through 115 correspond to those on the Northeast Extension I-476.
(2) A toll increase of 32% was implemented on June 1, 1991.
(3) A toll increase of 42.5% was implemented on August 1, 2004.
(4) A toll increase of 25% was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(5) A toll increase of 3% was implemented on January 3, 2010.
(6) Several changes have occurred at Gateway Plaza during this time period. It was converted from the western terminus of the ticket system to a barrier plaza on June 1, 2003;
at this time toll classifications were switched from weight based to axle based. On January 2, 2006, toll collection at the barrier location was converted from two-way to one-way collection.
(7) Once Gateway was converted to a barrier plaza, Interchange 30, Warrendale, became the new start of the Turnpike ticket system in 2004. Toll collection was removed from Interchanges 10, 13 and 28 at this time.
(8) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011. Exceptions include Turnpike 576 and near the Pittsburgh International Airport where coin machine fares will not change.

Table 2-1 (Cont'd)
Commercial Vehicles - Ticket System (Including Gateway Plaza) - Average Daily Transactions
Pennsylvania Turnpike System

Interchange	Calendar Year																					Average Annual Percent Change			
(Milepost)(1)	1991(2)	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004(3)	2005	2006	2007	2008	2009(4)	2010(5)	2011(8)	1991-01	2001-11	2006-11	1991-11
2(6)	2,370	2,356	2,355	2,348	2,404	2,374	2,446	2,605	2,848	2,649	2,709	2,937	4,259	5,447	5,760	5,288	5,403	5,243	4,517	4,864	5,030	1.3	6.4	(1.0)	3.8
10(7)				225	241	281	302	314	363	384	394	402										NA	NA	NA	NA
13(7)	371	345	322	304	274	285	303	295	324	324	315	303										(1.6)	NA	NA	NA
28(7)	1,372	1,355	1,346	1,334	1,392	1,433	1,502	1,576	1,690	1,708	1,693	1,670										2.1	NA	NA	NA
30(7)													1,865	3,196	3,340	3,371	3,505	3,412	2,994	3,060	3,116	NA	NA	(1.6)	NA
39	389	388	390	391	412	413	437	472	519	526	521	523	513	536	552	527	575	571	544	565	552	3.0	0.6	0.9	1.8
48	869	856	848	839	820	860	849	983	1,042	1,057	1,032	1,027	1,048	1,075	1,072	1,081	1,177	1,185	1,104	1,153	1,058	1.7	0.2	(0.4)	1.0
57	1,321	1,206	1,216	1,344	1,381	1,419	1,471	1,534	1,635	1,662	1,663	1,604	1,591	1,653	1,680	1,706	1,735	1,636	1,498	1,590	1,606	2.3	(0.3)	(1.2)	1.0
67	664	662	665	665	655	665	706	745	810	809	809	826	837	849	857	853	894	895	869	847	816	2.0	0.1	(0.9)	1.0
75	3,292	3,239	3,206	3,164	3,300	3,400	3,548	3,789	4,059	4,138	4,066	4,161	4,255	4,345	4,348	4,389	4,478	4,389	3,902	3,854	3,828	2.1	(0.6)	(2.7)	0.8
91	205	203	202	201	199	195	202	211	238	228	226	253	267	318	262	286	306	287	314	334	323	1.0	3.6	2.5	2.3
110	658	639	624	608	651	674	691	725	808	750	712	734	729	729	710	715	743	738	652	669	690	0.8	(0.3)	(0.7)	0.2
146	641	644	651	657	694	695	721	825	1,062	1,145	1,198	1,312	1,375	1,454	1,350	1,332	1,327	1,151	1,009	1,077	1,056	6.5	(1.3)	(4.5)	2.5
161	1,908	1,918	1,939	1,955	2,041	2,115	2,208	2,390	2,711	2,729	2,672	2,753	2,840	2,888	2,902	2,835	2,910	2,616	2,261	2,440	2,431	3.4	(0.9)	(3.0)	1.2
180	111	114	119	123	120	124	130	138	157	151	148	160	173	198	205	218	230	203	169	207	215	2.9	3.8	(0.2)	3.4
189	99	93	88	83	81	89	90	95	102	104	98	100	108	106	106	107	108	96	85	100	101	(0.1)	0.3	(1.1)	0.1
201	111	110	110	109	113	109	113	117	124	135	143	151	161	186	215	214	229	219	193	212	265	2.6	6.4	4.4	4.5
226	2,316	2,286	2,269	2,247	2,560	2,619	2,454	2,799	3,030	3,072	3,121	3,196	3,359	3,471	3,430	3,483	3,548	3,350	2,893	2,886	2,889	3.0	(0.8)	(3.7)	1.1
236	365	381	399	417	517	478	479	470	516	536	544	569	619	632	668	723	774	690	646	751	774	4.1	3.6	1.4	3.8
242	529	536	546	555	638	629	656	695	771	802	813	856	995	1,070	1,119	1,154	1,194	1,243	1,146	1,105	1,100	4.4	3.1	(0.9)	3.7
247	1,164	1,183	1,208	1,231	1,293	1,273	1,378	1,479	1,574	1,556	1,517	1,567	1,718	1,812	1,895	1,854	1,863	1,817	1,653	1,749	1,743	2.7	1.4	(1.2)	2.0
266	285	271	265	261	268	282	316	358	400	399	418	452	499	501	518	538	549	523	469	486	482	3.9	1.4	(2.2)	2.7
286	921	937	959	978	978	913	1,059	1,035	1,123	1,305	1,325	1,338	1,437	1,492	1,461	1,507	1,572	1,491	1,325	1,354	1,364	3.7	0.3	(2.0)	2.0
298	548	576	610	645	679	690	829	881	966	997	985	1,034	1,146	1,194	1,160	1,187	1,188	1,084	936	963	995	6.0	0.1	(3.5)	3.0
312	732	714	700	684	679	616	670	740	798	839	844	901	935	971	967	996	1,058	908	806	904	929	1.4	1.0	(1.4)	1.2
326	2,437	2,341	2,085	2,182	2,269	2,375	2,495	2,670	2,708	2,727	2,868	2,894	3,137	3,360	3,408	3,486	3,446	3,190	2,902	3,118	3,105	1.6	0.8	(2.3)	1.2
333	867	656	499	378	415	427	452	473	514	532	504	572	598	618	626	611	636	663	597	644	629	(5.3)	2.2	0.6	(1.6)
20				2,435	2,619	2,830	3,052	3,258	3,408	3,573	3,470	3,707	3,839	4,124	4,187	4,320	4,433	4,114	3,751	3,883	3,961	NA	1.3	(1.7)	NA
339	899	927	960	992	1,005	1,035	1,062	1,152	1,200	1,198	1,227	1,323	1,373	1,408	1,453	1,424	1,403	1,343	1,260	1,329	1,417	3.2	1.5	(0.1)	2.3
340												4	11	13	16	19	20	19	18	20	24	NA	NA	5.2	NA
343	1,278	1,296	1,323	1,347	1,404	1,471	1,541	1,628	1,627	1,680	1,623	1,749	1,877	2,040	2,102	2,119	2,210	2,109	1,999	2,109	2,116	2.4	2.7	(0.0)	2.6
351	2,369	2,342	2,328	2,308	2,355	2,371	2,569	2,691	2,814	2,881	2,880	3,071	3,204	3,268	3,338	3,374	3,397	3,384	3,111	3,178	3,151	2.0	0.9	(1.4)	1.4
352																				4	54	NA	NA	NA	NA
358	1,010	1,027	1,051	1,073	1,112	1,162	1,199	1,242	1,383	1,552	1,332	1,420	1,624	1,737	1,807	1,810	1,812	1,529	1,410	1,654	1,571	2.8	1.7	(2.8)	2.2
359	2,436	2,312	2,206	2,099	2,125	2,179	2,240	2,364	2,510	2,716	2,722	2,971	3,296	3,613	3,754	3,790	3,949	4,137	3,768	3,474	3,389	1.1	2.2	(2.2)	1.7
31	663	726	800	880	924	1,005	1,097	1,143	1,216	1,242	1,202	1,249	1,319	1,387	1,409	1,429	1,505	1,495	1,453	1,498	1,450	6.1	1.9	0.3	4.0
44	399	416	438	459	480	495	541	615	646	678	633	689	842	869	897	951	990	958	929	965	943	4.7	4.1	(0.2)	4.4
56	1,255	1,326	1,409	1,493	1,582	1,713	1,911	2,081	2,250	2,380	2,336	2,443	2,592	2,833	2,909	3,051	3,139	3,118	3,039	3,147	3,114	6.4	2.9	0.4	4.6
74	250	258	268	278	311	342	357	396	406	429	418	461	465	496	526	546	596	484	480	527	536	5.3	2.5	(0.4)	3.9
95	476	517	566	618	674	775	837	899	1,039	1,113	1,076	1,139	1,169	1,235	1,227	1,292	1,336	1,264	1,226	1,337	1,329	8.5	2.1	0.6	5.3
105	97	100	104	108	107	114	122	899	131	141	142	165	176	205	209	210	218	400	396	200	209	3.9	3.9	(0.1)	3.9
115	543	632	739	863	901	944	1,038	1,113	1,160	1,162	1,140	1,241	1,250	1,336	1,340	1,329	1,358	1,204	1,167	1,268	1,266	7.7	1.1	(1.0)	4.3
Total	36,220	35,888	35,813	38,881	40,673	41,869	44,073	47,895	50,682	52,009	51,539	53,925	57,500	62,662	63,786	64,125	65,816	63,156	57,489	59,525	59,627	3.6	1.5	(1.4)	2.5
Percent Change Over Prior Year		(0.9)	(0.2)	8.6	4.6	2.9	5.3	8.7	5.8	2.6	(0.9)	4.6	6.6	9.0	1.8	0.5	2.6	(4.0)	(9.0)	3.5	0.2				

(1) Interchanges 2 through 259 reflect those for the Mainline 1-76/I-276. Interchanges 31 through 115 correspond to those on the Northeast Extension I-476.
(2) A toll increase of 32% was implemented on June 1, 1991.
(3) A toll increase of 42.5% was implemented on August 1, 2004.
(4) A toll increase of 25% was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(5) A toll increase of 3% was implemented on January 3, 2010.
(6) Several changes have occurred at Gateway Plaza during this time period. It was converted from the western terminus of the ticket system to a barrier plaza on June 1, 2003;
at this time toll classifications were switched from weight based to axle based. On January 2, 2006, toll collection at the barrier location was converted from two-way to one-way collection.
(7) Once Gateway was converted to a barrier plaza, Interchange 30, Warrendale, became the new start of the Turnpike ticket system in 2004. Toll collection was removed from Interchanges 10, 13 and 28 at this time.
(8) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011. Exceptions include Turnpike 576 and near the Pittsburgh International Airport where coin machine fares will not change.

Table 2-1 (Cont'd)
Total Vehicles - Ticket System (Including Gateway Plaza) - Average Daily Transactions
Pennsylvania Turnpike System

Interchange	Calendar Year																					Average Annual Percent Change			
(Milepost)(1)	1991(2)	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004(3)	2005	2006	2007	2008	2009(4)	2010(5)	2011(8)	1991-01	2001-11	2006-11	1991-11
2(6)	9,243	9,272	9,354	9,412	9,692	9,666	9,942	10,420	10,698	9,982	10,765	12,019	18,087	21,826	21,633	21,676	21,768	21,434	21,400	22,296	22,516	1.5	7.7	0.8	4.6
10(7)				1,781	1,932	2,117	2,213	2,324	2,427	2,548	2,696	2,746										NA	NA	NA	NA
13(7)	2,111	1,999	1,903	1,811	1,762	1,801	1,907	2,038	2,083	2,095	2,139	2,163										0.1	NA	NA	NA
28(7)	8,786	8,800	8,865	8,908	9,211	9,665	10,071	10,787	11,059	11,107	11,633	11,853										2.8	NA	NA	NA
30(7)													9,239	14,781	14,609	14,791	15,445	15,468	15,226	15,178	15,140	NA	NA	0.5	NA
39	4,408	4,401	4,419	4,426	4,465	4,692	4,920	5,299	5,522	5,465	5,701	5,709	5,961	5,953	5,706	5,709	6,188	6,198	6,039	6,092	5,885	2.6	0.3	0.6	1.5
48	8,067	8,052	8,083	8,096	7,865	8,462	8,933	8,945	9,728	10,308	10,030	10,393	10,553	10,452	10,173	10,210	10,583	10,411	10,191	10,032	9,634	2.2	(0.4)	(1.2)	0.9
57	16,942	16,830	16,930	17,107	17,268	17,520	18,171	18,825	19,261	19,444	20,000	20,040	20,361	20,251	19,767	19,996	19,933	19,941	19,581	19,042	18,778	1.7	(0.6)	(1.2)	0.5
67	8,538	8,633	8,778	8,901	8,881	9,063	9,292	9,827	10,291	10,342	10,402	10,615	11,140	10,902	10,294	10,435	10,507	9,963	9,543	9,623	9,534	2.0	(0.9)	(1.8)	0.6
75	11,077	10,868	10,725	10,555	10,951	11,446	11,879	12,495	13,743	12,732	12,934	13,527	13,650	13,537	13,228	13,168	13,284	12,912	12,334	12,404	12,074	1.6	(0.7)	(1.7)	0.4
91	2,331	2,352	2,387	2,417	2,510	2,407	2,455	2,563	2,619	2,370	2,462	2,457	2,520	2,556	2,520	2,523	2,784	2,681	2,665	2,705	2,602	0.5	0.6	0.6	0.6
110	2,602	2,588	2,590	2,586	2,675	2,699	2,721	2,784	2,724	2,598	2,623	2,766	2,789	2,676	2,602	2,642	2,810	2,857	2,755	2,805	2,849	0.1	0.8	1.5	0.5
146	2,584	2,571	2,573	2,569	2,732	2,830	2,943	3,304	3,790	3,905	4,158	4,536	4,665	4,824	4,514	4,369	4,386	4,146	3,981	4,022	3,904	4.9	(0.6)	(2.2)	2.1
161	7,315	7,132	6,996	6,848	7,150	7,329	7,646	8,087	8,549	8,557	9,003	9,352	9,661	9,601	9,419	9,191	9,126	8,621	8,617	8,702	8,495	2.1	(0.6)	(1.6)	0.8
180	681	680	685	687	689	710	747	781	830	781	809	860	888	959	896	894	941	878	824	865	860	1.7	0.6	(0.8)	1.2
189	457	455	456	456	462	496	518	557	582	557	534	577	596	589	555	550	548	522	494	518	510	1.6	(0.4)	(1.5)	0.6
201	541	549	561	571	590	609	634	666	691	709	734	812	831	865	863	872	891	832	796	854	899	3.1	2.1	0.6	2.6
226	6,649	6,613	6,615	6,601	7,235	7,284	6,735	7,425	7,916	7,864	8,425	8,376	8,724	8,733	8,369	8,442	8,521	8,085	7,521	7,785	7,594	2.4	(1.0)	(2.1)	0.7
236	3,037	3,107	3,196	3,279	4,016	4,143	3,974	4,111	4,405	4,575	4,716	5,149	5,422	5,428	5,235	5,285	5,435	5,197	5,116	5,825	5,657	4.5	1.8	1.4	3.2
242	4,503	4,441	4,404	4,357	4,824	4,775	4,736	4,990	5,470	5,905	5,894	6,256	6,777	6,803	6,471	6,350	6,459	7,311	7,040	6,581	6,471	2.7	0.9	0.4	1.8
247	8,328	8,365	8,449	8,513	8,901	9,262	9,369	9,888	10,392	10,560	10,642	11,306	11,936	12,068	11,812	11,407	11,765	11,890	11,604	12,227	11,898	2.5	1.1	0.8	1.8
266	2,497	2,512	2,547	2,580	2,631	2,782	2,959	3,225	3,387	3,436	3,632	3,833	4,163	4,196	4,161	4,140	4,289	4,100	3,954	4,057	3,924	3.8	0.8	(1.1)	2.3
286	5,671	5,824	6,015	6,198	6,431	6,403	6,788	7,076	7,219	7,547	7,797	7,992	8,391	8,699	8,430	8,691	8,969	8,551	8,235	8,291	8,130	3.2	0.4	(1.3)	1.8
298	4,549	4,611	4,702	4,784	4,903	5,020	5,673	6,134	6,479	6,658	7,172	7,715	8,347	8,552	8,495	8,644	8,634	8,532	8,112	7,981	7,784	4.7	0.8	(2.1)	2.7
312	7,171	7,301	7,475	7,634	7,749	7,339	7,981	8,578	9,159	9,663	10,281	10,909	11,355	11,426	11,259	11,554	12,069	11,543	11,039	11,257	11,244	3.7	0.9	(0.5)	2.3
326	25,357	24,222	23,094	22,304	22,976	23,467	23,832	25,030	24,351	24,258	27,652	28,158	30,064	31,591	31,609	31,659	30,515	30,165	30,685	32,402	32,070	0.9	1.5	0.3	1.2
333	12,940	11,386	10,091	8,931	9,390	9,723	10,364	10,810	11,179	11,117	11,839	12,473	12,895	13,204	12,487	12,066	11,948	12,511	12,501	12,810	12,722	(0.9)	0.7	1.1	(0.1)
20				25,345	28,188	29,789	31,482	32,863	33,036	34,343	35,415	37,113	37,969	39,877	39,640	40,381	41,091	39,631	38,712	39,119	39,439	NA	1.1	(0.5)	NA
339	15,372	16,189	17,146	18,117	19,184	19,370	19,874	21,337	21,231	21,165	22,283	22,703	23,513	23,422	23,162	22,984	22,606	21,655	22,249	24,302	24,683	3.8	1.0	1.4	2.4
340												1,002	1,329	1,554	1,587	1,599	1,558	1,540	1,388	1,442	1,471	NA	NA	(1.7)	NA
343	18,854	19,563	20,423	21,273	23,367	23,841	24,443	24,835	24,024	24,765	25,376	25,945	26,727	27,756	27,254	26,728	28,264	27,385	27,163	28,678	28,294	3.0	1.1	1.1	2.1
351	24,035	24,337	24,786	25,184	26,716	27,121	28,254	28,947	28,903	29,546	30,533	31,627	32,707	33,352	32,900	32,807	33,315	32,700	32,307	32,868	31,321	2.4	0.3	(0.9)	1.3
352																				162	1,859	NA	NA	NA	NA
358	6,075	6,077	6,116	6,141	6,136	6,377	6,490	6,664	6,859	6,925	6,649	6,898	7,380	7,748	7,663	7,664	7,728	7,494	7,177	7,370	7,109	0.9	0.7	(1.5)	0.8
359	16,549	16,338	16,225	16,078	16,373	16,774	17,069	17,676	17,960	18,281	19,071	19,736	20,828	21,699	21,598	21,425	21,676	21,411	20,712	20,729	20,235	1.4	0.6	(1.1)	1.0
31	5,854	6,662	7,626	8,710	9,180	9,765	11,077	11,737	12,403	12,623	12,632	13,660	14,258	14,553	14,350	14,463	14,809	14,885	14,884	14,930	14,400	8.0	1.3	(0.1)	4.6
44	4,540	4,774	5,053	5,336	5,567	5,839	6,136	6,865	7,172	7,368	7,326	7,669	8,220	8,796	8,848	9,099	9,225	9,271	9,328	9,443	9,100	4.9	2.2	0.0	3.5
56	9,019	9,574	10,220	10,880	11,489	12,247	13,129	13,371	14,093	14,938	15,699	16,247	17,120	18,225	17,973	18,369	18,720	18,068	18,378	19,155	18,480	5.7	1.6	0.1	3.7
74	2,801	2,927	3,077	3,227	3,370	3,603	3,809	4,105	4,291	4,326	4,555	4,784	4,907	5,188	5,088	5,204	5,393	5,295	5,204	5,249	5,116	5.0	1.2	(0.3)	3.1
95	3,496	3,622	3,777	3,931	4,071	4,378	4,669	4,902	5,189	5,257	5,227	5,552	5,768	6,255	5,949	6,042	6,097	5,973	6,247	6,537	6,188	4.1	1.7	0.5	2.9
105	2,067	2,153	2,256	2,358	2,412	2,443	2,564	4,902	2,724	2,752	2,858	3,024	3,122	3,448	3,242	3,269	3,406	3,463	3,627	3,537	3,443	3.3	1.9	1.0	2.6
115	2,561	2,918	3,345	3,828	4,071	4,176	4,439	4,661	4,747	4,754	4,837	5,283	5,263	5,592	5,391	5,377	5,401	5,332	5,456	5,335	5,214	6.6	0.8	(0.6)	3.6
Total	277,608	278,698	281,943	312,720	328,015	337,433	350,838	369,834	377,186	382,126	397,134	413,839	428,123	447,937	439,753	440,674	447,087	438,851	433,083	443,210	437,524	3.6	1.0	(0.1)	2.3
Percent Change Over Prior Year		0.4	1.2	10.9	4.9	2.9	4.0	5.4	2.0	1.3	3.9	4.2	3.5	4.6	(1.8)	0.2	1.5	(1.8)	(1.3)	2.3	(1.3)				

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Table 2-2
Passenger Cars - Barrier System - Average Daily Transactions
Pennsylvania Turnpike

	Calendar Year																		Average Annual Percent Change			
Toll Location	1994	1995	1996	1997	1998	1999	2000	2001	2002 (1)	2003	2004 (2)	2005	2006	2007	2008	2009(3)	2010 (4)	2011 (9)	1994-01	2001-11	2006-11	1994-11
Northeast Extension I-476																						
Keiser Ave.	0	4,803	6,491	6,941	6,461	5,686	5,527	5,622	5,948	6,274	6,719	6,489	6,573	6,736	6,782	7,012	6,935	6,970	2.7	2.2	1.2	2.4
Clarks Summit	2,831	5,177	6,814	7,281	6,769	5,844	5,642	5,847	6,169	6,492	6,747	6,519	6,545	6,740	6,790	6,850	6,670	6,673	2.0	1.3	0.4	1.6
Subtotal	2,831	9,980	13,305	14,222	13,230	11,530	11,169	11,469	12,117	12,766	13,466	13,008	13,117	13,476	13,572	13,862	13,605	13,643	2.3	1.8	0.8	2.0
Turnpike I-376 (PA 60)(6,7)																						
East Toll 376	6,965	7,268	7,897	8,407	8,724	8,798	9,008	9,390	9,586	9,782	9,821	9,896	9,854	10,334	10,288	9,897	9,884	9,940	4.4	0.6	0.2	2.1
Beaver Falls Rte. 551	271	319	334	336	359	370	382	399						434	458	430	455	430	5.7	0.8	NA	2.8
Moravia Rte. 168	481	520	546	579	613	610	619	682						756	808	706	674	778	5.1	1.3	NA	2.9
West Toll 376	3,915	4,130	4,614	4,964	5,192	5,298	5,481	5,866	6,021	6,176	6,385	6,812	7,047	7,524	7,633	7,617	7,738	7,632	5.9	2.7	1.6	4.0
Mt. Jackson Rte. 108	720	826	1,097	1,211	1,313	1,385	1,454	1,606						1,277	1,557	1,390	1,236	1,173	12.1	(3.1)	NA	2.9
Subtotal	12,352	13,063	14,488	15,497	16,201	16,461	16,944	17,943	15,607	15,958	16,206	16,708	16,901	20,326	20,744	20,040	19,987	19,953	5.5	1.1	3.4	2.9
Turnpike 66 (8)																						
Rte. 136	295	303	366	413	437	469	478	518					217	597	806	727	742	731	8.4	3.5	27.4	5.5
AKH Mainline	5,754	6,411	7,259	8,081	8,911	8,850	9,283	9,613	10,044	10,476	10,858	11,123	12,053	12,308	12,327	12,114	12,276	11,947	7.6	2.2	(0.2)	4.4
Route 30	1,641	1,977	2,191	2,471	3,020	3,105	3,390	3,751					861	2,889	4,617	4,645	4,921	4,809	12.5	2.5	41.1	6.5
Route 130	822	873	1,017	1,190	1,123	966	893	1,001					226	1,260	1,370	1,370	1,397	1,459	2.9	3.8	45.3	3.4
Route 66	413	459	501	523	527	458	455	516					117	580	762	738	752	774	3.2	4.1	45.9	3.8
Subtotal	8,925	10,023	11,334	12,678	14,018	13,848	14,499	15,399	10,044	10,476	10,858	11,123	13,473	17,633	19,883	19,594	20,088	19,719	8.1	2.5	7.9	4.8
Turnpike 43 - Mon//Fayette Expressway (10)																						
Ramp M4								29	29	30	29	26	32	39	32	22	22	147	NA	17.6	35.4	NA
M5								1,659	1,726	1,794	1,884	1,973	2,060	2,151	2,257	2,301	2,477	3,467	NA	7.7	11.0	NA
Ramp M15																	13	109	NA	NA	NA	NA
Ramp M18																	114	228	NA	NA	NA	NA
M19																	275	3,543	NA	NA	NA	NA
M35 California	5,436	5,942	6,714	7,314	6,643	7,312	8,274	8,437	5,582	2,728	9,365	9,366	9,754	10,224	10,530	10,318	10,515	10,407	6.5	2.1	1.3	3.9
Ramp M39								954	1,360	1,766	906	868	963	1,030	1,052	1,050	1,067	1,073	NA	1.2	2.2	NA
Ramp M44											736	720	758	745	749	703	692	665	NA	NA	(2.6)	NA
Ramp M48											2,543	2,790	2,936	3,213	3,301	3,356	3,471	3,478	NA	NA	3.4	NA
M52										5,689	6,326	6,746	7,099	7,179	7,351	7,181	7,161	7,149	NA	NA	0.1	NA
Subtotal	5,436	5,942	6,714	7,314	6,643	7,312	8,274	11,079	8,698	12,006	21,789	22,489	23,602	24,581	25,273	24,931	25,807	30,266	10.7	10.6	5.1	10.6
Turnpike 576 (Southern Beltway)																						
SB Rte. 30													80	166	223	262	298	364	NA	NA	35.6	NA
SB Westport Rd.													59	125	130	153	160	163	NA	NA	22.5	NA
Rte. 22													533	2,914	3,320	3,727	3,897	4,135	NA	NA	50.7	NA
Subtotal													671	3,204	3,673	4,142	4,355	4,662	NA	NA	47.4	NA
All Barrier Facilities																						
Total	29,544	39,008	45,841	49,711	50,092	49,151	50,886	55,890	46,467	51,205	62,320	63,328	67,765	79,221	83,146	82,569	83,842	88,244	9.5	4.7	5.4	6.6
Percent Change Over Prior Year		32.0	17.5	8.4	0.8	(1.9)	3.5	9.8	(16.9)	10.2	21.7	1.6	7.0	16.9	5.0	(0.7)	1.5	5.2				

(1) 2002 traffic data is not available. It is estimated by averaging 2001 and 2003 traffic data.
(2) New rates became effective Sunday, August 1, 2004. Rates were increased by 42.5%.
(3) A toll increase of 25 % was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(4) A toll increase of 3% was implemented on January 3, 2010.
(5) Average annual growth rate of Northeastern Facilities began in 1995.
(6) Toll 60 (Turnpike 376) ramp counts were not available from 2002 to 2006.
(7) On August 1, 2010, PA 60 was renamed Turnpike I-376.
(8) Toll 66 ramp counts were not available from 2002 to 2006.
(9) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011. Exceptions include Turnpike 576, where coin machine fares will not change.
(10) On July 11, 2011, the West Virginia section of Turnpike 43 was opened.

Table 2-2 (Cont'd)
Commercial Vehicles - Barrier System - Average Daily Transactions
Pennsylvania Turnpike

Toll Location	1994	1995	1996	1997	1998	1999	2000	2001	2002 (1)	2003	2004 (2)	2005	2006	2007	2008	2009(3)	2010 (4)	2011 (9)	1994-01	2001-11	2006-11	1994-11
	Calendar Year																		Average Annual Percent Change			
Northeast Extension I-476																						
Keiser Ave.	0	782	1,113	1,163	1,038	936	919	892	905	918	938	1,092	1,227	1,408	1,363	1,306	1,365	1,492	2.2	5.3	4.0	4.1
Clarks Summit	480	941	1,272	1,349	1,255	1,125	1,118	1,142	1,049	957	931	1,038	1,112	1,162	1,096	1,047	1,082	1,149	3.3	0.1	0.7	1.3
Subtotal	480	1,723	2,385	2,512	2,293	2,061	2,037	2,034	1,954	1,875	1,869	2,130	2,339	2,570	2,459	2,353	2,447	2,641	2.8	2.6	2.5	2.7
Turnpike I-376 (PA 60)(6,7)																						
East Toll 376	719	819	986	1,110	1,147	1,263	1,301	1,359	1,332	1,304	1,328	1,353	1,311	1,490	1,548	1,342	1,506	1,621	9.5	1.8	4.3	4.9
Beaver Falls Rte. 551	35	34	39	44	45	52	51	65						36	39	31	48	59	9.2	(0.9)	NA	3.1
Moravia Rte. 168	36	60	72	93	91	85	93	144						96	145	60	73	92	21.9	(4.4)	NA	5.6
West Toll 376	409	491	614	681	725	793	863	874	872	870	911	915	998	1,133	1,170	1,034	1,196	1,211	11.5	3.3	4.0	6.6
Mt. Jackson Rte. 108	53	50	85	101	109	118	138	141						98	108	113	98	133	15.0	(0.6)	NA	5.6
Subtotal	1,252	1,454	1,796	2,029	2,117	2,311	2,446	2,583	2,204	2,174	2,239	2,268	2,309	2,854	3,010	2,580	2,921	3,116	10.9	1.9	6.2	5.5
Turnpike 66 (8)																						
Rte. 136	134	159	169	222	196	230	241	232					126	211	183	146	165	183	8.2	(2.4)	7.7	1.8
AKH Mainline	908	1,024	1,215	1,457	1,518	1,552	1,729	1,673	1,743	1,813	1,818	1,872	1,935	2,070	2,146	2,010	2,261	2,333	9.1	3.4	3.8	5.7
Route 30	141	157	172	225	256	268	296	345					142	290	282	265	300	292	13.6	(1.7)	15.4	4.4
Route 130	56	29	30	35	38	50	67	75					17	38	29	30	26	26	4.3	(10.0)	9.0	(4.4)
Route 66	66	27	30	35	32	29	27	28					5	15	16	17	18	19	(11.5)	(3.6)	29.9	(7.0)
Subtotal	1,305	1,396	1,616	1,974	2,040	2,129	2,360	2,353	1,743	1,813	1,818	1,872	2,226	2,623	2,656	2,468	2,770	2,853	8.8	1.9	5.1	4.7
Turnpike 43 - Mon//Fayette Expressway (10)																						
Ramp M4								2	2	1	1	1	1	1	2	1	1	4	NA	6.8	28.0	NA
M5								119	135	151	135	136	150	140	196	240	275	366	NA	11.9	19.6	NA
Ramp M15																	0	6	NA	NA	NA	NA
Ramp M18																	6	16	NA	NA	NA	NA
M19																	182	302	NA	NA	NA	NA
M35 California	227	248	280	305	277	305	345	352	218	84	314	303	321	384	478	532	573	574	6.5	5.0	12.4	5.6
Ramp M39								30	41	52	23	23	26	32	34	35	40	45	NA	4.2	11.4	NA
Ramp M44											37	34	42	46	68	33	29	53	NA	NA	5.0	NA
Ramp M48											107	82	59	65	66	60	73	85	NA	NA	7.5	NA
M52										92	107	118	108	111	127	125	143	156	NA	NA	7.5	NA
Subtotal	227	248	280	305	277	305	345	503	396	382	724	697	707	779	971	1,025	1,322	1,607	12.0	12.3	17.9	12.2
Turnpike 576 (Southern Beltway)																						
SB Rte. 30													2	18	27	31	36	29	NA	NA	67.0	NA
SB Westport Rd.													1	6	14	56	58	33	NA	NA	97.5	NA
Rte. 22													24	210	249	287	311	312	NA	NA	66.6	NA
Subtotal													28	234	290	375	405	375	NA	NA	68.4	NA
All Barrier Facilities																						
Total	3,264	4,821	6,077	6,820	6,727	6,806	7,188	7,473	6,297	6,244	6,650	6,967	7,608	9,060	9,385	8,801	9,865	10,592	12.6	3.5	6.8	7.2
Percent Change Over Prior Year		47.7	26.1	12.2	(1.4)	1.2	5.6	4.0	(15.7)	(0.9)	6.5	4.8	9.2	19.1	3.6	(6.2)	12.1	7.4				

(1) 2002 traffic data is not available. It is estimated by averaging 2001 and 2003 traffic data.
(2) New rates became effective Sunday, August 1, 2004. Rates were increased by 42.5%.
(3) A toll increase of 25 % was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(4) A toll increase of 3% was implemented on January 3, 2010.
(5) Average annual growth rate of Northeastern Facilities began in 1995.
(6) Toll 60 (Turnpike 376) ramp counts were not available from 2002 to 2006.
(7) On August 1, 2010, PA 60 was renamed Turnpike I-376.
(8) Toll 66 ramp counts were not available from 2002 to 2006.
(9) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011. Exceptions include Turnpike 576, where coin machine fares will not change.
(10) On July 11, 2011, the West Virginia section of Turnpike 43 was opened.

Table 2-2 (Cont'd)
Total Vehicles - Barrier System - Average Daily Transactions
Pennsylvania Turnpike

Toll Location	Calendar Year 1994	1995	1996	1997	1998	1999	2000	2001	2002 (1)	2003	2004 (2)	2005	2006	2007	2008	2009(3)	2010 (4)	2011 (9)	Average Annual Percent Change 1994-01	2001-11	2006-11	1994-11
Northeast Extension I-476																						
Keiser Ave.	0	5,585	7,604	8,104	7,499	6,622	6,446	6,514	6,853	7,192	7,657	7,581	7,800	8,144	8,144	8,318	8,300	8,462	2.6	2.7	1.6	2.6
Clarks Summit	3,311	6,118	8,086	8,630	8,024	6,969	6,760	6,989	7,219	7,449	7,678	7,557	7,656	7,903	7,887	7,897	7,752	7,822	2.2	1.1	0.4	1.5
Subtotal	3,311	11,703	15,690	16,734	15,523	13,591	13,206	13,503	14,072	14,641	15,335	15,138	15,456	16,047	16,031	16,215	16,052	16,284	2.4	1.9	1.0	2.1
Turnpike I-376 (PA 60)(6,7)																						
East Toll 376	7,684	8,087	8,883	9,517	9,871	10,061	10,309	10,749	10,917	11,086	11,149	11,249	11,165	11,824	11,836	11,239	11,390	11,561	4.9	0.7	0.7	2.4
Beaver Falls Rte. 551	306	353	373	380	404	422	433	464						471	497	461	503	490	6.1	0.5	NA	2.8
Moravia Rte. 168	517	580	618	672	704	695	712	826						853	953	766	747	869	6.9	0.5	NA	3.1
West Toll 376	4,324	4,621	5,228	5,645	5,917	6,091	6,344	6,740	6,893	7,046	7,296	7,727	8,044	8,658	8,803	8,651	8,934	8,844	6.5	2.8	1.9	4.3
Mt. Jackson Rte. 108	773	876	1,182	1,312	1,422	1,503	1,592	1,747						1,375	1,665	1,503	1,334	1,306	12.4	(2.9)	NA	3.1
Subtotal	13,604	14,517	16,284	17,526	18,318	18,772	19,390	20,526	17,811	18,132	18,445	18,976	19,210	23,180	23,754	22,620	22,908	23,070	6.1	1.2	3.7	3.2
Turnpike 66 (8)																						
Rte. 136	429	462	535	635	633	699	719	750					343	808	989	873	907	914	8.3	2.0	21.6	4.5
AKH Mainline	6,662	7,435	8,474	9,538	10,429	10,402	11,012	11,286	11,787	12,288	12,676	12,995	13,988	14,378	14,473	14,124	14,537	14,280	7.8	2.4	0.4	4.6
Route 30	1,782	2,134	2,363	2,696	3,276	3,373	3,686	4,096					1,003	3,178	4,899	4,910	5,221	5,101	12.6	2.2	38.4	6.4
Route 130	878	902	1,047	1,225	1,161	1,016	960	1,076					243	1,298	1,399	1,400	1,423	1,485	2.9	3.3	43.7	3.1
Route 66	479	486	531	558	559	487	482	544					122	595	778	754	770	793	1.8	3.8	45.3	3.0
Subtotal	10,230	11,419	12,950	14,652	16,058	15,977	16,859	17,752	11,787	12,288	12,676	12,995	15,699	20,256	22,539	22,062	22,858	22,572	8.2	2.4	7.5	4.8
Turnpike 43 - Mon//Fayette Expressway (10)																						
Ramp M4								31	31	31	30	28	33	40	34	23	23	151	NA	17.1	35.1	NA
M5								1,778	1,862	1,945	2,020	2,110	2,210	2,292	2,453	2,541	2,752	3,833	NA	8.0	11.6	NA
Ramp M15																	13	115	NA	NA	NA	NA
Ramp M18																	120	244	NA	NA	NA	NA
M19																	457	3,845	NA	NA	NA	NA
M35 California	5,663	6,190	6,994	7,619	6,920	7,617	8,619	8,789	5,800	2,812	9,679	9,669	10,075	10,608	11,008	10,849	11,088	10,981	6.5	2.3	1.7	4.0
Ramp M39								984	1,401	1,819	929	891	989	1,062	1,087	1,085	1,107	1,118	NA	1.3	2.5	NA
Ramp M44											773	753	799	792	817	736	721	718	NA	NA	(2.1)	NA
Ramp M48											2,649	2,872	2,995	3,277	3,368	3,416	3,544	3,563	NA	NA	3.5	NA
M52										5,781	6,433	6,863	7,208	7,289	7,478	7,306	7,304	7,305	NA	NA	0.3	NA
Subtotal	5,663	6,190	6,994	7,619	6,920	7,617	8,619	11,582	9,094	12,387	22,513	23,186	24,309	25,360	26,245	25,956	27,129	31,873	10.8	10.7	5.6	10.7
Turnpike 576 (Southern Beltway)																						
SB Rte. 30													82	184	250	293	334	394	NA	NA	36.9	NA
SB Westport Rd.													60	131	144	209	218	196	NA	NA	26.7	NA
Rte. 22													557	3,124	3,569	4,014	4,208	4,447	NA	NA	51.5	NA
Subtotal													699	3,438	3,963	4,517	4,760	5,037	NA	NA	48.4	NA
All Barrier Facilities																						
Total	32,808	43,829	51,918	56,531	56,819	55,957	58,074	63,363	52,764	57,448	68,970	70,295	75,373	88,281	92,531	91,371	93,707	98,836	9.9	4.5	5.6	6.7
Percent Change Over Prior Year		33.6	18.5	8.9	0.5	(1.5)	3.8	9.1	(16.7)	8.9	20.1	1.9	7.2	17.1	4.8	(1.3)	2.6	5.5				

(1) 2002 traffic data is not available. It is estimated by averaging 2001 and 2003 traffic data.
(2) New rates became effective Sunday, August 1, 2004. Rates were increased by 42.5%.
(3) A toll increase of 25 % was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(4) A toll increase of 3% was implemented on January 3, 2010.
(5) Average annual growth rate of Northeastern Facilities began in 1995.
(6) Toll 60 (Turnpike 376) ramp counts were not available from 2002 to 2006.
(7) On August 1, 2010, PA 60 was renamed Turnpike I-376.
(8) Toll 66 ramp counts were not available from 2002 to 2006.
(9) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011. Exceptions include Turnpike 576, where coin machine fares will not change.
(10) On July 11, 2011, the West Virginia section of Turnpike 43 was opened.

historically been adding additional lane miles and sometimes additional toll plazas. These facilities also tend to be on the fringe of urban areas and are benefiting from the increasing spread of development into their corridors. Lastly, two of the newest facilities, Turnpike 576 and the portion of Turnpike 43 from Uniontown to Brownsville were exempt from the toll increases implemented in 2009, 2010, and 2011.

Monthly Transactions and Gross Toll Revenue Trends

Table 2-3 provides monthly transactions on all facilities for FY 2007-08 through January FY 2011-12. The information is provided for passenger cars and commercial vehicles separately. Subtotals for June through January are also shown for each fiscal year to facilitate comparison with the eight month data set available for FY 2011-12. Similar to the longer term historical trends shown in Tables 2-1 and 2-2, the ticket system has exhibited generally lower growth compared to the barrier locations. The effects of the current negative economic climate are clearly shown in this data. What is especially clear, however, is that the biggest decline in transactions occurred between FY 2007-08 and FY 2008-09. During that year, total passenger-car transactions (shown on the third page of Table 2-3) declined by 0.9 percent and commercial-vehicle traffic declined by 7.4 percent. It should be pointed out that the January 2009 25 percent toll increase negatively impacted transactions during this period, but the biggest impact was due to the general economic climate.

In FY 2009-10, passenger-car transactions increased on the Turnpike System by 0.6 percent, while commercial vehicle transactions decreased for a second straight year by 2.8 percent. In FY 2010-11, both passenger cars and commercial vehicle transactions increased by 1.0 percent and 3.8 percent, respectively. This growth was attributed primarily to a slowly recovering economy. Thus growth was evidenced even though a toll increase of 3 percent was implemented in January 2011 for E-ZPass transactions and 10 percent for cash transactions. The most recent eight months of data (June 2011 through January 2012) show a decrease in system wide passenger-car transactions of negative 1.2 percent, and an increase in commercial vehicle transactions of 0.5 percent.

Figure 2-3 provides another perspective to recent transaction trends on the Pennsylvania Turnpike by comparing its experience with those of other toll facilities around the country. Monthly passenger-car and commercial-vehicle transaction trends are shown for the last five full calendar years for the Pennsylvania Turnpike System, the Oklahoma Turnpike System, the New Jersey Turnpike, and the Illinois Tollway System.

Two features are especially prominent in this figure. First are the nearly identical patterns exhibited by commercial vehicles over the last four years. Each of these facilities experienced peak negative impacts in 2009, with peak declines approaching 15 percent, and a return to positive growth in early 2010. Commercial vehicle growth in transactions continued through 2010, increasing by 5 to 10 percent per month over the prior year, with the exception of the New Jersey Turnpike where growth in commercial-vehicle transactions was less robust. In 2011 growth in both passenger-car and commercial-vehicle transactions has become less stable, either exhibiting months of negative growth over the prior year, or smaller positive increases than experienced in 2010.

The second interesting feature of these graphs is that each of the facilities had toll increases at different times during the five year period. Yet, the overall patterns of growth are nearly identical (especially for commercial vehicles) among all four facilities. This would indicate that the impact of

Table 2-3

Pennsylvania Turnpike Monthly Transaction Trends By Facility and Vehicle Class
Volumes in Thousands

Ticket System (Including Gateway Barrier Plaza)

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	11,992	(3.6)	11,561	2.4	11,836	2.0	12,077	(2.1)	11,827
July	12,197	(0.8)	12,100	2.7	12,421	1.4	12,594	(3.5)	12,154
August	12,731	(1.8)	12,502	(0.6)	12,431	2.0	12,674	(5.0)	12,039
September	11,431	(3.6)	11,014	3.3	11,378	1.3	11,529	(2.3)	11,264
October	12,002	(1.3)	11,843	(0.7)	11,766	2.5	12,059	(3.7)	11,608
November	11,236	(2.8)	10,927	1.8	11,129	1.7	11,322	(1.5)	11,148
December	10,585	3.1	10,916	(1.6)	10,745	1.2	10,876	0.8	10,962
January	10,347	(5.1)	9,816	2.9	10,104	(4.5)	9,649	3.6	9,993
February	9,718	(2.1)	9,516	(12.6)	8,321	13.1	9,408		
March	11,077	(3.0)	10,740	4.5	11,227	(1.9)	11,011		
April	11,077	1.2	11,205	1.6	11,387	(3.2)	11,020		
May	11,625	0.3	11,657	1.4	11,825	(2.7)	11,503		
Total Year	136,018	(1.6)	133,797	0.6	134,570	0.9	135,722		
June-Jan	92,521	(2.0)	90,679	1.2	91,810	1.1	92,780	(1.9)	90,994

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	1,991	(4.8)	1,895	(7.1)	1,760	4.7	1,843	(0.9)	1,827
July	1,936	0.6	1,947	(8.9)	1,774	1.8	1,806	(4.8)	1,720
August	2,079	(8.5)	1,902	(8.6)	1,738	6.2	1,846	0.2	1,850
September	1,847	(0.6)	1,835	(6.6)	1,713	3.9	1,779	(1.0)	1,761
October	2,045	(6.5)	1,912	(8.7)	1,746	2.0	1,781	(0.9)	1,764
November	1,803	(13.4)	1,562	(1.9)	1,532	7.6	1,648	0.5	1,656
December	1,626	(3.7)	1,566	(1.7)	1,540	3.6	1,596	(1.2)	1,576
January	1,745	(14.7)	1,488	(2.5)	1,451	2.6	1,489	1.8	1,515
February	1,624	(13.5)	1,405	(5.5)	1,328	7.7	1,430		
March	1,747	(8.6)	1,596	7.4	1,714	0.9	1,729		
April	1,897	(12.4)	1,662	4.5	1,736	(4.2)	1,664		
May	1,913	(12.2)	1,679	3.2	1,733	1.4	1,757		
Total Year	22,253	(8.1)	20,449	(3.3)	19,765	3.1	20,368		
June-Jan	15,072	(6.4)	14,107	(6.0)	13,254	4.0	13,788	(0.9)	13,669

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	13,983	(3.8)	13,456	1.0	13,596	2.4	13,920	(1.9)	13,654
July	14,133	(0.6)	14,047	1.1	14,195	1.4	14,400	(3.7)	13,873
August	14,810	(2.7)	14,404	(1.6)	14,169	2.5	14,520	(4.3)	13,888
September	13,278	(3.2)	12,849	1.9	13,091	1.7	13,308	(2.1)	13,024
October	14,047	(2.1)	13,755	(1.8)	13,512	2.4	13,840	(3.4)	13,372
November	13,039	(4.2)	12,489	1.4	12,661	2.4	12,970	(1.3)	12,804
December	12,211	2.2	12,482	(1.6)	12,285	1.5	12,472	0.5	12,538
January	12,092	(6.5)	11,304	2.2	11,555	(3.6)	11,138	3.3	11,509
February	11,342	(3.7)	10,921	(11.6)	9,649	12.3	10,837		
March	12,824	(3.8)	12,336	4.9	12,941	(1.6)	12,740		
April	12,974	(0.8)	12,867	2.0	13,123	(3.3)	12,684		
May	13,538	(1.5)	13,336	1.7	13,558	(2.2)	13,261		
Total Year	158,271	(2.5)	154,246	0.1	154,335	1.1	156,090		
June-Jan	107,593	(2.6)	104,786	0.3	105,064	1.4	106,568	(1.8)	104,663

Turnpike 43 - Mon/Fayette Expressway

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	712	1.5	723	11.5	806	2.2	824	1.4	835
July	722	4.6	755	11.5	842	2.0	859	6.4	914
August	787	3.7	816	6.5	869	3.2	897	11.5	1,000
September	780	4.0	811	8.4	879	4.1	915	10.0	1,006
October	819	7.4	880	4.4	919	3.8	954	7.9	1,029
November	735	11.8	822	0.2	824	3.6	854	12.0	956
December	692	17.5	813	(2.1)	796	4.6	833	12.8	939
January	679	7.4	729	(1.0)	722	3.9	750	11.4	836
February	676	8.7	735	(9.9)	662	15.0	761		
March	715	14.5	819	5.1	861	(0.4)	858		
April	758	11.1	842	4.0	876	(1.6)	862		
May	749	8.5	813	2.8	836	0.6	841		
Total Year	8,824	8.3	9,558	3.5	9,892	3.2	10,208		
June-Jan	5,926	7.1	6,349	4.9	6,657	3.4	6,886	9.2	7,516

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	27	22.2	33	9.1	36	19.4	43	14.7	49
July	28	28.6	36	13.9	41	9.8	45	10.1	50
August	29	24.1	36	27.8	46	2.2	47	25.6	59
September	24	37.5	33	33.3	44	0.0	44	25.6	55
October	27	29.6	35	20.0	42	2.4	43	23.2	53
November	22	45.5	32	15.6	37	2.7	38	30.5	50
December	17	58.8	27	14.8	31	0.0	31	43.0	44
January	19	31.6	25	12.0	28	14.3	32	39.8	45
February	20	40.0	28	(14.3)	24	30.8	31		
March	21	52.4	32	21.9	39	13.4	44		
April	25	24.0	31	32.3	41	(4.3)	39		
May	29	6.9	31	29.0	40	9.4	44		
Total Year	288	31.6	379	18.5	449	7.3	482		
June-Jan	193	33.2	257	18.7	305	5.9	323	25.3	405

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	739	2.3	756	11.4	842	3.0	867	2.0	885
July	750	5.5	791	11.6	883	2.4	904	6.6	964
August	816	4.4	852	7.4	915	3.2	944	12.2	1,059
September	804	5.0	844	9.4	923	3.9	959	10.7	1,062
October	846	8.2	915	5.0	961	3.7	997	8.5	1,082
November	757	12.8	854	0.8	861	3.6	892	12.8	1,006
December	709	18.5	840	(1.5)	827	4.5	864	13.9	984
January	698	8.0	754	(0.5)	750	4.3	782	12.6	880
February	696	9.6	763	(10.1)	686	15.5	793		
March	736	15.6	851	5.8	900	0.2	902		
April	783	11.5	873	5.0	917	(1.7)	901		
May	778	8.5	844	3.8	876	1.0	885		
Total Year	9,112	9.1	9,937	4.1	10,341	3.4	10,690		
June-Jan	6,119	8.0	6,606	5.4	6,962	3.5	7,209	9.9	7,921

(1) On January 3, 2009, a toll increase of 25% was implemented. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(2) On January 3, 2010, a toll increase of 3% was implemented on all toll facilities except Turnpike 576.
(3) On January 2, 2011, a 3% E-ZPass and a 10% cash toll increase was implemented on all toll facilities except Turnpike 576.
(4) On January 1, 2012 , cash tolls were increased by 10% on all toll facilities except the Turnpike 576.
(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) On July 11, 2011, the West Virginia section of Turnpike 43 was completed.

Table 2-3 (Cont'd)

Pennsylvania Turnpike Monthly Transaction Trends By Facility and Vehicle Class

Volumes in Thousands

Turnpike 66

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	538	10.8	596	2.0	608	2.0	620	(1.9)	608
July	547	12.8	617	0.8	622	3.4	643	(4.5)	614
August	577	11.3	642	(3.1)	622	4.3	649	(2.7)	631
September	565	7.4	607	(0.3)	605	4.5	632	(3.1)	612
October	640	0.0	640	(4.1)	614	5.0	645	(3.4)	623
November	587	(0.7)	583	(1.2)	576	3.5	596	(1.6)	586
December	579	5.0	608	(4.3)	582	1.9	593	0.8	598
January	542	(4.1)	520	(0.2)	519	(0.6)	516	2.3	528
February	516	(2.9)	501	(8.6)	458	9.4	501		
March	573	(0.9)	568	4.9	596	(2.7)	580		
April	594	(2.7)	578	4.3	603	(4.7)	574		
May	611	(0.3)	609	1.8	620	(3.1)	601		
Total Year	6,869	2.9	7,069	(0.6)	7,025	1.8	7,150		
June-Jan	4,575	5.2	4,813	(1.4)	4,748	3.1	4,894	(1.9)	4,801

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	87	(1.1)	86	(8.1)	79	16.5	92	(1.9)	90
July	87	3.4	90	(8.9)	82	11.0	91	(0.9)	90
August	90	(2.2)	88	(11.4)	78	23.1	96	2.7	99
September	83	4.8	87	(6.9)	81	14.8	93	0.9	94
October	96	(7.3)	89	(5.6)	84	6.0	89	10.8	99
November	77	(9.1)	70	1.4	71	11.3	79	14.6	91
December	63	3.2	65	4.6	68	5.9	72	9.1	79
January	70	(11.4)	62	4.8	65	7.7	70	7.2	75
February	67	(10.4)	60	(1.7)	59	10.9	65		
March	71	(2.8)	69	10.1	76	5.1	80		
April	83	(14.5)	71	18.3	84	(7.2)	78		
May	84	(11.9)	74	17.6	87	0.3	87		
Total Year	958	(4.9)	911	0.3	914	8.6	992		
June-Jan	653	(2.5)	637	(4.6)	608	12.2	682	4.9	716

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	625	9.1	682	0.7	687	3.6	712	(1.9)	699
July	634	11.5	707	(0.4)	704	4.3	734	(4.1)	704
August	667	9.4	730	(4.1)	700	6.4	745	(2.0)	730
September	648	7.1	694	(1.2)	686	5.7	725	(2.6)	706
October	736	(1.0)	729	(4.3)	698	5.2	734	(1.7)	721
November	664	(1.7)	653	(0.9)	647	4.3	675	0.3	677
December	642	4.8	673	(3.4)	650	2.3	665	1.7	676
January	612	(4.9)	582	0.3	584	0.3	586	2.9	603
February	583	(3.8)	561	(7.8)	517	9.6	567		
March	644	(1.1)	637	5.5	672	(1.8)	660		
April	677	(4.1)	649	5.9	687	(5.0)	652		
May	695	(1.7)	683	3.5	707	(2.7)	688		
Total Year	7,827	2.0	7,980	(0.5)	7,939	2.6	8,143		
June-Jan	5,228	4.2	5,450	(1.7)	5,356	4.1	5,576	(1.1)	5,516

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	429	1.4	435	1.1	440	(2.7)	428	1.7	435
July	511	1.2	517	11.4	576	(4.9)	548	0.2	549
August	552	3.3	570	6.1	605	(8.1)	556	(6.0)	522
September	427	(6.1)	401	10.0	441	(3.2)	427	(1.9)	419
October	420	2.6	431	(1.2)	426	4.9	447	(0.7)	444
November	391	0.8	394	1.5	400	4.0	416	(2.1)	407
December	332	7.8	358	(3.1)	347	1.2	351	4.6	367
January	297	(3.7)	286	0.0	286	0.7	288	2.6	295
February	286	1.0	289	(12.1)	254	8.7	276		
March	355	(5.1)	337	3.0	347	(4.4)	332		
April	397	0.8	400	(0.2)	399	1.9	407		
May	455	0.7	458	(6.1)	430	7.9	464		
Total Year	4,852	0.5	4,876	1.5	4,951	(0.2)	4,939		
June-Jan	3,359	1.0	3,392	3.8	3,521	(1.7)	3,461	(0.6)	3,440

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	80	(2.5)	78	(1.3)	77	1.3	78	8.4	85
July	80	3.8	83	3.6	86	(4.7)	82	3.5	85
August	88	(6.8)	82	4.9	86	(1.2)	85	4.8	89
September	79	1.3	80	(1.3)	79	2.5	81	7.0	87
October	80	(2.5)	78	(5.1)	74	6.8	79	9.8	87
November	66	(7.6)	61	0.0	61	19.7	73	0.7	74
December	60	1.7	61	(1.6)	60	10.0	66	4.5	69
January	65	(13.8)	56	3.6	58	8.6	63	3.1	65
February	63	(14.3)	54	(3.7)	52	13.8	59		
March	65	(6.2)	61	9.8	67	4.3	70		
April	78	(12.8)	68	1.5	69	11.0	77		
May	83	(7.2)	77	(2.6)	75	19.4	90		
Total Year	887	(5.4)	839	0.6	844	6.9	902		
June-Jan	598	(3.2)	579	0.3	581	4.5	607	5.3	639

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	509	0.8	513	0.8	517	(2.1)	506	2.7	520
July	591	1.5	600	10.3	662	(4.8)	630	0.6	634
August	640	1.9	652	6.0	691	(7.2)	641	(4.6)	612
September	506	(4.9)	481	8.1	520	(2.3)	508	(0.5)	506
October	500	1.8	509	(1.8)	500	5.2	526	0.9	531
November	457	(0.4)	455	1.3	461	6.1	489	(1.6)	481
December	392	6.9	419	(2.9)	407	2.5	417	4.6	436
January	362	(5.5)	342	0.6	344	2.0	351	2.7	360
February	349	(1.7)	343	(10.8)	306	9.6	335		
March	420	(5.2)	398	4.0	414	(3.0)	402		
April	475	(1.5)	468	0.0	468	3.2	483		
May	538	(0.6)	535	(5.6)	505	9.6	553		
Total Year	5,739	(0.4)	5,715	1.4	5,795	0.8	5,841		
June-Jan	3,957	0.4	3,971	3.3	4,102	(0.8)	4,068	0.3	4,079

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(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
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Table 2-3 (Cont'd)

Pennsylvania Turnpike Monthly Transaction Trends By Facility and Vehicle Class

Volumes in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	665	(2.4)	649	(1.4)	640	(1.1)	633	0.7	638
July	694	0.3	696	(3.3)	673	1.0	680	(0.9)	674
August	712	(1.1)	704	(5.1)	668	1.0	675	(1.6)	664
September	650	(2.9)	631	(1.4)	622	2.6	638	(3.9)	613
October	668	(1.8)	656	(1.8)	644	1.2	652	0.2	653
November	616	(3.7)	593	0.3	595	2.0	607	(3.5)	586
December	589	4.1	613	(4.9)	583	(2.6)	568	3.0	585
January	545	(8.4)	499	0.2	500	(1.2)	494	0.5	497
February	519	(4.2)	497	(10.9)	443	6.6	472		
March	596	(3.2)	577	0.3	579	(1.5)	571		
April	624	(5.0)	593	0.0	593	(0.3)	591		
May	655	(3.8)	630	(1.3)	622	1.2	630		
Total Year	7,533	(2.6)	7,338	(2.4)	7,162	0.7	7,211		
June-Jan	5,139	(1.9)	5,041	(2.3)	4,925	0.4	4,947	(0.8)	4,909

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	100	(2.0)	98	(14.3)	84	21.4	102	(0.2)	102
July	92	12.0	103	(15.5)	87	8.0	94	4.3	98
August	99	3.0	102	(13.7)	88	13.6	100	11.9	112
September	89	10.1	98	(14.3)	84	19.0	100	2.4	102
October	99	(2.0)	97	(13.4)	84	11.9	94	11.1	104
November	85	(11.8)	75	(5.3)	71	19.7	85	9.8	93
December	70	2.9	72	(6.9)	67	11.9	75	12.7	85
January	81	(18.5)	66	(1.5)	65	12.3	73	11.0	81
February	76	(17.1)	63	9.5	69	0.9	70		
March	81	(8.6)	74	13.5	84	5.9	89		
April	97	(21.6)	76	14.5	87	1.7	88		
May	99	(19.2)	80	12.5	90	9.2	98		
Total Year	1,068	(6.0)	1,004	(4.4)	960	11.3	1,068		
June-Jan	715	(0.6)	711	(11.4)	630	14.8	723	7.5	777

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	765	(2.4)	747	(3.1)	724	1.5	735	0.6	739
July	786	1.7	799	(4.9)	760	1.8	774	(0.3)	772
August	811	(0.6)	806	(6.2)	756	2.5	775	0.1	776
September	739	(1.4)	729	(3.2)	706	4.5	738	(3.0)	716
October	767	(1.8)	753	(3.3)	728	2.5	746	1.6	758
November	701	(4.7)	668	(0.3)	666	3.9	692	(1.9)	679
December	659	3.9	685	(5.1)	650	(1.1)	643	4.1	670
January	626	(9.7)	565	0.0	565	0.4	567	1.9	578
February	595	(5.9)	560	(8.6)	512	5.8	542		
March	677	(3.8)	651	1.8	663	(0.5)	660		
April	721	(7.2)	669	1.6	680	(0.0)	680		
May	754	(5.8)	710	0.3	712	2.2	728		
Total Year	8,601	(3.0)	8,342	(2.6)	8,122	1.9	8,279		
June-Jan	5,854	(1.7)	5,752	(3.4)	5,555	2.1	5,670	0.3	5,687

Total Transactions

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	14,336	(2.6)	13,964	2.6	14,330	1.8	14,582	(1.6)	14,344
July	14,671	0.1	14,685	3.1	15,134	1.3	15,324	(2.7)	14,905
August	15,359	(0.8)	15,234	(0.3)	15,195	1.7	15,451	(3.8)	14,857
September	13,853	(2.8)	13,464	3.4	13,925	1.6	14,141	(1.6)	13,915
October	14,549	(0.7)	14,450	(0.6)	14,369	2.7	14,757	(2.7)	14,357
November	13,565	(1.8)	13,319	1.5	13,524	2.0	13,795	(0.8)	13,684
December	12,777	4.2	13,308	(1.9)	13,053	1.3	13,221	1.7	13,451
January	12,410	(4.5)	11,850	2.4	12,131	(3.6)	11,697	3.9	12,149
February	11,715	(1.5)	11,538	(12.1)	10,138	12.6	11,418		
March	13,316	(2.1)	13,041	4.4	13,610	(1.9)	13,351		
April	13,450	1.2	13,618	1.8	13,858	(2.9)	13,455		
May	14,095	0.5	14,167	1.2	14,333	(2.1)	14,039		
Total Year	164,096	(0.9)	162,638	0.6	163,600	1.0	165,231		
June-Jan	111,520	(1.1)	110,274	1.3	111,661	1.2	112,968	(1.2)	111,660

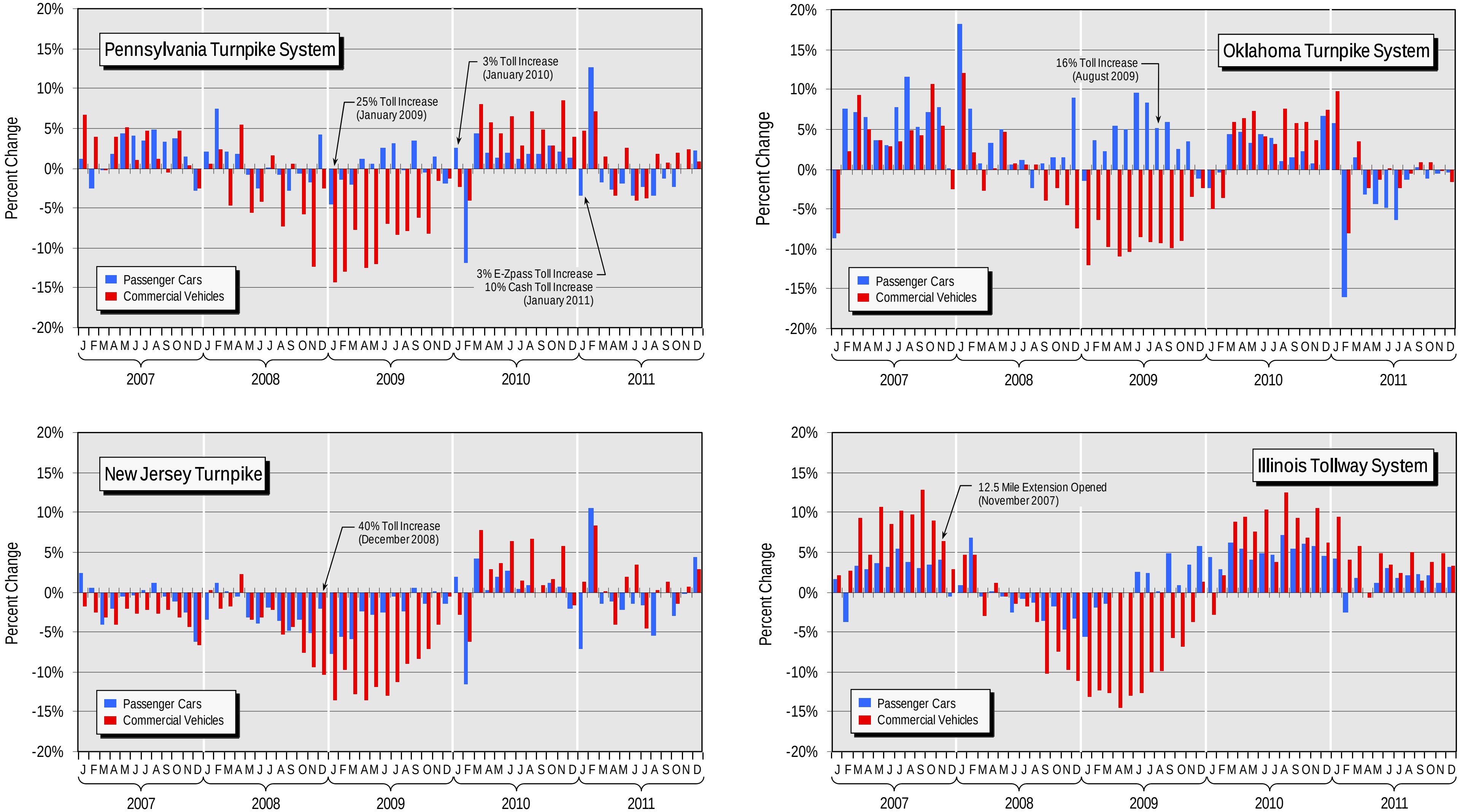
Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	2,285	(4.2)	2,190	(7.0)	2,036	6.0	2,158	(0.2)	2,153
July	2,223	1.6	2,259	(8.4)	2,070	2.3	2,118	(3.6)	2,042
August	2,385	(7.3)	2,210	(7.9)	2,036	6.8	2,174	1.6	2,208
September	2,122	0.5	2,133	(6.2)	2,001	4.8	2,097	0.1	2,099
October	2,347	(5.8)	2,211	(8.2)	2,030	2.8	2,086	1.0	2,107
November	2,053	(12.3)	1,800	(1.6)	1,772	8.5	1,923	2.1	1,963
December	1,836	(2.5)	1,791	(1.4)	1,766	4.2	1,840	0.7	1,853
January	1,980	(14.3)	1,697	(1.8)	1,667	3.6	1,727	3.1	1,781
February	1,850	(13.0)	1,610	(4.8)	1,532	8.1	1,655		
March	1,985	(7.7)	1,832	8.1	1,980	1.6	2,012		
April	2,180	(12.5)	1,908	5.7	2,017	(3.5)	1,946		
May	2,208	(12.1)	1,941	4.3	2,025	2.5	2,076		
Total Year	25,454	(7.4)	23,582	(2.8)	22,932	3.8	23,813		
June-Jan	17,231	(5.5)	16,291	(5.6)	15,378	4.8	16,123	0.5	16,206

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	16,621	(2.8)	16,154	1.3	16,366	2.3	16,740	(1.5)	16,496
July	16,894	0.3	16,944	1.5	17,204	1.4	17,442	(2.8)	16,947
August	17,744	(1.7)	17,444	(1.2)	17,231	2.3	17,625	(3.2)	17,065
September	15,975	(2.4)	15,597	2.1	15,926	2.0	16,238	(1.4)	16,013
October	16,896	(1.4)	16,661	(1.6)	16,399	2.7	16,843	(2.2)	16,464
November	15,618	(3.2)	15,119	1.2	15,296	2.8	15,718	(0.5)	15,647
December	14,613	3.3	15,099	(1.9)	14,819	1.6	15,061	1.6	15,304
January	14,390	(5.9)	13,547	1.9	13,798	(2.7)	13,424	3.8	13,930
February	13,565	(3.1)	13,148	(11.2)	11,670	12.0	13,074		
March	15,301	(2.8)	14,873	4.8	15,590	(1.5)	15,363		
April	15,630	(0.7)	15,526	2.2	15,875	(3.0)	15,401		
May	16,303	(1.2)	16,108	1.6	16,358	(1.5)	16,115		
Total Year	189,550	(1.8)	186,220	0.2	186,532	1.3	189,043		
June-Jan	128,751	(1.7)	126,565	0.4	127,039	1.6	129,091	(0.9)	127,866

(1) On January 3, 2009, a toll increase of 25% was implemented. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(2) On January 3, 2010, a toll increase of 3% was implemented on all toll facilities except Turnpike 576.
(3) On January 2, 2011, a 3% E-ZPass and a 10% cash toll increase was implemented on all toll facilities except Turnpike 576.
(4) On January 1, 2012 , cash tolls were increased by 10% on all toll facilities except the Turnpike 576.
(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) On July 11, 2011, the West Virginia section of Turnpike 43 was completed.



COMPARISON OF VARIOUS STATES' MONTHLY PASSENGER CAR AND COMMERCIAL VEHICLE TRANSACTION TRENDS

FIGURE 2-3

the toll rate increases have been minimal and totally eclipsed by the impact of the economic downturn.

Monthly gross toll revenue trends over the same time period are shown in Table 2-4 for each toll facility. The effects of the January 2009 25 percent toll increase are clearly evident in this data. For the total system, passenger-car revenue growth generally ranges between 20 percent and 30 percent in calendar year 2009 over calendar year 2008. Though positive, commercial-vehicle toll revenue growth over the same period was much lower due to the larger negative traffic impacts resulting from the economic downturn. The improved picture for commercial vehicles, however, is evident by largely consistent revenue growth throughout calendar years 2009, 2010 and 2011. On a system wide basis, total toll revenue increased by 3.1 percent in FY 2008-09, 12.5 percent in FY 2009-10, and 6.4 percent in FY 2012-11. Year to date in FY 2011-12 (June through January), total toll revenue has increased by 4.3 percent over the prior year. The increased toll revenues are partly attributed to the toll increases implemented in 2009, 2012 and 2011.

Thus far, in FY 2011-12, total gross toll revenue has increased by 4.3 percent (through January) over the prior fiscal year. During this time period, growth in commercial-vehicle revenue totaled 5.2 percent and passenger-car revenue increased by 3.7 percent. This data shows the increased growth in toll revenue due to the impacts of the toll increase implemented in January 2011, as toll revenue is growing faster than toll transactions. For example, the system wide commercial-vehicle toll revenue increased by 5.2 percent in FY 2011-12 (year-to-date) compared to the 0.5 percent increase in commercial-vehicle transactions. Similarly, total passenger-car revenue increased by 3.7 percent in FY 2011-12 (year-to-date) compared to the 1.2 percent decrease in passenger car transactions.

Table 2-5 further depicts the correlation between Turnpike performance and the general economic climate by comparing Turnpike System annual transactions with PA gross state product (GSP), Tri-State gross regional product (GRP) and U.S. gross domestic product (GDP) for 2009 through 2011. Commercial activity in each of the three regions along with Turnpike System transactions followed the same general pattern. As presented in Table 2-5, Turnpike System transactions decreased by 0.9 percent in 2009, mirroring the decrease in commercial activity in GDP (-3.5 percent), GRP (-2.9 percent), and GSP (-1.7 percent). As commercial activity increased in 2010, ranging from 3.0 to 4.0 percent increases among the different geographic areas, transactions also increased on the Turnpike System by 1.3 percent. In 2011, the rate of growth in commercial activity contracted sharply compared to 2010, particularly in the second and third quarters in the mid-Atlantic Region and the third and fourth quarter in Pennsylvania. During this time period, Turnpike transactions decreased by 1.1 percent for passenger cars, increased by 1.0 percent for commercial vehicles, and decreased by 0.9 percent for total

Annual Transaction and Gross Toll Revenue Trends

Table 2-6 provides a summary of annual Systemwide transactions and adjusted gross toll revenue trends from FY 1979-80 through FY 2010-11. Note that transactions and adjusted toll revenue in Table 2-6 reflect final audited Systemwide totals after adjustments and discounts attributable to the commercial volume-discount program described in more detail later in this chapter.

The Turnpike System has demonstrated consistent long term growth in transactions and toll revenue. Between FY 1979-80 and FY 1989-90, Turnpike transactions and adjusted toll revenue grew by an

Table 2-4
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Ticket System (Including Gateway Barrier Plaza)

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$28,665	(5.4)	$27,110	27.5	$34,578	5.3	$36,414	3.3	$37,602
July	29,935	(2.3)	29,244	30.6	38,194	6.1	40,507	3.0	41,736
August	31,655	(2.2)	30,972	25.1	38,760	4.0	40,319	(1.9)	39,538
September	26,218	(5.9)	24,682	31.7	32,509	3.3	33,584	3.5	34,758
October	26,410	0.3	26,482	25.3	33,193	5.8	35,102	1.8	35,750
November	25,673	(1.5)	25,296	27.8	32,323	3.7	33,523	4.2	34,946
December	23,564	4.4	24,612	22.8	30,228	3.7	31,351	6.3	33,328
January	21,183	20.8	25,598	7.6	27,544	0.1	27,567	8.3	29,864
February	19,687	26.4	24,894	(11.8)	21,952	21.0	26,554		
March	23,622	22.4	28,925	7.1	30,980	3.2	31,980		
April	23,981	31.4	31,511	4.7	33,002	2.2	33,735		
May	26,706	26.5	33,794	5.0	35,494	1.1	35,870		
Total Year	$307,299	8.4	$333,120	16.7	$388,757	4.6	$406,506		
June-Jan	213,303	0.3	213,996	24.9	267,329	4.1	278,367	3.3	287,522

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$24,714	(5.6)	$23,324	10.1	$25,674	5.1	$26,995	7.3	$28,971
July	24,208	(1.6)	23,824	6.8	25,448	4.8	26,682	2.6	27,364
August	26,054	(10.0)	23,439	7.8	25,276	8.1	27,328	7.1	29,259
September	23,716	(3.9)	22,787	9.6	24,979	8.6	27,133	3.7	28,142
October	25,828	(9.1)	23,477	8.1	25,385	6.5	27,024	4.9	28,359
November	22,865	(15.7)	19,267	14.7	22,107	12.6	24,896	6.9	26,611
December	21,193	(9.2)	19,244	17.3	22,568	10.3	24,890	2.1	25,405
January	22,928	0.4	23,010	(3.1)	22,287	10.6	24,658	4.1	25,657
February	21,504	1.0	21,716	(4.7)	20,697	14.4	23,674		
March	23,336	3.6	24,179	8.1	26,144	9.6	28,651		
April	23,568	4.4	24,604	4.7	25,753	5.1	27,061		
May	23,597	4.5	24,657	4.9	25,856	7.4	27,777		
Total Year	$283,511	(3.5)	$273,528	6.8	$292,174	8.4	$316,769		
June-Jan	191,506	(6.9)	178,372	8.6	193,724	8.2	209,606	4.8	219,768

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$53,379	(5.5)	$50,434	19.5	$60,252	5.2	$63,409	5.0	$66,573
July	54,143	(2.0)	53,068	19.9	63,642	5.6	67,189	2.8	69,100
August	57,709	(5.7)	54,411	17.7	64,036	5.6	67,647	1.7	68,796
September	49,934	(4.9)	47,469	21.1	57,488	5.6	60,717	3.6	62,900
October	52,238	(4.4)	49,959	17.3	58,578	6.1	62,126	3.2	64,109
November	48,538	(8.2)	44,563	22.1	54,430	7.3	58,419	5.4	61,557
December	44,757	(2.0)	43,856	20.4	52,796	6.5	56,241	4.4	58,734
January	44,111	10.2	48,608	2.5	49,831	4.8	52,225	6.3	55,521
February	41,191	13.2	46,610	(8.5)	42,649	17.8	50,228		
March	46,958	13.1	53,104	7.6	57,124	6.1	60,631		
April	47,549	18.0	56,115	4.7	58,755	3.5	60,796		
May	50,303	16.2	58,451	5.0	61,350	3.7	63,647		
Total Year	$590,810	2.7	$606,648	12.2	$680,931	6.2	$723,275		
June-Jan	404,809	(3.1)	392,368	17.5	461,053	5.8	487,973	4.0	507,290

Turnpike 43 - Mon/Fayette Expressway

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$549	1.6	$558	39.6	$779	6.5	$830	7.9	$896
July	558	4.5	583	39.8	815	6.1	865	13.6	982
August	608	3.5	629	33.7	841	7.4	903	18.8	1,073
September	600	4.2	625	35.8	849	8.2	919	17.1	1,076
October	632	7.8	681	30.8	891	7.5	958	14.4	1,096
November	570	13.7	648	23.6	801	7.2	859	19.1	1,023
December	537	19.7	643	20.5	775	8.3	839	20.2	1,008
January	525	32.8	697	4.7	730	10.0	803	17.1	940
February	522	37.0	715	(6.4)	669	22.2	818		
March	554	43.3	794	9.7	871	5.6	920		
April	586	39.1	815	8.2	882	4.8	925		
May	580	35.7	787	7.2	844	6.8	902		
Total Year	$6,821	19.9	$8,175	19.2	$9,747	8.1	$10,540		
June-Jan	4,579	10.6	5,064	28.0	6,481	7.6	6,976	16.0	8,094

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$60	25.0	$75	34.7	$101	25.7	$127	20.2	$153
July	62	29.0	80	45.0	116	11.2	129	19.3	154
August	63	25.4	79	63.3	129	6.2	137	35.7	186
September	55	36.4	75	64.0	123	5.7	130	32.4	172
October	62	27.4	79	51.9	120	7.5	129	29.5	167
November	50	44.0	72	45.8	105	7.6	113	38.2	156
December	40	60.0	64	43.8	92	6.5	98	45.0	142
January	45	62.2	73	17.8	86	20.9	104	42.7	148
February	48	70.8	82	(9.8)	74	36.6	101		
March	48	89.6	91	29.7	118	16.1	137		
April	58	55.2	90	35.6	122	1.2	123		
May	66	36.4	90	32.2	119	14.0	136		
Total Year	$657	44.6	$950	37.4	$1,305	12.2	$1,464		
June-Jan	437	36.6	597	46.1	872	10.9	967	32.2	1,278

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$609	3.9	$633	39.0	$880	8.7	$957	9.5	$1,048
July	620	6.9	663	40.4	931	6.8	994	14.3	1,136
August	671	5.5	708	37.0	970	7.2	1,040	21.1	1,259
September	655	6.9	700	38.9	972	7.9	1,049	19.0	1,248
October	694	9.5	760	33.0	1,011	7.5	1,087	16.2	1,263
November	620	16.1	720	25.8	906	7.3	972	21.3	1,179
December	577	22.5	707	22.6	867	8.1	937	22.8	1,150
January	570	35.1	770	6.0	816	11.2	907	20.0	1,089
February	570	39.8	797	(6.8)	743	23.7	919		
March	602	47.0	885	11.8	989	6.9	1,057		
April	644	40.5	905	10.9	1,004	4.4	1,048		
May	646	35.8	877	9.8	963	7.7	1,037		
Total Year	$7,478	22.0	$9,125	21.1	$11,052	8.6	$12,004		
June-Jan	5,016	12.9	5,661	29.9	7,353	8.0	7,943	18.0	9,372

(1) On January 3, 2009, a toll increase of 25% was implemented. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(2) On January 3, 2010, a toll increase of 3% was implemented on all toll facilities except Turnpike 576.
(3) On January 2, 2011, a 3% E-ZPass and a 10% cash toll increase was implemented on all toll facilities except Turnpike 576.
(4) On January 1, 2012 , cash tolls were increased by 10% on all toll facilities except the Turnpike 576.
(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) On July 11, 2011, the West Virginia section of Turnpike 43 was completed.

Table 2-4 (Cont'd)
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Turnpike 66

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$484	8.5	$525	27.4	$669	6.3	$711	4.8	$745
July	492	10.4	543	26.5	687	7.6	739	2.1	755
August	514	10.3	567	21.2	687	8.6	746	3.7	774
September	502	6.6	535	25.0	669	8.4	725	3.4	750
October	564	(0.2)	563	20.4	678	9.1	740	2.8	761
November	516	(0.6)	513	23.8	635	7.2	681	5.5	718
December	507	4.9	532	19.9	638	5.6	674	8.1	729
January	475	17.7	559	5.4	589	6.6	628	7.3	674
February	451	22.4	552	(5.8)	520	17.5	611		
March	503	24.5	626	8.8	681	4.1	709		
April	521	22.5	638	8.2	690	1.8	703		
May	537	24.8	670	6.0	710	3.5	735		
Total Year	$6,066	12.5	$6,823	15.1	$7,853	7.0	$8,401		
June-Jan	4,054	7.0	4,337	21.1	5,252	7.5	5,644	4.6	5,905

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$232	(0.9)	$230	12.6	$259	21.6	$315	4.3	$328
July	230	3.0	237	13.1	268	14.9	308	7.6	331
August	236	(2.1)	231	11.3	257	29.6	333	9.3	364
September	213	9.4	233	13.3	264	23.5	326	6.1	346
October	256	(7.0)	238	17.6	280	10.0	308	19.0	366
November	205	(9.8)	185	27.0	235	17.0	275	23.0	338
December	170	0.6	171	34.5	230	9.1	251	15.2	289
January	194	2.6	199	12.6	224	17.0	262	9.2	286
February	184	10.3	203	(0.5)	202	19.6	241		
March	196	16.8	229	16.2	266	10.7	294		
April	222	2.7	228	26.8	289	(1.9)	283		
May	226	5.8	239	23.0	294	7.7	317		
Total Year	$2,564	2.3	$2,623	17.0	$3,068	14.5	$3,514		
June-Jan	1,736	(0.7)	1,724	17.0	2,017	17.9	2,378	11.4	2,650

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$716	5.4	$755	22.9	$928	10.6	$1,026	4.7	$1,074
July	722	8.0	780	22.4	955	9.6	1,047	3.7	1,086
August	750	6.4	798	18.3	944	14.3	1,079	5.5	1,138
September	715	7.4	768	21.5	933	12.6	1,051	4.3	1,096
October	820	(2.3)	801	19.6	958	9.4	1,048	7.5	1,127
November	721	(3.2)	698	24.6	870	9.9	956	10.5	1,057
December	677	3.8	703	23.5	868	6.6	925	10.1	1,018
January	669	13.3	758	7.3	813	9.5	890	7.8	960
February	635	18.9	755	(4.4)	722	18.1	853		
March	699	22.3	855	10.8	947	6.0	1,004		
April	743	16.6	866	13.0	979	0.7	986		
May	763	19.1	909	10.5	1,004	4.7	1,051		
Total Year	$8,630	9.5	$9,446	15.6	$10,921	9.1	$11,915		
June-Jan	5,790	4.7	6,061	19.9	7,269	10.4	8,022	6.6	8,555

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$215	1.4	$218	29.4	$282	2.8	$290	9.6	$318
July	256	1.2	259	42.9	370	0.3	371	8.3	402
August	277	2.9	285	36.5	389	(3.3)	376	1.4	381
September	214	(6.1)	201	40.8	283	1.8	288	5.9	305
October	210	2.4	215	27.0	273	10.3	301	7.3	323
November	196	0.5	197	29.9	256	9.4	280	5.6	296
December	166	7.8	179	24.0	222	6.8	237	12.4	266
January	149	20.1	179	11.2	199	4.5	208	8.0	225
February	143	29.4	185	(7.6)	171	17.0	200		
March	177	22.0	216	8.8	235	2.7	241		
April	198	29.3	256	5.1	269	10.3	297		
May	228	28.9	294	(1.4)	290	16.8	339		
Total Year	$2,429	10.5	$2,684	20.7	$3,239	5.8	$3,428		
June-Jan	1,683	3.0	1,733	31.2	2,274	3.4	2,351	7.0	2,516

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$225	(2.2)	$220	24.5	$274	5.1	$288	15.4	$332
July	220	5.0	231	26.8	293	0.0	293	9.1	320
August	242	(6.6)	226	30.5	295	2.7	303	13.3	343
September	221	3.6	229	23.1	282	5.0	296	13.3	335
October	235	(3.0)	228	18.9	271	8.5	294	16.0	341
November	196	(6.1)	184	22.8	226	23.9	280	5.3	295
December	180	1.7	183	25.1	229	14.0	261	7.9	282
January	193	8.3	209	6.7	223	13.9	254	6.0	269
February	186	9.1	203	0.0	203	11.5	226		
March	195	17.9	230	14.8	264	1.7	269		
April	234	6.8	250	6.4	266	7.9	287		
May	236	16.1	274	0.4	275	26.8	349		
Total Year	$2,563	4.1	$2,667	16.3	$3,101	9.6	$3,400		
June-Jan	1,712	(0.1)	1,710	22.4	2,093	8.4	2,269	10.9	2,517

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$440	(0.5)	$438	26.9	$556	4.0	$578	12.5	$650
July	476	2.9	490	35.3	663	0.2	664	8.7	721
August	519	(1.5)	511	33.9	684	(0.7)	679	6.7	725
September	435	(1.1)	430	31.4	565	3.4	584	9.6	640
October	445	(0.4)	443	22.8	544	9.4	595	11.6	664
November	392	(2.8)	381	26.5	482	16.2	560	5.5	591
December	346	4.6	362	24.6	451	10.4	498	10.0	548
January	342	13.5	388	8.8	422	9.5	462	6.9	494
February	329	17.9	388	(3.6)	374	14.0	426		
March	372	19.9	446	11.9	499	2.2	510		
April	432	17.1	506	5.7	535	9.1	584		
May	464	22.4	568	(0.5)	565	21.6	687		
Total Year	$4,992	7.2	$5,351	18.5	$6,340	7.7	$6,827		
June-Jan	3,395	1.4	3,443	26.8	4,367	5.8	4,620	8.9	5,033

(1) On January 3, 2009, a toll increase of 25% was implemented. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(2) On January 3, 2010, a toll increase of 3% was implemented on all toll facilities except Turnpike 576.
(3) On January 2, 2011, a 3% E-ZPass and a 10% cash toll increase was implemented on all toll facilities except Turnpike 576.
(4) On January 1, 2012 , cash tolls were increased by 10% on all toll facilities except the Turnpike 576.
(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) On July 11, 2011, the West Virginia section of Turnpike 43 was completed.

Table 2-4 (Cont'd)
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$455	(2.6)	$443	26.6	$561	4.6	$587	9.3	$641
July	475	0.6	478	23.4	590	6.9	631	7.8	680
August	487	(0.6)	484	21.1	586	6.7	625	6.5	666
September	445	(2.7)	433	25.9	545	8.6	592	3.3	612
October	457	(1.5)	450	25.1	563	7.3	604	7.7	651
November	422	(3.8)	406	28.1	520	7.5	559	4.4	583
December	401	4.7	420	21.2	509	2.6	522	11.9	584
January	373	13.7	424	7.5	456	7.9	492	6.4	524
February	353	22.7	433	(6.7)	404	16.7	472		
March	406	24.4	505	5.3	532	7.0	569		
April	426	21.8	519	5.0	545	8.6	592		
May	448	22.3	548	4.7	574	10.0	631		
Total Year	$5,148	7.7	$5,543	15.2	$6,385	7.7	$6,877		
June-Jan	3,515	0.7	3,538	22.4	4,330	6.5	4,612	7.1	4,941

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$209	(11.0)	$186	10.2	$205	32.2	$271	$205	$290
July	176	12.5	198	6.1	210	15.2	242	210	280
August	190	2.6	195	10.8	216	20.8	261	216	328
September	171	10.5	189	7.9	204	28.4	262	204	297
October	191	(2.1)	187	8.6	203	18.2	240	203	302
November	166	(12.7)	145	20.7	175	32.0	231	175	270
December	136	4.4	142	19.0	169	26.6	214	169	249
January	161	0.6	162	5.6	171	29.2	221	169	248
February	151	7.3	162	11.1	180	16.5	210		
March	162	14.8	186	18.8	221	20.2	266		
April	190	(1.6)	187	18.7	222	16.6	259		
May	189	1.6	192	21.9	234	19.8	280		
Total Year	$2,092	1.9	$2,131	13.1	$2,410	22.7	$2,957		
June-Jan	1,400	0.3	1,404	10.6	1,553	25.0	1,942	16.6	2,264

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$664	(5.3)	$629	21.8	$766	12.0	$858	8.5	$931
July	651	3.8	676	18.3	800	9.1	873	10.0	960
August	677	0.3	679	18.1	802	10.5	886	12.2	994
September	616	1.0	622	20.4	749	14.0	854	6.4	908
October	648	(1.7)	637	20.3	766	10.2	844	12.9	953
November	588	(6.3)	551	26.1	695	13.7	790	8.0	853
December	537	4.7	562	20.6	678	8.6	736	13.3	834
January	534	9.7	586	7.0	627	13.7	713	8.2	772
February	504	18.1	595	(1.8)	584	16.7	681		
March	568	21.7	691	9.0	753	10.9	835		
April	616	14.6	706	8.6	767	10.9	851		
May	637	16.2	740	9.2	808	12.8	912		
Total Year	$7,240	6.0	$7,674	14.6	$8,795	11.8	$9,833		
June-Jan	4,915	0.5	4,942	19.0	5,883	11.4	6,554	9.9	7,205

Total Transactions

Passenger Cars

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$30,368	(5.0)	$28,854	27.8	$36,869	5.3	$38,832	3.5	$40,202
July	31,716	(1.9)	31,107	30.7	40,656	6.0	43,113	3.3	44,555
August	33,541	(1.8)	32,937	25.3	41,263	4.1	42,969	(1.2)	42,432
September	27,979	(5.4)	26,476	31.6	34,855	3.6	36,108	3.9	37,501
October	28,273	0.4	28,391	25.4	35,598	5.9	37,705	2.3	38,580
November	27,377	(1.2)	27,060	27.6	34,535	4.0	35,902	4.6	37,566
December	25,175	4.8	26,386	22.7	32,372	3.9	33,623	6.8	35,916
January	22,705	20.9	27,457	7.5	29,518	0.6	29,698	8.5	32,226
February	21,156	26.6	26,779	(11.4)	23,716	20.8	28,654		
March	25,262	23.0	31,066	7.2	33,299	3.4	34,419		
April	25,712	31.2	33,739	4.9	35,388	2.4	36,251		
May	28,499	26.6	36,093	5.0	37,912	1.5	38,477		
Total Year	$327,763	8.7	$356,345	16.7	$415,981	4.8	$435,751		
June-Jan	227,134	0.7	228,668	24.9	285,666	4.3	297,950	3.7	308,978

Commercial Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$25,440	(5.5)	$24,035	10.3	$26,513	5.6	$27,996	7.4	$30,075
July	24,896	(1.3)	24,570	7.2	26,335	5.0	27,654	2.9	28,449
August	26,785	(9.8)	24,170	8.3	26,173	8.4	28,362	7.5	30,480
September	24,376	(3.5)	23,513	9.9	25,852	8.9	28,147	4.1	29,292
October	26,572	(8.9)	24,209	8.5	26,259	6.6	27,995	5.5	29,536
November	23,482	(15.5)	19,853	15.1	22,848	12.9	25,795	7.3	27,670
December	21,719	(8.8)	19,804	17.6	23,288	10.4	25,714	2.5	26,368
January	23,521	0.6	23,653	(2.8)	22,991	10.9	25,499	4.4	26,609
February	22,073	1.3	22,366	(4.5)	21,356	14.5	24,452		
March	23,937	4.1	24,915	8.4	27,013	9.6	29,617		
April	24,272	4.5	25,359	5.1	26,652	5.1	28,014		
May	24,314	4.7	25,452	5.2	26,778	7.8	28,858		
Total Year	$291,387	(3.3)	$281,899	7.2	$302,058	8.6	$328,103		
June-Jan	196,791	(6.6)	183,807	9.0	200,259	8.4	217,162	5.2	228,477

Total Vehicles

Month	2007-08	% Chg	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12
June	$55,808	(5.2)	$52,889	19.8	$63,382	5.4	$66,828	5.2	$70,276
July	56,612	(1.7)	55,677	20.3	66,991	5.6	70,767	3.2	73,004
August	60,326	(5.3)	57,107	18.1	67,436	5.8	71,331	2.2	72,912
September	52,355	(4.5)	49,989	21.4	60,707	5.8	64,255	3.9	66,792
October	54,845	(4.1)	52,600	17.6	61,857	6.2	65,700	3.7	68,116
November	50,859	(7.8)	46,913	22.3	57,383	7.5	61,697	5.7	65,236
December	46,894	(1.5)	46,190	20.5	55,660	6.6	59,337	5.0	62,284
January	46,226	10.6	51,110	2.7	52,509	5.1	55,197	6.6	58,835
February	43,229	13.7	49,145	(8.3)	45,072	17.8	53,107		
March	49,199	13.8	55,981	7.7	60,312	6.2	64,037		
April	49,984	18.2	59,098	5.0	62,040	3.6	64,265		
May	52,813	16.5	61,545	5.1	64,690	4.1	67,335		
Total Year	$619,150	3.1	$638,244	12.5	$718,039	6.4	$763,855		
June-Jan	423,925	(2.7)	412,475	17.8	485,925	6.0	515,112	4.3	537,455

(1) On January 3, 2009, a toll increase of 25% was implemented. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(2) On January 3, 2010, a toll increase of 3% was implemented on all toll facilities except Turnpike 576.
(3) On January 2, 2011, a 3% E-ZPass and a 10% cash toll increase was implemented on all toll facilities except Turnpike 576.
(4) On January 1, 2012 , cash tolls were increased by 10% on all toll facilities except the Turnpike 576.
(5) All six (6) Phase 1 projects of the Turnpike 43, Uniontown to Brownsville Project were completed in the fall of 2008. Phase 1 was open to traffic on October 30, 2008. This had positive traffic impacts on Turnpike 43.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) On July 11, 2011, the West Virginia section of Turnpike 43 was completed.

Table 2-5
Near Term Measures of Commercial Activity and Growth in Total Turnpike Transactions

Percent Change over Previous Year

Calendar Year	Gross Domestic Product Growth (1) (U.S.)	Gross Regional Product Growth (1) (NY, NJ, PA)	Gross State Product Growth (1) (PA)	PA Turnpike System Transaction Growth		
				Passenger Cars	Commercial Vehicles	All Vehicles
2009 (Actual)	**(3.5)**	**(2.9)**	**(1.7)**	0.2	(8.5)	(0.9)
1st Quarter	(4.5)	(7.6)	(3.3)			
2nd Quarter	(5.0)	(2.0)	(2.1)			
3rd Quarter	(3.7)	(1.3)	(1.3)			
4th Quarter	(0.5)	(0.4)	(0.1)			
2010 (Actual)	**3.0**	**4.0**	**3.0**	1.0	4.0	1.3
1st Quarter	2.2	5.4	2.1			
2nd Quarter	3.3	4.5	2.7			
3rd Quarter	3.5	3.9	4.6			
4th Quarter	3.1	2.1	2.7			
2011 (Actual)	**1.7**	**0.5**	**1.2**	(1.1)	1.0	(0.9)
1st Quarter	2.2	1.5	2.5			
2nd Quarter	1.6	(0.7)	1.3			
3rd Quarter	1.5	0.0	(0.0)			
4th Quarter	1.6	1.4	0.8			

(1) GDP percent changes are based on constant 2005 dollars. The data is from the US Bureau of Economic Analysis. The information was gathered from Moody's Economy.com baseline Forecast (February 2012).

Table 2-6
Annual Systemwide Traffic and Adjusted Gross Toll Revenue Trends
Pennsylvania Turnpike System
(in thousands)

	Transactions						Adjusted Toll Revenue (7)					
Fiscal Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year
1979-80	53,823		9,053		62,876		$53,818		$52,823		$106,641	
1980-81	56,149	4.3	8,865	(2.1)	65,014	3.4	57,098	6.1	52,930	0.2	110,028	3.2
1981-82	59,468	5.9	9,069	2.3	68,537	5.4	60,227	5.5	55,264	4.4	115,491	5.0
1982-83	62,908	5.8	9,088	0.2	71,996	5.0	63,529	5.5	55,162	(0.2)	118,691	2.8
1983-84	65,398	4.0	10,234	12.6	75,632	5.1	65,849	3.7	63,510	15.1	129,359	9.0
1984-85	69,919	6.9	11,081	8.3	81,000	7.1	69,965	6.3	69,516	9.5	139,481	7.8
1985-86	73,926	5.7	11,790	6.4	85,716	5.8	73,616	5.2	74,729	7.5	148,345	6.4
1986-87 (1)	75,255	1.8	11,981	1.6	87,236	1.8	84,025	14.1	84,220	12.7	168,245	13.4
1987-88	78,434	4.2	12,747	6.4	91,181	4.5	103,741	23.5	101,477	20.5	205,218	22.0
1988-89	83,771	6.8	13,604	6.7	97,375	6.8	110,781	6.8	109,499	7.9	220,280	7.3
1989-90	86,650	3.4	13,442	(1.2)	100,092	2.8	114,269	3.1	107,599	(1.7)	221,868	0.7
1990-91	89,040	2.8	13,027	(3.1)	102,067	2.0	116,579	2.0	102,833	(4.4)	219,412	(1.1)
1991-92 (2)	89,499	0.5	12,178	(6.5)	101,677	(0.4)	150,158	28.8	118,337	15.1	268,495	22.4
1992-93	96,953	8.3	13,061	7.3	110,014	8.2	153,394	2.2	123,393	4.3	276,787	3.1
1993-94	106,708	10.1	14,261	9.2	120,969	10.0	158,053	3.0	122,846	(0.4)	280,899	1.5
1994-95	114,033	6.9	15,620	9.5	129,653	7.2	165,850	4.9	131,749	7.2	297,599	5.9
1995-96	121,911	6.9	16,719	7.0	138,630	6.9	172,339	3.9	136,269	3.4	308,608	3.7
1996-97	126,654	3.9	17,479	4.5	144,133	4.0	179,303	4.0	140,837	3.4	320,140	3.7
1997-98	132,472	4.6	18,627	6.6	151,099	4.8	186,290	3.9	149,036	5.8	335,326	4.7
1998-99	136,399	3.0	19,833	6.5	156,232	3.4	191,804	3.0	158,761	6.5	350,565	4.5
1999-00	138,762	1.7	21,341	7.6	160,103	2.5	195,301	1.8	172,035	8.4	367,336	4.8
2000-01	141,033	1.6	21,278	(0.3)	162,311	1.4	193,563	(0.9)	172,337	0.2	365,900	(0.4)
2001-02	150,496	6.7	22,298	4.8	172,794	6.5	212,650	9.9	163,101	(5.4)	375,751	2.7
2002-03	156,220	3.8	23,179	4.0	179,399	3.8	219,201	3.1	168,021	3.0	387,222	3.1
2003-04	163,612	4.7	24,407	5.3	188,019	4.8	228,515	4.2	180,229	7.3	408,744	5.6
2004-05 (3)	163,316	(0.2)	25,109	2.9	188,425	0.2	309,032	35.2	236,126	31.0	545,158	33.4
2005-06	160,590	(1.7)	25,311	0.8	185,901	(1.3)	321,268	4.0	267,369	13.2	588,637	8.0
2006-07	160,107	(0.3)	25,316	0.0	185,423	(0.3)	322,781	0.5	269,861	0.9	592,642	0.7
2007-08	164,097	2.5	25,455	0.5	189,552	2.2	332,035	2.9	265,637	(1.6)	597,672	0.8
2008-09 (4)	162,638	(0.9)	23,583	(7.4)	186,220	(1.8)	356,345	7.3	260,047	(2.1)	616,392	3.1
2009-10 (5)	163,599	0.6	22,933	(2.8)	186,531	0.2	415,981	16.7	277,789	6.8	693,770	12.6
2010-11 (6)	165,230	1.0	23,812	3.8	189,042	1.3	435,752	4.8	303,535	9.3	739,286	6.6

Average Annual Percent Change

	Transactions			Adjusted Gross Toll Revenue (7)		
Fiscal Year	Cars	Trucks	Total	Cars	Trucks	Total
FY 1979-80 - FY 1989-90	4.9	4.0	4.8	7.8	7.4	7.6
FY 1989-90 - FY 1999-00	4.8	4.7	4.8	5.5	4.8	5.2
FY 1999-00 - FY 2010-11	1.6	1.0	1.5	7.6	5.3	6.6
FY 1979-80 - FY 2010-11	3.7	3.2	3.6	7.0	5.8	6.4

(1) A toll increase of 30% was implemented on January 2, 1987.
(2) A toll increase of 30% was implemented on June 1, 1991.
(3) A toll increase of 42.5% was implemented on August 1, 2004.
(4) A toll increase of 25% was implemented on January 4, 2009. Toll rates on Turnpike 576 and Turnpike 43 from Unionville to Brownsville remained unchanged.
(5) A toll increase of 3% was implemented on January 3, 2010.
(6) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011, except for Turnpike 576 where the toll rates did not increase.
(7) The toll revenue includes the adjustments associated with the commercial volume-discount program.

average annual rate of 4.8 percent and 7.6 percent, respectively. Similarly, between FY 1989-90 and FY 1999-00, Turnpike transactions and adjusted gross toll revenue grew by average annual rates of 4.8 percent and 5.2 percent, respectively. Over the most recent eleven-year period from FY 1999-00 through FY 2010-11, Turnpike transaction growth slowed to average annual rate of 1.5 percent per year. Conversely, adjusted toll revenue grew by an average annual rate of 6.6 percent per year during the same eleven-year period.

Figure 2-4 illustrates Turnpike System historical transactions and adjusted gross toll revenue on an annual basis from FY 1979-80 to FY 2010-11. Toll increases are represented by a black star over the fiscal year in which the increase was implemented and the nature of the rate increases are detailed in the text box within the revenue chart on the upper half of the page.

E-ZPass Market Share

Table 2-7 shows the historical growth in E-ZPass transactions as a percent of total toll transactions on the Turnpike System. Over the past eight years, passenger-car E-ZPass market share has increased from 31.9 percent to 57.5 percent of total toll transactions. Commercial-vehicle market share growth has been even greater, increasing from 40.1 percent in FY 2003-04 to 77.7 percent in FY 2010-11. As expected, the predominant trend in E-ZPass market share between FY 2003-04 and FY 2009-10 is one of progressively smaller year-over-year increases. FY 2010-11 represented a departure from this prevailing trend and was due to the January 2, 2011 toll increase (3 percent E-ZPass, 10 percent cash) which introduced a toll rate differential favorable to Turnpike E-ZPass customers for the first time. A toll rate increase of 10 percent for cash customers only was implemented January 1, 2012, further incentivizing E-ZPass participation.

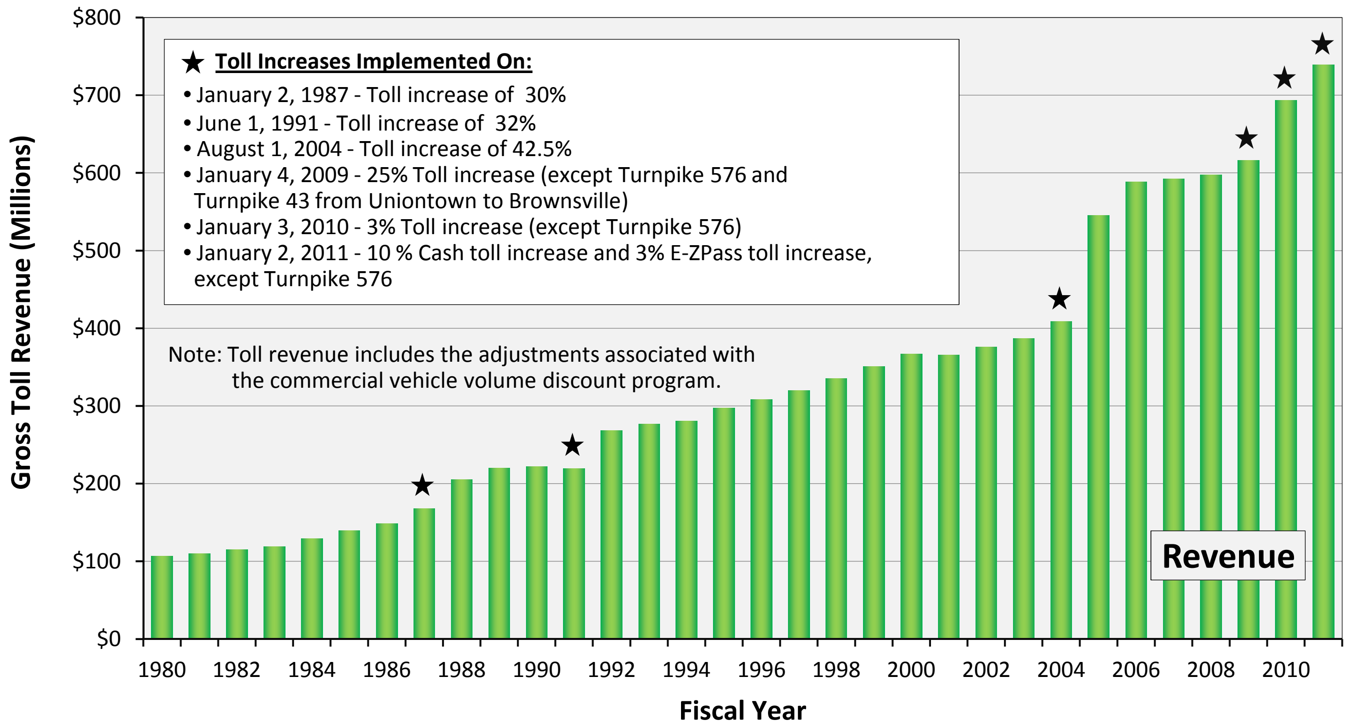
Table 2-8 presents monthly E-ZPass market share trends on the Ticket System for calendar years 2008 through 2011. It is apparent from a comparison of Tables 2-7 and 2-8 that the E-ZPass participation is higher on the Ticket System than on the Turnpike System as a whole. Table 2-8 presents the percent monthly and annual E-ZPass market shares, and the percentage point difference between the annual E-ZPass market share compared to the prior year. The E-ZPass market share for passenger cars increased by 2.7 percentage points in 2009, 2.5 points in 2010, and 4.3 points in 2011. The increase of 4.3 percentage points in 2011 was due to toll increase implemented on January 2 that introduced for the first time a toll differential between cash and E-ZPass. That toll increase instituted a 7 percent increase in most cash rates compared to the E-ZPass rate. The E-ZPass market share for commercial vehicles increased by 2.1 percentage points in 2009, 1.2 points in 2010, and 2.2 points in 2011.

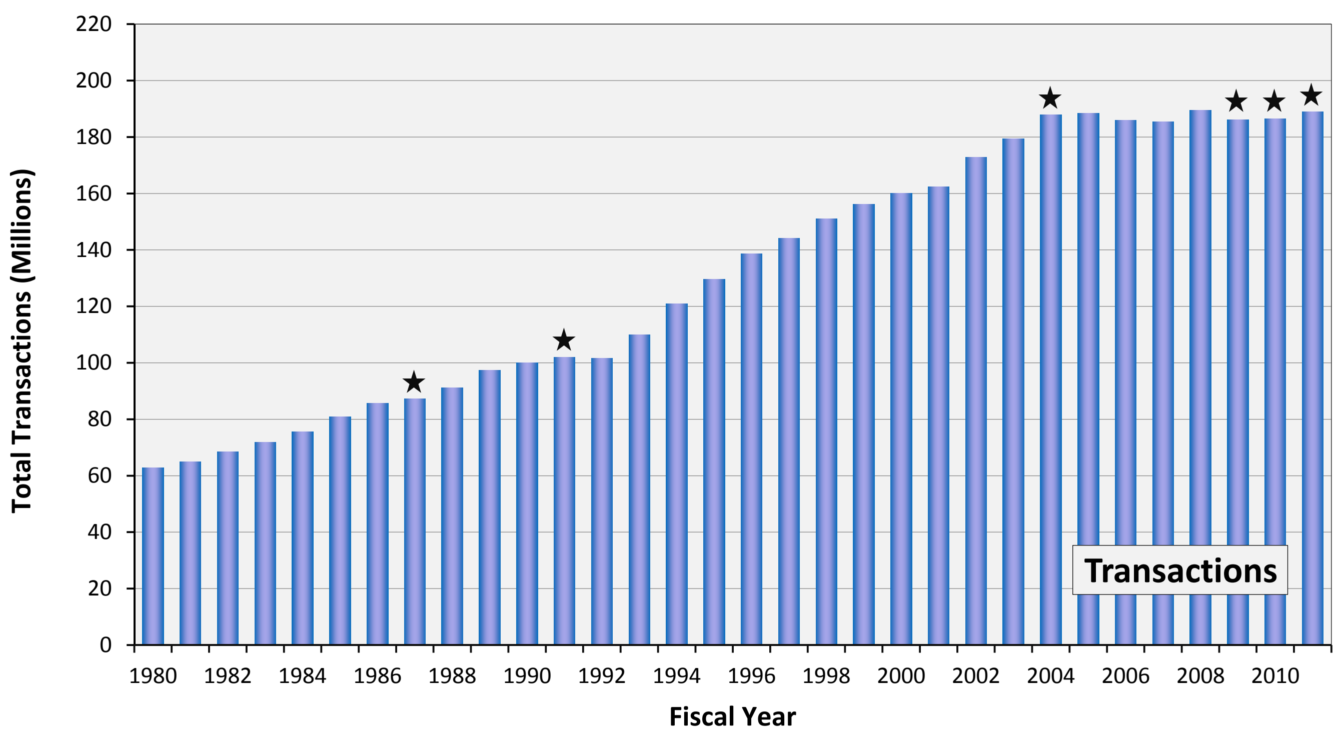
Historical Toll Rate Increases and Changes to the Commercial Volume Discount Program

This section describes toll rate increases that have been implemented in the past. In addition, recent changes to the PTC's commercial vehicle volume-discount program are discussed.

Toll Rate Increases

Table 2-9 provides a historical summary of toll rate increases on the Turnpike from 1987 to the most recent increase implemented on January 1, 2012. Rate increases are presented as a percent increase over the previous toll rate and by payment method. The four rate increases implemented between





PENNSYLVANIA TURNPIKE SYSTEM HISTORICAL TRANSACTIONS AND ADJUSTED GROSS TOLL REVENUE

FIGURE 2-4

Table 2-7
Annual Percent E-ZPass Market Shares
Based on Transactions
Pennsylvania Turnpike System

Fiscal Year	Percent E-ZPass By Vehicle Class: Passenger Cars	Commercial Vehicles	Total
2003-04 [(1)]	31.9%	40.1%	33.0%
2004-05	36.4	49.1	38.1
2005-06	40.4	60.2	43.2
2006-07	44.3	67.9	47.6
2007-08	46.8	71.1	50.1
2008-09 [(2)]	50.4	74.3	53.4
2009-10 [(3)]	53.9	76.1	56.6
2010-11 [(4)]	57.5	77.7	60.1

(1) A toll increase of 42.5% was implemented on August 1, 2004.
(2) A toll increase of 25% was implemented on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Unionville to Brownsville, where toll rates did not increase.
(3) A toll increase of 3% was implemented on January 3, 2010, except for Turnpike 576.
(4) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011, except for Turnpike 576 where toll rates did not increase.

Source: Pennsylvania Turnpike Commission

Table 2-8
Monthly E-ZPass Market Shares: Ticket System
Based on Transactions
Pennsylvania Turnpike System

	Percent E-ZPass By Vehicle Class											
	Passenger Cars				Commercial Vehicles				Total			
Month	2008	2009(1)	2010(2)	2011(3)	2008	2009(1)	2010(2)	2011(3)	2008	2009(1)	2010(2)	2011(3)
January	55.3%	57.3%	60.0%	64.0%	75.2%	77.6%	79.1%	80.5%	58.2%	60.0%	62.4%	66.2%
February	55.3	57.9	60.6	64.6	74.8	77.5	78.6	80.6	58.0	60.4	63.1	66.7
March	53.6	57.1	59.8	64.2	74.2	76.9	77.8	80.1	56.4	59.6	62.2	66.4
April	54.3	56.3	58.6	62.9	73.8	76.3	77.1	79.2	57.2	58.9	61.0	65.1
May	52.8	55.1	57.4	62.4	73.1	75.2	76.0	78.6	55.6	57.6	59.8	64.5
June	51.6	54.6	57.1	61.6	72.6	74.8	76.0	78.4	54.5	57.3	59.6	63.8
July	50.6	53.1	55.1	59.1	72.5	74.5	75.6	77.7	53.6	55.8	57.7	61.4
August	50.2	53.4	56.5	61.4	72.4	74.3	75.9	78.4	53.1	55.9	59.0	63.7
September	54.2	56.4	59.1	63.1	73.7	75.4	76.9	78.9	57.0	58.9	61.4	65.3
October	54.7	57.4	59.4	63.8	74.5	76.4	77.2	79.5	57.4	59.8	61.7	65.9
November	54.2	57.3	60.3	64.3	75.4	77.3	78.8	80.5	56.8	59.8	62.7	66.4
December	54.7	58.1	60.9	64.4	76.5	78.3	79.7	81.6	57.4	60.6	63.3	66.5
Total	53.4%	56.1%	58.6%	62.9%	74.0%	76.1%	77.3%	79.5%	56.2%	58.6%	61.0%	65.1%
Percentage Point Difference Over Prior Year		2.7	2.5	4.3		2.1	1.2	2.2		2.4	2.4	4.1

(1) A toll increase of 25% was implemented on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville, where the toll rates did not increase.
(2) A toll increase of 3% was implemented on January 3, 2010, except for Turnpike 576.
(3) An E-ZPass toll increase of 3% and a cash toll increase of 10% was implemented on January 2, 2011, except for Turnpike 576 where the toll rates did not increase.
Source: Pennsylvania Turnpike Commission

Table 2-9
Historical Toll Rate Increases
Pennsylvania Turnpike

	Percent Increase		
Date	Cash	E-ZPass	**Comment**
1/2/1987	40.0	NA	E-ZPass was not yet implemented on the Turnpike
6/1/1991	32.0	NA	E-ZPass was not yet implemented on the Turnpike
8/1/2004	42.5	42.5	
1/4/2009	25.0	25.0	No increase on Turnpike 576 or Turnpike 43 between Uniontown and Brownsville
1/3/2010	3.0	3.0	No increase on Turnpike 576
1/2/2011	10.0	3.0	No increase on Turnpike 576
1/1/2012	10.0	0.0	No toll increase on Turnpike 576

1987 and 2009 ranged from 25.0 percent to 42.5 percent and were implemented in irregular intervals. The Pennsylvania Turnpike Commission has increased tolls annually since 2009.

As previously discussed, the January 2, 2011 rate increase (3 percent E-ZPass, 10 percent cash) introduced a toll rate differential favorable to Turnpike E-ZPass customers for the first time. The rate increase implemented January 1, 2012 (10 percent cash only) increased the differential; further incentivizing E-ZPass participation.

Figure 2-5 illustrates a comparison of 2012 passenger-car per-mile toll rates for a through trip on thirty-five U.S. toll facilities. The Pennsylvania Turnpike is represented by a through trip on the Mainline I-77/I-276, which is highlighted in yellow. At 9.2 cents per mile, Mainline I-76/I-276 compares favorably to the nearby New Jersey Turnpike (11.3 cents per mile) and to the median per mile rate (12.2 cents per mile) for the facilities presented.

Recent Changes to the Commercial Volume Discount Program

Prior to the implementation of system wide toll rates favorable to E-ZPass customers, a post-paid, commercial volume-discount program was established for high-volume, commercial E-ZPass accounts. Post-paid commercial E-ZPass customers could receive the following discounts based on the amount of their monthly tolls:

- $1,000.00 - $5,000.00 in monthly tolls are eligible for a 10 percent discount;
- $5,000.01 - $10,000.00 in monthly tolls are eligible for a 15 percent discount; and
- $10,000.01 and over are eligible for a 20 percent discount in tolls.

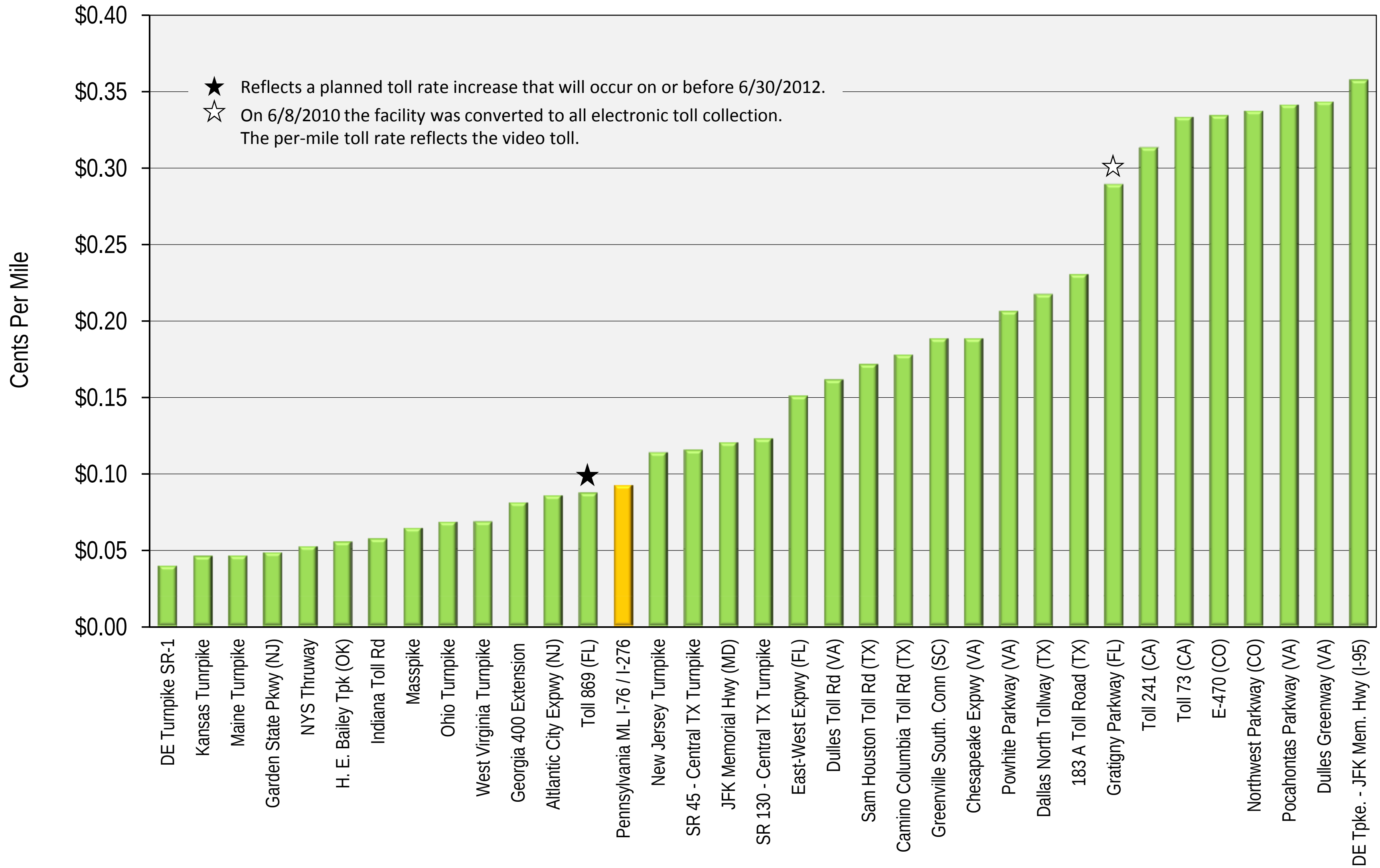
On January 2, 2011 the available discounts were reduced by 5 percentage points for each category, resulting in the following discounts for post-paid commercial E-ZPass customers:

- $1,000.00 - $5,000.00 in monthly tolls are eligible for a 5 percent discount;
- $5,000.01 - $10,000.00 in monthly tolls are eligible for a 10 percent discount; and
- $10,000.01 and over are eligible for a 15 percent discount in tolls.

In light of the approximate 17 percent discount received by all E-ZPass customers as of January 1, 2012, the 15 percent volume discount was eliminated. Also, the minimum level at which customers would be eligible for the program was increased, resulting in the following discounts for post-paid commercial E-ZPass customers:

- $5,000.01 - $10,000.00 in monthly tolls are eligible for a 5 percent discount; and
- $10,000.01 and over are eligible for a 10 percent discount in tolls.

Further reductions in the volume discount program are anticipated by the PTC. These modifications are described in Chapter 4.



COMPARISON OF 2012 PASSENGER CAR PER-MILE THROUGH TRIP TOLL RATES

FIGURE 2-5

Chapter 3

Socioeconomic Trends and Forecasts

An evaluation of longer-term socioeconomic trends and forecasts for the geographies along and surrounding the Pennsylvania Turnpike was conducted as part of this analysis. Such trends and forecasts serve as inputs to the demand growth analysis. Table 3-1 through Table 3-4, provide a summary of various demographic and economic measures reviewed for this study, including population, employment, retail sales, and gross regional product. Additional trend information is provided regarding monthly unemployment rates and weekly retail gasoline prices.

A socioeconomic trend analysis was conducted in order to identify any potential explanatory factors that may have influenced historical variations in toll transactions. Identification of such socioeconomic explanatory factors is necessary to produce a demand growth forecast that accounts for the unique nature of Turnpike usage. Socioeconomic trend data was applied within a regression-based analysis to derive demand growth projections.

In the subsequent tables, the socioeconomic growth rates are presented in compound average annual percent change (AAPC) terms, spanning decade increments from 1980 through 2040 (where available). In regards to the geographic coverage, the United States is presented along with Pennsylvania and the surrounding states: New Jersey, New York, Ohio, and West Virginia. In addition to the larger geographies, the Pennsylvania counties along the Turnpike are presented as well, grouped for the ease of presentation into four aggregations, as follows:

- **Pittsburgh Area:** Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland;
- **Interurban Area:** Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset, and York;
- **Philadelphia Area:** Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia; and,
- **Northeastern Corridor:** Carbon, Lackawanna, Lehigh, Luzerne, Northampton, and Wyoming.

Population Trends and Forecasts

Historical population data was obtained from the United States Census Bureau (census years and intercensal estimates), and forecast population growth was obtained from various other public and private sector sources, depending on the geographic focus. As presented in Table 3-1, forecast population growth rates were culled from two sources. Pennsylvania state and county population growth rates were obtained from the Pennsylvania State Data Center (via the Pennsylvania State University), and are available through year 2030; while for the other state and national geographic levels, population growth was obtained from the Woods and Poole, Inc. 2011 Complete Economic and Demographic Data Source (CEDDS)(1), available through year 2040.

Table 3-1
Population Trends and Forecasts

Area	Average Annual Percent Change						
	1980 - 1990	1990 - 2000	2000 - 2010	2010 - 2020	2020 - 2030	2030 - 2040 (5)	2010 - 2030
Pittsburgh Area (1)	(0.7)	(0.2)	(0.3)	(0.2)	(0.2)	NA	(0.2)
Interurban Area (2)	0.5	0.7	0.8	0.4	0.4	NA	0.4
Philadelphia Area (3)	0.2	0.4	0.5	0.4	0.4	NA	0.4
Northeastern Corridor (4)	0.2	0.2	0.6	0.3	0.2	NA	0.3
Subtotal	0.0	0.3	0.4	0.3	0.2	NA	0.2
	1980 - 1990	1990 - 2000	2000 - 2010	2010 - 2020	2020 - 2030	2030 - 2040	2010 - 2040
New Jersey	0.5	0.8	0.4	0.6	0.6	0.6	0.6
New York	0.2	0.5	0.2	0.4	0.4	0.4	0.4
Ohio	0.0	0.5	0.2	0.3	0.3	0.3	0.3
Pennsylvania (6)	0.0	0.3	0.3	0.3	0.2	0.4	0.3
West Virginia	(0.8)	0.1	0.2	0.3	0.3	0.3	0.3
Subtotal	0.1	0.5	0.3	0.4	0.4	0.4	0.4
United States	0.9	1.2	0.9	1.0	0.9	0.8	0.9

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban Area Counties: Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset, and York.
(3) Philadelphia Area Counties: Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia.
(4) Northeastern Corridor Counties: Carbon, Lackawanna, Lehigh, Luzerne, Northampton, and Wyoming.
(5) PA SDC projections are not available past 2030.
(6) PA projections are based on PA SDC through 3030 (no projections are available past 2030), the 2040 projection is based on Woods and Poole, and the 2010-2040 AAPC is based on a blend of PA SDC and Woods and Poole data). The other states and U.S. data are entirely based on Woods and Poole.

Sources: 1980 to 2010 represent United States Census data; county forecasts reflect PA SDC data (available through year 2030 only), and state/national forecasts reflect Woods and Poole, CEDDS, 2011.

As indicated in Table 3-1, population growth along the Pennsylvania Turnpike and in the surrounding states is tempered relative to the population growth in the nation as a whole, for both the historical trends and forecasts. Historically, the resident county population in Pennsylvania has annually increased by between 0.0 and 0.3 percent from 1980 through 2010; resident population growth along the Pennsylvania Turnpike has historically observed similar average annual growth rates as well, which are well below the rates of resident population growth observed for the entire United States. For comparative purposes, historical population growth in the United States averaged about 1.0 percent per year over the same period.

It is interesting to note that, as shown in Table 2-6, traffic growth on the Pennsylvania Turnpike grew by 3.6 percent per annum between FY 1979-80 and 2010-11 – a stronger rate than population growth – and despite multiple toll increases that occurred. A divergence between average annual historical resident population growth and traffic growth demonstrates that the Pennsylvania Turnpike has likely attracted an increasing share of travel in the corridor geographies.

(1) Source: Woods & Poole Economics, Inc. Washington, D.C. Copyright 2010. Woods & Poole does not guarantee the accuracy of this data. The use of this data and the conclusion drawn from it are solely the responsibility of CDM Smith.

Future resident county population growth along the Pennsylvania Turnpike is forecast to remain at the relatively low historical levels. As exhibited, projections average 0.3 percent per annum in this decade (2010 to 2020), with a slight deceleration to 0.2 percent per annum in the coming decade. Pennsylvania is forecasted to appreciate in resident population by 0.3 percent per annum between 2010 and 2040, closely comparable to the recent historical trends, but still below the expected population growth for the nation, which, on average, is projected to amount to 0.9 percent per annum through 2040.

Employment and Unemployment Trends and Forecasts

Employment trends are exhibited in Table 3-2. Historical data are from the United States Department of Commerce (Bureau of Economic Analysis from 1980 through 2009, with Bureau of Labor Statistics growth applied for 2009 to 2010), and the future growth rates are based on Woods & Poole data.

Table 3-2
Employment Trends and Forecasts

	Average Annual Percent Change						
Area	1980 - 1990	1990 - 2000	2000 - 2010	2010 - 2020	2020 - 2030	2030 - 2040	2010 - 2040
Pittsburgh Area (1)	0.4	0.9	(0.0)	1.0	0.8	0.8	0.9
Interurban Area (2)	1.8	1.2	0.2	1.1	0.9	0.9	1.0
Philadelphia Area (3)	1.3	0.7	0.1	1.3	1.1	1.1	1.2
Northeastern Corridor (4)	1.1	0.9	0.2	1.2	1.0	1.0	1.1
Subtotal	1.1	0.9	0.1	1.2	1.0	1.0	1.1
New Jersey	1.8	0.9	0.4	1.1	0.9	0.9	1.0
New York	1.2	0.6	0.5	0.9	0.7	0.7	0.8
Ohio	1.2	1.5	(0.5)	1.0	0.8	0.8	0.8
Pennsylvania	1.1	0.9	0.1	1.2	1.0	1.0	1.0
West Virginia	(0.1)	1.2	0.0	1.0	0.8	0.7	0.8
Subtotal	1.3	0.9	0.1	1.0	0.8	0.8	0.9
United States	2.0	1.8	0.5	1.3	1.1	1.1	1.2

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban Area Counties: Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset, and York.
(3) Philadelphia Area Counties: Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia.
(4) Northeastern Corridor Counties: Carbon, Lackawanna, Lehigh, Luzerne, Northampton, and Wyoming.

Sources: 1980 to 2009 represent Bureau of Economic Analysis data, 2010 reflects BLS growth; forecasts reflect Woods Poole CEDDS, 2011.

Historical employment growth rates for the presented geographies have almost universally decelerated in the three preceding decades from 1980 through 2010. It is important to note that the minimal average annual growth in the 2000 to 2010 period is mostly reflective of the economic downturn realized during the recent severe recession, which officially began in late 2007. In the counties comprising the four aggregated county groupings, the per annum employment growth has decelerated from 1.1 percent in the 1980s to 0.9 percent in the 1990s to almost no growth in the most recent millennial decade. Pennsylvania as a whole has exhibited historical employment growth trends practically identical to the counties' subtotal. Comparatively, the United States has also exhibited historical employment growth deceleration through the recent decades; although, similarly to population trends, the overall employment growth rates were higher for the nation than for Pennsylvania.

Recently observed stagnant employment trends within the recessionary last decade are not realistically expected to continue indefinitely. As exhibited, the employment growth across all presented geographies is forecasted to rebound somewhat, with average annual growth for the entire 2010 through 2040 period amounting to 1.1 percent for the corridor counties' subtotal, 1.0 percent for Pennsylvania, 0.9 percent for the subtotal of the five states, and 1.2 percent per annum for the United States.

Figure 3-1 depicts seasonally-unadjusted monthly unemployment rates over the last decade (from January 2001 through November 2011) for the three major Metropolitan Statistical Areas (MSA) in Pennsylvania located along the Turnpike Mainline: Philadelphia-Camden-Wilmington, Harrisburg-Carlisle, and Pittsburgh. In addition, unemployment data is also included pertaining to the entire Commonwealth of Pennsylvania and for the United States (with data extending through December 2011). Given that the data is seasonally-unadjusted, the graph depicts both the cyclical seasonal variations, as well as the longer-term trends.

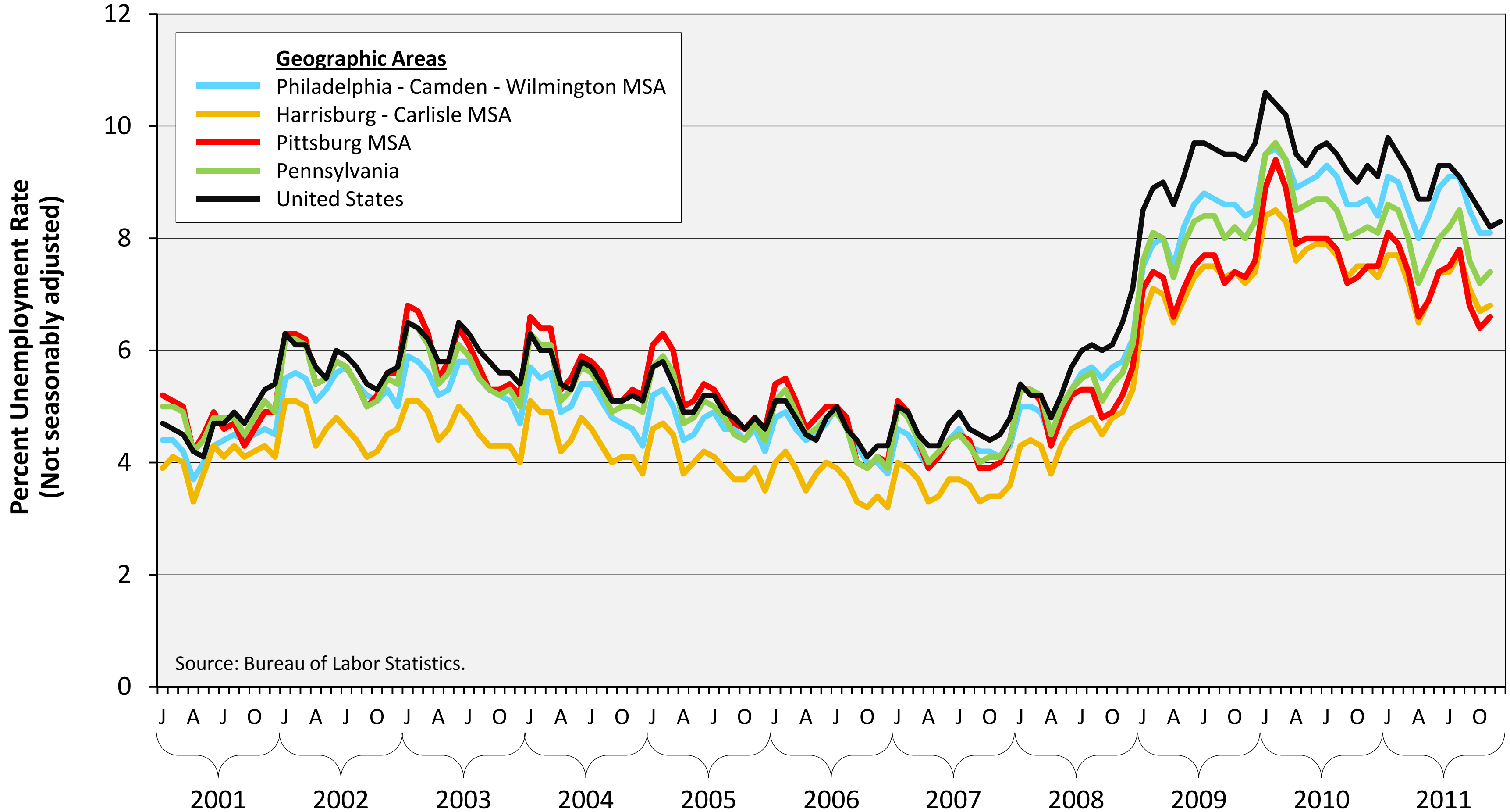
Historically, the Harrisburg-Carlisle MSA has generally exhibited the lowest relative unemployment rates of the select geographies presented, which is probably reflective of the more stable government employment in the State Capital (relative to more volatile private-sector employment). Of the remaining two MSAs, Pittsburgh exhibited higher unemployment rates than either Philadelphia-Camden-Wilmington or Pennsylvania as a whole.

Unemployment rates for the entire Commonwealth, the Philadelphia MSA, and the Pittsburgh MSA have generally changed over time in close-step with those for the nation. However, only within the last couple of years has there been a divergence from that more long-term parallel trend, with unemployment rates in the nation exceeding those for Pennsylvania and the Turnpike areas. Recent unemployment rates for the study area geographies below the average national level indicate that Pennsylvania has not suffered as intensely during the recent recession. November 2011 unemployment rates for the United States reached 8.2 percent, while Pennsylvania's was 7.4 percent. Unemployment rates in that same month for the Philadelphia, Harrisburg, and Pittsburg MSAs were 8.1 percent, 6.8 percent, and 6.6 percent, respectively.

While the data do show variations from month to month, the recent general trends are clear. Unemployment levels in 2011 have clearly declined from their highest levels in 2009 and 2010. As the nation recovers from the recent economic recession, the unemployment levels are expected to continue to decline and eventually stabilize over the long-term around mid-single digit rates.

Retail Sales Trends and Forecasts

Retail sales trends and forecasts are presented in Table 3-3. Both Pennsylvania and corridor counties exhibit almost identical patterns of average annual growth for real retail sales (both historically and forecasted), which is also similar to the aggregated subtotal of the five presented states. In the 2000 to 2010 period, real retail sales growth for those geographies were almost flat, at 0.1 percent per annum, which is a deceleration from the preceding decade in the 1990s, during which the average annual



CDM Smith

HISTORICAL UNEMPLOYMENT RATES

FIGURE 3-1

growth in real retail sales was closer to 2.5 percent. In contrast, the United States has observed historical real retail sales growth higher than the geographies surrounding the Pennsylvania Turnpike, with real growth of 3.3 percent in the 1990s and 0.7 percent in the last decade. As with employment trends, the very weak performance in retail sales between 2000 and 2010 is largely the result of the recent severe economic recession.

Table 3-3
Retail Sales Trends and Forecasts

Area	Average Annual Percent Change						
	1980 - 1990	1990 - 2000	2000 - 2010	2010 - 2020	2020 - 2030	2030 - 2040	2010 - 2040
Pittsburgh Area (1)	0.3	2.3	(0.5)	1.0	0.8	0.9	0.9
Interurban Area (2)	2.1	2.6	0.3	1.6	1.3	1.4	1.4
Philadelphia Area (3)	2.0	2.5	0.3	1.4	1.2	1.2	1.3
Northeastern Corridor (4)	1.5	2.4	0.3	1.5	1.3	1.3	1.3
Subtotal	1.5	2.5	0.1	1.4	1.1	1.2	1.2
New Jersey	2.1	2.6	0.3	1.5	1.3	1.3	1.4
New York	1.4	2.3	0.3	1.3	1.1	1.1	1.2
Ohio	1.1	2.9	(0.2)	1.2	1.0	1.1	1.1
Pennsylvania	1.5	2.4	0.1	1.3	1.1	1.2	1.2
West Virginia	(0.3)	2.8	(0.0)	1.2	1.0	1.0	1.1
Subtotal	1.4	2.5	0.1	1.3	1.1	1.2	1.2
United States	1.9	3.3	0.7	1.9	1.6	1.6	1.7

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban Area Counties: Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset, and York.
(3) Philadelphia Area Counties: Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia.
(4) Northeastern Corridor Counties: Carbon, Lackawanna, Lehigh, Luzerne, Northampton, and Wyoming.

Source: Woods and Poole CEDDS, 2011.

Growth in real retail sales is projected to rebound somewhat relative to the most recent historical decade. However, the forecast is not expected to approach the relatively stronger historical growth observed during the 1990s. Over the future period from 2010 through 2040, real retail sales are projected to grow by an average annual 1.2 percent for the county and state subtotals, while the United States' retail sales is projected to grow by 1.7 percent per annum.

Real Gross Regional Product (GRP) Trends and Forecasts

Another basic economic indicator that has bearing on traffic demand is gross regional product (or gross state product/gross domestic product, depending on the geographic focus). Historical and forecast rates of growth for real GRP are shown in Table 3-4. National real gross domestic product has historically decelerated from an annual average rate of 3.2 percent in the 1990s to 1.5 percent over the last decade. As with the other socioeconomic metrics presented, the deceleration within the last decade is reflective of the recent severe economic recession. Pennsylvania's real gross state product growth also decelerated over the same period from 2.3 percent in the 1990s to 1.2 percent per annum recently; the corridor counties' subtotal exhibited nearly identical growth patterns as the entire Commonwealth. Similar to the trends observed in the other variables already presented, the

Commonwealth and the constituent counties exhibit growth patterns that generally parallel the nation in terms of recent deceleration, but at levels universally below the United States as a whole.

Table 3-4
Gross Regional Product Trends and Forecasts

Area	Average Annual Percent Change 1980 - 1990	1990 - 2000	2000 - 2010	2010 - 2020	2020 - 2030	2030 - 2040	2010 - 2040
Pittsburgh Area (1)	0.6	2.5	1.1	1.1	1.0	1.0	1.0
Interurban Area (2)	2.7	2.2	1.1	2.0	1.8	1.7	1.8
Philadelphia Area (3)	3.1	2.4	1.4	1.6	1.5	1.5	1.6
Northeastern Corridor (4)	2.0	2.2	1.2	1.9	1.9	1.9	1.9
Subtotal	2.3	2.4	1.2	1.6	1.5	1.5	1.5
New Jersey	4.5	2.4	1.0	2.0	1.9	1.8	1.9
New York	3.3	2.4	1.7	1.8	1.6	1.6	1.7
Ohio	1.9	2.5	0.0	1.9	1.7	1.7	1.8
Pennsylvania	2.2	2.3	1.2	1.6	1.5	1.5	1.5
West Virginia	(0.4)	1.6	1.2	1.0	0.8	0.8	0.8
Subtotal	2.9	2.4	1.2	1.8	1.6	1.6	1.7
United States	3.0	3.2	1.5	2.1	2.0	1.9	2.0

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban Area Counties: Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset, and York.
(3) Philadelphia Area Counties: Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia.
(4) Northeastern Corridor Counties: Carbon, Lackawanna, Lehigh, Luzerne, Northampton, and Wyoming.

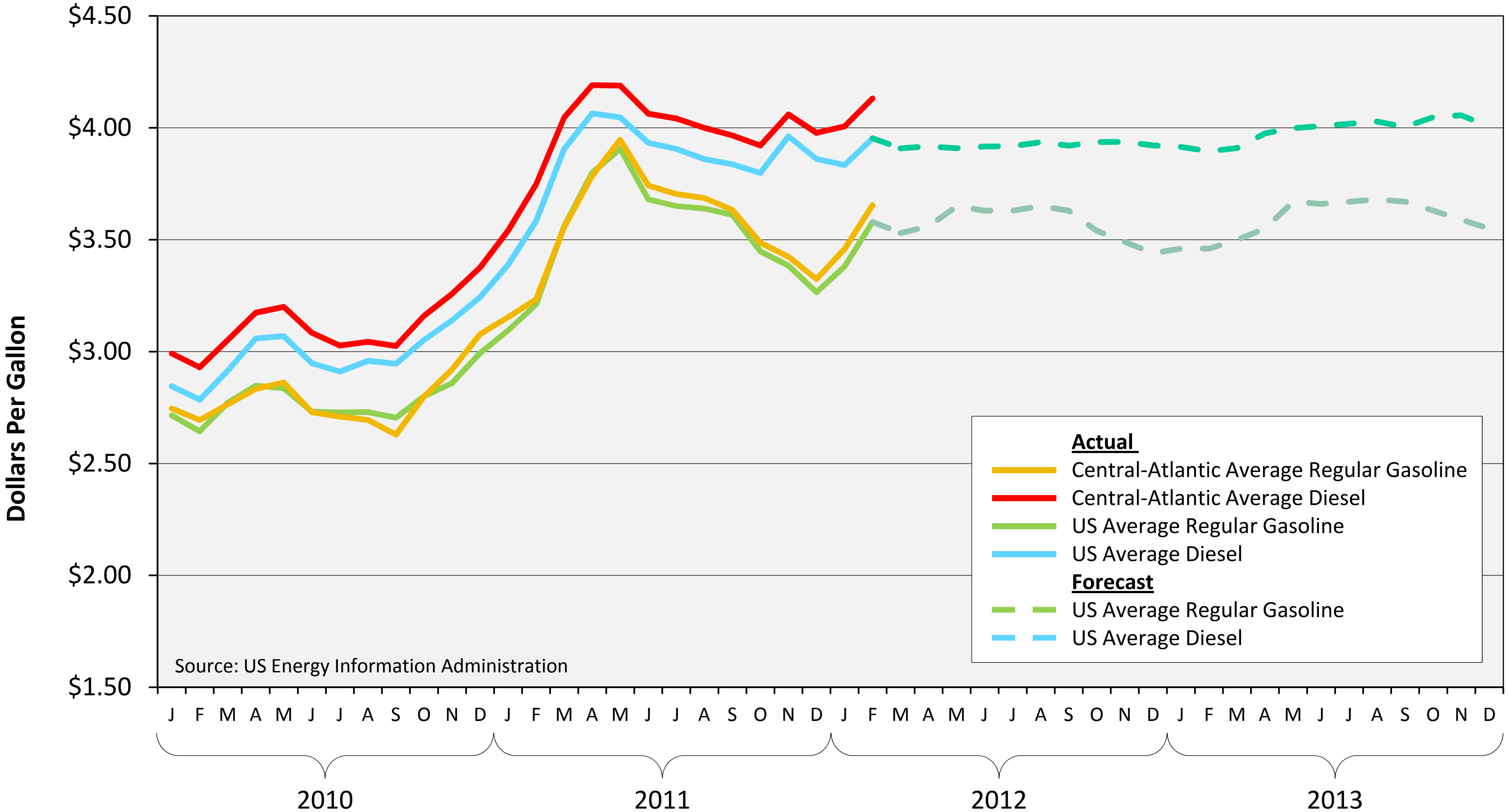
Source: Woods and Poole CEDDS, 2011.

Future real GRP growth rates are estimated to average 2.0 percent for the United States from 2010 through 2040 per annum, with Pennsylvania averaging about a 1.5 percent real increase per year. In the corridor counties, like the entire Commonwealth, the real GRP growth is projected to amount to 1.5 percent per annum. The Pittsburgh area counties exhibit the slowest relative growth at 1.0 percent and the Northeast Corridor counties exhibiting the highest pace at 1.9 percent per annum through 2040.

Historical and Forecast Motor Fuel Prices

Another factor that can influence travel demand is gasoline and diesel prices. Figure 3-2 shows historical and forecast prices for gasoline and diesel for both the Central-Atlantic region (NY, NJ, PA, DE, and D.C.) and for the United States. The most recent actual data shown in this figure is for February 2012. Regular gas prices for the United States and the Central-Atlantic region have been nearly identical and peaked in May 2011 at just over $3.90 per gallon. The last time gasoline prices exceeded these levels was in the summer of 2008 when they peaked at around $4.10 per gallon. The most recent price of gas has moderated to around the $3.60 level. The US Energy Information Administration projects that gasoline prices for the United States (regional forecasts are not provided) will fluctuate around the $3.50 per gallon level for the foreseeable future.

Diesel fuel prices peaked most recently in April 2011, with average prices for the mid-Atlantic region slightly higher than those for the US ($4.19 versus $4.06). As shown, diesel prices have not declined



Note: Retail prices are in US$ for regular grades of gasoline and all types of diesel.
Actual data is through February 2012.

HISTORICAL AND FORECAST FUEL PRICES

FIGURE 3-2

since that time to the same degree that gasoline prices have. Average US diesel prices are expected to range from just under $4.00 per gallon for the remainder of 2012 and then increase slightly to just above $4.00 in 2013.

Overall General Trends

In scrutinizing the various socioeconomic trends, certain patterns emerge that are fairly self-evident:

- Western Pennsylvania (i.e., Pittsburgh) has exhibited overall weaker recent historical growth patterns for the presented socioeconomic variables than other corridor county areas within the Commonwealth (i.e., Philadelphia and the Northeast Corridor);
- Pennsylvania (and the surrounding states) has exhibited recent historical growth patterns for the presented socioeconomic variables below those for the United States; and,
- Longer-term expectations of socioeconomic growth are to rebound relative to the recent decade, which reflects the recent economic recession; however, growth rates are generally forecasted to be tempered in comparison to the growth that occurred in the 1980s and 1990s, likely to take several years to get back to the pre-recession conditions for some of the variables, in particular, those pertaining to labor markets.

Such general socioeconomic trends reflect changes resulting from a continuously evolving economy, especially in regards to an expected longer-term deceleration in many socioeconomic variables relative to historical patterns. While such variables as population, employment, gross regional product, etc. are reasonably expected to increase in the future, the rate of growth is likely to be tempered relative to the past. A decelerating long-term growth trend is the recent general consensus, as reflected within various publically- and privately-available forecasts for various standard socioeconomic variables. Decelerating trends are easily observed within the preceding exhibits; but, similar deceleration expectations are also observed in the latest data and viewpoint releases from other credible forecasting sources, such as the Congressional Budget Office (CBO), the Federal Open Market Committee (FOMC) of the Federal Reserve Board, and the Economist Intelligence Unit (EIU), to name a few.

A majority of credible forecasting agencies (both public and private) are now publishing expectations for some level of economic recovery within the short-term future. While disagreement is noted regarding the precise timing and scale of such economic recovery from the recent "Great Recession", a large portion predict that the economy would not rebound as pronouncedly as it contracted, but instead would rebound far more slowly. In other words, the graphic depiction of the economic recovery would not likely observe a distinct "V" shape (as have occurred during other historically short-lived recessionary periods), but instead an asymmetrical "U" shape, with the right-hand recovery side only gently increasing.

A number of qualitative arguments are often touted for this slower-recovery rationale, including standpoints regarding fundamental structural changes to the economy. An economy is always in constant flux, but there are some phenomena that are structurally altering the economy in ways likely to become permanent and will diverge from the past, including technological advancements (accelerating), information proliferation and accessibility, and globalization (trade interdependency and increased competition). All these factors and others, especially in combination, have shifted the economic paradigm, leading to overall expectations of a future economic picture that differs from those established in the past.

Econometric Growth Analysis

All of the socioeconomic data described above were evaluated for the purposes of determining the potentially influential factors on traffic demand growth for the Pennsylvania Turnpike. Following the historical socioeconomic data analysis, CDM Smith applied a linear, least-squared regression analysis to develop long-term demand growth estimates. In the regression modeling, the objective is to identify any independent variable (or variables) with historical trends that can explain, by way of statistical significance, corresponding traffic trends on the Turnpike. A resulting correlative relationship between historical trends in corridor traffic and one or more independent variables is in turn applied in forecasting corridor growth, given available and credible forecasts for the independent variable(s). CDM Smith regression-tested annual transaction data for grouped plazas against geographically-weighted independent socioeconomic data (separately for passenger and commercial vehicles) to derive long-term demand growth estimates.

Socioeconomic Inputs

Data inputs requisite for conducting a regression analysis include currently-updated historical data and forecasts for the possibly-explanatory independent variables, which include socioeconomic and demographic variables applicable to a defined geographic area of influence (i.e., Pennsylvania counties and other states). Socioeconomic variables that may be hypothetically influential on corridor traffic demand include, but are not limited to: population, employment, gross regional product, income, and retail sales. Sources from which both historical and forecast data were collected include: the United States Census Bureau; the United States Department of Labor, Bureau of Labor Statistics (BLS); the Bureau of Economic Analysis (BEA); the Pennsylvania State Data Center (SDC); Woods and Poole Complete Economic and Demographic Data Source (CEDDS) by Woods and Poole Economics, Inc., 2011 (Woods and Poole); and the Pennsylvania Turnpike Authority.

Historical population and state-level forecast data were obtained from the U.S. Census Bureau and Woods & Poole Economics, respectively. County-level population forecasts for Pennsylvania were acquired from the Pennsylvania SDC. Historical employment data were obtained from the BEA and BLS. Employment growth rate forecasts were obtained from Woods and Poole and applied to the historical annual employment data obtained from the BEA. All other regression-tested independent variables (i.e., gross regional product, income, and retail sales) were obtained from Woods and Poole for both the historical and forecast components of the data sets, as the publicly available governmental sources do not supply sufficiently detailed and geographically comparable data.

Traffic and Travel Pattern Inputs

Historical traffic data were used (where available) as a continuous, annual time series from 1987 through 2011 by plaza and vehicle type (i.e., passenger and commercial vehicles). Annualized transaction data were available for most of the ticket-based system over that historical timeframe, exempting a few select ticket-based plazas that opened after 1987. However, the annualized barrier-system transaction data were far more limited for regression analysis applicability; historical data were available only as far back as 1994 and many of the barrier plazas have data gaps, or the plazas were opened too recently to provide a statistically defensible trend (insufficient number of data points). Historical transaction data were annually normalized to account for leap-years, etc.

Methodology

After compiling and scrutinizing the available socioeconomic and Pennsylvania Turnpike transaction data for regression analysis applicability, individual toll plazas (for only those with usable data series) were clustered into eight representative groupings:

- Pittsburgh;
- Western Rural;
- Eastern Rural;
- Philadelphia;
- Northeast Extension (Ticket);
- Northeast Extension (Barrier);
- I-376; and,
- PA 66.

Grouping the individual plazas was conducted to narrow the regression testing to a reasonably manageable data universe (i.e., narrowing to eight plaza groupings, down from 64 total toll plazas, of which 39 exhibited usable data series)[(2)]. Grouping toll plazas as such is generally justified by the close geographic proximity and similarity in traffic demand influence of the grouped plazas. An origin-destination (O-D) traffic survey conducted in 1999 provided data on the geographic influence on traffic by plaza and vehicle category, and that data set logically confirmed that the grouped toll plazas have similar (if not identical) geographic influences. While the collection of the O-D data was in 1999 and overall volumes are different today, the general market share distribution patterns should be relatively unchanged.

Utilizing the data compiled as part of the O-D survey, CDM Smith developed a profile (for both passenger and commercial vehicles) identifying the Pennsylvania counties and surrounding states that contribute traffic to each toll plaza interchange. As with the grouping of the individual toll plaza transaction data, the plaza-specific profiles of geographic influence were similarly clustered such that the plaza groupings could be regression tested against socioeconomic data that were appropriately geographically-weighted.

Independent (socioeconomic) regression variables at the state and county levels were then geographically-weighted (e.g., combinations of states and/or certain Pennsylvania counties) and each

(2) Note that the 64 plazas include 13 pertaining to either the Mon Fayette (PA 43) or the I-576 corridors, both of which are being separately analyzed and, as such, dismissed from this demand growth evaluation. Regardless, the transaction data limitations for those excluded barrier plazas preclude the possibility of an econometric regression-based assessment; there are too few data points for a statistically-defensible regression fit.

geographically-weighted subset data series was then regression-tested against the respective corresponding plaza grouping. Regression testing is conducted to determine the statistical influence of such socioeconomic variables (the independent variables) on traffic demand (the dependent variable).

According to the survey-based profiles, 46 counties in Pennsylvania (out of 67) logically serve as the predominate areas of influence for the Pennsylvania Turnpike traffic. As such, the geographically-weighted socioeconomic data for regression testing were consequently more heavily-weighted to account for those proximate geographies relative to the other areas of influence, including peripheral states. Generally, the non-Pennsylvania contributing geographies on traffic demand primarily pertain to those states immediately bordering the Commonwealth and the Turnpike corridors (i.e., NY, NJ, OH, MD, and WV), as would be intuitively expected. The remaining contributing states further beyond Pennsylvania thus have a far smaller weighting.

With the independent socioeconomic variables appropriately weighted to reflect their relative geographic influence, each weighted independent variable was individually regressed against the corresponding grouped plaza transaction data. In most instances, a majority of the pertinent independent variables exhibited a high statistical coefficient of determination, though certain variables and certain plaza groupings exhibited much stronger statistical correlations than others.

All of the independent variables were tested against each other for significant statistical correlation. As expected, the geographically-weighted independent variables that were tested all exhibit very high correlations with each other (because all the tested socioeconomic variables within a given geographic grouping are intuitively interrelated to a greater or lesser degree) and, as such, would result in a likely multicollinearity error in a multivariate regression equation. Therefore, only one socioeconomic independent variable was deemed statistically necessary to identify the correlative relationship with corridor traffic and to develop a forecast growth profile. In addition to quantitatively assessing the data, a qualitative assessment was also conducted. This qualitative assessment considered the reliability of the data sources, the extent of the historical time series, and the forecasting methodology for each data set.

After a careful review of the input data and regression tests results, one variable was reasoned as the best-suited correlative independent variable against historical corridor traffic transactions to forecast future long-term travel demand growth for each toll plaza grouping and vehicle category. Depending on the plaza grouping and vehicle category, the chosen weighted independent socioeconomic variable for the final regression-based estimates was employment, retail sales, or GRP. Adjusted coefficients of determination (adjusted R2) for such regression equations range from 85.3% upwards to 98.0%, indicating relatively strong statistical significance.(3)

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(3) Note that the Northeast Extension (Barrier) plaza grouping, comprised of the two barrier toll plazas at the far north end of the Northeast Extension corridor, for both passenger and commercial vehicles, did not have valid regression results for any of the tested weighted independent variables; as such, the regression-based approach was dismissed and the demand growth forecast for those two plazas were tagged to the regression-based growth results derived for the Northeast Extension (Ticket) system. Consequently, the presented results are for both the Northeast Extension barrier and ticket plazas.

Based on the econometric regression analysis, combined with updated forecasts of the explanatory socioeconomic variables, toll road corridor specific growth rates were developed for both passenger cars and commercial vehicles separately. Table 3-5 provides a summary of the average annual growth rates in 10-year increments, including for 2011 to 2021, 2021 to 2031, and 2031 to 2041. In addition, the total average annual percent growth between 2011 and 2041 is shown in the last column.

Table 3-5
Summary of Estimated Annual Traffic Growth
Pennsylvania Turnpike System

Average Annual Percent Growth Rates Between Fiscal Years

	Normal Growth Only				**Normal Growth Plus Toll Increase Impacts (1)**			
Toll System	2011-21	2021-31	2031-41	2011-41	2011-21	2021-31	2031-41	2011-41
	Passenger Cars				Passenger Cars			
Ticket System	1.8%	1.6%	1.6%	1.7%	1.7%	1.5%	1.5%	1.6%
Turnpike 43 and Turnpike 576	1.9	1.3	1.2	1.5	1.8	1.2	1.1	1.4
Turnpike 66	2.5	2.1	1.9	2.2	2.4	2.0	1.8	2.1
Northeast Extension Barrier Plazas	2.1	1.6	1.6	1.8	2.0	1.5	1.5	1.7
Turnpike I-376	2.2	2.2	2.0	2.1	2.0	2.1	1.9	2.0
Total Turnpike System	1.9	1.6	1.6	1.7	1.8	1.5	1.5	1.6
	Commercial Vehicles				Commercial Vehicles			
Ticket System	2.1%	1.9%	1.8%	1.9%	2.0%	1.8%	1.7%	1.8%
Turnpike 43 and Turnpike 576	5.1	2.7	2.2	3.3	4.9	2.5	2.1	3.2
Turnpike 66	2.9	2.2	1.9	2.3	2.7	2.1	1.8	2.2
Northeast Extension Barrier Plazas	3.3	2.3	2.0	2.5	3.1	2.2	1.9	2.4
Turnpike I-376	4.4	2.2	2.1	2.9	4.2	2.1	1.9	2.8
Total Turnpike System	2.4	2.0	1.8	2.1	2.2	1.8	1.7	1.9
	Total Vehicles				Total Vehicles			
Ticket System	1.9%	1.6%	1.6%	1.7%	1.7%	1.5%	1.5%	1.6%
Turnpike 43 and Turnpike 576	2.1	1.4	1.3	1.6	2.0	1.3	1.2	1.5
Turnpike 66	2.6	2.2	1.9	2.2	2.4	2.1	1.8	2.1
Northeast Extension Barrier Plazas	2.3	1.7	1.7	1.9	2.2	1.6	1.6	1.8
Turnpike I-376	2.5	2.2	2.0	2.2	2.4	2.1	1.9	2.1
Total Turnpike System	2.0	1.7	1.6	1.8	1.8	1.6	1.5	1.6

(1) The toll increase impacts are based on the program of toll increases shown in Table 4-2.

Note: These growth rates exclude the future impacts associated with the PTC's capital improvements program, including the I-95 Interchange project.

The first set of growth rates shown in Table 3-5 reflect "normal" growth only. That is to say, the growth that would likely occur based only on the underlying expected growth in the forecast socioeconomic variables. No other external factors, such as toll increases, capital improvement program impacts, etc. are assumed. The second set of growth rates shown in Table 3-5 shows the expected average annual growth rates assuming normal growth plus future toll rate increases. A more in-depth discussion of future toll rate increases and toll elasticities will be provided in Chapter 4.

The most influential growth rates for the Turnpike System are those for the ticket system; as shown in Figure 2-2, ticket system revenue accounts for about 95 percent of total system toll revenue. Thus, growth rates for the total system are nearly identical to those for the ticket system. As shown, normal passenger car average annual growth rates for the entire system range from 1.9 percent between 2011 and 2021 to 1.6 percent between 2031 and 2041.

Normal commercial vehicle growth rates are expected to increase at a slightly higher rate than those for passenger cars. Between 2011 and 2021 average annual growth is estimated at 2.4 percent. This decreases over time and averages about 1.8 percent per year between 2031 and 2041. The resulting average annual growth rates for total Turnpike System normal growth amount to 2.0 percent between 2011 and 2021 and declines to 1.6 percent for the 2031 to 2041 period. Overall Turnpike System growth averages about 1.8 percent per year over the entire forecast period (2011 to 2041). This is just about half the rate of growth experienced on the Turnpike over the previous 30 years.

The values shown on the right side of Table 3-5 reflect the estimated normal growth plus toll increase impact growth rates for the same time periods. As shown, these all average about 0.1 to 0.2 percentage points lower than the normal growth rates alone, reflecting the impact of annual toll increases. These growth rates are the ones used to develop the future year traffic volumes that will be discussed in Chapter 4. As noted above, the actual program of proposed toll increases and a detailed discussion of assumed toll elasticities will also be provided in Chapter 4. Traffic and revenue impacts resulting from the proposed capital improvement program are also not included in the growth rates shown in Table 3-5. Those, too, will be discussed in Chapter 4.

Chapter 4

Transaction and Toll Revenue Forecasts

Traffic and gross toll revenue forecasts are presented in this chapter for the ticket system, the barrier system, and the total Turnpike System. Forecasts are presented by fiscal year from 2011-12 through 2040-41. Also presented in this chapter are important inputs to the forecasts, including committed roadway projects, assumed future toll rate increases, the estimated sensitivity of customers to toll increases, and the recent modification to the commercial volume-discount program.

Committed Turnpike System Roadway Improvements

Through discussions with PTC personnel and by reviewing the Enhanced FY 2012 Ten Year Capital Plan Project Listing, dated June 13, 2011, CDM Smith identified the major committed roadway improvements that would potentially impact traffic and toll revenue on the Turnpike System. Projects were identified on the Mainline I-76/276 and the Northeast Extension. Table 4-1 lists the identified projects and Figure 4-1 presents the locations of the projects. A brief description of each project is provided below.

Mainline I-76/I-276 Roadway Improvement Projects

Milepost (MP) 31.04 to 37.82 Roadway and Bridge Reconstruction – This project is a total reconstruction effort that will widen the four lane (two lanes per direction) segment of I-76, between the Warrendale Plaza (MP 31) and Butler Valley (MP 38) Interchange, to six lanes (three lanes per direction). The reconstruction effort includes improved curve geometry for the segment between MP 32.4 and MP 35.5. In addition to the roadway improvements, all four structures carrying the mainline will be reconstructed. Construction began (Notice to Proceed) June 9, 2009 and is scheduled for completion in late Fall 2012.

MP 199.34 to MP 201.74 Roadway and Bridge Reconstruction - This project is entering the second year of a two year project to reconstruct the roadway to full depth and widen the roadway from two lanes to three lanes in each direction. In addition, the existing ramps at the Blue Mountain Interchange will be replaced along with a ramp bridge under the turnpike mainline. Construction began in March 2011 and is scheduled for completion in June 2013.

MP 215 to MP 226 Roadway Improvements – This project is now in the first of two stages of a reconstruction and widening effort. The first stage consists of rebuilding and widening the five mile section between MP 215 and MP 220 from two lanes to three lanes in each direction. Construction on Stage 1 began in March 2011 and is scheduled for completion in November 2012. Stage 2 consists of rebuilding and widening the six mile section between MP 220 and the Carlisle Interchange (MP 226) from two lanes to three lanes in each direction. Construction on Stage 2 is scheduled to begin in November 2014 and is expected to be completed in 2016.

Route 29 All-Electronic Interchange Project (MP 320) – Located between the Downingtown (MP 312) and Valley Forge (MP 326) Interchanges, the new full access interchange will be available to E-ZPass customers only. The new interchange is intended to offer an alternative to surface roads that

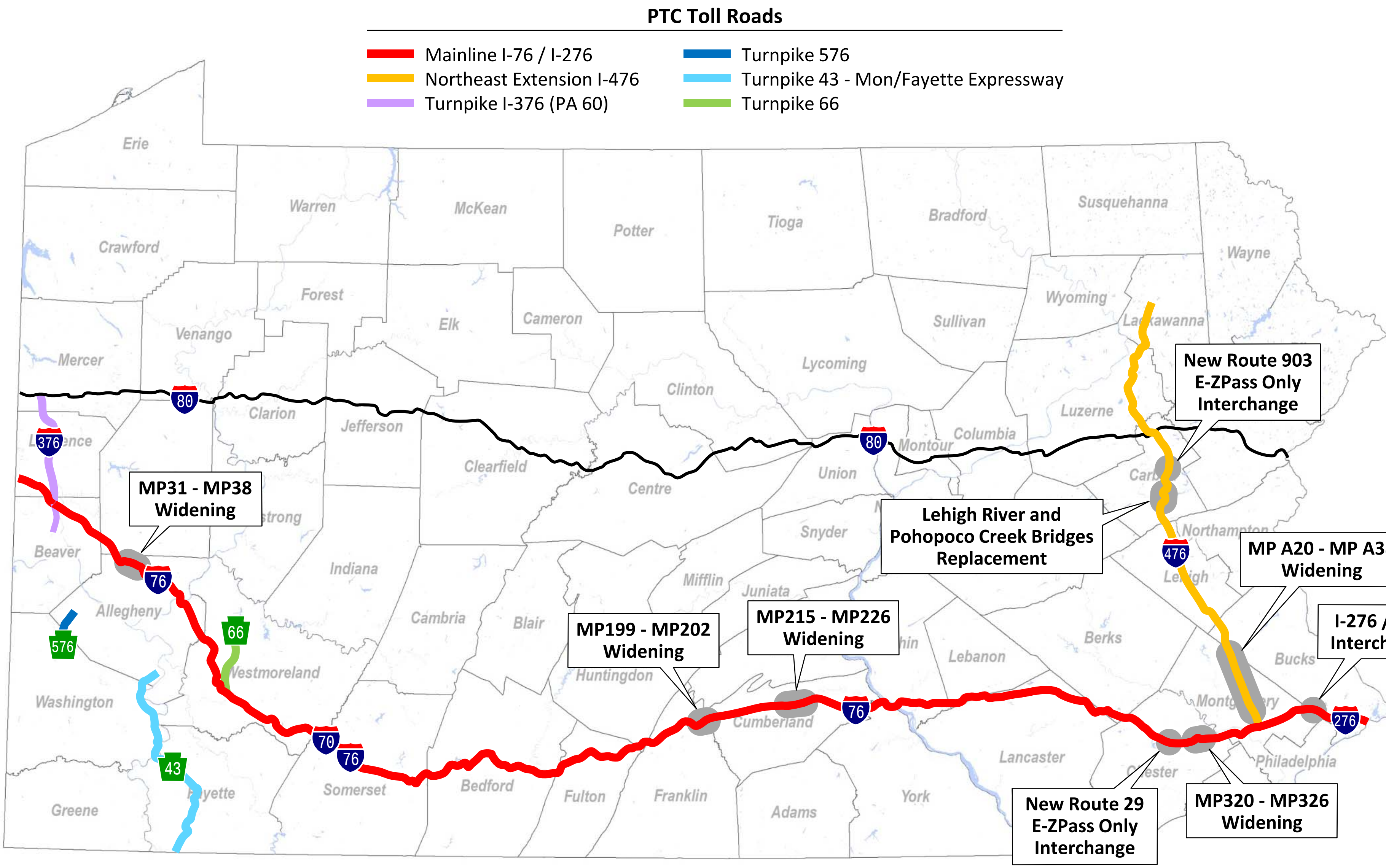
Table 4-1
Major Committed Roadway Improvements on the Turnpike System (1)
Pennsylvania Turnpike

Milepost	Location	Description	Actual or Assumed Start Date	Assumed Completion Date
Mainline I-76/I- 276				
31 - 37	Warrendale to Butler Valley	Widen to 3 lanes per direction	June 2009	Fall 2012
199 - 201	Blue Mountain Interchange	Widen to 3 lanes per direction	March 2011	June 2013
215 - 226	Blue Mountain to Carlisle	Widen to 3 lanes per direction	March 2011	Fall 2016
320	I-76 and Route 29	Construct E-ZPass-only interchange with Route 29	March 2011	Fall 2012
320 - 326	Downingtown to Valley Forge	Widen to 3 lanes per direction	Spring 2013	2015
Mainline I-76/I- 276 and I-95 Interchange				
Stage 1				
356 - 360	I-95 to Delaware River Bridge	Widen I-276 to 3 lanes per direction	2010	Jan. 2018
		Modify toll plaza locations and toll schedule		
		Construct partial I-276/I-95 Interchange		
Northeast Extension I-476				
A20 - A26	Mid-County to Berks Road	Widen to 3 lanes per direction	Feb. 2011	Fall 2013
A26 - A31	Berks Road to Lansdale	Widen to 3 lanes per direction	Spring 2014	Fall 2018
A31 - A38	Wambold to Clump	Widen to 3 lanes per direction	2019(2)	Fall 2022
73 - 75	Lehigh River\Pohopoco Creek Bridges	Replace two existing bridges with four new spans	Dec. 2008	Nov. 2012
74 - 95	I-476 and Route 903	Construct E-ZPass-only interchange with Route 903	Spring 2009	Spring 2014

(1) The roadway improvement projects shown in this table are a small subset of the projects listed in the PTC's Enhanced FY 2012 Ten Year Capital Plan Project Listing, dated June 13, 2011.

(2) The start date of construction on the A31 - A38 segment of I-476 is contingent on the completion of segment A26 - A31

Source: Pennsylvania Turnpike Commission



PENNSYLVANIA TURNPIKE COMMISSION (PTC) MAJOR ROADWAY IMPROVEMENT PROJECTS

FIGURE 4-1

provide access to Route 29, and to ease congestion at the Downingtown and Valley Forge Interchanges. Construction began in March 2011 and is scheduled for completion in Fall 2012.

MP 320 to MP 326 Total Reconstruction Project – This project involves a full-depth total reconstruction and widening of the six mile segment from two lanes to three lanes in each direction. The project also includes the replacement of two overhead bridges and seven mainline bridges. 2013 is slated as a potential start date for construction, and the project is expected to take two to three years.

Pennsylvania Turnpike I-276/I-95 Interchange Project

This is a major project that will be completed in three stages. The project includes the construction of a high-speed, full-access interchange between I-276 and a re-designated I-95, making I-95 continuous through the mid-Atlantic region. The project also includes roadway widening on I-276 from immediately west of Interchange 351 (Philadelphia) eastward to the western side of the Delaware River Bridge. A new parallel bridge on I-276 will be constructed over the Delaware River. In addition, the project includes changes to the tolling locations and toll structure on I-276. At this point in time, only Stage 1 is a committed roadway improvement recognized in the Enhanced FY 2012 Ten Year Capital Plan Project Listing, dated June 13, 2011. Only the transaction and toll revenue impacts associated with Stage 1 are included in this study. Stages 2 and 3 are described below only for informational purposes.

The stages are described below.

Stage 1 (MP 356 to MP 360) includes widening the mainline segment between I-95 and the Delaware River Bridge from two to three lanes per direction, construction of a new mainline toll plaza in Bensalem, construction of the northbound-eastbound and westbound-southbound interchange ramps and the replacement of four overhead bridges. Construction began in 2010 and is scheduled for completion by the start of 2018.

Stage 2 (MP 351 to MP 356) includes widening the mainline segment between US 1 and I-95 from two to three lanes per direction, construction of the six remaining interchange ramps and the replacement of two overhead bridges. Construction is currently scheduled to begin in 2020 and is completion is anticipated by the end of 2022.

Stage 3 (MP 320) is the construction of a parallel span to the Delaware River Bridge. Construction is currently expected to begin in 2024. The project is assumed to be completed by the beginning of 2028.

Northeast Extension (I-476) Roadway Improvement Projects

MP A20 to MP A26 Total Reconstruction Project - This project consists of widening the six mile segment between the Mid-County Interchange (MP A20) and Berks Road (MP A26) from two lanes in each direction to three lanes in each direction, including seven mainline bridges. Construction began February 28, 2011 and is scheduled to continue through 2013.

MP A26 to MP A31 Total Reconstruction Project - This project consists of widening the five mile segment from Berks Road (MP A26) to the Lansdale Interchange (MP A31) from two lanes in each direction to three lanes in each direction. This section of the Northeastern Extension Total Reconstruction and Widening Project is in final design and is projected to go to construction in 2014 and continue through 2018. Three overhead bridges remain to be reconstructed as part of the effort, and are also projected to go to construction in 2014.

MP A31 to MP A38 Total Reconstruction Project - Design is beginning for the reconstruction and widening of the Northeast Extension of the Pennsylvania Turnpike from just north of Wambold Road (MP A31) to just north of Clump Road (MP A38). As a continuation of the MP A26 to MP A31 project, widening will again expand the mainline segment from two lanes in each direction to three lanes in each direction. The start date for construction on this segment is currently expected to begin in 2019, but is contingent on the completion of reconstruction and widening of MP A26 to MP A31.

Lehigh River and Pohopoco Creek Bridge Replacements Project (MP 73.52 to MP 75.29) – This project consists of the replacement of both Lehigh River and adjacent Pohopoco Creek bridges located approximately two miles north of the Lehigh Tunnel between MP 73.52 and MP 75.29. The existing spans were first opened to traffic in 1957. Construction on the new structures, two northbound and two southbound, began December 22, 2008 and is scheduled for completion on November 2, 2012.

Route 903 Interchange Project (MP 74 to MP 95) – This project consists of the construction of a new E-ZPass-only interchange along the Northeast Extension between existing Mahoning Valley (MP 74) and Pocono (MP 95) exits. Construction will be performed in two-phases. Phase 1 will result in the construction of one-half of the new bridge to carry Route 903 over the Northeast Extension. Phase 2 includes all remaining work necessary to complete the interchange. Phase 1 began construction in spring 2009 and was completed approximately one year later. Phase two is scheduled to begin construction in spring 2012 and finish in spring 2014.

Construction Related Impacts on Turnpike System Traffic

Construction related impacts stemming from roadway improvement projects on the Turnpike System are expected to be minimal. Construction projects on the Turnpike System are programmed to minimize lane closures and access restrictions. When such measures are necessary, they are conducted overnight to avoid interfering with heavier daytime traffic volumes. Generally, preference is given to Turnpike mainline traffic and construction related disruptions are more likely to affect cross streets and Turnpike access points. Two travel are maintained in both directions during construction activities.

Assumed Toll Rate Increases on the Turnpike

At the direction of the PTC, annual toll rate increases are assumed to occur on the entire Turnpike System. The toll rate increases are assumed to occur within several days of January 1 of each year. Table 4-2 presents the assumed percent increases in toll rates for each calendar year from 2013 through 2041. In addition, the actual percent increases in toll rates are shown for years 2009 through 2012.

As shown in Table 4-2, the assumed percent increases in toll rates are identical for cars and trucks, and E-ZPass and cash transactions throughout the forecast period. The percent toll-rate increases range from 3.0 to 5.5 percent per year between 2013 and 2021. From 2022 through 2041, a three percent toll-rate increase is assumed for each year. Consistent with the PTC tolling policy, E-ZPass tolls are rounded up to the nearest cent, and cash toll rates are rounded to the nearest nickel.

Table 4-2
Actual and Assumed Future Toll Rate Increases (1)
Pennsylvania Turnpike

Calendar Year		Percent Increase For Cars and Trucks		Sample Toll Rates					
				$1.00 Toll		$2.50 Toll		$10.00 Toll	
		Cash	E-Zpass	Cash	E-Zpass	Cash	E-Zpass	Cash	E-Zpass
2009	(2)	25.0	25.0	$1.00	$1.00	$2.50	$2.50	$10.00	$10.00
2010	(2)	3.0	3.0	1.05	1.03	2.60	2.58	10.30	10.30
2011	(2)	10.0	3.0	1.20	1.06	2.90	2.65	11.35	10.61
2012	(2)	10.0	0.0	1.35	1.06	3.20	2.65	12.50	10.61
2013		3.0	3.0	1.40	1.09	3.30	2.73	12.90	10.93
2014		3.0	3.0	1.45	1.13	3.40	2.81	13.30	11.26
2015		4.3	4.3	1.55	1.17	3.55	2.93	13.90	11.73
2016		5.5	5.5	1.65	1.24	3.75	3.09	14.70	12.38
2017		5.5	5.5	1.75	1.31	4.00	3.26	15.55	13.06
2018		5.5	5.5	1.85	1.38	4.25	3.44	16.45	13.78
2019		5.5	5.5	2.00	1.45	4.50	3.63	17.40	14.54
2020		5.5	5.5	2.15	1.53	4.75	3.83	18.40	15.34
2021		4.0	4.0	2.25	1.59	4.95	3.99	19.15	15.95
2022		3.0	3.0	2.35	1.64	5.10	4.11	19.75	16.43
2023		3.0	3.0	2.45	1.69	5.30	4.23	20.35	16.92
2024		3.0	3.0	2.55	1.74	5.50	4.36	21.00	17.43
2025		3.0	3.0	2.65	1.80	5.70	4.49	21.65	17.95
2026		3.0	3.0	2.75	1.85	5.90	4.62	22.30	18.49
2027		3.0	3.0	2.85	1.90	6.10	4.76	23.00	19.04
2028		3.0	3.0	2.95	1.96	6.30	4.90	23.70	19.61
2029		3.0	3.0	3.05	2.02	6.50	5.05	24.45	20.20
2030		3.0	3.0	3.15	2.08	6.70	5.20	25.20	20.81
2031		3.0	3.0	3.25	2.14	6.95	5.36	26.00	21.43
2032		3.0	3.0	3.35	2.21	7.20	5.52	26.80	22.08
2033		3.0	3.0	3.50	2.27	7.45	5.68	27.65	22.74
2034		3.0	3.0	3.65	2.34	7.70	5.86	28.50	23.42
2035		3.0	3.0	3.80	2.41	7.95	6.03	29.40	24.12
2036		3.0	3.0	3.95	2.48	8.20	6.21	30.30	24.85
2037		3.0	3.0	4.10	2.56	8.45	6.40	31.25	25.59
2038		3.0	3.0	4.25	2.64	8.75	6.59	32.20	26.36
2039		3.0	3.0	4.40	2.72	9.05	6.79	33.20	27.15
2040		3.0	3.0	4.55	2.80	9.35	6.99	34.20	27.97
2041		3.0	3.0	4.70	2.88	9.65	7.20	35.25	28.80

(1) Future toll rate increases are assumed to be implemented within several days of January 1.
(2) Actual toll rate increase implememted for most Turnpike tolls. Exceptions include Turnpike 576 and a section of Turnpike 43.

Table 4-2 also shows the actual percent increases in toll rates that were implemented in 2009, 2010, 2011, and 2012. In 2009, most Turnpike tolls increased by 25 percent. That was the first toll increase on the Turnpike since 2004. In 2010, a three percent increase was implemented for both cash and E-ZPass transactions. In 2011, a toll rate increase of 10 percent for cash transactions and 3 percent for E-ZPass transactions was implemented. This was the first time a price differential between cash and

E-ZPass was implemented. An additional 10 percent toll rate increase for cash transactions was implemented in 2012, increasing the difference between cash and E-ZPass tolls.

Estimated Toll Sensitivity of Transactions to Toll Increases

An analysis was conducted to estimate the current sensitivity of Turnpike customers to toll increases. Data from the 2009 toll rate increase was used for the following reasons:

1. Toll rates were increased by 25 percent except for Turnpike 576 and Turnpike 43 between Uniontown and Brownsville. The size of the toll increase was large enough to illicit a more discernable response from Turnpike customers.

2. It is more difficult to estimate the toll sensitivity based on the most recent toll increases in 2010, 2011, and 2012. In 2010, the three percent increase in tolls was not large enough to identify a clear reaction from the customers, as the toll increase was largely keeping pace with inflation. Any sensitivity to the toll increase was easy to mask with other variables such as fuel prices, weather and economy. The 2011 toll increase consisted of a 10 percent increase in cash and a three percent increase in E-ZPass. This toll increase caused several shifts in traffic, including some cash traffic to shift to E-ZPass, some cash traffic to reduce or curtail their trips on the Turnpike, and a very small reduction in some E-ZPass trips. Because of the shift from cash to E-ZPass traffic, it is more difficult to isolate the sensitivity to the toll increase. The last toll increase was just implemented on January 1, 2012. There is insufficient data to analyze this last toll increase.

Table 4-3 provides a summary of the estimated impact on transactions of the 25 percent toll rate increase implemented on January 4, 2009. The transactions for calendar year 2009 were compared with 2008 transactions. Passenger car transactions increased by 0.2 percent and commercial vehicle transactions decreased by 8.5 percent. The change in transactions between 2008 and 2009 incorporated normal growth and the impact due to the toll increase.

An analysis of general growth trends prior to and after the 2009 toll increase led to the estimation that normal transaction growth between 2008 and 2009 was approximately 1.0 percent for passenger cars and -7.5 percent for commercial vehicles, largely due to the recession. The difference in the observed growth and the estimated normal growth reflects the impact of the toll rate increase. In this case, the impact of the 25 percent toll-rate increase is estimated at -0.8 percent for passenger cars and -1.0 percent for commercial vehicles. This results in an elasticity of demand of -3.2 percent for passenger cars and -4.0 percent for commercial vehicles. The elasticity of demand is calculated by dividing the estimated toll increase impact by the percent toll rate increase. Thus, for each 100 percent increase in toll rates, passenger car transactions would be expected to decrease by about 3.2 percent and commercial vehicle transactions by about 4.0 percent. This estimated elasticity of demand was employed in this study to forecast future changes in transactions associated with assumed toll rate increases.

Table 4-3
Estimated Impact of 2009 Toll Rate Increase (1)
Pennsylvania Turnpike System

Time Period/Impact Estimates	Passenger Car	Commercial Vehicle	Total
Toll Increase plus Normal Growth Impact (2)	0.2%	-8.5%	-0.9%
Estimated Normal Growth Only	1.0%	-7.5%	-0.1%
Estimated Toll Increase Impact (3)	-0.8%	-1.0%	-0.8%
Percent Toll Increase	25.0%	25.0%	25.0%
Elasticity of Demand (4)	-3.2%	-4.0%	-3.2%

(1) A rate increase of approximately 25 percent was implemented for all vehicle classes on January 4, 2009.
(2) This reflects the total change in traffic between calendar year 2009 over 2008.
(3) The estimated toll impact is calculated by subtracting normal growth (row two) from the total traffic impact shown in row one.
(4) Elasticity of demand is calculated by dividing the estimated toll increase impact by the percent toll rate increase.

Estimated E-ZPass Market Shares in Future Years

Because a price differential has been established between cash and E-ZPass toll rates, it is important to estimate future year E-ZPass market shares in order to forecast gross toll revenues. Historically, cash and E-ZPass toll rates were virtually identical until 2011, differing only because cash rates were rounded up to the nearest nickel while E-ZPass rates were rounded up to the nearest cent. There was no reason for a customer to choose E-ZPass over cash based solely on the toll rate.

In 2011 and 2012, two sequential toll rate increases established a differential between E-ZPass and cash toll rates. After the 2011 toll rate increase, cash toll rates were approximately 7 percent greater than E-ZPass rates. After the 2012 toll rate increase, cash toll rates are approximately 17 percent greater than cash rates. The differential creates incentives for cash customers to shift to E-ZPass, and for new accounts to favor E-ZPass over cash.

At the direction of the PTC, it is assumed that all future year toll increases will be applied identically to cars and trucks, and to E-ZPass and cash transactions. There will not be any further increases in the E-ZPass and cash toll-rate differential. Table 4-4 presents the actual percent E-ZPass market shares from calendar years 2008 through 2011, and the estimated percent E-ZPass market shares from 2012

Table 4-4
Actual and Estimated
FutureYear E-ZPass Market Shares
Pennsylvania Turnpike System

Calendar Year		Passenger Cars Percent Market Share	Passenger Cars Percentage Change Over Prior Year	Commercial Vehicles Percent Market Share	Commercial Vehicles Percentage Change Over Prior Year	Total Vehicles Percent Market Share	Total Vehicles Percentage Change Over Prior Year
2008	(1)	48.6		73.1		51.9	
2009	(1)	52.7	4.0	75.7	2.5	55.5	3.6
2010	(1)	55.7	3.0	76.9	1.2	58.3	2.9
2011	(1)	60.2	4.5	79.0	2.2	62.6	4.3
2012	(2)	64.3	4.1	80.4	1.4	66.4	3.8
2013	(2)	65.7	1.4	81.0	0.6	67.7	1.3
2014	(2)	66.9	1.2	81.6	0.6	68.8	1.1
2015	(2)	68.1	1.2	82.2	0.6	69.9	1.1
2016	(2)	68.8	0.7	82.8	0.6	70.6	0.7
2017	(2)	69.5	0.7	83.3	0.6	71.3	0.7
2018	(2)	70.1	0.7	83.9	0.6	71.9	0.7
2019	(2)	70.8	0.7	84.5	0.6	72.6	0.7
2020	(2)	71.4	0.6	85.0	0.6	73.2	0.6
2021	(2)	71.9	0.5	85.6	0.5	73.7	0.5
2022	(2)	72.5	0.5	86.1	0.5	74.3	0.5
2023	(2)	73.0	0.5	86.6	0.5	74.8	0.5
2024	(2)	73.5	0.5	87.0	0.5	75.3	0.5
2025	(2)	74.0	0.5	87.5	0.5	75.9	0.5
2026	(2)	74.5	0.5	88.0	0.5	76.4	0.5
2027	(2)	75.0	0.5	88.5	0.5	76.8	0.5
2028	(2)	75.4	0.5	89.0	0.5	77.3	0.5
2029	(2)	75.9	0.5	89.5	0.5	77.7	0.5
2030	(2)	76.4	0.5	90.0	0.5	78.2	0.5
2031	(2)	76.7	0.4	90.3	0.3	78.6	0.4
2032	(2)	77.1	0.4	90.6	0.3	78.9	0.3
2033	(2)	77.4	0.4	90.9	0.3	79.3	0.3
2034	(2)	77.8	0.4	91.2	0.3	79.6	0.3
2035	(2)	78.1	0.3	91.5	0.3	80.0	0.3
2036	(2)	78.5	0.3	91.8	0.3	80.3	0.3
2037	(2)	78.8	0.3	92.1	0.3	80.6	0.3
2038	(2)	79.1	0.3	92.4	0.3	81.0	0.3
2039	(2)	79.4	0.3	92.7	0.3	81.3	0.3
2040	(2)	79.8	0.3	93.0	0.3	81.6	0.3
2041	(2)	80.0	0.2	93.3	0.3	81.9	0.3

(1) Actual E-ZPass market shares
(2) Estimated E-ZPass market shares

through 2041 for passenger cars and commercial vehicles. Also shown are the percentage point increases in the E-ZPass market share over the prior year.

In 2010, the E-ZPass market share totaled 55.7 percent for passenger cars and 76.9 percent for commercial vehicles. In 2011, after the 10 percent increase in cash toll rates and the 0 percent toll increase in E-ZPass toll rates, the E-ZPass market share increased by 4.5 percentage points for passenger cars, and 2.2 percentage points for commercial vehicles resulting in an E-ZPass market of 60.2 percent and 79.0 percent, respectively. It is estimated that the E-ZPass market share will increase by another 4.1 percent for passenger cars and 1.4 percent for commercial vehicles in 2012 due to the 10 percent increase in cash tolls implemented in January of that year. One month (January 2012) of transaction data by payment type was available at the time of this study.

The estimated E-ZPass market shares for calendar years 2013 through 2041 was based on historic trends of E-ZPass growth, and assumed no further increases in the differential between cash and E-ZPass tolls. The estimated market shares ranged from 65.7 percent in 2013 to 80.0 percent in 2041 for passenger cars, and 81.0 percent to 93.3 percent for commercial vehicles.

Assumptions on The Commercial Volume Discount Program

On January 1, 2012 the post-paid, commercial volume-discount program was modified. The available discounts were reduced by 5 percentage points for each category, resulting in the following discounts for post-paid E-ZPass customers:

- $5,000.01 - $10,000.00 in monthly tolls are eligible for a 5 percent discount; and
- $10,000.01 and over are eligible for a 10 percent discount in tolls.

The trend in reduced volume discounts is assumed to continue in the future. In January 2013 only those with more than $10,000 in monthly tolls will receive a discount amounting to 5 percent, and in January 2014 all commercial discounts will be eliminated.

Transaction and Gross Toll Revenue Forecasts

This section summarizes the forecasts of toll transactions and gross toll revenue based on the information provided in the preceding sections of this report. All previously discussed information regarding transaction growth rates in the various Turnpike corridors (Chapter 4) as well as assumed toll rates, toll elasticities, E-ZPass market share, commercial vehicle volume discount program, etc. are all brought together to develop the following forecasts.

A table similar to Table 4-5 was presented in Chapter 2 (Table 2-5). This table adds information regarding the near term forecast to show the relationship between GDP, GRP and GSP and estimated transaction growth on the Turnpike through 2015. These growth rates, as well as those presented for both employment and retail sales forecasts, all show slightly higher than normal growth in the near term as economic activity begins to pick up after the recent severe recession. Table 4-5 shows that transaction growth is estimated to remain relatively subdued in 2012 and into 2013, remaining at, or below 2.0 percent. A somewhat larger recovery impact is then shown for 2014 and 2015, though with

Table 4-5

Near Term Measures of Commercial Activity and Total Turnpike Traffic Estimates

Percent Change Over Previous Year

Calendar Year	Gross Domestic Product Growth (1) (U.S.)	Gross Regional Product Growth (1) (NY, NJ, PA)	Gross State Product Growth (1) (PA)	PA Turnpike System Traffic Growth		
				Passenger Cars	Commercial Vehicles	All Vehicles
2009 (Actual)	**(3.5)**	**(2.9)**	**(1.7)**	0.2	(8.5)	(0.9)
1st Quarter	(4.5)	(7.6)	(3.3)			
2nd Quarter	(5.0)	(2.0)	(2.1)			
3rd Quarter	(3.7)	(1.3)	(1.3)			
4th Quarter	(0.5)	(0.4)	(0.1)			
2010 (Actual)	**3.0**	**4.0**	**3.0**	1.0	4.0	1.3
1st Quarter	2.2	5.4	2.1			
2nd Quarter	3.3	4.5	2.7			
3rd Quarter	3.5	3.9	4.6			
4th Quarter	3.1	2.1	2.7			
2011 (Actual)	**1.7**	**0.5**	**1.2**	(1.1)	1.0	(0.9)
1st Quarter	2.2	1.5	2.5			
2nd Quarter	1.6	(0.7)	1.3			
3rd Quarter	1.5	0.0	(0.0)			
4th Quarter	1.6	1.4	0.8			
2012 (2)	**2.6**	**2.7**	**2.3**	1.8	2.9	1.9
1st Quarter	2.1	2.3	1.8			
2nd Quarter	2.4	2.6	2.2			
3rd Quarter	2.8	2.8	2.5			
4th Quarter	3.1	3.2	2.7			
2013	**3.1**	**2.8**	**2.6**	1.9	2.6	2.0
2014	**3.9**	**3.0**	**3.2**	2.3	2.7	2.4
2015	**3.7**	**3.2**	**2.9**	2.3	2.5	2.3

(1) GDP percent changes are based on constant 2005 dollars. Actual data (2009, 2010, and 2011) is from the US Bureau of Economic Analysis. Forecast data (2012 - 2015) is from Moody's Economy.com baseline forecast (February 2012).

(2) Estimated traffic growth for 2012 includes 1 month of actual experience.

growth still in the 2.3 to 2.4 percent range. Beyond this, traffic growth is assumed to moderate to something closer to its longer term forecast average of around 1.6 percent per year.

Table 4-6 shows estimated ticket system transactions and gross toll revenue through FY 2040-41. Actual data is shown for the first three fiscal years; actual data is also included for the first 8 months of FY 2011-12 (actual through January 2012). As shown, total ticket toll transactions are estimated to increase from about 156.1 million in FY 2010-11 (the latest full year of actual experience) to nearly251.1 million by FY 2040-41; this represents an average annual growth rate of about 1.6 percent. Annual gross toll revenue is estimated to increase from $723.3 million in FY 2010-11 to nearly $3.3 billion by FY 2040-41. This represents an average annual increase of about 5.2 percent and includes the impacts of normal growth, annual toll rate increases, and the impact of the I-95 Interchange. The I-95 Interchange and the toll plaza modifications/toll changes associated with it are estimated to add about 4 percent to ticket system revenue when implemented in January 2018.

Table 4-7 identifies the same transaction and gross toll revenue information for the barrier system. As shown, total transactions are estimated to increase from about 33.0 million in FY 2010-11 to 57.4 million by FY 2040-41, an average annual increase of about 1.9 percent. This is slightly greater than the rate of growth for the ticket system, but consistent with the historical relationship between the ticket and barrier systems. Estimated annual toll revenue is expected to increase from nearly $40.6 million in FY 2010-11 to $205.6 million by the end of the forecast period. This represents a 5.6 percent annual rate of increase.

Total Turnpike System transactions and gross toll revenue are shown in Table 4-8. Total transactions increase from just over 189.0 million in FY 2010-11 to about 308.5 million by FY 2040-41; this represents an average annual increase of 1.6 percent, or just under half the rate of growth during the previous 30 years. Total gross revenue, after discounts and adjustments, is estimated to grow from approximately $739.7 million in FY 2010-11 to nearly $3.5 billion by FY 2040-41, representing a 5.3 percent average annual rate of growth. Again, this includes normal growth, toll increase impacts, and additional revenue from the I-95 Interchange project and associated toll adjustments. As discussed above, the commercial E-ZPass discount program is being phased out. Beginning in January 2014 no discounts will be offered, thus all discount and adjustment impacts are eliminated by FY 2014-15.

Disclaimer

Current accepted professional practices and procedures were used in the development of these traffic and gross toll revenue forecasts. However, as with any forecast of the future, it should be understood that there may be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. In formulating its forecasts, CDM Smith has reasonably relied upon the accuracy and completeness of information provided (both written and oral) by the Pennsylvania Turnpike Commission and other local and state agencies. CDM Smith also has relied upon the reasonable assurances of some independent parties and are not aware of any facts that would make such information misleading.

CDM Smith has made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue forecasts that must be considered as a whole; therefore selecting portions of any individual result without consideration of the intent of the whole may create a

Table 4-6
Ticket System: Estimated Annual Transactions and Gross Toll Revenue (1)
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

Fiscal Year		Annual Transactions: Passenger Cars	Annual Transactions: Commercial Vehicles	Annual Transactions: Total Vehicles	Annual Gross Toll Revenue: Passenger Cars	Annual Gross Toll Revenue: Commercial Vehicles	Annual Gross Toll Revenue: Total Vehicles
2008-09	(2) (4)	133,797	20,449	154,245	$333,120	$273,528	$606,648
2009-10	(2) (5)	134,570	19,765	154,335	388,757	292,174	680,931
2010-11	(2) (6)	135,722	20,368	156,090	406,506	316,770	723,276
2011-12	(3) (7)	134,452	20,384	154,836	420,637	331,251	751,888
2012-13	(8)	136,441	20,814	157,255	438,116	346,512	784,629
2013-14	(8)	139,308	21,284	160,592	458,415	364,565	822,980
2014-15	(8)	142,631	21,777	164,407	483,519	385,700	869,219
2015-16	(8)	145,689	22,248	167,938	515,425	412,388	927,813
2016-17	(8)	148,225	22,692	170,917	551,981	443,229	995,210
2017-18	(8) (9)	151,894	23,324	175,217	599,506	483,879	1,083,385
2018-19	(8)	156,162	24,059	180,221	655,625	531,013	1,186,639
2019-20	(8)	158,350	24,477	182,827	699,892	569,305	1,269,197
2020-21	(8)	160,593	24,905	185,498	743,279	606,757	1,350,036
2021-22	(8)	162,933	25,350	188,283	779,883	639,010	1,418,893
2022-23	(8)	165,348	25,807	191,156	813,680	669,288	1,482,969
2023-24	(8)	167,806	26,270	194,077	848,972	700,932	1,549,904
2024-25	(8)	170,311	26,739	197,050	885,845	733,998	1,619,843
2025-26	(8)	172,846	27,213	200,059	924,281	768,549	1,692,829
2026-27	(8)	175,408	27,693	203,101	964,323	804,645	1,768,968
2027-28	(8)	178,016	28,179	206,194	1,006,134	842,353	1,848,487
2028-29	(8)	180,672	28,670	209,343	1,049,818	881,740	1,931,559
2029-30	(8)	183,376	29,168	212,544	1,095,437	922,915	2,018,352
2030-31	(8)	186,124	29,673	215,797	1,143,267	966,120	2,109,387
2031-32	(8)	188,902	30,181	219,083	1,193,455	1,011,458	2,204,913
2032-33	(8)	191,721	30,697	222,418	1,245,844	1,058,862	2,304,706
2033-34	(8)	194,590	31,220	225,810	1,300,579	1,108,443	2,409,021
2034-35	(8)	197,514	31,749	229,262	1,357,798	1,160,230	2,518,028
2035-36	(8)	200,474	32,283	232,757	1,417,477	1,214,318	2,631,794
2036-37	(8)	203,474	32,824	236,297	1,479,744	1,270,801	2,750,544
2037-38	(8)	206,531	33,371	239,902	1,544,835	1,329,834	2,874,670
2038-39	(8)	209,642	33,926	243,568	1,612,849	1,391,553	3,004,402
2039-40	(8)	212,813	34,489	247,301	1,683,955	1,456,051	3,140,006
2040-41	(8)	216,031	35,060	251,092	1,758,517	1,523,538	3,282,055

(1) Includes the transactions and toll revenue from the Warrendale Plaza.
(2) Reflects actual traffic and revenue experience.
(3) Reflects actual experience through January 2012.
(4) A 25 percent toll rate increase was implemented on January 4, 2009, except for the Southern Beltway and the section of PA 43 from Uniontown to Brownsville, where the toll rates remain unchanged.
(5) A 3 percent toll rate increase was implemented on January 3, 2010, except fro the Southern Beltway, whe toll rates remained unchanged.
(6) A 10 percent toll rate increase for cash transactions, and a 3 percent toll rate increase for ETC transaction was implemented on January 2, 2011, except for the Southern Beltway, where toll rates remained unchang
(7) A 10 percent toll rate increase for cash transactions was implemented on January 1, 2012, except for the Southern Beltway, where toll rates remained unchanged.
(8) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates for each year are shown listed in Table 4-2.
(9) Includes impacts for I-95 Interchange Stages 0 and 1, as described in Table 4-1.

Table 4-7
Barrier System: Estimated Annual Transactions and Gross Toll Revenue (1)
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

	Annual Transactions			Annual Gross Toll Revenue		
Fiscal Year	Passenger Cars	Commercial Vehicles	Total Vehicles	Passenger Cars	Commercial Vehicles	Total Vehicles
2008-09 (2) (4)	28,841	3,134	31,975	$23,225	$8,371	$31,596
2009-10 (2) (5)	29,029	3,168	32,196	27,224	9,884	37,108
2010-11 (2) (6)	29,508	3,445	32,953	29,246	11,335	40,581
2011-12 (3) (7)	30,483	3,755	34,238	32,082	12,922	45,004
2012-13 (8)	31,210	3,967	35,176	34,029	13,953	47,982
2013-14 (8)	31,819	4,144	35,964	35,567	14,981	50,547
2014-15 (8)	32,451	4,317	36,768	37,389	16,120	53,509
2015-16 (8)	33,071	4,482	37,554	39,770	17,505	57,275
2016-17 (8)	33,686	4,624	38,310	42,599	19,035	61,634
2017-18 (8) (9)	34,297	4,750	39,046	45,614	20,615	66,229
2018-19 (8)	34,900	4,868	39,768	48,828	22,277	71,104
2019-20 (8)	35,499	4,984	40,483	52,259	24,051	76,310
2020-21 (8)	36,103	5,103	41,206	55,622	25,814	81,437
2021-22 (8)	36,723	5,224	41,948	58,487	27,370	85,857
2022-23 (8)	37,356	5,348	42,704	61,146	28,847	89,994
2023-24 (8)	37,995	5,472	43,467	63,916	30,392	94,308
2024-25 (8)	38,640	5,597	44,237	66,809	32,009	98,818
2025-26 (8)	39,291	5,722	45,013	69,841	33,697	103,538
2026-27 (8)	39,945	5,848	45,794	73,024	35,460	108,484
2027-28 (8)	40,605	5,975	46,580	76,359	37,296	113,655
2028-29 (8)	41,272	6,101	47,372	79,837	39,208	119,045
2029-30 (8)	41,945	6,227	48,172	83,462	41,200	124,662
2030-31 (8)	42,622	6,353	48,975	87,238	43,277	130,514
2031-32 (8)	43,304	6,481	49,785	91,179	45,448	136,627
2032-33 (8)	43,994	6,609	50,603	95,304	47,720	143,023
2033-34 (8)	44,689	6,740	51,429	99,604	50,099	149,702
2034-35 (8)	45,391	6,871	52,262	104,085	52,588	156,673
2035-36 (8)	46,098	7,004	53,102	108,755	55,190	163,945
2036-37 (8)	46,810	7,138	53,947	113,633	57,914	171,547
2037-38 (8)	47,528	7,273	54,801	118,742	60,769	179,511
2038-39 (8)	48,253	7,410	55,663	124,071	63,754	187,824
2039-40 (8)	48,985	7,548	56,534	129,628	66,877	196,505
2040-41 (8)	49,728	7,689	57,417	135,430	70,152	205,582

(1) Excludes the transactions and toll revenue from the Warrendale Plaza (which is included in the ticket syst
(2) Reflects actual traffic and revenue experience.
(3) Reflects actual experience through January 2012.
(4) A 25 percent toll rate increase was implemented on January 4, 2009, except for the Southern Beltway and the section of PA 43 from Uniontown to Brownsville, where the toll rates remain unchanged.
(5) A 3 percent toll rate increase was implemented on January 3, 2010, except fro the Southern Beltway, whe toll rates remained unchanged.
(6) A 10 percent toll rate increase for cash transactions, and a 3 percent toll rate increase for ETC transactior was implemented on January 2, 2011, except for the Southern Beltway, where toll rates remained unchang
(7) A 10 percent toll rate increase for cash transactions was implemented on January 1, 2012, except for the Southern Beltway, where toll rates remained unchanged.
(8) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates fro each year are shown listed in Table 4-2.
(9) Includes impacts for I-95 Interchange Stages 0 and 1, as described in Table 4-1.

Table 4-8
Total System: Estimated Annual Transactions and Gross Toll Revenue
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

Fiscal Year		Annual Transactions: Passenger Cars	Annual Transactions: Commercial Vehicles	Annual Transactions: Total Vehicles	Annual Gross Toll Revenue: Passenger Cars	Annual Gross Toll Revenue: Commercial Vehicles	Annual Gross Toll Revenue: Total Vehicles	Discounts and Adjustments (8)	Adjusted Annual Gross Revenue
2008-09	(1) (3)	162,638	23,583	186,220	$356,345	$281,899	$638,245	($22,640)	$615,605
2009-10	(1) (4)	163,599	22,933	186,531	415,981	302,057	718,038	(24,211)	693,827
2010-11	(1) (5)	165,230	23,812	189,042	435,752	328,105	763,856	(24,153)	739,703
2011-12	(2) (6)	164,935	24,139	189,074	452,719	344,174	796,893	(17,553)	779,340
2012-13	(7)	167,650	24,781	192,431	472,145	360,465	832,610	(11,895)	820,715
2013-14	(7)	171,127	25,428	196,555	493,982	379,546	873,527	(5,693)	867,834
2014-15	(7)	175,081	26,094	201,175	520,908	401,820	922,728	0	922,728
2015-16	(7)	178,761	26,730	205,491	555,195	429,893	985,088	0	985,088
2016-17	(7)	181,912	27,316	209,227	594,580	462,264	1,056,844	0	1,056,844
2017-18	(7) (9)	186,190	28,073	214,263	645,120	504,494	1,149,614	0	1,149,614
2018-19	(7)	191,062	28,927	219,988	704,453	553,290	1,257,743	0	1,257,743
2019-20	(7)	193,849	29,461	223,311	752,150	593,357	1,345,507	0	1,345,507
2020-21	(7)	196,697	30,007	226,704	798,902	632,571	1,431,473	0	1,431,473
2021-22	(7)	199,656	30,575	230,231	838,370	666,380	1,504,749	0	1,504,749
2022-23	(7)	202,705	31,155	233,860	874,826	698,136	1,572,962	0	1,572,962
2023-24	(7)	205,802	31,742	237,544	912,888	731,324	1,644,212	0	1,644,212
2024-25	(7)	208,951	32,336	241,287	952,654	766,007	1,718,661	0	1,718,661
2025-26	(7)	212,137	32,935	245,072	994,122	802,245	1,796,367	0	1,796,367
2026-27	(7)	215,353	33,541	248,895	1,037,347	840,105	1,877,451	0	1,877,451
2027-28	(7)	218,621	34,153	252,774	1,082,493	879,649	1,962,142	0	1,962,142
2028-29	(7)	221,944	34,771	256,715	1,129,655	920,949	2,050,604	0	2,050,604
2029-30	(7)	225,321	35,395	260,716	1,178,900	964,115	2,143,014	0	2,143,014
2030-31	(7)	228,746	36,026	264,772	1,230,505	1,009,396	2,239,901	0	2,239,901
2031-32	(7)	232,206	36,662	268,868	1,284,634	1,056,906	2,341,539	0	2,341,539
2032-33	(7)	235,715	37,306	273,021	1,341,147	1,106,582	2,447,729	0	2,447,729
2033-34	(7)	239,279	37,959	277,239	1,400,182	1,158,541	2,558,724	0	2,558,724
2034-35	(7)	242,905	38,620	281,524	1,461,883	1,212,818	2,674,701	0	2,674,701
2035-36	(7)	246,572	39,287	285,858	1,526,231	1,269,508	2,795,739	0	2,795,739
2036-37	(7)	250,283	39,961	290,245	1,593,376	1,328,715	2,922,091	0	2,922,091
2037-38	(7)	254,058	40,644	294,702	1,663,578	1,390,603	3,054,181	0	3,054,181
2038-39	(7)	257,895	41,336	299,231	1,736,920	1,455,306	3,192,226	0	3,192,226
2039-40	(7)	261,798	42,037	303,835	1,813,583	1,522,929	3,336,511	0	3,336,511
2040-41	(7)	265,760	42,749	308,509	1,893,947	1,593,690	3,487,637	0	3,487,637

(1) Reflects actual traffic and revenue experience.
(2) Reflects actual experience through January 2012.
(3) A 25 percent toll rate increase was implemented on January 4, 2009, except for the Southern Beltway and the section of Turnpike 43 from Uniontown to Brownsville, where the toll rates remain unchanged.
(4) A 3 percent toll rate increase was implemented on January 3, 2010, except fro the Southern Beltway, where the toll rates were unchanged.
(5) A 10 percent toll rate increase for cash transactions, and a 3 percent toll rate increase for ETC transactions was implemented on January 2, 2011, except for the Southern Beltway, where toll rates remained unchanged.
(6) Cash toll rates were increased by 10 percent on January 1, 2012, except for Turnpike 576, where toll rates were unchanged.
(7) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same fro cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50% depending upon the year. The rate increases are shown in Table
(8) This reflects actual discounts and adjustments through FY 2010-11 and for the first eight months of FY 2011-12. Changes were implemented in the commercial discount program in both January 2011 and January 2012 to reduce the amount of the discount. Continued reductions in the discount levels will be made in January 2013; and commercial discounts will be eliminated altogether in January 2014.
(9) Includes impacts for I-95 Interchange Stages 0 and 1, as described in Table 4-1.

misleading or incomplete view of the results and the underling methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit to partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple state and local agencies. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projections contained within this report.

While CDM Smith believes that some of the projections or other forward-looking statements contained within the report are based on reasonable assumptions as of the date in the report, such forward looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

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March 18, 2013

Mr. Nikolaus Grieshaber
Chief Financial Officer
Pennsylvania Turnpike Commission
700 South Eisenhower Boulevard
Middletown, PA 17057

Subject: Pennsylvania Turnpike Commission 2013 Traffic and Toll Revenue Bring Down Letter

Dear Mr. Grieshaber:

It is our understanding that the Pennsylvania Turnpike Commission (PTC or the Commission) will be going to the bond market next month in order to support the Commission's ongoing capital improvement program and other funding requirements. The purpose of this letter is to provide an update to the previous investment grade study, the Pennsylvania Turnpike 2012 Traffic and Revenue Forecast Study (2012 Forecast Study), prepared by CDM Smith and dated March 9, 2012, which presented traffic and gross toll revenue forecasts from fiscal year (FY) 2011-12 through FY 2040-41, or 29 years. A fiscal year runs from June 1 through May 31. The last actual traffic and revenue data in the 2012 Forecast Study was January 2012.

This Bring Down Letter provides updated traffic and toll revenue trends from February 2012 through January 2013 (the most recent month of actual experience), reviews actual versus estimated traffic and revenue over that period, and provides updated traffic and revenue forecasts through FY 2040-41. The updated forecasts incorporate the following developments that represent changes from the 2012 Forecast Study. Each of these developments will be described in following sections.

- Different annual toll rate increases in calendar years 2013 through 2027;
- Different E-ZPass penetration rates associated with changes in the 2013 and future year toll rate schedules;
- Actual traffic and revenue experience through January 2013; and
- Lower economic growth than anticipated in 2012, 2013, and 2014 at the time the 2012 Forecast Study was developed.

It is important to note that the Bring Down Letter adjusts only near-term traffic and toll revenue forecasts to account for lowered expectations on economic performance in 2013 and 2014. Forecasted growth rates from 2015 and beyond are unchanged from those in the 2012 Forecast Study. The revised traffic and toll revenue estimates do include adjustments for the changed assumptions in toll rate increases and the associated changes in E-ZPass penetration rates through FY 2041.

The 2012 Forecast Study provides detailed information on the socioeconomic trends and forecasts for the state, region and country that formed the basis for the original traffic and toll revenue forecasts. Additional information regarding the Pennsylvania Turnpike (Turnpike), such as historical toll rate increases, sample toll rates, E-ZPass market share, and more, are also provided in the 2012 Forecast Study.

Historical Toll Rate Increases and Current Toll Rates

Table 1 provides a historical summary of toll rate increases on the Turnpike System from 1987 to the most recent increase implemented on January 6, 2013. Rate increases are presented as a percent increase over the previous toll rate for cash and E-ZPass. The four rate increases implemented between 1987 and 2009 ranged from 25.0 percent to 42.5 percent and were implemented in irregular intervals. The Pennsylvania Turnpike Commission has increased certain tolls annually since 2009.

Table 1
Historical Toll Rate Increases
Pennsylvania Turnpike System

	Percent Increase		
Date	Cash	E-ZPass	**Comment**
1/2/1987	40.0	NA	E-ZPass was not yet implemented on the Turnpike
6/1/1991	32.0	NA	E-ZPass was not yet implemented on the Turnpike
8/1/2004	42.5	42.5	
1/4/2009	25.0	25.0	No toll increase on Turnpike 576 or Turnpike 43 between Uniontown and Brownsville
1/3/2010	3.0	3.0	No toll increase on Turnpike 576
1/2/2011	10.0	3.0	No toll increase on Turnpike 576
1/1/2012	10.0	0.0	No toll increase on Turnpike 576
1/6/2013	10.0	2.0	

On January 2, 2011, a toll rate differential was implemented for the first time between E-ZPass and cash toll rates. E-ZPass tolls were increased by 3 percent and cash tolls were increased by 10 percent. The rate increase implemented on January 1, 2012 (10 percent cash only) increased the differential, further incentivizing E-ZPass participation. On January 6, 2013, E-ZPass tolls were increased by 2 percent and cash tolls were increased by 10 percent. In 2013, E-ZPass customers will pay, on average, approximately 27 percent less than cash customers for the same trip. The toll rate increase that was implemented on January 6, 2013 is different from the assumed toll rate increase in the 2012 Forecast Study, which assumed a three percent increase for both E-ZPass and cash tolls.

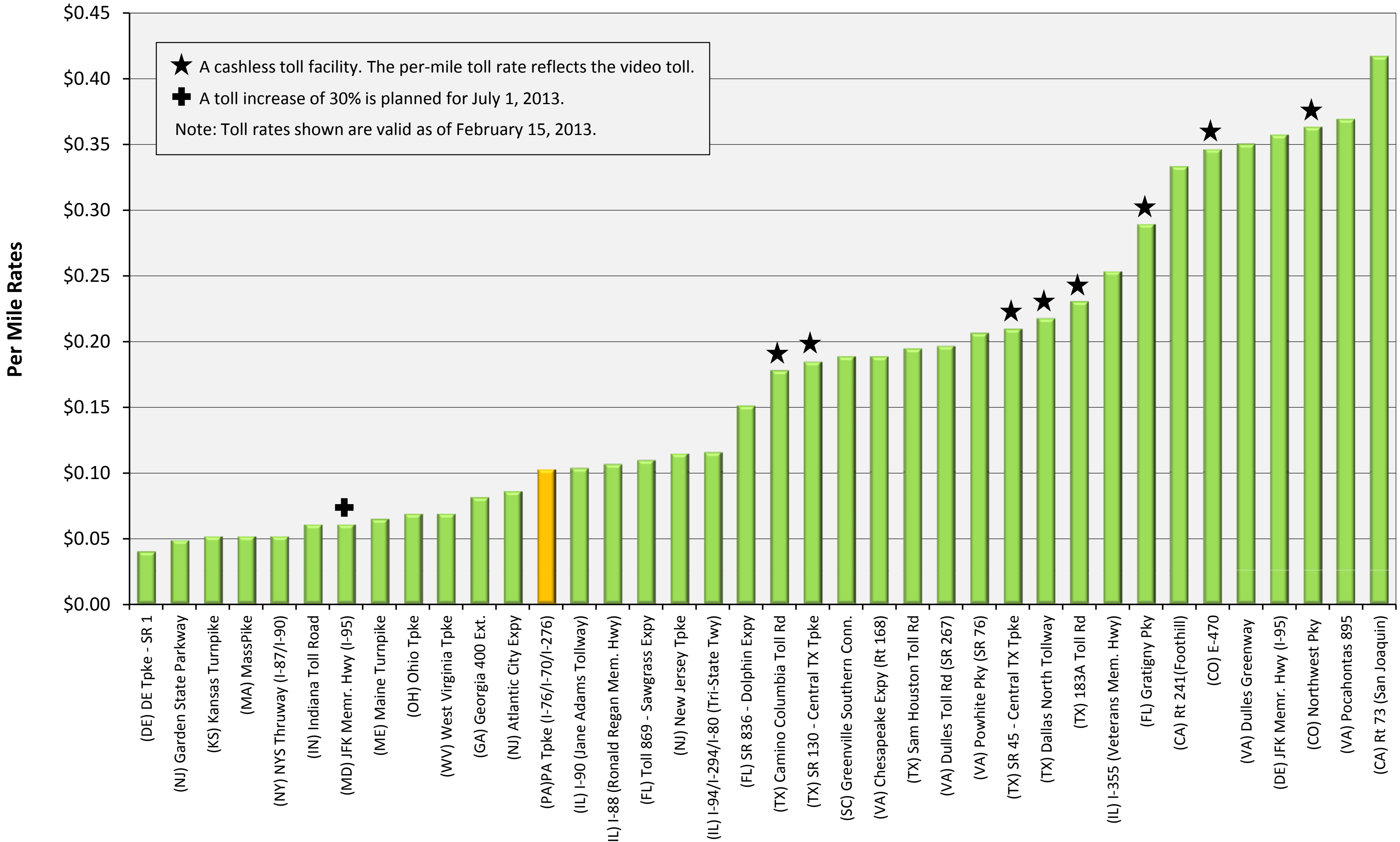
Figures 1 and 2 show the 2013 per-mile toll rates for a through trip on 38 U.S. toll facilities, for cash and electronic toll collection (ETC) payments, respectively. The per-mile toll rate is shown for the Pennsylvania Turnpike Ticket System (the yellow bar), which is by far the largest component of the Turnpike System comprising about 82 percent of all transactions and 94 percent of all toll revenue in FY 2011-12. The purpose of these figures is to show that even with the four consecutive annual toll increases since 2010, the per-mile toll rates on the Pennsylvania Turnpike System, at 10.2 cents per mile for cash customers and 8.1 cents per mile for E-ZPass customers, are still very reasonably priced compared to other major toll facilities in the U.S.

Annual Transaction and Gross Toll Revenue Trends

Table 2 provides a summary of annual Systemwide transactions and adjusted gross toll revenue trends from FY 1979-80 through FY 2011-12. Note that the adjusted toll revenue includes adjustments and discounts attributable to the commercial volume-discount program. Prior to the implementation of discounted E-ZPass toll rates, a post-paid, volume discount program was established for high-volume commercial E-ZPass accounts. With the advent of an automatically applied toll discount to E-Zpass accounts, the commercial-discount program is being gradually phased out. In 2012, the following discounts were available to post-paid E-ZPass customers:

- $5,000.01 - $10,000.00 in monthly tolls are eligible for a 5 percent discount; and
- $10,000.01 and over are eligible for a 10 percent discount in tolls.

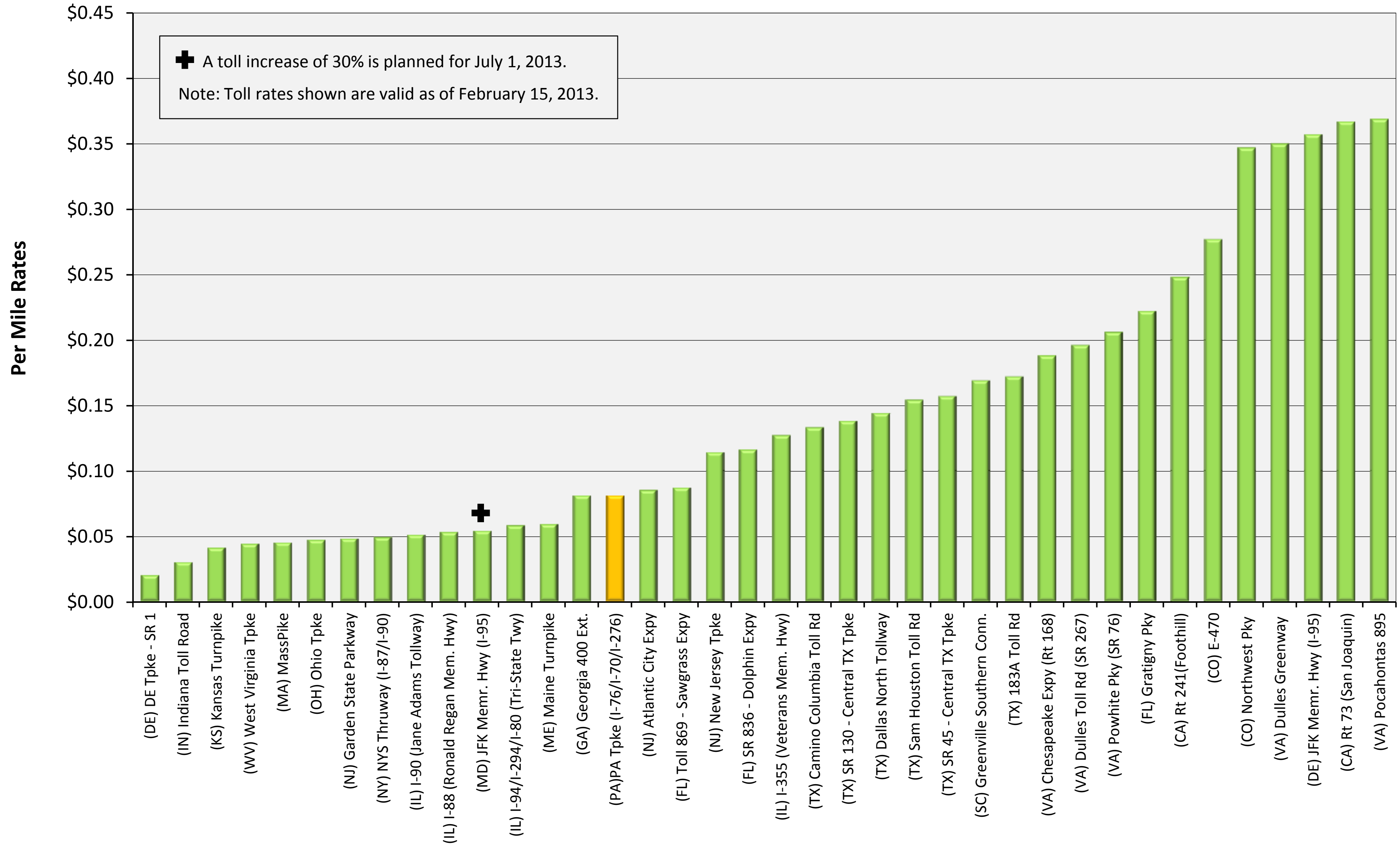
In January 2013 the discount program was modified so that only those with more than $10,000 in monthly tolls receive a 5 percent discount. In January 2014 all commercial discounts will be eliminated.



2013 CASH PER-MILE TOLL RATES FOR PASSENGER CARS (BASED ON A THROUGH TRIP)

CDM Smith

FIGURE 1



2013 ETC PER-MILE TOLL RATES FOR PASSENGER CARS (BASED ON A THROUGH TRIP)

FIGURE 2

Table 2
Annual Systemwide Traffic and Adjusted Gross Toll Revenue Trends
Pennsylvania Turnpike System
(in thousands)

	Transactions						Adjusted Toll Revenue (8)					
Fiscal Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year
1979-80	53,823		9,053		62,876		$53,818		$52,823		$106,641	
1980-81	56,149	4.3	8,865	(2.1)	65,014	3.4	57,098	6.1	52,930	0.2	110,028	3.2
1981-82	59,468	5.9	9,069	2.3	68,537	5.4	60,227	5.5	55,264	4.4	115,491	5.0
1982-83	62,908	5.8	9,088	0.2	71,996	5.0	63,529	5.5	55,162	(0.2)	118,691	2.8
1983-84	65,398	4.0	10,234	12.6	75,632	5.1	65,849	3.7	63,510	15.1	129,359	9.0
1984-85	69,919	6.9	11,081	8.3	81,000	7.1	69,965	6.3	69,516	9.5	139,481	7.8
1985-86	73,926	5.7	11,790	6.4	85,716	5.8	73,616	5.2	74,729	7.5	148,345	6.4
1986-87 (1)	75,255	1.8	11,981	1.6	87,236	1.8	84,025	14.1	84,220	12.7	168,245	13.4
1987-88	78,434	4.2	12,747	6.4	91,181	4.5	103,741	23.5	101,477	20.5	205,218	22.0
1988-89	83,771	6.8	13,604	6.7	97,375	6.8	110,781	6.8	109,499	7.9	220,280	7.3
1989-90	86,650	3.4	13,442	(1.2)	100,092	2.8	114,269	3.1	107,599	(1.7)	221,868	0.7
1990-91	89,040	2.8	13,027	(3.1)	102,067	2.0	116,579	2.0	102,833	(4.4)	219,412	(1.1)
1991-92 (2)	89,499	0.5	12,178	(6.5)	101,677	(0.4)	150,158	28.8	118,337	15.1	268,495	22.4
1992-93	96,953	8.3	13,061	7.3	110,014	8.2	153,394	2.2	123,393	4.3	276,787	3.1
1993-94	106,708	10.1	14,261	9.2	120,969	10.0	158,053	3.0	122,846	(0.4)	280,899	1.5
1994-95	114,033	6.9	15,620	9.5	129,653	7.2	165,850	4.9	131,749	7.2	297,599	5.9
1995-96	121,911	6.9	16,719	7.0	138,630	6.9	172,339	3.9	136,269	3.4	308,608	3.7
1996-97	126,654	3.9	17,479	4.5	144,133	4.0	179,303	4.0	140,837	3.4	320,140	3.7
1997-98	132,472	4.6	18,627	6.6	151,099	4.8	186,290	3.9	149,036	5.8	335,326	4.7
1998-99	136,399	3.0	19,833	6.5	156,232	3.4	191,804	3.0	158,761	6.5	350,565	4.5
1999-00	138,762	1.7	21,341	7.6	160,103	2.5	195,301	1.8	172,035	8.4	367,336	4.8
2000-01	141,033	1.6	21,278	(0.3)	162,311	1.4	193,563	(0.9)	172,337	0.2	365,900	(0.4)
2001-02	150,496	6.7	22,298	4.8	172,794	6.5	212,650	9.9	163,101	(5.4)	375,751	2.7
2002-03	156,220	3.8	23,179	4.0	179,399	3.8	219,201	3.1	168,021	3.0	387,222	3.1
2003-04	163,612	4.7	24,407	5.3	188,019	4.8	228,515	4.2	180,229	7.3	408,744	5.6
2004-05 (3)	163,316	(0.2)	25,109	2.9	188,425	0.2	309,032	35.2	236,126	31.0	545,158	33.4
2005-06	160,590	(1.7)	25,311	0.8	185,901	(1.3)	321,268	4.0	267,369	13.2	588,637	8.0
2006-07	160,107	(0.3)	25,316	0.0	185,423	(0.3)	322,781	0.5	269,861	0.9	592,642	0.7
2007-08	164,097	2.5	25,455	0.5	189,552	2.2	327,761	1.5	271,165	0.5	598,926	1.1
2008-09 (4)	162,638	(0.9)	23,583	(7.4)	186,220	(1.8)	356,345	8.7	259,259	(4.4)	615,605	2.8
2009-10 (5)	163,599	0.6	22,933	(2.8)	186,531	0.2	415,981	16.7	277,847	7.2	693,827	12.7
2010-11 (6)	165,230	1.0	23,812	3.8	189,042	1.3	435,752	4.8	303,952	9.4	739,704	6.6
2011-12 (7)	164,960	(0.2)	24,127	1.3	189,087	0.0	455,133	4.4	325,665	7.1	780,798	5.6

Average Annual Percent Change

	Transactions			Adjusted Gross Toll Revenue (7)		
Fiscal Year	Cars	Trucks	Total	Cars	Trucks	Total
FY 1979-80 - FY 1989-90	4.9	4.0	4.8	7.8	7.4	7.6
FY 1989-90 - FY 1999-00	4.8	4.7	4.8	5.5	4.8	5.2
FY 1999-00 - FY 2011-12	1.5	1.0	1.4	7.3	5.5	6.5
FY 1979-80 - FY 2011-12	3.6	3.1	3.5	6.9	5.8	6.4

(1) Tolls increased by 30% on January 2, 1987.
(2) Tolls increased by 30% on June 1, 1991.
(3) Tolls increased by 42.5% on August 1, 2004.
(4) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(5) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(6) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(7) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(8) The toll revenue includes the adjustments associated with the commercial volume-discount program.

The Pennsylvania Turnpike System is a large, mature system that has demonstrated long-term growth in transactions and toll revenue. Table 2 presents historical traffic and toll revenue growth over the past 32 years, from FY 1979-80 through FY 2011-12. Between FY 1979-80 and FY 1989-90, Turnpike transactions and adjusted toll revenue grew by an average annual rate of 4.8 percent and 7.6 percent, respectively. Similarly, in the 10 years from FY 1989-90 to FY 1999-00, Turnpike transactions and adjusted gross toll revenue grew by average annual rates of 4.8 percent and 5.2 percent, respectively. Over the most recent twelve-year period from FY 1999-00 through FY 2011-12, Turnpike transaction growth averaged 1.4 percent per year, compared to adjusted toll revenue growth of 6.5 percent per year. During this twelve-year period, transactions were negatively impacted by the Great Recession that lasted from approximately December 2007 through June 2009. This recession particularly impacted commercial vehicle traffic. Growth in transactions has been slow since the end of the Great Recession, increasing by 0.2 percent in FY 2009-10, 1.3 percent in FY 1010-11, and by 0.0 percent in FY 2011-12. This slow growth was primarily due to the very slow economic recovery. Toll revenue increased at a much greater rate than transactions during the last 12 years due to toll increases implemented in 2004, 2009, and in every year since 2009.

Monthly Transactions and Gross Toll revenue Trends

Table 3 presents recent monthly transaction trends from FY 2008-09 through January 2013 for all PTC toll facilities. The facilities are summarized in the following groups:

- The ticket system – comprised of I-76/I-276 and I-476;
- Turnpike 43 (Mon/Fayette) and Turnpike 576 (Southern Beltway);
- Turnpike 66;
- Northeast Extension Barrier Plazas;
- Turnpike I-376; and
- The Total Turnpike System (comprised of all the facilities listed above).

The information is provided by passenger cars, commercial vehicles, and total vehicles. For comparative purposes, subtotals are provided for June through January for each fiscal year.

As previously mentioned, the ticket system is by far the largest component of both traffic and toll revenue on the Turnpike System. Since the Great Recession officially ended in June 2009, transaction growth has been slow on the ticket system, primarily due to a very slow economic recovery. Total transaction growth was 0.1 percent in FY 2009-10, 1.1 percent in FY 2010-11, and negative 0.9 percent in 2011-12. Year to date (June 2012 through January 2013) transaction growth was negative 1.3 percent compared to the same period in the prior year. Again, these growth rates

Table 3
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Ticket System (Including Gateway Barrier Plaza)

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	11,561	2.4	11,836	2.0	12,077	(2.1)	11,827	(0.5)	11,771
July	12,100	2.7	12,422	1.4	12,594	(3.5)	12,154	(1.9)	11,918
Aug.	12,502	(0.6)	12,431	2.0	12,674	(5.0)	12,039	2.5	12,337
Sept.	11,014	3.3	11,378	1.3	11,529	(2.3)	11,264	(2.4)	10,995
Oct.	11,843	(0.6)	11,766	2.5	12,059	(3.7)	11,608	(3.8)	11,172
Nov.	10,927	1.8	11,129	1.7	11,322	(1.5)	11,148	(1.6)	10,970
Dec.	10,915	(1.6)	10,745	1.2	10,876	0.8	10,962	(3.5)	10,576
Jan.	9,816	2.9	10,104	(4.5)	9,650	3.6	9,993	0.6	10,050
Feb.	9,516	(12.6)	8,321	13.1	9,408	4.3	9,817		
March	10,740	4.5	11,227	(1.9)	11,011	(0.6)	10,947		
April	11,205	1.6	11,387	(3.2)	11,020	(0.9)	10,921		
May	11,657	1.4	11,825	(2.7)	11,503	1.7	11,704		
Total Year	133,797	0.6	134,570	0.9	135,722	(1.0)	134,383		
June-Jan	90,679	1.2	91,811	1.1	92,780	(1.9)	90,994	(1.3)	89,789

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	1,895	(7.1)	1,760	4.7	1,843	(0.9)	1,827	(3.3)	1,766
July	1,947	(8.9)	1,774	1.8	1,806	(4.8)	1,720	0.5	1,729
Aug.	1,902	(8.6)	1,738	6.2	1,846	0.2	1,850	0.1	1,852
Sept.	1,835	(6.6)	1,713	3.8	1,779	(1.0)	1,761	(7.2)	1,633
Oct.	1,912	(8.7)	1,746	2.0	1,781	(0.9)	1,764	(0.1)	1,762
Nov.	1,562	(1.9)	1,532	7.6	1,648	0.5	1,656	2.4	1,697
Dec.	1,566	(1.7)	1,540	3.6	1,595	(1.2)	1,576	(4.6)	1,503
Jan.	1,488	(2.5)	1,451	2.6	1,489	1.8	1,515	5.6	1,600
Feb.	1,405	(5.5)	1,328	7.7	1,430	4.7	1,497		
March	1,595	7.4	1,714	0.9	1,729	(2.5)	1,686		
April	1,662	4.4	1,736	(4.1)	1,664	(0.8)	1,650		
May	1,679	3.2	1,733	1.4	1,757	3.0	1,810		
Total Year	20,449	(3.3)	19,765	3.0	20,368	(0.3)	20,312		
June-Jan	14,107	(6.0)	13,254	4.0	13,788	(0.9)	13,669	(0.9)	13,542

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	13,457	1.0	13,596	2.4	13,920	(1.9)	13,654	(0.9)	13,537
July	14,047	1.1	14,196	1.4	14,399	(3.7)	13,873	(1.6)	13,647
Aug.	14,404	(1.6)	14,169	2.5	14,520	(4.3)	13,888	2.2	14,190
Sept.	12,849	1.9	13,091	1.7	13,308	(2.1)	13,024	(3.0)	12,628
Oct.	13,755	(1.8)	13,512	2.4	13,841	(3.4)	13,372	(3.3)	12,934
Nov.	12,489	1.4	12,661	2.4	12,970	(1.3)	12,804	(1.1)	12,667
Dec.	12,482	(1.6)	12,285	1.5	12,471	0.5	12,538	(3.7)	12,080
Jan.	11,304	2.2	11,555	(3.6)	11,139	3.3	11,509	1.2	11,650
Feb.	10,921	(11.6)	9,649	12.3	10,837	4.4	11,314		
March	12,336	4.9	12,940	(1.5)	12,740	(0.8)	12,633		
April	12,867	2.0	13,123	(3.3)	12,684	(0.9)	12,571		
May	13,336	1.7	13,558	(2.2)	13,261	1.9	13,514		
Total Year	154,245	0.1	154,335	1.1	156,090	(0.9)	154,695		
June-Jan	104,786	0.3	105,065	1.4	106,568	(1.8)	104,663	(1.3)	103,332

Turnpike 43 - Mon/Fayette Expressway

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	723	11.4	806	2.3	824	1.4	835	17.1	978
July	755	11.6	842	2.0	859	6.4	914	14.0	1,042
Aug.	816	6.5	869	3.2	897	11.5	1,000	13.4	1,134
Sept.	811	8.3	879	4.2	915	9.9	1,006	5.2	1,059
Oct.	880	4.4	919	3.7	954	7.9	1,029	6.7	1,098
Nov.	822	0.2	824	3.6	854	12.0	956	4.3	998
Dec.	813	(2.0)	796	4.7	833	12.7	939	0.7	946
Jan.	729	(0.9)	722	3.8	750	11.5	836	5.4	881
Feb.	735	(10.0)	662	15.0	761	16.3	885		
March	819	5.2	861	(0.4)	858	13.4	973		
April	842	4.0	876	(1.6)	862	12.3	968		
May	813	2.8	836	0.6	841	21.6	1,022		
Total Year	9,558	3.5	9,892	3.2	10,208	11.3	11,365		
June-Jan	6,349	4.9	6,657	3.4	6,886	9.2	7,516	8.2	8,136

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	33	6.4	36	21.5	43	14.3	49	33.5	66
July	36	14.6	41	8.9	45	10.4	50	34.9	67
Aug.	36	29.1	46	1.5	47	25.9	59	26.0	74
Sept.	33	31.2	44	1.5	44	24.9	55	10.8	61
Oct.	35	20.6	42	2.0	43	22.5	53	30.6	69
Nov.	32	13.6	37	2.5	38	31.6	50	20.8	60
Dec.	27	16.8	31	0.5	31	41.7	44	13.6	50
Jan.	25	11.6	28	16.7	32	38.5	45	23.1	55
Feb.	28	(14.9)	24	29.6	31	58.5	50		
March	32	25.2	39	12.0	44	30.6	58		
April	31	32.9	41	(3.8)	39	54.3	61		
May	31	29.7	40	8.3	44	51.8	66		
Total Year	379	18.5	449	7.3	482	32.6	639		
June-Jan	257	18.3	304	6.3	324	25.1	405	24.2	503

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	757	11.1	841	3.1	867	2.0	885	18.0	1,044
July	791	11.8	884	2.3	904	6.6	964	15.1	1,109
Aug.	851	7.5	915	3.1	944	12.2	1,059	14.1	1,209
Sept.	844	9.2	922	4.1	960	10.6	1,062	5.5	1,120
Oct.	915	5.1	962	3.7	997	8.5	1,082	7.9	1,167
Nov.	855	0.7	861	3.5	891	12.9	1,006	5.1	1,058
Dec.	840	(1.4)	827	4.5	865	13.8	984	1.3	997
Jan.	753	(0.5)	750	4.3	782	12.6	880	6.3	936
Feb.	764	(10.2)	686	15.5	793	18.0	935		
March	850	5.9	901	0.1	902	14.3	1,031		
April	873	5.0	917	(1.7)	901	14.2	1,029		
May	844	3.8	876	0.9	885	23.1	1,089		
Total Year	9,937	4.1	10,342	3.4	10,690	12.3	12,004		
June-Jan	6,606	5.4	6,962	3.6	7,209	9.9	7,921	9.1	8,638

NOTES:
(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

Table 3 (Cont'd)
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Turnpike 66

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	596	2.0	608	2.0	620	(1.9)	608	(2.6)	593
July	617	0.7	622	3.4	643	(4.5)	614	(3.9)	590
Aug.	642	(3.2)	622	4.4	649	(2.7)	631	(1.5)	622
Sept.	607	(0.2)	605	4.4	632	(3.1)	612	(5.2)	581
Oct.	640	(3.9)	614	5.0	645	(3.4)	623	(3.0)	604
Nov.	583	(1.2)	576	3.5	596	(1.6)	586	(3.1)	568
Dec.	608	(4.3)	582	1.9	593	0.7	598	(7.0)	556
Jan.	520	(0.2)	519	(0.5)	516	2.3	528	(3.0)	512
Feb.	501	(8.5)	458	9.4	501	3.3	518		
March	568	5.0	596	(2.7)	580	0.0	580		
April	578	4.3	602	(4.6)	574	(0.9)	569		
May	609	1.8	620	(3.1)	601	0.9	607		
Total Year	7,069	(0.6)	7,025	1.8	7,150	(1.1)	7,074		
June-Jan	4,813	(1.4)	4,748	3.1	4,894	(1.9)	4,801	(3.7)	4,625

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	86	(7.9)	79	16.5	92	(2.0)	90	2.6	93
July	90	(9.5)	82	11.0	91	(0.5)	90	2.3	92
Aug.	88	(11.0)	78	22.8	96	3.1	99	(0.3)	98
Sept.	88	(7.9)	81	16.0	93	0.4	94	(7.6)	87
Oct.	89	(6.1)	84	6.4	89	10.8	99	(4.0)	95
Nov.	70	2.0	71	11.0	79	14.9	91	(12.2)	79
Dec.	65	5.6	69	4.8	72	9.3	79	(12.9)	68
Jan.	62	4.0	65	8.5	70	6.5	75	(1.7)	74
Feb.	60	(2.1)	59	11.3	65	12.9	74		
March	69	10.1	76	4.6	80	6.6	85		
April	71	19.2	84	(7.4)	78	12.3	88		
May	74	17.5	87	0.3	87	10.1	96		
Total Year	911	0.3	914	8.6	992	6.6	1,058		
June-Jan	637	(4.7)	607	12.3	682	4.9	716	(4.1)	686

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	682	0.8	687	3.6	712	(1.9)	699	(1.9)	685
July	708	(0.6)	703	4.2	733	(4.0)	704	(3.1)	682
Aug.	730	(4.2)	699	6.5	745	(2.0)	730	(1.3)	721
Sept.	694	(1.2)	686	5.7	725	(2.6)	706	(5.5)	667
Oct.	729	(4.2)	698	5.2	734	(1.7)	721	(3.2)	699
Nov.	653	(0.9)	647	4.3	675	0.3	677	(4.3)	648
Dec.	673	(3.4)	651	2.2	665	1.7	676	(7.7)	624
Jan.	582	0.3	584	0.5	586	2.8	603	(2.9)	585
Feb.	561	(7.8)	517	9.6	567	4.4	591		
March	637	5.6	673	(1.9)	660	0.8	665		
April	648	5.9	687	(5.0)	652	0.7	657		
May	683	3.5	707	(2.7)	688	2.1	703		
Total Year	7,980	(0.5)	7,938	2.6	8,142	(0.1)	8,132		
June-Jan	5,451	(1.8)	5,355	4.1	5,576	(1.1)	5,516	(3.7)	5,311

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	435	1.0	440	(2.6)	428	1.7	435	3.6	451
July	517	11.3	576	(4.8)	548	0.2	549	(4.3)	526
Aug.	570	6.2	606	(8.1)	556	(6.1)	522	5.8	553
Sept.	401	9.9	441	(3.1)	427	(1.8)	419	(4.0)	402
Oct.	431	(1.1)	426	5.0	447	(0.7)	444	(8.6)	406
Nov.	394	1.4	400	4.0	416	(2.0)	407	(1.2)	403
Dec.	359	(3.2)	347	1.1	351	4.6	367	(4.5)	350
Jan.	286	(0.0)	286	0.8	288	2.5	295	2.3	302
Feb.	289	(11.9)	254	8.6	276	7.4	296		
March	337	3.2	348	(4.5)	332	4.4	346		
April	400	(0.3)	399	2.0	407	4.1	423		
May	458	(6.1)	430	7.9	464	1.3	470		
Total Year	4,876	1.5	4,951	(0.2)	4,940	0.7	4,976		
June-Jan	3,393	3.7	3,520	(1.7)	3,462	(0.6)	3,440	(1.4)	3,393

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	78	(0.8)	77	0.8	78	8.8	85	5.3	89
July	83	3.0	86	(4.2)	82	3.2	85	6.0	90
Aug.	82	4.9	86	(1.8)	85	5.4	89	5.9	94
Sept.	80	(0.4)	79	2.2	81	6.8	87	(6.6)	81
Oct.	78	(5.7)	74	7.1	79	9.9	87	(2.1)	85
Nov.	61	(1.2)	61	19.7	73	1.2	74	9.8	81
Dec.	61	(0.5)	60	9.3	66	4.4	69	0.9	70
Jan.	56	1.9	57	8.7	63	4.0	65	15.6	75
Feb.	54	(4.0)	52	14.1	59	9.8	65		
March	61	9.9	67	3.7	70	6.2	74		
April	68	2.4	69	10.4	77	13.3	87		
May	77	(2.1)	75	19.4	90	11.6	100		
Total Year	839	0.6	844	6.7	901	7.1	965		
June-Jan	580	0.2	581	4.3	606	5.5	639	4.0	665

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	513	0.7	517	(2.1)	506	2.8	520	3.9	540
July	601	10.2	662	(4.7)	631	0.6	634	(2.9)	615
Aug.	652	6.0	692	(7.3)	641	(4.6)	612	5.8	647
Sept.	481	8.2	520	(2.3)	508	(0.5)	506	(4.4)	483
Oct.	509	(1.8)	499	5.3	526	0.9	531	(7.5)	491
Nov.	456	1.1	460	6.1	488	(1.5)	481	0.5	483
Dec.	419	(2.8)	408	2.3	417	4.5	436	(3.7)	420
Jan.	343	0.3	344	2.1	351	2.7	360	4.7	377
Feb.	343	(10.7)	306	9.5	335	7.8	361		
March	398	4.3	415	(3.2)	402	4.7	421		
April	468	0.1	468	3.2	483	5.6	510		
May	534	(5.5)	505	9.6	553	3.0	570		
Total Year	5,715	1.4	5,795	0.8	5,841	1.7	5,941		
June-Jan	3,973	3.2	4,101	(0.8)	4,068	0.3	4,079	(0.5)	4,058

NOTES:
(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

Table 3 (Cont'd)
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	649	(1.3)	640	(1.0)	633	0.7	638	(1.9)	625
July	696	(3.3)	673	0.9	680	(0.9)	674	(3.5)	650
Aug.	704	(5.1)	668	1.0	675	(1.7)	664	(1.5)	654
Sept.	631	(1.5)	622	2.5	638	(3.8)	613	(4.1)	588
Oct.	656	(1.9)	644	1.2	652	0.2	653	(7.2)	606
Nov.	593	0.3	595	2.1	607	(3.5)	586	(2.9)	569
Dec.	613	(5.0)	583	(2.5)	568	3.0	585	(6.7)	546
Jan.	499	0.1	500	(1.2)	494	0.6	497	(0.7)	493
Feb.	497	(10.9)	443	6.7	472	5.0	496		
March	577	0.2	579	(1.4)	571	(0.1)	570		
April	593	0.0	593	(0.2)	591	(3.1)	573		
May	630	(1.2)	622	1.2	630	(2.5)	614		
Total Year	7,338	(2.4)	7,161	0.7	7,210	(0.7)	7,162		
June-Jan	5,042	(2.3)	4,925	0.4	4,946	(0.8)	4,909	(3.6)	4,731

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	98	(13.9)	84	21.3	102	(0.1)	102	6.2	108
July	103	(15.6)	87	8.3	94	4.4	98	9.2	107
Aug.	102	(13.4)	88	12.8	100	12.1	112	0.9	113
Sept.	98	(14.7)	84	19.4	100	2.5	102	(6.2)	96
Oct.	97	(13.8)	84	12.3	94	10.6	104	(0.6)	104
Nov.	75	(4.8)	71	20.1	85	9.2	93	(1.9)	92
Dec.	72	(6.9)	67	11.4	75	12.5	85	(2.0)	83
Jan.	66	(1.6)	65	12.9	73	10.7	81	8.2	88
Feb.	63	9.0	69	1.2	70	22.1	85		
March	74	14.1	84	5.4	89	4.3	93		
April	76	13.6	87	2.1	88	6.4	94		
May	80	13.5	90	8.8	98	4.6	103		
Total Year	1,004	(4.3)	960	11.3	1,069	7.8	1,152		
June-Jan	711	(11.4)	630	14.8	724	7.4	777	1.6	790

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	746	(3.0)	724	1.6	735	0.6	739	(0.8)	733
July	799	(4.9)	760	1.8	774	(0.2)	772	(1.9)	757
Aug.	807	(6.2)	757	2.4	775	0.1	776	(1.2)	767
Sept.	729	(3.2)	706	4.5	738	(3.0)	716	(4.4)	684
Oct.	754	(3.4)	728	2.5	746	1.5	758	(6.3)	710
Nov.	667	(0.2)	666	4.0	692	(2.0)	679	(2.7)	660
Dec.	686	(5.2)	650	(1.1)	643	4.1	670	(6.1)	629
Jan.	565	(0.1)	565	0.4	567	1.9	578	0.5	581
Feb.	560	(8.6)	512	5.9	542	7.2	581		
March	651	1.8	663	(0.5)	660	0.5	663		
April	669	1.6	679	0.1	680	(1.9)	667		
May	709	0.4	712	2.2	728	(1.5)	717		
Total Year	8,342	(2.6)	8,121	1.9	8,279				
June-Jan	5,753	(3.4)	5,555	2.1	5,670	0.3	5,687	(2.9)	5,521

Total Transactions

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	13,965	2.6	14,329	1.8	14,583	(1.6)	14,344	0.5	14,418
July	14,686	3.1	15,135	1.2	15,323	(2.7)	14,905	(1.2)	14,726
Aug.	15,234	(0.3)	15,195	1.7	15,451	(3.8)	14,857	3.0	15,300
Sept.	13,464	3.4	13,925	1.6	14,140	(1.6)	13,915	(2.1)	13,625
Oct.	14,449	(0.6)	14,369	2.7	14,757	(2.7)	14,357	(3.3)	13,886
Nov.	13,320	1.5	13,524	2.0	13,794	(0.8)	13,684	(1.3)	13,508
Dec.	13,308	(1.9)	13,053	1.3	13,221	1.7	13,451	(3.5)	12,975
Jan.	11,849	2.4	12,131	(3.6)	11,697	3.9	12,149	0.7	12,237
Feb.	11,537	(12.1)	10,138	12.6	11,418	5.2	12,011		
March	13,041	4.4	13,610	(1.9)	13,351	0.5	13,417		
April	13,617	1.8	13,856	(2.9)	13,455	(0.0)	13,454		
May	14,166	1.2	14,333	(2.1)	14,039	2.7	14,417		
Total Year	162,638	0.6	163,599	1.0	165,230	(0.2)	164,960		
June-Jan	110,276	1.3	111,661	1.2	112,968	(1.2)	111,660	(0.9)	110,674

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	2,190	(7.0)	2,035	6.0	2,158	(0.2)	2,153	(1.4)	2,122
July	2,259	(8.4)	2,070	2.3	2,117	(3.6)	2,042	2.1	2,085
Aug.	2,210	(7.8)	2,037	6.7	2,173	1.6	2,208	1.1	2,232
Sept.	2,134	(6.2)	2,001	4.8	2,098	0.1	2,099	(6.7)	1,958
Oct.	2,212	(8.3)	2,030	2.8	2,087	1.0	2,107	0.4	2,115
Nov.	1,800	(1.6)	1,771	8.6	1,923	2.1	1,963	2.3	2,008
Dec.	1,791	(1.3)	1,767	4.1	1,840	0.7	1,853	(4.2)	1,774
Jan.	1,697	(1.8)	1,666	3.7	1,728	3.1	1,781	6.2	1,892
Feb.	1,610	(4.9)	1,532	8.1	1,655	7.0	1,771		
March	1,832	8.2	1,981	1.5	2,012	(0.8)	1,996		
April	1,908	5.7	2,017	(3.5)	1,946	1.7	1,979		
May	1,941	4.4	2,026	2.5	2,076	4.8	2,175		
Total Year	23,583	(2.8)	22,933	3.8	23,812	1.3	24,127		
June-Jan	16,293	(5.6)	15,377	4.8	16,123	0.5	16,206	(0.1)	16,186

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	16,155	1.3	16,365	2.3	16,741	(1.5)	16,496	0.3	16,539
July	16,945	1.5	17,205	1.4	17,441	(2.8)	16,947	(0.8)	16,811
Aug.	17,444	(1.2)	17,232	2.3	17,624	(3.2)	17,065	2.7	17,532
Sept.	15,598	2.1	15,925	2.0	16,238	(1.4)	16,013	(2.7)	15,583
Oct.	16,662	(1.6)	16,399	2.7	16,844	(2.3)	16,464	(2.8)	16,001
Nov.	15,120	1.2	15,295	2.8	15,717	(0.4)	15,647	(0.8)	15,516
Dec.	15,100	(1.8)	14,821	1.6	15,061	1.6	15,304	(3.6)	14,749
Jan.	13,547	1.8	13,797	(2.7)	13,425	3.8	13,930	1.4	14,129
Feb.	13,148	(11.2)	11,670	12.0	13,074	5.4	13,782		
March	14,873	4.8	15,591	(1.5)	15,363	0.3	15,413		
April	15,525	2.2	15,873	(3.0)	15,401	0.2	15,433		
May	16,107	1.6	16,359	(1.5)	16,115	3.0	16,592		
Total Year	186,220	0.2	186,531	1.3	189,042	0.0	189,087		
June-Jan	126,569	0.4	127,038	1.6	129,090	(0.9)	127,866	(0.8)	126,860

NOTES:
(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

primarily reflect the very slow economic recovery with minor negative impacts associated with the annual toll rate increases implemented annually since 2009.

Transaction growth patterns are similar for the other toll facilities except for Turnpike 43, which has experienced strong positive increases in traffic. Total transaction growth was 4.1 percent in FY 2009-10, 3.4 percent in FY 2010-11, and 12.3 percent in 2011-12. Year to date (June 2012 through January 2013) transaction growth was 9.1 percent compared to the same period in the prior year. This high growth is because Turnpike 43 has been under construction, with new sections and access points being added to the facility. In July 2012, the newest section (Phase 2 from Uniontown to Brownsville) was opened to traffic. This project included new access points, and new toll locations.

In total, the Turnpike System transaction growth was 0.2 percent in FY 2009-10, 1.3 percent in FY 2010-11, and 0.0 percent in 2011-12. Year to date (June 2012 through January 2013) transaction growth was negative 0.8 percent compared to the same period in the prior year. Besides the slow economy, the negative growth in year-to-date FY 2012-13 was also impacted by Hurricane Sandy in late October and early November, contributing to a 2.8 percent decrease in transactions in October and a 0.8 percent decrease in November compared to the same months in 2011. In addition, December 2012 transactions were negatively impacted due to several winter weather events that contributed to a 3.6 percent decrease. The impacts related to Hurricane Sandy are thought to be short-term, with no significant impacts after November 2012. Absent those impacts, CDM Smith estimates that actual October and December growth would have been slightly positive in 2012, and year to date growth through FY 2012-13 would have been about 0.0 percent instead of negative 0.8 percent.

Table 4 presents recent monthly gross toll revenue trends from FY 2008-09 through January 2013 for the PTC toll facilities. Ticket System total toll revenue growth totaled 12.2 percent in FY 2009-10, 6.2 percent in FY 2010-11, and 4.0 percent in 2011-12. Year to date (June 2012 through January 2013) toll revenue growth was 2.2 percent compared to the same period in the prior year. These revenue growth rates are significantly higher than the comparable growth in transactions because of the annual toll rate increases implemented at the beginning of each calendar year since 2009.

Systemwide toll revenue increased by 12.5 percent in FY 2009-10, 6.4 percent in FY 2010-11, and 4.4 percent in 2011-12. Year to date (June 2012 through January 2013) toll revenue growth was 2.5 percent compared to the same period in the prior year. Total system revenue growth in FY 2011-12 was abnormally low in September (0.2) percent, October (0.1 percent), and December (0.7 percent). September 2012 had two fewer weekdays compared to September 2011, which contributed to a 3.7 percent reduction in September’s commercial vehicle toll revenue. October revenues were negatively impacted by Hurricane Sandy, and December revenues were negatively impacted by several winter storms.

Table 4
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Ticket System (Including Gateway Barrier Plaza)

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	27,110	27.5	34,578	5.3	36,414	3.3	37,602	5.5	39,684
July	29,244	30.6	38,194	6.1	40,507	3.0	41,736	0.0	41,751
Aug.	30,972	25.1	38,760	4.0	40,319	(1.9)	39,537	8.4	42,863
Sept.	24,682	31.7	32,509	3.3	33,584	3.5	34,758	3.1	35,836
Oct.	26,482	25.3	33,193	5.8	35,102	1.8	35,750	(0.5)	35,588
Nov.	25,296	27.8	32,323	3.7	33,523	4.2	34,946	2.1	35,666
Dec.	24,612	22.8	30,228	3.7	31,351	6.3	33,328	2.0	34,003
Jan.	25,598	7.6	27,544	0.1	27,567	8.3	29,864	2.7	30,658
Feb.	24,893	(11.8)	21,952	21.0	26,554	9.3	29,015		
March	28,925	7.1	30,980	3.2	31,980	4.0	33,254		
April	31,511	4.7	33,002	2.2	33,735	3.6	34,959		
May	33,794	5.0	35,494	1.1	35,870	6.3	38,124		
Total Year	$333,120	16.7	$388,757	4.6	$406,506	4.0	$422,872		
June-Jan	213,996	24.9	267,328	4.1	278,367	3.3	287,521	3.0	296,049

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	23,324	10.1	25,674	5.1	26,995	7.3	28,971	(1.4)	28,574
July	23,824	6.8	25,449	4.8	26,682	2.6	27,364	1.3	27,725
Aug.	23,439	7.8	25,276	8.1	27,328	7.0	29,252	2.2	29,905
Sept.	22,787	9.6	24,979	8.6	27,133	3.7	28,142	(3.8)	27,083
Oct.	23,477	8.1	25,385	6.5	27,024	4.9	28,359	0.0	28,365
Nov.	19,267	14.7	22,107	12.6	24,896	6.9	26,611	4.7	27,873
Dec.	19,244	17.3	22,568	10.3	24,890	2.1	25,405	(1.1)	25,133
Jan.	23,010	(3.1)	22,287	10.6	24,658	4.0	25,647	8.2	27,739
Feb.	21,716	(4.7)	20,697	14.4	23,674	6.9	25,297		
March	24,179	8.1	26,144	9.6	28,651	(2.3)	27,994		
April	24,604	4.7	25,753	5.1	27,061	(0.3)	26,970		
May	24,657	4.9	25,856	7.4	27,777	6.0	29,438		
Total Year	$273,528	6.8	$292,174	8.4	$316,770	4.0	$329,450		
June-Jan	178,372	8.6	193,724	8.2	209,606	4.8	219,751	1.2	222,396

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$50,434	19.5	$60,252	5.2	$63,410	5.0	$66,573	2.5	$68,258
July	53,068	19.9	63,642	5.6	67,189	2.8	69,100	0.5	69,476
Aug.	54,411	17.7	64,036	5.6	67,647	1.7	68,789	5.8	72,768
Sept.	47,469	21.1	57,488	5.6	60,717	3.6	62,900	0.0	62,919
Oct.	49,959	17.3	58,578	6.1	62,126	3.2	64,109	(0.2)	63,953
Nov.	44,563	22.1	54,430	7.3	58,419	5.4	61,557	3.2	63,540
Dec.	43,856	20.4	52,796	6.5	56,241	4.4	58,734	0.7	59,136
Jan.	48,608	2.5	49,830	4.8	52,225	6.3	55,510	5.2	58,397
Feb.	46,609	(8.5)	42,650	17.8	50,228	8.1	54,312		
March	53,104	7.6	57,124	6.1	60,631	1.0	61,248		
April	56,115	4.7	58,755	3.5	60,796	1.9	61,928		
May	58,451	5.0	61,349	3.7	63,647	6.2	67,562		
Total Year	$606,648	12.2	$680,931	6.2	$723,276	4.0	$752,322		
June-Jan	392,369	17.5	461,052	5.8	487,974	4.0	507,271	2.2	518,445

Turnpike 43 - Mon/Fayette Expressway

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	559	39.5	779	6.6	830	7.8	896	23.4	1,105
July	583	39.7	815	6.2	865	13.6	982	22.3	1,201
Aug.	629	33.7	841	7.4	903	18.9	1,073	23.4	1,325
Sept.	625	35.9	849	8.2	919	17.1	1,076	13.8	1,225
Oct.	681	30.8	891	7.5	958	14.4	1,096	15.3	1,264
Nov.	648	23.8	802	7.2	859	19.0	1,023	12.4	1,149
Dec.	643	20.6	775	8.2	839	20.2	1,008	8.5	1,093
Jan.	697	4.7	730	10.1	803	17.0	940	12.3	1,056
Feb.	715	(6.5)	669	22.3	818	21.7	995		
March	794	9.7	871	5.6	920	19.2	1,096		
April	815	8.2	882	4.8	925	17.9	1,090		
May	787	7.3	844	6.9	902	27.9	1,153		
Total Year	$8,175	19.2	$9,747	8.1	$10,540	17.9	$12,427		
June-Jan	5,064	28.0	6,481	7.6	6,976	16.0	8,094	16.4	9,418

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	75	35.8	101	25.3	127	20.1	153	37.8	210
July	80	44.9	116	11.1	129	19.5	154	44.3	222
Aug.	79	63.5	129	5.8	137	35.8	186	35.1	251
Sept.	75	63.8	123	5.8	130	32.1	172	21.2	209
Oct.	79	52.0	120	7.8	129	29.5	167	41.4	236
Nov.	72	45.3	105	8.2	113	37.9	156	31.8	206
Dec.	64	43.5	92	6.3	98	45.4	142	21.8	173
Jan.	73	17.6	85	21.4	104	43.0	148	33.2	198
Feb.	82	(9.8)	74	36.7	101	59.9	162		
March	92	29.0	118	15.9	137	35.9	186		
April	90	36.1	122	1.2	123	58.5	196		
May	90	31.9	119	14.3	136	57.5	214		
Total Year	$950	37.4	$1,305	12.2	$1,464	39.0	$2,036		
June-Jan	597	46.1	872	10.9	967	32.2	1,278	33.4	1,705

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$633	39.1	$881	8.7	$958	9.5	$1,048	25.5	$1,315
July	663	40.3	931	6.8	994	14.3	1,136	25.3	1,423
Aug.	708	37.1	971	7.1	1,040	21.1	1,259	25.1	1,576
Sept.	700	38.9	972	7.9	1,049	19.0	1,248	14.8	1,433
Oct.	760	33.0	1,010	7.5	1,087	16.2	1,263	18.8	1,500
Nov.	720	25.9	906	7.3	972	21.2	1,179	14.9	1,355
Dec.	707	22.7	867	8.0	937	22.8	1,150	10.1	1,266
Jan.	770	5.9	815	11.3	907	20.0	1,089	15.2	1,254
Feb.	797	(6.9)	743	23.7	919	25.9	1,157		
March	886	11.7	989	6.8	1,057	21.3	1,282		
April	905	11.0	1,004	4.4	1,048	22.6	1,285		
May	877	9.8	962	7.8	1,037	31.7	1,367		
Total Year	$9,125	21.1	$11,052	8.6	$12,004	20.5	$14,463		
June-Jan	5,660	29.9	7,353	8.0	7,943	18.0	9,372	18.7	11,123

NOTES:
(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

Table 4 (Cont'd)

Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class

Revenue in Thousands

Turnpike 66

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$525	27.5	$669	6.3	$711	4.8	$745	2.5	$764
July	543	26.5	687	7.5	739	2.2	755	1.1	763
Aug.	567	21.0	686	8.6	746	3.8	774	3.6	802
Sept.	535	25.1	669	8.3	725	3.4	750	(0.4)	747
Oct.	563	20.4	678	9.0	740	2.9	761	1.5	772
Nov.	513	23.9	635	7.3	681	5.4	718	1.0	726
Dec.	532	19.9	638	5.8	674	8.1	729	(3.0)	707
Jan.	559	5.4	589	6.6	628	7.2	674	0.7	678
Feb.	551	(5.8)	520	17.6	611	8.2	661		
March	626	8.7	681	4.2	709	4.6	742		
April	638	8.0	690	1.9	703	3.8	729		
May	670	6.0	710	3.5	735	6.0	779		
Total Year	$6,823	15.1	$7,853	7.0	$8,402	4.9	$8,817		
June-Jan	4,337	21.1	5,253	7.5	5,644	4.6	5,905	0.9	5,959

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$230	12.7	$259	21.7	$315	4.2	$328	5.7	$347
July	237	13.4	268	14.8	308	7.6	331	4.5	346
Aug.	231	11.1	256	30.0	333	9.2	364	1.7	370
Sept.	233	13.0	264	23.4	325	6.3	346	(4.3)	331
Oct.	238	17.5	280	10.3	308	18.8	366	(2.3)	358
Nov.	185	27.1	235	17.0	275	22.9	338	(10.9)	301
Dec.	171	35.0	230	8.8	250	15.5	289	(9.8)	261
Jan.	199	12.7	224	17.1	262	9.1	286	0.9	289
Feb.	203	(0.5)	202	19.4	241	17.8	284		
March	229	16.3	266	10.5	294	10.7	326		
April	228	26.2	288	(1.7)	283	15.5	327		
May	239	22.9	294	7.6	317	12.5	356		
Total Year	$2,623	17.0	$3,068	14.5	$3,514	12.2	$3,944		
June-Jan	1,723	17.0	2,016	17.9	2,378	11.4	2,650	(1.8)	2,603

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$755	23.0	$928	10.6	$1,026	4.6	$1,074	3.5	$1,111
July	780	22.5	955	9.6	1,047	3.7	1,086	2.1	1,109
Aug.	798	18.2	943	14.4	1,079	5.5	1,138	3.0	1,172
Sept.	768	21.5	933	12.6	1,050	4.3	1,096	(1.6)	1,078
Oct.	801	19.6	958	9.4	1,048	7.6	1,127	0.3	1,130
Nov.	698	24.8	870	9.9	957	10.5	1,057	(2.8)	1,027
Dec.	702	23.6	868	6.6	925	10.1	1,018	(5.0)	968
Jan.	758	7.3	813	9.5	890	7.8	960	0.7	967
Feb.	755	(4.4)	722	18.1	853	10.9	945		
March	855	10.7	947	6.0	1,004	6.4	1,068		
April	867	12.8	978	0.8	986	7.2	1,057		
May	909	10.4	1,004	4.7	1,051	8.0	1,135		
Total Year	$9,446	15.6	$10,921	9.1	$11,916	7.1	$12,761		
June-Jan	6,060	20.0	7,269	10.4	8,022	6.6	8,555	0.1	8,562

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$218	29.4	$282	2.7	$289	9.8	$318	9.5	$348
July	259	42.8	370	0.4	371	8.2	402	0.9	405
Aug.	285	36.2	389	(3.3)	376	1.4	381	11.4	425
Sept.	201	40.9	283	2.0	288	5.9	305	0.7	307
Oct.	215	26.7	273	10.4	301	7.2	323	(4.4)	309
Nov.	197	29.9	256	9.4	280	5.6	296	3.2	305
Dec.	179	23.9	222	6.4	236	12.7	266	(0.3)	266
Jan.	178	11.4	199	4.8	208	7.7	225	5.4	237
Feb.	185	(7.3)	171	16.7	200	12.6	225		
March	216	8.7	235	2.9	241	9.8	265		
April	256	5.0	269	10.2	297	9.8	326		
May	294	(1.1)	290	16.7	339	6.8	362		
Total Year	$2,684	20.7	$3,239	5.9	$3,428	7.7	$3,693		
June-Jan	1,733	31.1	2,273	3.4	2,351	7.0	2,516	3.4	2,601

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$220	24.6	$274	4.9	$288	15.6	$332	5.5	$351
July	231	26.6	293	(0.0)	293	9.3	320	8.1	346
Aug.	226	30.6	295	2.5	303	13.4	343	6.0	364
Sept.	229	23.1	282	5.2	296	13.2	335	(5.3)	318
Oct.	228	18.7	271	8.7	295	15.8	341	(0.6)	339
Nov.	184	23.1	226	24.0	280	5.2	295	11.0	327
Dec.	183	25.4	229	14.0	262	7.7	282	1.2	285
Jan.	210	6.5	223	13.7	254	6.0	269	18.1	318
Feb.	203	0.1	203	11.6	226	17.7	266		
March	230	14.8	264	1.6	269	12.4	302		
April	250	6.4	266	7.9	287	22.4	351		
May	274	0.3	275	27.0	349	14.1	398		
Total Year	$2,667	16.3	$3,101	9.6	$3,400	12.8	$3,835		
June-Jan	1,710	22.4	2,093	8.4	2,270	10.9	2,517	5.1	2,647

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$438	27.0	$556	3.8	$577	12.7	$650	7.4	$699
July	490	35.1	662	0.2	664	8.7	721	4.1	751
Aug.	511	33.7	684	(0.8)	679	6.8	725	8.8	789
Sept.	429	31.4	564	3.6	584	9.6	640	(2.4)	625
Oct.	444	22.5	544	9.6	596	11.4	664	(2.4)	648
Nov.	381	26.6	482	16.3	560	5.4	591	7.1	632
Dec.	362	24.6	452	10.2	498	10.0	548	0.5	551
Jan.	388	8.7	422	9.5	462	6.8	494	12.3	555
Feb.	388	(3.4)	374	13.9	426	15.3	492		
March	446	11.8	499	2.2	510	11.2	567		
April	507	5.7	535	9.1	584	16.0	677		
May	567	(0.4)	565	21.7	687	10.5	759		
Total Year	$5,351	18.5	$6,340	7.7	$6,828	10.3	$7,528		
June-Jan	3,444	26.8	4,366	5.8	4,621	8.9	5,033	4.3	5,248

NOTES:

(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.

(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.

(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.

(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.

(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.

(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.

(7) January 2011 traffic was negatively impacted due to several winter storms.

(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.

(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.

(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

Table 4 (Cont'd)
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$443	26.4	$561	4.7	$587	9.3	$641	3.1	$661
July	477	23.6	590	6.9	631	7.8	680	1.8	692
Aug.	483	21.3	586	6.7	625	6.5	666	4.3	695
Sept.	432	26.1	545	8.5	592	3.4	612	1.7	622
Oct.	450	25.3	563	7.2	604	7.7	651	(1.8)	639
Nov.	406	28.0	520	7.4	559	4.4	583	2.7	599
Dec.	420	21.2	509	2.5	522	11.9	584	(1.5)	575
Jan.	424	7.5	456	7.8	492	6.4	524	3.8	544
Feb.	433	(6.8)	404	16.8	472	10.9	523		
March	505	5.3	532	7.1	569	5.9	603		
April	519	5.1	545	8.6	592	2.2	605		
May	548	4.7	574	10.1	631	3.1	651		
Total Year	$5,543	15.2	$6,385	7.7	$6,876	6.5	$7,323		
June-Jan	3,537	22.4	4,331	6.5	4,611	7.2	4,941	1.7	5,027

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$186	10.2	$205	32.4	$271	7.0	$290	8.6	$315
July	198	5.9	210	15.3	242	15.6	280	12.4	315
Aug.	196	10.4	216	20.9	261	25.6	328	1.2	332
Sept.	189	7.9	204	28.3	262	13.1	297	(5.0)	282
Oct.	187	8.5	203	18.2	240	25.9	302	(1.7)	297
Nov.	145	20.6	174	32.6	231	16.6	270	(0.4)	269
Dec.	142	18.9	169	26.5	214	16.7	249	(2.0)	244
Jan.	162	5.9	171	28.8	221	12.5	248	16.3	289
Feb.	161	11.4	180	16.5	210	24.6	261		
March	186	19.0	221	20.1	266	4.7	278		
April	187	18.5	222	16.6	259	7.2	278		
May	192	22.1	234	19.7	280	7.3	301		
Total Year	$2,131	13.1	$2,410	22.7	$2,957	14.4	$3,382		
June-Jan	1,405	10.5	1,553	25.1	1,942	16.6	2,264	3.5	2,342

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$629	21.6	$765	12.1	$858	8.6	$931	4.8	$976
July	676	18.4	800	9.1	873	10.0	960	4.9	1,007
Aug.	679	18.1	802	10.5	886	12.1	994	3.3	1,026
Sept.	622	20.6	750	13.9	854	6.4	908	(0.5)	904
Oct.	637	20.3	767	10.1	844	12.9	953	(1.8)	936
Nov.	551	26.0	695	13.7	790	8.0	853	1.7	868
Dec.	562	20.6	678	8.5	736	13.3	834	(1.7)	820
Jan.	586	7.1	628	13.6	713	8.3	772	7.8	832
Feb.	595	(1.9)	584	16.7	681	15.1	784		
March	691	9.0	753	10.9	835	5.5	881		
April	706	8.6	767	10.9	851	3.8	883		
May	740	9.2	808	12.9	912	4.4	952		
Total Year	$7,674	14.6	$8,795	11.8	$9,832	8.9	$10,705		
June-Jan	4,942	19.1	5,884	11.4	6,553	9.9	7,205	2.3	7,369

Total Toll Revenue

Passenger Cars

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$28,855	27.8	$36,869	5.3	$38,832	3.5	$40,202	5.9	$42,563
July	31,106	30.7	40,655	6.0	43,113	3.3	44,555	0.6	44,813
Aug.	32,937	25.3	41,263	4.1	42,968	(1.2)	42,432	8.7	46,109
Sept.	26,475	31.7	34,855	3.6	36,108	3.9	37,501	3.3	38,737
Oct.	28,392	25.4	35,598	5.9	37,705	2.3	38,580	(0.0)	38,572
Nov.	27,060	27.6	34,536	4.0	35,902	4.6	37,566	2.3	38,446
Dec.	26,386	22.7	32,372	3.9	33,623	6.8	35,916	2.0	36,644
Jan.	27,457	7.5	29,518	0.6	29,699	8.5	32,226	2.9	33,172
Feb.	26,779	(11.4)	23,716	20.8	28,654	9.6	31,419		
March	31,067	7.2	33,298	3.4	34,419	4.5	35,960		
April	33,740	4.9	35,389	2.4	36,251	4.0	37,709		
May	36,093	5.0	37,911	1.5	38,477	6.7	41,069		
Total Year	$356,345	16.7	$415,981	4.8	$435,752	4.4	$455,133		
June-Jan	228,668	24.9	285,667	4.3	297,950	3.7	308,977	3.3	319,055

Commercial Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$24,034	10.3	$26,513	5.6	$27,996	7.4	$30,075	(0.9)	$29,797
July	24,570	7.2	26,335	5.0	27,654	2.9	28,449	1.8	28,953
Aug.	24,171	8.3	26,172	8.4	28,362	7.4	30,473	2.5	31,222
Sept.	23,514	9.9	25,852	8.9	28,147	4.1	29,292	(3.7)	28,222
Oct.	24,209	8.5	26,259	6.6	27,996	5.5	29,536	0.2	29,595
Nov.	19,853	15.1	22,847	12.9	25,796	7.3	27,670	4.7	28,976
Dec.	19,804	17.6	23,289	10.4	25,713	2.5	26,368	(1.0)	26,096
Jan.	23,652	(2.8)	22,991	10.9	25,499	4.3	26,599	8.4	28,832
Feb.	22,365	(4.5)	21,356	14.5	24,452	7.4	26,271		
March	24,916	8.4	27,014	9.6	29,617	(1.8)	29,086		
April	25,360	5.1	26,651	5.1	28,014	0.4	28,122		
May	25,452	5.2	26,778	7.8	28,858	6.4	30,707		
Total Year	$281,899	7.2	$302,057	8.6	$328,105	4.4	$342,646		
June-Jan	183,807	9.0	200,258	8.4	217,163	5.2	228,460	1.4	231,693

Total Vehicles

Month	2008-09	% Chg	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13
June	$52,889	19.8	$63,383	5.4	$66,829	5.2	$70,276	3.0	$72,360
July	55,676	20.3	66,990	5.6	70,767	3.2	73,004	1.0	73,767
Aug.	57,108	18.1	67,435	5.8	71,330	2.2	72,904	6.1	77,330
Sept.	49,989	21.4	60,707	5.8	64,255	3.9	66,792	0.2	66,959
Oct.	52,601	17.6	61,857	6.2	65,701	3.7	68,116	0.1	68,166
Nov.	46,912	22.3	57,383	7.5	61,698	5.7	65,236	3.4	67,422
Dec.	46,190	20.5	55,661	6.6	59,336	5.0	62,284	0.7	62,740
Jan.	51,110	2.7	52,509	5.1	55,198	6.6	58,824	5.4	62,004
Feb.	49,144	(8.3)	45,072	17.8	53,107	8.6	57,690		
March	55,982	7.7	60,313	6.2	64,037	1.6	65,046		
April	59,100	5.0	62,040	3.6	64,265	2.4	65,831		
May	61,544	5.1	64,689	4.1	67,335	6.6	71,776		
Total Year	$638,245	12.5	$718,038	6.4	$763,856	4.4	$797,779		
June-Jan	412,475	17.8	485,925	6.0	515,114	4.3	537,436	2.5	550,748

NOTES:
(1) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(2) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(3) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.

Actual and Assumed Toll Rate Increases

At the direction of the PTC, annual toll rate increases are assumed to occur on the entire Turnpike System. The toll rate increases are assumed to occur within several days of January 1 of each year. The assumptions regarding the planned toll rate increases have changed since the 2012 Forecast Study. Table 5 presents a comparison of the assumed annual percent increases in toll rates by E-ZPass and cash from calendar year 2011 through 2041 between the 2012 Forecast Study and this 2013 Bring Down letter.

The percent increases in toll rates shown in Table 5 are actual for 2011 and 2012. In 2013, the 2012 Forecast Study assumed that toll rates would increase by 3 percent for both cash and E-ZPass. In reality, E-ZPass tolls increased by 2 percent and cash tolls increased by 10 percent. In 2014, both studies assume a 3 percent toll rate increase for E-ZPass and cash. From 2015 through 2027 the toll rate assumptions differ between the 2012 Forecast Study and this 2013 Bring Down Letter. In general, the toll rates increase by the same or greater amounts in the current study compared to the 2012 Forecast Study from 2015 through 2027. From 2028 through 2041, both studies assume that toll rates will increase by 3 percent per year for both E-ZPass and cash. After 2013, all the toll rate increases are applied to all toll facilities and to all vehicle classes.

Actual and Assumed E-ZPass Penetration Rates

Compared to the 2012 Forecast Study, the estimates of E-ZPass penetration rates changed starting in calendar year 2013. This is because of the change in the 2013 toll schedule described in the previous section. In 2012 there was already a toll differential between cash and E-ZPass, with cash rates approximately 17 percent greater than E-ZPass rates. In 2013, cash toll rates increased by 10 percent and E-ZPass toll rates increased by 2 percent, so that cash rates were approximately 27 percent greater than E-ZPass rates. In the 2012 Forecast Study, it was assumed that both cash and E-ZPass toll rates would increase by 3 percent, maintaining the 17 percent toll differential.

Due to the actual 2013 toll increase, the new toll rates, which offered an increased E-ZPass discount, encouraged customers to shift into E-ZPass thus increasing the E-ZPass penetration rate. Table 6 presents the actual and assumed E-ZPass penetration rates for the Total Turnpike System for the 2012 Forecast Study and this 2013 Bring Down Letter. The E-ZPass penetration rates are actual through 2012 for this 2013 Bring Down Letter, and actual through 2011 for the 2012 Forecast Study. In 2012, E-ZPass penetration totaled 64.3 percent for cars and 81.6 percent for trucks. In 2013, the passenger-car E-ZPass penetration rate is estimated to increase to 68.6 percent, compared to 65.7 percent in the 2012 Forecast Study. The commercial vehicle penetration rate is estimated to increase to 83.9 percent in 2013 compared to 81.0 percent in the 2012 Forecast Study. After 2013 the rates of increase in E-ZPass penetration rates are consistent between the 2013 Bring Down letter and the 2012 Forecast Study.

Table 5
Actual and Assumed Percent Changes in Toll Rates
Pennsylvania Turnpike System

Calendar	Percent Changes in Turnpike System's Toll Rates (1)			
	2013 Bring Down Letter		2012 Forecast Study	
Year	E-ZPass	Cash	E-ZPass	Cash
2011	3.00	10.00	3.00	10.00
2012	0.00	10.00	0.00	10.00
2013	2.00	10.00	3.00	3.00
2014	3.00	3.00	3.00	3.00
2015	5.00	5.00	4.25	4.25
2016	5.50	5.50	5.50	5.50
2017	5.50	5.50	5.50	5.50
2018	5.50	5.50	5.50	5.50
2019	5.50	5.50	5.50	5.50
2020	5.50	5.50	5.50	5.50
2021	4.50	4.50	4.00	4.00
2022	4.50	4.50	3.00	3.00
2023	4.50	4.50	3.00	3.00
2024	4.50	4.50	3.00	3.00
2025	4.50	4.50	3.00	3.00
2026	4.00	4.00	3.00	3.00
2027	3.50	3.50	3.00	3.00
2028	3.00	3.00	3.00	3.00
2029	3.00	3.00	3.00	3.00
2030	3.00	3.00	3.00	3.00
2031	3.00	3.00	3.00	3.00
2032	3.00	3.00	3.00	3.00
2033	3.00	3.00	3.00	3.00
2034	3.00	3.00	3.00	3.00
2035	3.00	3.00	3.00	3.00
2036	3.00	3.00	3.00	3.00
2037	3.00	3.00	3.00	3.00
2038	3.00	3.00	3.00	3.00
2039	3.00	3.00	3.00	3.00
2040	3.00	3.00	3.00	3.00
2041	3.00	3.00	3.00	3.00

(1) The percent toll rate increases are the same for all toll facilities and for all vehicle classes.

Note: The toll rate increases for this 2013 Bring Down Letter are actual through 2013, and are actual through 2012 for the 2012 Forecast Study.

Table 6
Actual and Assumed Percent E-ZPass Penetration
Pennsylvania Turnpike System

Calendar Year	E-ZPass Penetration Rates: 2013 Bring Down Letter Cars	Trucks	Total	2012 Forecast Study Cars	Trucks	Total
2011	60.1	79.0	62.6	60.2	79.0	62.6
2012	64.3	81.6	66.5	64.3	80.4	66.4
2013	68.6	83.9	70.6	65.7	81.0	67.7
2014	69.7	84.5	71.6	66.9	81.6	68.8
2015	70.9	85.0	72.7	68.1	82.2	69.9
2016	71.6	85.6	73.4	68.8	82.8	70.6
2017	72.2	86.2	74.0	69.5	83.3	71.3
2018	72.9	86.7	74.7	70.1	83.9	71.9
2019	73.5	87.2	75.3	70.8	84.5	72.6
2020	74.0	87.8	75.9	71.4	85.0	73.2
2021	74.6	88.3	76.4	71.9	85.6	73.7
2022	75.1	88.8	76.9	72.5	86.1	74.3
2023	75.6	89.3	77.4	73.0	86.6	74.8
2024	76.1	89.8	77.9	73.5	87.0	75.3
2025	76.6	90.3	78.4	74.0	87.5	75.9
2026	77.1	90.8	78.9	74.5	88.0	76.4
2027	77.5	91.2	79.4	75.0	88.5	76.8
2028	78.0	91.7	79.8	75.4	89.0	77.3
2029	78.4	92.2	80.3	75.9	89.5	77.7
2030	78.9	92.6	80.7	76.4	90.0	78.2
2031	79.2	92.9	81.1	76.7	90.3	78.6
2032	79.6	93.2	81.4	77.1	90.6	78.9
2033	79.9	93.5	81.8	77.4	90.9	79.3
2034	80.2	93.7	82.1	77.8	91.2	79.6
2035	80.6	94.0	82.4	78.1	91.5	80.0
2036	80.9	94.3	82.7	78.5	91.8	80.3
2037	81.2	94.5	83.1	78.8	92.1	80.6
2038	81.5	94.8	83.4	79.1	92.4	81.0
2039	81.8	95.0	83.7	79.4	92.7	81.3
2040	82.2	95.0	83.9	79.8	93.0	81.6
2041	82.4	95.0	84.1	80.0	93.3	81.9

Note: The E-ZPass penetration rates for this 2013 Bring Down Letter are actual through 2012 and are actual only through 2011 for the 2012 Forecast Study.

The E-ZPass penetration rates are higher for cars and trucks throughout the forecast period in this Bring Down Letter compared to the 2012 Forecast Study due to the changed toll rate assumption in 2013. By 2041, the E-ZPass penetration rate totals 82.4 percent for cars and 95.0 percent for trucks, compared to 80.0 percent and 93.3 percent respectively. This has toll revenue implications, because E-ZPass customers pay substantially less than cash customers. For study purposes, commercial vehicle E-ZPass penetration rates were capped at 95.0 percent.

Summary of Changes in U.S. Gross Domestic Product

The 2012 Forecast Study was based in part on a U.S. gross domestic product (GDP) forecast available on February 16, 2012 and a Mid-Atlantic gross regional product (GRP) available on February 22, 2012, both developed by Moody's Analytics. The last actual data point for the U.S. GDP was the fourth quarter of 2011, and the last actual data point for the Mid-Atlantic GRP was the fourth quarter of 2010. This information was a key input in developing estimated growth forecasts for the Turnpike System.

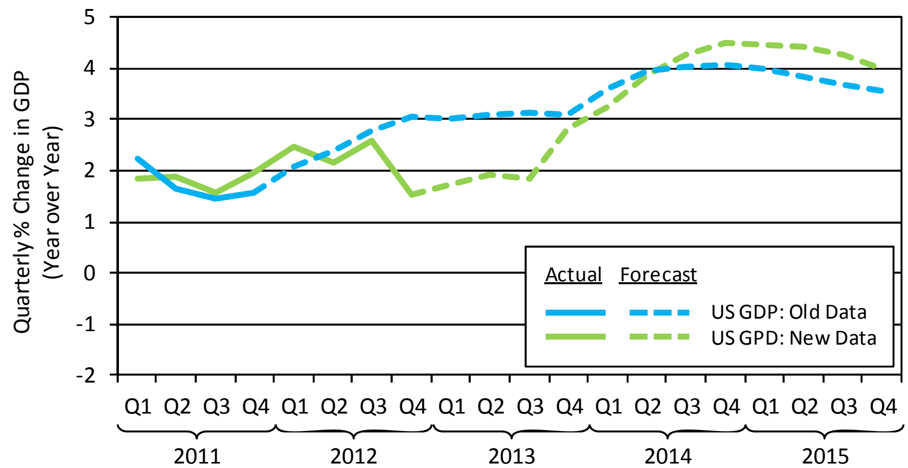
This section presents a comparison of the GDP information available for the 2012 Forecast Study with updated forecasts for GDP (available on February 11, 2013) from Moody's Analytics. The last actual data point for the updated forecast is the fourth quarter of 2012. A graphic comparison between the forecast U.S. GDP available for the 2012 Forecast Study and this 2013 Bring Down Letter is shown in Figure 3. The intent is to highlight the major differences in estimated U.S. economic activity at the time of the 2012 Forecast Study and this 2013 Bring Down Letter. Figure 3 shows the percent change in quarterly growth of GDP over the same quarter in the prior year. The blue line presents the actual (solid line) and estimated (dashed line) GDP growth available for the 2012 Forecast Study (old data). The green line presents the actual (solid line) and estimated (dashed line) GDP growth available for this 2013 Bring Down Letter (new data).

It is apparent that the economy, as reflected by the U.S. GDP, did not grow as quickly in 2012 or 2013 as anticpated at the time of the 2012 Forecast Study. In 2014, the new estimates of GDP growth show an increasing rate of economic expansion, even surpassing the previous rates of growth in the third and fourth quarters of the old data set. In fact the overall rate of growth in the 2014 U.S. GDP is slightly greater in the new data compared to the old data. Although not shown, the patterns of the current Mid-Atlantic GRP show the same pattern of changes as shown for the U.S. GDP.

Based on the the new forecasts in GDP and Mid-Atlantic GRP, normal growth rates in transactions were reduced in calendar years 2013 and 2014. It should be noted that even though current 2014 GDP forcasts are nearly identical to those in the 2012 Forecast Study, CDM Smith still chose to decrease estimated traffic growth by about 0.5 percent in 2014. This adds a level of conservatism to the near-term traffic and toll revenue forecasts. After 2014, growth rates remain unchanged

FIGURE 3

COMPARISON OF QUARTERLY GROWTH ESTIMATES IN U.S. GROSS DOMESTIC PRODUCT



Source: Actuals are from the Bureau of Economic Analysis and estimates are by Moody's Analytics.

from those provided in the 2012 Forecast Study. As seen in Figure 3, estimated growth rates in 2015 U.S.

GDP are forecast to exceed the growth rates available for the 2012 Forecast Study. This increased growth is not reflected in the current Bring Down Letter, as the Letter only reflects near-term economic changes in 2013 and 2014, but it is an optimistic note that economic growth is anticipated to outpace earlier growth forecasts over the long term.

Actual Versus Estimated Traffic and Toll Revenue

Table 7 provides a comparison of actual traffic and toll revenue versus estimated traffic and toll revenue from CDM Smith's 2012 Forecast Study. The analysis period in this table is from February 2012 through January 2013. This twelve-month period corresponds to the period for which actual data currently exists, but was estimated at the time of the 2012 Forecast Study.

Table 7
Comparison of Estimated and Actual Traffic Volumes and Toll Revenue
From February 2012 through January 2013 (1)
Pennsylvania Turnpike System

	Total Traffic (in Thousands)			Total Toll Revenue (in Thousands)		
Facility	Estimated	Actual	Actual as Percent of Estimated	Estimated	Actual	Actual as Percent of Estimated
			Passenger Cars			
Ticket and Gateway Barrier	135,614	133,177	(1.8)	$ 432,240	$ 431,400	(0.2)
Turnpike 43	11,504	11,984	4.2	12,859	13,752	6.9
Turnpike 66	7,234	6,899	(4.6)	9,229	8,871	(3.9)
Northeast Extension (Barrier)	5,035	4,929	(2.1)	3,823	3,779	(1.1)
Turnpike I-376	7,249	6,984	(3.7)	7,647	7,410	(3.1)
Total System	166,636	163,973	(1.6)	$ 465,797	$ 465,211	(0.1)
			Commercial Vehicles			
Ticket and Gateway Barrier	20,668	20,185	(2.3)	$ 340,794	$ 332,096	(2.6)
Turnpike 43	674	737	9.4	2,168	2,462	13.6
Turnpike 66	1,067	1,029	(3.5)	4,046	3,897	(3.7)
Northeast Extension (Barrier)	963	991	2.9	3,803	3,964	4.2
Turnpike I-376	1,207	1,165	(3.5)	3,618	3,441	(4.9)
Total System	24,578	24,106	(1.9)	$ 354,430	$ 345,860	(2.4)
			Total Vehicles			
Ticket and Gateway Barrier	156,282	153,362	(1.9)	$ 773,034	$ 763,496	(1.2)
Turnpike 43	12,178	12,722	4.5	15,027	16,214	7.9
Turnpike 66	8,301	7,927	(4.5)	13,275	12,768	(3.8)
Northeast Extension (Barrier)	5,998	5,920	(1.3)	7,626	7,743	1.5
Turnpike I-376	8,456	8,149	(3.6)	11,265	10,850	(3.7)
Total System	191,214	188,080	(1.6)	$ 820,227	$ 811,071	(1.1)

(1) These 12 months correspond to the period for which actual data exists, but was estimated at the time of CDM Smith's 2012 Forecast Study.

On a Total System basis, actual passenger-car transactions fell short of estimates by 1.6 percent, and passenger-car toll revenue fell short of estimates by 0.1 percent. A similar pattern was seen for commercial vehicles, as actual transactions fell short of estimates by 1.9 percent, and actual toll revenue fell short of estimates by 2.4 percent. When all vehicles are considered, actual transactions fell short of estimates by 1.6 percent and toll revenue fell short of estimates by 1.1 percent.

The primary reason the actual traffic and toll revenue did not meet forecasts was the lower than anticipated economic growth over the twelve-month period. In addition, Hurricane Sandy and several weather events in December negatively impacted traffic and toll revenue. Lastly, the actual toll increase implemented in January 2013, when E-ZPass rates increased by only 2 percent and cash rates increased by 10 percent, encouraged a larger than anticipated shift into E-ZPass, thus reducing the forecast growth in toll revenue. Recall that the 2012 Forecast Study assumed a toll increase in 2013 of 3 percent for both E-ZPass and cash.

Estimated Traffic and Gross Toll Revenue

Updated traffic and gross toll revenue impacts were developed through FY 2040-41 incorporating the following changes into the forecast. All these changes were described in previous sections.

- Different annual toll rate increases in calendar years 2013 through 2027 (as shown in Table 5);
- Higher E-ZPass penetration rates associated with changes in the 2013 and future year toll rate schedules (as shown in Table 6);
- Actual traffic and revenue experience through January 2013 (as shown in Tables 3 and 4); and
- Lower economic growth than anticipated in 2012, 2013, and 2014 at the time the 2012 Forecast Study was developed (as shown in Figure 3).

Other assumptions remain unchanged from the 2012 Forecast Study including:

- Long range normal growth rates from 2015 through the end of the forecast period;
- Long range economic indicators;
- Major Committed Roadway Improvements – including the phasing of the I-276/I-95 Interchange Project. It was however confirmed that the current phasing of the I-276/I-95 Interchange project is still consistent with the 2012 Forecast Study; and
- Toll sensitivity.

Table 8 shows the traffic and toll revenue for only the ticket system. Data for FY 2011-12 reflects a full year of actual experience and FY 2012-13 includes eight months of actual experience (through January 2013). Total toll transactions increase from 154.7 million to 241.8 million over the forecast period, an average annual increase of 1.6 percent. Gross toll revenue increases from $752.3 million to $3.4 billion by FY 2040-41. This amounts to an average annual increase of 5.4 percent, reflecting the impact of normal growth plus the annual rate adjustments.

The same information is shown for the barrier toll systems in Table 9. Compared to the ticket system, total annual toll transactions are estimated to grow at a slightly higher average annual rate, averaging 1.7 percent over the period shown. Total barrier revenue increases at an annual rate of 5.6 percent.

Table 10 identifies total combined transactions and gross toll revenue and also factors in estimated toll discounts and adjustments. The vast majority of the discounts and adjustments results from commercial account toll adjustments due to the Turnpike's volume discount program. As mentioned earlier in this letter, the post-paid commercial volume discount program was modified in January 2013, and will be phased out altogether in January 2014.

The final column in Table 10 shows total adjusted annual gross toll revenue. Total toll transactions are expected to increase from nearly 189.1 million to 298.3 million over the forecast period. This amounts to an average annual growth rate of 1.6 percent. As shown, total adjusted gross toll revenue is estimated to grow from approximately $780.8 million in FY 2011-12 to almost $3.7 billion by FY 2040-41. This reflects an average annual growth rate in gross toll revenue of 5.5 percent. Again, this includes the impact of normal growth plus annual toll rate adjustments.

Table 11 provides a comparison of the current traffic and adjusted gross toll revenue forecasts with those developed as part of the 2012 Forecast Study. In the current FY 2012-13, the new forecasts are about 1.9 percent below previous forecasts. This reflects eight months of actual data. During the same period, total adjusted gross toll revenue is about 1.2 percent below previous forecasts. As discussed earlier, to be conservative, it was assumed that growth would continue to be below the old forecasts through the remainder of 2013 and for all of calendar year 2014. The result of these assumptions further increases the difference between the current forecasts and the previous forecasts. As shown, the difference in transactions increases and stays in the range of 3.0 percent to 3.3 percent for the remainder of the forecast period. The difference slowly increases over time due to the slightly higher toll rate assumptions in the current forecast, which results in slightly more toll diversion over time.

Differences in adjusted gross toll revenue are not quite as great in the beginning, then slowly decrease and actually become positive by FY 2022-23. This is due to the impact of higher toll rate increase assumptions throughout the forecast period. The current forecast shows revenue slowly

Table 8
Ticket System: Estimated Annual Transactions and Gross Toll Revenue (1)
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

Fiscal Year		Annual Transactions: Passenger Cars	Annual Transactions: Commercial Vehicles	Annual Transactions: Total Vehicles	Annual Gross Toll Revenue: Passenger Cars	Annual Gross Toll Revenue: Commercial Vehicles	Annual Gross Toll Revenue: Total Vehicles
2011-12	(2,4)	134,383	20,312	154,695	$422,872	$329,450	$752,322
2012-13	(3,5)	133,497	20,274	153,771	436,901	336,959	773,861
2013-14	(6)	135,386	20,598	155,984	456,382	352,519	808,902
2014-15	(6)	137,794	21,011	158,805	479,324	372,837	852,161
2015-16	(6)	140,725	21,462	162,187	512,633	400,012	912,645
2016-17	(6)	143,173	21,890	165,063	548,668	429,682	978,350
2017-18	(6,7)	146,731	22,503	169,234	595,627	468,952	1,064,579
2018-19	(6)	150,838	23,208	174,046	650,918	514,205	1,165,123
2019-20	(6)	152,951	23,612	176,563	694,489	550,975	1,245,464
2020-21	(6)	155,108	24,022	179,130	738,507	587,985	1,326,491
2021-22	(6)	157,323	24,443	181,766	780,939	624,148	1,405,087
2022-23	(6)	159,579	24,869	184,447	825,853	662,469	1,488,322
2023-24	(6)	161,873	25,300	187,173	873,381	703,071	1,576,452
2024-25	(6)	164,210	25,735	189,945	923,693	746,087	1,669,780
2025-26	(6)	166,585	26,178	192,763	975,077	790,107	1,765,184
2026-27	(6)	169,011	26,632	195,643	1,024,489	832,800	1,857,289
2027-28	(6)	171,507	27,095	198,602	1,071,431	873,663	1,945,094
2028-29	(6)	174,067	27,568	201,635	1,117,399	913,988	2,031,387
2029-30	(6)	176,672	28,047	204,719	1,165,378	956,116	2,121,494
2030-31	(6)	179,319	28,532	207,851	1,215,719	1,000,390	2,216,109
2031-32	(6)	181,995	29,021	211,016	1,268,612	1,046,971	2,315,584
2032-33	(6)	184,712	29,517	214,228	1,323,803	1,095,658	2,419,461
2033-34	(6)	187,476	30,019	217,495	1,381,443	1,146,561	2,528,004
2034-35	(6)	190,292	30,528	220,820	1,441,675	1,199,709	2,641,384
2035-36	(6)	193,144	31,042	224,186	1,504,470	1,255,196	2,759,666
2036-37	(6)	196,034	31,561	227,596	1,569,962	1,313,119	2,883,080
2037-38	(6)	198,980	32,088	231,067	1,638,397	1,373,635	3,012,032
2038-39	(6)	201,977	32,622	234,599	1,709,876	1,436,887	3,146,763
2039-40	(6)	205,032	33,162	238,195	1,784,574	1,503,625	3,288,199
2040-41	(6)	208,133	33,712	241,845	1,862,971	1,574,410	3,437,381

(1) Includes the transactions and toll revenue from the Gateway Plaza.
(2) Reflects actual traffic and revenue experience.
(3) Reflects actual experience through January 2013.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(6) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates for each year are listed in Table 5.
(7) Includes impacts for I-95 Interchange Stages 0 and 1.

Table 9

Barrier System: Estimated Annual Transactions and Gross Toll Revenue

Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

		Annual Transactions			Annual Gross Toll Revenue		
Fiscal Year		Passenger Cars	Commercial Vehicles	Total Vehicles	Passenger Cars	Commercial Vehicles	Total Vehicles
2011-12	(1,3)	30,577	3,815	34,392	$32,261	$13,196	$45,457
2012-13	(2,4)	30,991	3,977	34,968	34,597	14,131	48,728
2013-14	(5)	31,480	4,133	35,613	36,343	15,088	51,431
2014-15	(5)	32,072	4,303	36,375	38,216	16,265	54,481
2015-16	(5)	32,672	4,465	37,137	40,745	17,716	58,461
2016-17	(5)	33,270	4,606	37,876	43,572	19,248	62,820
2017-18	(5)	33,865	4,732	38,596	46,582	20,834	67,416
2018-19	(5)	34,452	4,850	39,302	49,788	22,502	72,289
2019-20	(5)	35,035	4,967	40,003	53,208	24,282	77,491
2020-21	(5)	35,621	5,086	40,707	56,659	26,092	82,751
2021-22	(5)	36,215	5,206	41,421	59,999	27,885	87,884
2022-23	(5)	36,814	5,327	42,140	63,526	29,792	93,319
2023-24	(5)	37,417	5,448	42,865	67,251	31,817	99,068
2024-25	(5)	38,026	5,570	43,596	71,193	33,967	105,160
2025-26	(5)	38,643	5,692	44,335	75,242	36,177	111,419
2026-27	(5)	39,268	5,816	45,085	79,179	38,340	117,519
2027-28	(5)	39,905	5,942	45,847	82,953	40,429	123,383
2028-29	(5)	40,553	6,068	46,621	86,656	42,496	129,152
2029-30	(5)	41,206	6,194	47,400	90,514	44,647	135,161
2030-31	(5)	41,864	6,320	48,184	94,527	46,890	141,416
2031-32	(5)	42,526	6,447	48,973	98,716	49,235	147,952
2032-33	(5)	43,195	6,576	49,771	103,104	51,691	154,795
2033-34	(5)	43,870	6,706	50,576	107,675	54,262	161,937
2034-35	(5)	44,551	6,837	51,388	112,435	56,953	169,388
2035-36	(5)	45,237	6,969	52,206	117,391	59,766	177,157
2036-37	(5)	45,928	7,103	53,030	122,572	62,717	185,289
2037-38	(5)	46,624	7,238	53,862	128,010	65,821	193,831
2038-39	(5)	47,328	7,374	54,702	133,677	69,070	202,747
2039-40	(5)	48,038	7,512	55,551	139,584	72,472	212,056
2040-41	(5)	48,759	7,653	56,411	145,748	76,037	221,786

(1) Reflects actual traffic and revenue experience.
(2) Reflects actual experience through January 2013.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates for each year are listed in Table 5.

Table 10
Total System: Estimated Annual Transactions and Gross Toll Revenue
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

		Annual Transactions			Annual Gross Toll Revenue				Adjusted
Fiscal Year		Passenger Cars	Commercial Vehicles	Total Vehicles	Passenger Cars	Commercial Vehicles	Total Vehicles	Discounts and Adjustments (7)	Annual Gross Revenue
2011-12	(1,3)	164,960	24,127	189,087	$455,133	$342,646	$797,779	($16,981)	$780,798
2012-13	(2,4)	164,489	24,251	188,740	471,498	351,090	822,589	(11,586)	811,003
2013-14	(5)	166,866	24,730	191,597	492,725	367,608	860,333	(5,514)	854,819
2014-15	(5)	169,865	25,314	195,180	517,540	389,102	906,641	0	906,641
2015-16	(5)	173,397	25,927	199,324	553,379	417,727	971,106	0	971,106
2016-17	(5)	176,444	26,496	202,939	592,240	448,930	1,041,170	0	1,041,170
2017-18	(5,6)	180,595	27,235	207,830	642,208	489,786	1,131,995	0	1,131,995
2018-19	(5)	185,290	28,058	213,348	700,706	536,706	1,237,412	0	1,237,412
2019-20	(5)	187,987	28,579	216,566	747,697	575,257	1,322,954	0	1,322,954
2020-21	(5)	190,730	29,108	219,838	795,165	614,077	1,409,242	0	1,409,242
2021-22	(5)	193,538	29,649	223,187	840,938	652,033	1,492,970	0	1,492,970
2022-23	(5)	196,392	30,196	226,588	889,380	692,261	1,581,641	0	1,581,641
2023-24	(5)	199,290	30,748	230,038	940,631	734,888	1,675,520	0	1,675,520
2024-25	(5)	202,236	31,305	233,542	994,886	780,054	1,774,940	0	1,774,940
2025-26	(5)	205,227	31,871	237,098	1,050,319	826,284	1,876,603	0	1,876,603
2026-27	(5)	208,279	32,448	240,727	1,103,667	871,140	1,974,808	0	1,974,808
2027-28	(5)	211,412	33,037	244,450	1,154,384	914,092	2,068,477	0	2,068,477
2028-29	(5)	214,619	33,636	248,255	1,204,056	956,484	2,160,539	0	2,160,539
2029-30	(5)	217,878	34,241	252,119	1,255,892	1,000,764	2,256,655	0	2,256,655
2030-31	(5)	221,183	34,852	256,035	1,310,246	1,047,280	2,357,525	0	2,357,525
2031-32	(5)	224,521	35,468	259,989	1,367,329	1,096,207	2,463,535	0	2,463,535
2032-33	(5)	227,907	36,092	263,999	1,426,907	1,147,350	2,574,257	0	2,574,257
2033-34	(5)	231,346	36,725	268,071	1,489,118	1,200,823	2,689,941	0	2,689,941
2034-35	(5)	234,843	37,365	272,208	1,554,110	1,256,662	2,810,772	0	2,810,772
2035-36	(5)	238,381	38,011	276,392	1,621,861	1,314,962	2,936,822	0	2,936,822
2036-37	(5)	241,962	38,664	280,626	1,692,534	1,375,835	3,068,369	0	3,068,369
2037-38	(5)	245,604	39,326	284,929	1,766,407	1,439,456	3,205,863	0	3,205,863
2038-39	(5)	249,305	39,996	289,301	1,843,553	1,505,958	3,349,510	0	3,349,510
2039-40	(5)	253,070	40,675	293,745	1,924,158	1,576,097	3,500,255	0	3,500,255
2040-41	(5)	256,892	41,365	298,257	2,008,720	1,650,447	3,659,167	0	3,659,167

(1) Reflects actual traffic and revenue experience.
(2) Reflects actual experience through January 2013.
(3) Cash toll rates were increased by 10 percent on January 1, 2012, except for Turnpike 576, where toll rates were unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50% depending upon the year. The rates are listed in Table 5.
(6) Includes impacts for I-95 Interchange Stages 0 and 1.
(7) This reflects actual discounts and adjustments in FY 2011-12 and through December of FY 2012-13. Changes were implemented in the commercial discount program in January 2012 and 2013 to reduce the amount of the discount. Beginning in January 2014 the commercial discounts will be eliminated altogether.

Table 11
Comparson of New Traffic and Revenue
Estimates with those from the 2012 Forecast Study
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

	Total Annual Transactions			Total Annual Adjusted Gross Toll Revenue		
Fiscal Year	Current Estimates	2012 Forecast	Percent Difference	Current Estimates	2012 Forecast	Percent Difference
2011-12	189,087	189,074	0.0%	$780,798	$779,340	0.2%
2012-13	188,740	192,431	(1.9)	811,003	820,715	(1.2)
2013-14	191,597	196,555	(2.5)	854,819	867,834	(1.5)
2014-15	195,180	201,175	(3.0)	906,641	922,728	(1.7)
2015-16	199,324	205,491	(3.0)	971,106	985,088	(1.4)
2016-17	202,939	209,227	(3.0)	1,041,170	1,056,844	(1.5)
2017-18	207,830	214,263	(3.0)	1,131,995	1,149,614	(1.5)
2018-19	213,348	219,988	(3.0)	1,237,412	1,257,743	(1.6)
2019-20	216,566	223,311	(3.0)	1,322,954	1,345,507	(1.7)
2020-21	219,838	226,704	(3.0)	1,409,242	1,431,473	(1.6)
2021-22	223,187	230,231	(3.1)	1,492,970	1,504,749	(0.8)
2022-23	226,588	233,860	(3.1)	1,581,641	1,572,962	0.6
2023-24	230,038	237,544	(3.2)	1,675,520	1,644,212	1.9
2024-25	233,542	241,287	(3.2)	1,774,940	1,718,661	3.3
2025-26	237,098	245,072	(3.3)	1,876,603	1,796,367	4.5
2026-27	240,727	248,895	(3.3)	1,974,808	1,877,451	5.2
2027-28	244,450	252,774	(3.3)	2,068,477	1,962,142	5.4
2028-29	248,255	256,715	(3.3)	2,160,539	2,050,604	5.4
2029-30	252,119	260,716	(3.3)	2,256,655	2,143,014	5.3
2030-31	256,035	264,772	(3.3)	2,357,525	2,239,901	5.3
2031-32	259,989	268,868	(3.3)	2,463,535	2,341,539	5.2
2032-33	263,999	273,021	(3.3)	2,574,257	2,447,729	5.2
2033-34	268,071	277,239	(3.3)	2,689,941	2,558,724	5.1
2034-35	272,208	281,524	(3.3)	2,810,772	2,674,701	5.1
2035-36	276,392	285,858	(3.3)	2,936,822	2,795,739	5.0
2036-37	280,626	290,245	(3.3)	3,068,369	2,922,091	5.0
2037-38	284,929	294,702	(3.3)	3,205,863	3,054,181	5.0
2038-39	289,301	299,231	(3.3)	3,349,510	3,192,226	4.9
2039-40	293,745	303,835	(3.3)	3,500,255	3,336,511	4.9
2040-41	298,257	308,509	(3.3)	3,659,167	3,487,637	4.9

increasing so that it is about 5.4 percent greater than the previous forecast, then the difference begins to decrease such that by FY 2040-41 it is about 4.9 percent greater than the previous forecast. The reason for the reduction in the difference beginning in FY 2029-30 is because at that time the toll rate increase assumptions are identical between the current and 2012 Forecast Study. Thus, because of the higher E-ZPass assumptions in the current study, revenue slowly begins to decline again compared to the previous study (which assumed a greater proportion of higher paying cash transactions).

*   *   *

Disclaimer

Current accepted professional practices and procedures were used in the development of these traffic and revenue forecasts. However, as with any forecast of the future, it should be understood that there may be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. In formulating its forecasts, CDM Smith has reasonably relied upon the accuracy and completeness of information provided (both written and oral) by the Pennsylvania Turnpike Commission. CDM Smith also has relied upon the reasonable assurances of some independent parties and is not aware of any facts that would make such information misleading.

CDM Smith has made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue forecasts that must be considered as a whole; therefore selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underling methodologies used to obtain the results. CDM SMITH gives no opinion as to the value or merit to partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple federal, state and local agencies, including the Pennsylvania Turnpike Commission, and some independent parties. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projections contained within this report.

While CDM Smith believes that some of the projections or other forward-looking statements contained within the report are based on reasonable assumptions as of the date in the report, such forward looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

Sincerely,

Scott A. Allaire

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February 27, 2014

Mr. Nikolaus Grieshaber
Chief Financial Officer
Pennsylvania Turnpike Commission
700 South Eisenhower Boulevard
Middletown, PA 17057

Subject: Pennsylvania Turnpike Commission 2014 Traffic and Toll Revenue Bring Down Letter

Dear Mr. Grieshaber:

The Pennsylvania Turnpike Commission (PTC or Commission) has asked CDM Smith to prepare this Bring Down Letter (2014 Bring Down Letter) to be used in support of the Commission's ongoing capital improvement program and other funding requirements. This letter provides an update to the *2013 Traffic and Toll Revenue Bring Down Letter (*2013 Bring Down Letter), dated March 18, 2013.

The 2013 Bring Down Letter provides an update to the most recent investment grade study, the *Pennsylvania Turnpike 2012 Traffic and Revenue Forecast Study* (2012 Forecast Study), prepared by CDM Smith and dated March 9, 2012. The 2012 Forecast Study presented traffic and gross toll revenue forecasts from fiscal year (FY) 2011-12 through FY 2040-41, or 29 years. A fiscal year runs from June 1 through May 31. Actual traffic and revenue data were available through January 2012 for the 2012 Forecast Study and through January 2013 for the 2013 Bring Down Letter.

This 2014 Bring Down Letter presents actual traffic and toll revenue data through January 2014 (the most recent month of actual experience), compares the forecasts between the 2013 and 2014 Bring Down Letters, and provides updated traffic and revenue forecasts through FY 2040-41. The updated forecasts reflect the following changes from the 2013 Bring Down Letter.

- E-ZPass toll rates actually increased by 2.0 percent in calendar year 2014 compared to a planned 3.0 percent, except for Turnpike 576 where toll rates remained unchanged.
- Cash toll rates actually increased by 12.0 percent in calendar year 2014 compared to a planned 3.0 percent, except for Turnpike 576 where toll rates remained unchanged.
- The estimated E-ZPass penetration rates change beginning in calendar year 2014 due to an increased toll differential between cash and E-ZPass toll rates implemented in January 2014.

- Actual traffic and toll revenue data for an additional 12 months (through January 2014).
- Lower economic growth was realized in 2013 than was forecast, and current economic growth projections are lower for 2014 through 2016 than previously forecast. The largest variance is for 2014.
- The commercial volume discount program previously assumed to be phased out in 2014 was modified January 1, 2014 and is now assumed to continue throughout the forecast period.

These differences are described in more detail in the following sections.

It is important to note that forecasts of annual traffic growth rates in this 2014 Bring Down Letter are only adjusted in 2014 and 2015 to reflect the lower than forecast economic activity in those years. Forecasted growth rates in traffic from 2016 and beyond are unchanged from those in the either the 2013 Bring Down Letter or the 2012 Forecast Study. The revised traffic and toll revenue estimates presented in this 2014 Bring Down Letter do include adjustments for the changed assumptions in E-ZPass penetration rates through 2041.

The 2012 Forecast Study provides detailed information on the socioeconomic trends and forecasts for the state, region and country that formed the basis for the original traffic and toll revenue forecasts. Additional information regarding the Pennsylvania Turnpike (Turnpike), such as historical toll rate increases, sample toll rates, E-ZPass market share, and more, are also provided in the 2012 Forecast Study.

Historical Toll Rate Increases and Current Toll Rates

Table 1 provides a historical summary of toll rate increases on the Turnpike System from 1987 to the most recent increase implemented on January 5, 2014. Rate increases are presented as a percent increase over the previous toll rate for cash and E-ZPass. The four rate increases implemented between 1987 and 2009 ranged from 25.0 percent to 42.5 percent and were implemented in irregular intervals. Since 2009 the PTC has implemented annual systemwide toll increases, although a section of Turnpike 43 was exempted from the rate increase in 2009, and Turnpike 576 was exempted from 2009 through 2012, and 2014.

The first toll increase that created a differential between cash and E-ZPass toll rates was implemented on January 2, 2011, when E-ZPass tolls were increased by 3.0 percent and cash tolls were increased by 10.0 percent. Each subsequent toll schedule change has increased the difference between the E-ZPass and cash toll rates. In 2012, the E-ZPass toll rate was not increased and the cash toll rate was increased by 10.0 percent. In 2013, the E-ZPass toll rate was increased by 2.0 percent and the cash rate was increased by 10.0 percent. The most recent toll schedule change, in 2014, increased E-ZPass rates by 2.0 percent and cash rates by 12.0 percent on all Turnpike facilities except Turnpike 576. In 2014, cash customers will pay, on average, approximately 39 percent more than E-ZPass customers for the same trip. The toll rate increase that was implemented on January 5, 2014 is different from the assumed toll rate increase in the2013 Bring Down Letter, which assumed a 3.0 percent increase for both E-ZPass and cash tolls.

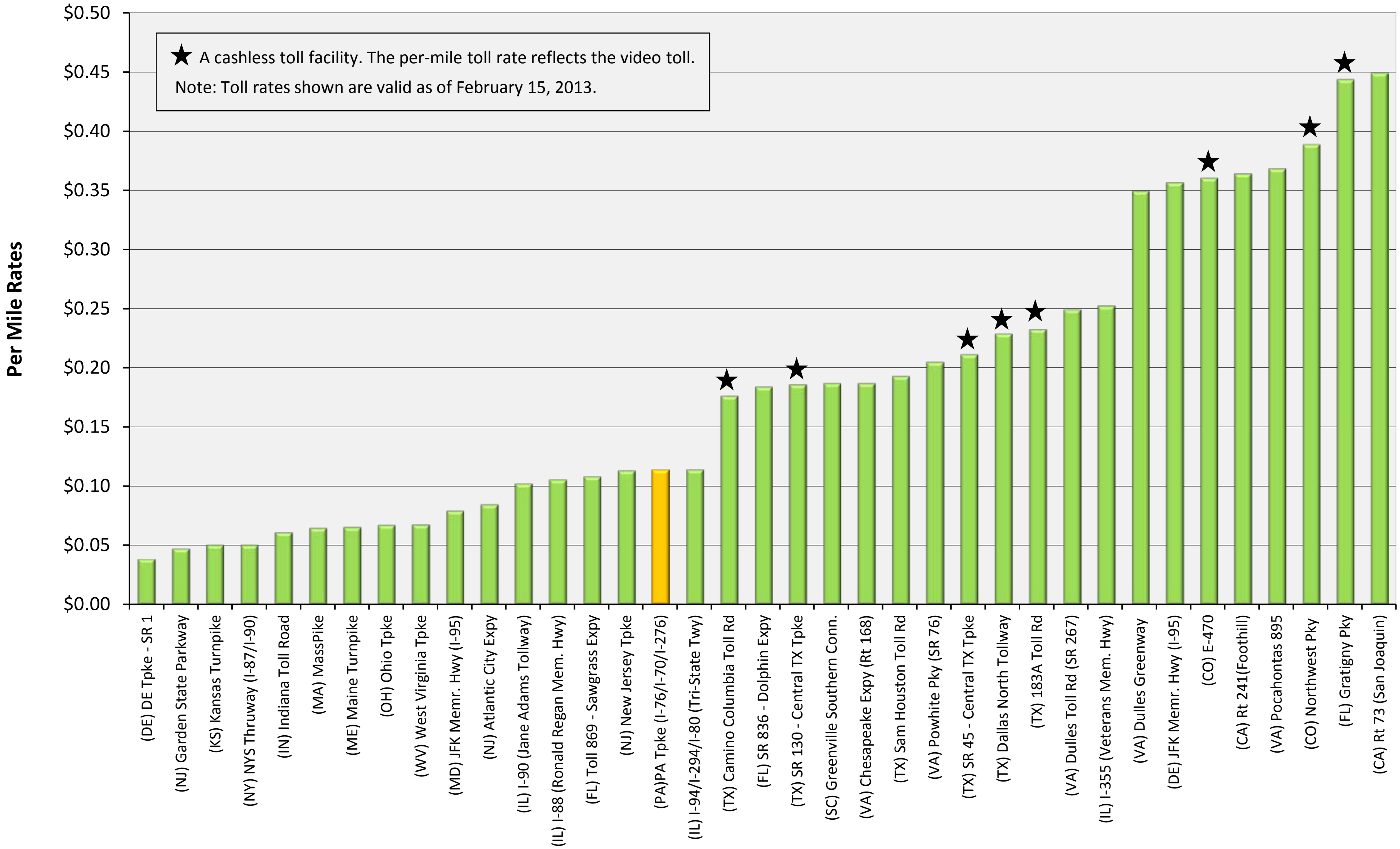
Table 1
Historical Toll Rate Increases
Pennsylvania Turnpike System

	Percent Increase		
Date	Cash	E-ZPass	**Comment**
1/2/1987	40.0	NA	E-ZPass was not yet implemented on the Turnpike
6/1/1991	32.0	NA	E-ZPass was not yet implemented on the Turnpike
8/1/2004	42.5	42.5	
1/4/2009	25.0	25.0	No toll increase on Turnpike 576 or Turnpike 43 between Uniontown and Brownsville
1/3/2010	3.0	3.0	No toll increase on Turnpike 576
1/2/2011	10.0	3.0	No toll increase on Turnpike 576
1/1/2012	10.0	0.0	No toll increase on Turnpike 576
1/6/2013	10.0	2.0	
1/5/2014	12.0	2.0	No toll increase on Turnpike 576

Figures 1 and 2 show the 2014 per-mile toll rates for a through trip on 38 U.S. toll facilities, for cash and electronic toll collection (ETC) payments, respectively. The per-mile toll rate is shown for the Pennsylvania Turnpike Ticket System (the yellow bar), which is by far the largest component of the Turnpike System comprising about 82 percent of all transactions and 94 percent of all toll revenue in FY 2012-13. The purpose of these figures is to show that even with the six consecutive annual toll increases since 2009, the per-mile toll rates on the Pennsylvania Turnpike System, at 11.4 cents per mile for cash customers and 8.2 cents per mile for E-ZPass customers are still very reasonably priced compared to other major toll facilities in the U.S.

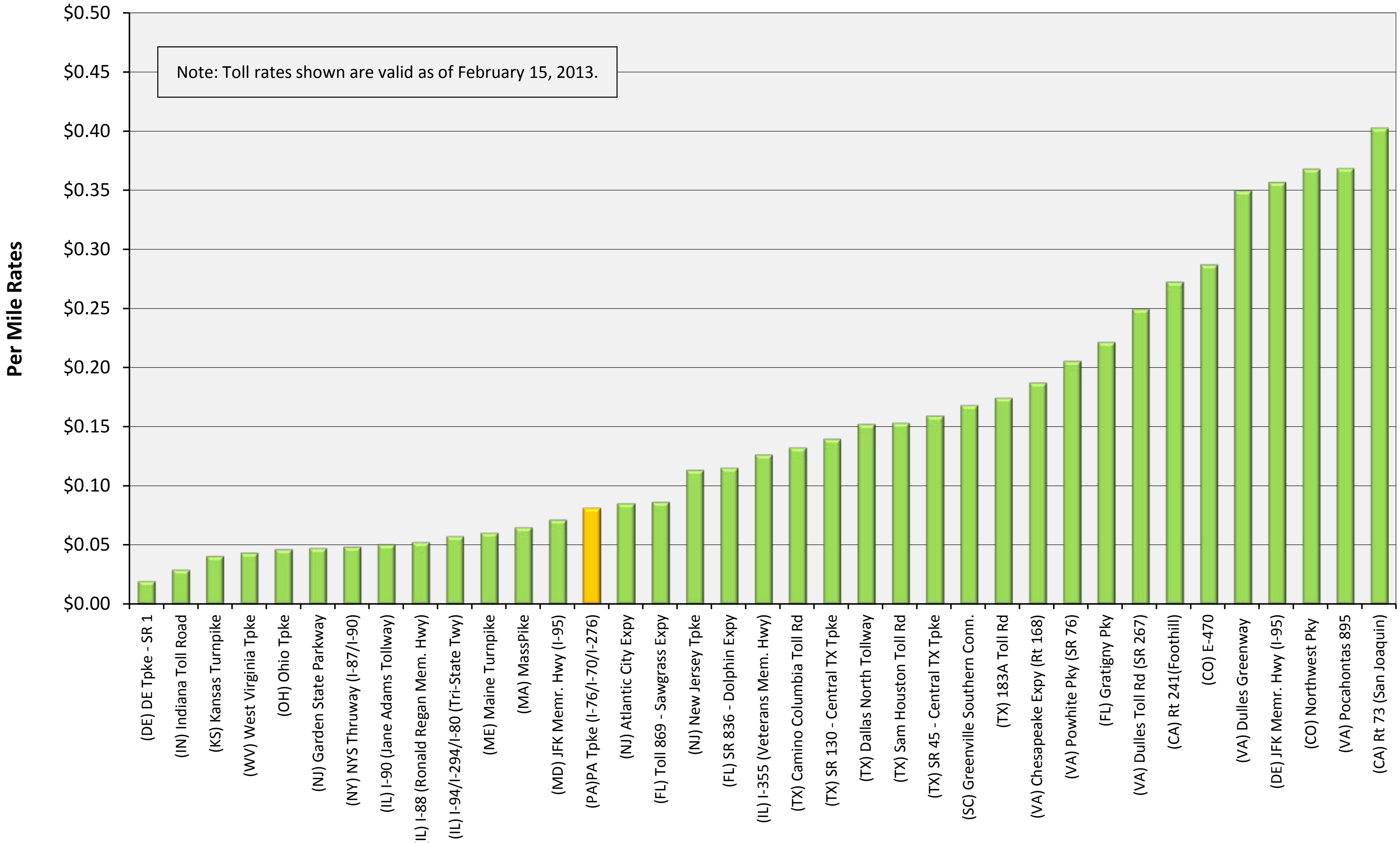
Annual Transaction and Gross Toll Revenue Trends

Table 2 provides a summary of annual Systemwide transactions and adjusted gross toll revenue trends from FY 1979-80 through FY 2012-13. Note that the adjusted toll revenue includes adjustments and discounts attributable to the commercial volume discount program. Prior to the implementation of discounted E-ZPass toll rates, a post-paid, volume discount program was



2014 CASH PER-MILE TOLL RATES FOR PASSENGER CARS (BASED ON A THROUGH TRIP)

FIGURE 1



2014 ETC PER-MILE TOLL RATES FOR PASSENGER CARS (BASED ON A THROUGH TRIP)

FIGURE 2

Table 2
Annual Systemwide Traffic and Adjusted Gross Toll Revenue Trends
Pennsylvania Turnpike System
(in thousands)

	Transactions						Adjusted Toll Revenue (9)					
Fiscal Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year	Cars	Percent Change Over Prior Year	Trucks	Percent Change Over Prior Year	Total	Percent Change Over Prior Year
1979-80	53,823		9,053		62,876		$53,818		$52,823		$106,641	
1980-81	56,149	4.3	8,865	(2.1)	65,014	3.4	57,098	6.1	52,930	0.2	110,028	3.2
1981-82	59,468	5.9	9,069	2.3	68,537	5.4	60,227	5.5	55,264	4.4	115,491	5.0
1982-83	62,908	5.8	9,088	0.2	71,996	5.0	63,529	5.5	55,162	(0.2)	118,691	2.8
1983-84	65,398	4.0	10,234	12.6	75,632	5.1	65,849	3.7	63,510	15.1	129,359	9.0
1984-85	69,919	6.9	11,081	8.3	81,000	7.1	69,965	6.3	69,516	9.5	139,481	7.8
1985-86	73,926	5.7	11,790	6.4	85,716	5.8	73,616	5.2	74,729	7.5	148,345	6.4
1986-87 (1)	75,255	1.8	11,981	1.6	87,236	1.8	84,025	14.1	84,220	12.7	168,245	13.4
1987-88	78,434	4.2	12,747	6.4	91,181	4.5	103,741	23.5	101,477	20.5	205,218	22.0
1988-89	83,771	6.8	13,604	6.7	97,375	6.8	110,781	6.8	109,499	7.9	220,280	7.3
1989-90	86,650	3.4	13,442	(1.2)	100,092	2.8	114,269	3.1	107,599	(1.7)	221,868	0.7
1990-91	89,040	2.8	13,027	(3.1)	102,067	2.0	116,579	2.0	102,833	(4.4)	219,412	(1.1)
1991-92 (2)	89,499	0.5	12,178	(6.5)	101,677	(0.4)	150,158	28.8	118,337	15.1	268,495	22.4
1992-93	96,953	8.3	13,061	7.3	110,014	8.2	153,394	2.2	123,393	4.3	276,787	3.1
1993-94	106,708	10.1	14,261	9.2	120,969	10.0	158,053	3.0	122,846	(0.4)	280,899	1.5
1994-95	114,033	6.9	15,620	9.5	129,653	7.2	165,850	4.9	131,749	7.2	297,599	5.9
1995-96	121,911	6.9	16,719	7.0	138,630	6.9	172,339	3.9	136,269	3.4	308,608	3.7
1996-97	126,654	3.9	17,479	4.5	144,133	4.0	179,303	4.0	140,837	3.4	320,140	3.7
1997-98	132,472	4.6	18,627	6.6	151,099	4.8	186,290	3.9	149,036	5.8	335,326	4.7
1998-99	136,399	3.0	19,833	6.5	156,232	3.4	191,804	3.0	158,761	6.5	350,565	4.5
1999-00	138,762	1.7	21,341	7.6	160,103	2.5	195,301	1.8	172,035	8.4	367,336	4.8
2000-01	141,033	1.6	21,278	(0.3)	162,311	1.4	193,563	(0.9)	172,337	0.2	365,900	(0.4)
2001-02	150,496	6.7	22,298	4.8	172,794	6.5	212,650	9.9	163,101	(5.4)	375,751	2.7
2002-03	156,220	3.8	23,179	4.0	179,399	3.8	219,201	3.1	168,021	3.0	387,222	3.1
2003-04	163,612	4.7	24,407	5.3	188,019	4.8	228,515	4.2	180,229	7.3	408,744	5.6
2004-05 (3)	163,316	(0.2)	25,109	2.9	188,425	0.2	309,032	35.2	236,126	31.0	545,158	33.4
2005-06	160,590	(1.7)	25,311	0.8	185,901	(1.3)	321,268	4.0	267,369	13.2	588,637	8.0
2006-07	160,107	(0.3)	25,316	0.0	185,423	(0.3)	322,781	0.5	269,861	0.9	592,642	0.7
2007-08	164,097	2.5	25,455	0.5	189,552	2.2	327,761	1.5	271,165	0.5	598,926	1.1
2008-09 (4)	162,638	(0.9)	23,583	(7.4)	186,220	(1.8)	356,345	8.7	259,259	(4.4)	615,605	2.8
2009-10 (5)	163,599	0.6	22,933	(2.8)	186,531	0.2	415,981	16.7	277,847	7.2	693,827	12.7
2010-11 (6)	165,230	1.0	23,812	3.8	189,042	1.3	435,752	4.8	303,952	9.4	739,704	6.6
2011-12 (7)	164,960	(0.2)	24,127	1.3	189,087	0.0	455,133	4.4	325,665	7.1	780,798	5.6
2012-13 (8)	163,690	(0.8)	24,207	0.3	187,897	(0.6)	471,514	3.6	340,028	4.4	811,542	3.9

Average Annual Percent Change

	Transactions			Adjusted Gross Toll Revenue (7)		
Fiscal Year	Cars	Trucks	Total	Cars	Trucks	Total
FY 1979-80 - FY 1989-90	4.9	4.0	4.8	7.8	7.4	7.6
FY 1989-90 - FY 1999-00	4.8	4.7	4.8	5.5	4.8	5.2
FY 1999-00 - FY 2012-13	1.4	1.1	1.3	7.6	5.8	6.8
FY 1979-80 - FY 2012-13	3.5	3.1	3.5	7.0	6.0	6.5

(1) Tolls increased by 30% on January 2, 1987.
(2) Tolls increased by 30% on June 1, 1991.
(3) Tolls increased by 42.5% on August 1, 2004.
(4) Tolls increased by 25% on January 4, 2009, except for Turnpike 576 and Turnpike 43 from Uniontown to Brownsville where toll rates remained unchanged.
(5) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(6) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(7) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(8) E-ZPass tolls increased by 2% and a cash tolls increased by 10% on January 6, 2013.
(9) The toll revenue includes the adjustments associated with the commercial volume-discount program.

established for high-volume commercial E-ZPass accounts. With the advent of an automatically applied toll discount to E-ZPass accounts, the commercial volume discount program has been modified over the last several years. In 2013, accounts accruing $10,000 or more in monthly tolls were eligible for a 5.0 percent discount. Effective January 5, 2014 the volume discount program was amended so that a 3.0 percent discount is provided to accounts that accrue $20,000 or more in monthly tolls.

The Pennsylvania Turnpike System is a large, mature system that has demonstrated long-term growth in transactions and toll revenue. Table 2 presents historical traffic and toll revenue growth over the past 33 years, from FY 1979-80 through FY 2012-13. Between FY 1979-80 and FY 1989-90, Turnpike transactions and adjusted toll revenue grew by an average annual rate of 4.8 percent and 7.6 percent, respectively. Similarly, in the 10 years from FY 1989-90 to FY 1999-00, Turnpike transactions and adjusted gross toll revenue grew by average annual rates of 4.8 percent and 5.2 percent, respectively. Over the most recent thirteen-year period from FY 1999-00 through FY 2012-13, Turnpike transaction growth averaged 1.3 percent per year, compared to adjusted toll revenue growth of 6.8 percent per year. During this thirteen-year period, transactions were negatively impacted by a recession from March 2001 through November 2001, and by the Great Recession that lasted from approximately December 2007 through June 2009. The latter of the two is more notable based on duration and severity, and the resultant impacts on Turnpike traffic and revenue. The last recession particularly impacted commercial vehicle traffic. Growth in transactions has been slow since the end of the Great Recession, increasing by 0.2 percent in FY 2009-10, 1.3 percent in FY 1010-11, and by 0.0 percent in FY 2011-12. More recently, overall Turnpike transactions declined 0.6 percent in FY 2012-13. The slow growth in transactions is largely due to a very slow economic recovery and to annual toll increases since 2009. In the last three fiscal years, truck traffic has exhibited stronger growth than cars, totaling annual increases of 3.8 percent in FY 2010-11, 1.3 percent in FY 2011-12 and 0.3 percent in FY 2012-13. Toll revenue increased at a much greater rate than transactions during the last 13 years due to toll increases implemented in 2004, 2009, and in every year since 2009.

Monthly Transactions and Gross Toll revenue Trends

Table 3 presents recent monthly transaction trends from FY 2009-10 through January 2014 for all PTC toll facilities. The facilities are summarized in the following groups:

- The ticket system – comprised of I-76/I-276 and I-476;
- Turnpike 43 (Mon/Fayette) and Turnpike 576 (Southern Beltway);
- Turnpike 66;
- Northeast Extension Barrier Plazas;

Table 3
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Ticket System (Including Gateway Barrier Plaza)

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	11,836	2.0	12,077	(2.1)	11,827	(0.5)	11,771	(0.8)	11,679
July	12,422	1.4	12,594	(3.5)	12,154	(1.9)	11,918	1.6	12,105
Aug.	12,431	2.0	12,674	(5.0)	12,039	2.5	12,337	1.3	12,492
Sept.	11,378	1.3	11,529	(2.3)	11,264	(2.4)	10,995	2.2	11,238
Oct.	11,766	2.5	12,059	(3.7)	11,608	(3.8)	11,172	6.3	11,878
Nov.	11,129	1.7	11,322	(1.5)	11,148	(1.6)	10,970	(0.3)	10,937
Dec.	10,745	1.2	10,876	0.8	10,962	(3.5)	10,576	0.3	10,611
Jan.	10,104	(4.5)	9,650	3.6	9,993	0.6	10,049	(4.5)	9,597
Feb.	8,321	13.1	9,408	4.3	9,817	(5.2)	9,301		
March	11,227	(1.9)	11,011	(0.6)	10,947	(0.5)	10,889		
April	11,387	(3.2)	11,020	(0.9)	10,921	0.9	11,021		
May	11,825	(2.7)	11,503	1.7	11,704	1.7	11,901		
Total Year	134,570	0.9	135,722	(1.0)	134,383	(1.1)	132,901		
June-Jan	91,811	1.1	92,780	(1.9)	90,994	(1.3)	89,788	0.8	90,538

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	1,760	4.7	1,843	(0.9)	1,827	(3.3)	1,766	(0.5)	1,758
July	1,774	1.8	1,806	(4.8)	1,720	0.5	1,729	5.8	1,829
Aug.	1,738	6.2	1,846	0.2	1,850	0.1	1,852	0.8	1,866
Sept.	1,713	3.8	1,779	(1.0)	1,761	(7.2)	1,633	6.1	1,733
Oct.	1,746	2.0	1,781	(0.9)	1,764	(0.1)	1,762	7.2	1,888
Nov.	1,532	7.6	1,648	0.5	1,656	2.4	1,697	(3.8)	1,631
Dec.	1,540	3.6	1,595	(1.2)	1,576	(4.6)	1,503	4.0	1,564
Jan.	1,451	2.6	1,489	1.8	1,515	5.6	1,600	(1.8)	1,571
Feb.	1,328	7.7	1,430	4.7	1,497	(2.6)	1,458		
March	1,714	0.9	1,729	(2.5)	1,686	(4.2)	1,615		
April	1,736	(4.1)	1,664	(0.8)	1,650	6.9	1,763		
May	1,733	1.4	1,757	3.0	1,810	4.3	1,888		
Total Year	19,765	3.0	20,368	(0.3)	20,312	(0.2)	20,266		
June-Jan	13,254	4.0	13,788	(0.9)	13,669	(0.9)	13,542	2.2	13,841

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	13,596	2.4	13,920	(1.9)	13,654	(0.9)	13,537	(0.7)	13,437
July	14,196	1.4	14,399	(3.7)	13,873	(1.6)	13,647	2.1	13,934
Aug.	14,169	2.5	14,520	(4.3)	13,888	2.2	14,190	1.2	14,359
Sept.	13,091	1.7	13,308	(2.1)	13,024	(3.0)	12,628	2.7	12,971
Oct.	13,512	2.4	13,841	(3.4)	13,372	(3.3)	12,934	6.4	13,766
Nov.	12,661	2.4	12,970	(1.3)	12,804	(1.1)	12,667	(0.8)	12,568
Dec.	12,285	1.5	12,471	0.5	12,538	(3.7)	12,080	0.8	12,175
Jan.	11,555	(3.6)	11,139	3.3	11,509	1.2	11,649	(4.1)	11,168
Feb.	9,649	12.3	10,837	4.4	11,314	(4.9)	10,759		
March	12,940	(1.5)	12,740	(0.8)	12,633	(1.0)	12,504		
April	13,123	(3.3)	12,684	(0.9)	12,571	1.7	12,785		
May	13,558	(2.2)	13,261	1.9	13,514	2.0	13,789		
Total Year	154,335	1.1	156,090	(0.9)	154,695	(1.0)	153,168		
June-Jan	105,065	1.4	106,568	(1.8)	104,663	(1.3)	103,331	1.0	104,380

Turnpike 43 - Mon/Fayette Expressway

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	806	2.3	824	1.4	835	17.1	978	4.6	1,023
July	842	2.0	859	6.4	914	14.0	1,042	0.9	1,052
Aug.	869	3.2	897	11.5	1,000	13.4	1,134	(1.7)	1,114
Sept.	879	4.2	915	9.9	1,006	5.2	1,059	1.1	1,070
Oct.	919	3.7	954	7.9	1,029	6.7	1,098	3.0	1,132
Nov.	824	3.6	854	12.0	956	4.3	998	(1.3)	985
Dec.	796	4.7	833	12.7	939	0.7	946	1.1	957
Jan.	722	3.8	750	11.5	836	5.4	881	(3.2)	852
Feb.	662	15.0	761	16.3	885	(1.0)	876		
March	861	(0.4)	858	13.4	973	1.2	984		
April	876	(1.6)	862	12.3	968	6.8	1,034		
May	836	0.6	841	21.6	1,022	6.8	1,092		
Total Year	9,892	3.2	10,208	11.3	11,365	6.7	12,122		
June-Jan	6,657	3.4	6,886	9.2	7,516	8.2	8,136	0.6	8,184

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	36	21.5	43	14.3	49	33.5	66	20.0	79
July	41	8.9	45	10.4	50	34.9	67	30.1	87
Aug.	46	1.5	47	25.9	59	26.0	74	20.6	90
Sept.	44	1.5	44	24.9	55	10.8	61	34.6	82
Oct.	42	2.0	43	22.5	53	30.6	69	39.0	96
Nov.	37	2.5	38	31.6	50	20.8	60	27.2	76
Dec.	31	0.5	31	41.7	44	13.6	50	29.7	65
Jan.	28	16.7	32	38.5	45	23.1	55	14.3	63
Feb.	24	29.6	31	58.5	50	11.9	56		
March	39	12.0	44	30.6	58	9.9	64		
April	41	(3.8)	39	54.3	61	20.0	73		
May	40	8.3	44	51.8	66	16.2	77		
Total Year	449	7.3	482	32.6	639	20.7	772		
June-Jan	304	6.3	324	25.1	405	24.2	503	27.0	639

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	841	3.1	867	2.0	885	18.0	1,044	5.6	1,102
July	884	2.3	904	6.6	964	15.1	1,109	2.7	1,139
Aug.	915	3.1	944	12.2	1,059	14.1	1,209	(0.4)	1,204
Sept.	922	4.1	960	10.6	1,062	5.5	1,120	2.9	1,152
Oct.	962	3.7	997	8.5	1,082	7.9	1,167	5.2	1,228
Nov.	861	3.5	891	12.9	1,006	5.1	1,058	0.3	1,061
Dec.	827	4.5	865	13.8	984	1.3	997	2.5	1,022
Jan.	750	4.3	782	12.6	880	6.3	936	(2.2)	915
Feb.	686	15.5	793	18.0	935	(0.3)	932		
March	901	0.1	902	14.3	1,031	1.7	1,048		
April	917	(1.7)	901	14.2	1,029	7.6	1,107		
May	876	0.9	885	23.1	1,089	7.4	1,169		
Total Year	10,342	3.4	10,690	12.3	12,004	7.4	12,894		
June-Jan	6,962	3.6	7,209	9.9	7,921	9.1	8,638	2.1	8,823

NOTES:
(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

Table 3 (Cont'd)
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Turnpike 66

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	608	2.0	620	(1.9)	608	(2.6)	593	(3.3)	573
July	622	3.4	643	(4.5)	614	(3.9)	590	(0.4)	588
Aug.	622	4.4	649	(2.7)	631	(1.5)	622	(1.6)	612
Sept.	605	4.4	632	(3.1)	612	(5.2)	581	0.1	581
Oct.	614	5.0	645	(3.4)	623	(3.0)	604	1.3	612
Nov.	576	3.5	596	(1.6)	586	(3.1)	568	(1.3)	561
Dec.	582	1.9	593	0.7	598	(7.0)	556	1.0	561
Jan.	519	(0.5)	516	2.3	528	(3.0)	512	(4.5)	489
Feb.	458	9.4	501	3.3	518	(6.6)	483		
March	596	(2.7)	580	0.0	580	(5.6)	548		
April	602	(4.6)	574	(0.9)	569	1.1	575		
May	620	(3.1)	601	0.9	607	(1.0)	601		
Total Year	7,025	1.8	7,150	(1.1)	7,074	(3.4)	6,832		
June-Jan	4,748	3.1	4,894	(1.9)	4,801	(3.7)	4,625	(1.0)	4,577

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	79	16.5	92	(2.0)	90	2.6	93	(1.6)	91
July	82	11.0	91	(0.5)	90	2.3	92	4.2	96
Aug.	78	22.8	96	3.1	99	(0.3)	98	2.0	100
Sept.	81	16.0	93	0.4	94	(7.6)	87	8.5	94
Oct.	84	6.4	89	10.8	99	(4.0)	95	3.9	98
Nov.	71	11.0	79	14.9	91	(12.2)	79	0.6	80
Dec.	69	4.8	72	9.3	79	(12.9)	68	4.9	72
Jan.	65	8.5	70	6.5	75	(1.7)	74	4.6	77
Feb.	59	11.3	65	12.9	74	(7.8)	68		
March	76	4.6	80	6.6	85	(11.9)	75		
April	84	(7.4)	78	12.3	88	0.8	88		
May	87	0.3	87	10.1	96	0.2	96		
Total Year	914	8.6	992	6.6	1,058	(4.2)	1,014		
June-Jan	607	12.3	682	4.9	716	(4.1)	686	3.3	709

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	687	3.6	712	(1.9)	699	(1.9)	685	(3.0)	664
July	703	4.2	733	(4.0)	704	(3.1)	682	0.3	684
Aug.	699	6.5	745	(2.0)	730	(1.3)	721	(1.1)	713
Sept.	686	5.7	725	(2.6)	706	(5.5)	667	1.2	675
Oct.	698	5.2	734	(1.7)	721	(3.2)	699	1.7	710
Nov.	647	4.3	675	0.3	677	(4.3)	648	(1.1)	641
Dec.	651	2.2	665	1.7	676	(7.7)	624	1.4	633
Jan.	584	0.5	586	2.8	603	(2.9)	585	(3.4)	566
Feb.	517	9.6	567	4.4	591	(6.8)	551		
March	673	(1.9)	660	0.8	665	(6.4)	623		
April	687	(5.0)	652	0.7	657	1.0	664		
May	707	(2.7)	688	2.1	703	(0.8)	697		
Total Year	7,938	2.6	8,142	(0.1)	8,132	(3.5)	7,846		
June-Jan	5,355	4.1	5,576	(1.1)	5,516	(3.7)	5,311	(0.5)	5,286

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	440	(2.6)	428	1.7	435	3.6	451	4.0	469
July	576	(4.8)	548	0.2	549	(4.3)	526	6.6	560
Aug.	606	(8.1)	556	(6.1)	522	5.8	553	8.8	602
Sept.	441	(3.1)	427	(1.8)	419	(4.0)	402	8.8	438
Oct.	426	5.0	447	(0.7)	444	(8.6)	406	11.7	453
Nov.	400	4.0	416	(2.0)	407	(1.2)	403	0.3	404
Dec.	347	1.1	351	4.6	367	(4.5)	350	10.8	388
Jan.	286	0.8	288	2.5	295	2.3	302	1.6	307
Feb.	254	8.6	276	7.4	296	(1.1)	293		
March	348	(4.5)	332	4.4	346	8.3	375		
April	399	2.0	407	4.1	423	(4.7)	403		
May	430	7.9	464	1.3	470	6.0	498		
Total Year	4,951	(0.2)	4,940	0.7	4,976	(0.3)	4,963		
June-Jan	3,520	(1.7)	3,462	(0.6)	3,440	(1.4)	3,393	6.8	3,622

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	77	0.8	78	8.8	85	5.3	89	2.3	91
July	86	(4.2)	82	3.2	85	6.0	90	12.9	102
Aug.	86	(1.8)	85	5.4	89	5.9	94	8.3	102
Sept.	79	2.2	81	6.8	87	(6.6)	81	13.5	92
Oct.	74	7.1	79	9.9	87	(2.1)	85	12.5	95
Nov.	61	19.7	73	1.2	74	9.8	81	0.1	81
Dec.	60	9.3	66	4.4	69	0.9	70	13.4	79
Jan.	57	8.7	63	4.0	65	15.6	75	5.9	80
Feb.	52	14.1	59	9.8	65	6.7	69		
March	67	3.7	70	6.2	74	3.7	77		
April	69	10.4	77	13.3	87	3.4	90		
May	75	19.4	90	11.6	100	4.2	104		
Total Year	844	6.7	901	7.1	965	4.1	1,005		
June-Jan	581	4.3	606	5.5	639	4.0	665	8.5	721

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	517	(2.1)	506	2.8	520	3.9	540	3.7	560
July	662	(4.7)	631	0.6	634	(2.9)	615	7.5	662
Aug.	692	(7.3)	641	(4.6)	612	5.8	647	8.8	704
Sept.	520	(2.3)	508	(0.5)	506	(4.4)	483	9.6	530
Oct.	499	5.3	526	0.9	531	(7.5)	491	11.9	549
Nov.	460	6.1	488	(1.5)	481	0.5	483	0.3	485
Dec.	408	2.3	417	4.5	436	(3.7)	420	11.3	467
Jan.	344	2.1	351	2.7	360	4.7	377	2.5	387
Feb.	306	9.5	335	7.8	361	0.3	363		
March	415	(3.2)	402	4.7	421	7.5	452		
April	468	3.2	483	5.6	510	(3.3)	493		
May	505	9.6	553	3.0	570	5.7	602		
Total Year	5,795	0.8	5,841	1.7	5,941	0.5	5,968		
June-Jan	4,101	(0.8)	4,068	0.3	4,079	(0.5)	4,058	7.0	4,344

NOTES:
(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

Table 3 (Cont'd)
Pennsylvania Turnpike Monthly Traffic Volume Trends By Facility and Vehicle Class
Volumes in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	640	(1.0)	633	0.7	638	(1.9)	625	(9.4)	567
July	673	0.9	680	(0.9)	674	(3.5)	650	(7.5)	601
Aug.	668	1.0	675	(1.7)	664	(1.5)	654	(6.3)	612
Sept.	622	2.5	638	(3.8)	613	(4.1)	588	(4.1)	564
Oct.	644	1.2	652	0.2	653	(7.2)	606	(1.9)	595
Nov.	595	2.1	607	(3.5)	586	(2.9)	569	(6.1)	534
Dec.	583	(2.5)	568	3.0	585	(6.7)	546	(1.0)	541
Jan.	500	(1.2)	494	0.6	497	(0.7)	493	(7.2)	458
Feb.	443	6.7	472	5.0	496	(6.6)	463		
March	579	(1.4)	571	(0.1)	570	(5.6)	538		
April	593	(0.2)	591	(3.1)	573	(3.8)	551		
May	622	1.2	630	(2.5)	614	(4.4)	587		
Total Year	7,161	0.7	7,210	(0.7)	7,162	(4.1)	6,871		
June-Jan	4,925	0.4	4,946	(0.8)	4,909	(3.6)	4,731	(5.5)	4,471

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	84	21.3	102	(0.1)	102	6.2	108	(14.2)	93
July	87	8.3	94	4.4	98	9.2	107	(5.4)	101
Aug.	88	12.8	100	12.1	112	0.9	113	(6.1)	106
Sept.	84	19.4	100	2.5	102	(6.2)	96	4.2	100
Oct.	84	12.3	94	10.6	104	(0.6)	104	4.4	108
Nov.	71	20.1	85	9.2	93	(1.9)	92	(0.3)	91
Dec.	67	11.4	75	12.5	85	(2.0)	83	1.4	84
Jan.	65	12.9	73	10.7	81	8.2	88	(2.9)	85
Feb.	69	1.2	70	22.1	85	(8.7)	78		
March	84	5.4	89	4.3	93	(9.6)	84		
April	87	2.1	88	6.4	94	3.4	97		
May	90	8.8	98	4.6	103	(1.3)	102		
Total Year	960	11.3	1,069	7.8	1,152	(0.2)	1,150		
June-Jan	630	14.8	724	7.4	777	1.6	790	(2.7)	769

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	724	1.6	735	0.6	739	(0.8)	733	(10.1)	659
July	760	1.8	774	(0.2)	772	(1.9)	757	(7.2)	703
Aug.	757	2.4	775	0.1	776	(1.2)	767	(6.3)	718
Sept.	706	4.5	738	(3.0)	716	(4.4)	684	(3.0)	664
Oct.	728	2.5	746	1.5	758	(6.3)	710	(1.0)	703
Nov.	666	4.0	692	(2.0)	679	(2.7)	660	(5.3)	625
Dec.	650	(1.1)	643	4.1	670	(6.1)	629	(0.6)	625
Jan.	565	0.4	567	1.9	578	0.5	581	(6.5)	543
Feb.	512	5.9	542	7.2	581	(6.9)	541		
March	663	(0.5)	660	0.5	663	(6.2)	622		
April	679	0.1	680	(1.9)	667	(2.8)	648		
May	712	2.2	728	(1.5)	717	(3.9)	689		
Total Year	8,121	1.9	8,279	0.4	8,315	(3.5)	8,021		
June-Jan	5,555	2.1	5,670	0.3	5,687	(2.9)	5,521	(5.1)	5,240

Total Transactions

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	14,329	1.8	14,583	(1.6)	14,344	0.5	14,418	(0.7)	14,311
July	15,135	1.2	15,323	(2.7)	14,905	(1.2)	14,726	1.2	14,906
Aug.	15,195	1.7	15,451	(3.8)	14,857	3.0	15,300	0.9	15,433
Sept.	13,925	1.6	14,140	(1.6)	13,915	(2.1)	13,625	2.0	13,891
Oct.	14,369	2.7	14,757	(2.7)	14,357	(3.3)	13,886	5.6	14,670
Nov.	13,524	2.0	13,794	(0.8)	13,684	(1.3)	13,508	(0.6)	13,420
Dec.	13,053	1.3	13,221	1.7	13,451	(3.5)	12,975	0.6	13,058
Jan.	12,131	(3.6)	11,697	3.9	12,149	0.7	12,236	(4.4)	11,703
Feb.	10,138	12.6	11,418	5.2	12,011	(4.9)	11,417		
March	13,610	(1.9)	13,351	0.5	13,417	(0.6)	13,334		
April	13,856	(2.9)	13,455	(0.0)	13,454	1.0	13,585		
May	14,333	(2.1)	14,039	2.7	14,417	1.8	14,679		
Total Year	163,599	1.0	165,230	(0.2)	164,960	(0.8)	163,690		
June-Jan	111,661	1.2	112,968	(1.2)	111,660	(0.9)	110,673	0.7	111,393

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	2,035	6.0	2,158	(0.2)	2,153	(1.4)	2,122	(0.5)	2,112
July	2,070	2.3	2,117	(3.6)	2,042	2.1	2,085	6.2	2,215
Aug.	2,037	6.7	2,173	1.6	2,208	1.1	2,232	1.4	2,264
Sept.	2,001	4.8	2,098	0.1	2,099	(6.7)	1,958	7.3	2,101
Oct.	2,030	2.8	2,087	1.0	2,107	0.4	2,115	8.1	2,287
Nov.	1,771	8.6	1,923	2.1	1,963	2.3	2,008	(2.4)	1,960
Dec.	1,767	4.1	1,840	0.7	1,853	(4.2)	1,774	5.1	1,864
Jan.	1,666	3.7	1,728	3.1	1,781	6.2	1,892	(0.9)	1,875
Feb.	1,532	8.1	1,655	7.0	1,771	(2.4)	1,728		
March	1,981	1.5	2,012	(0.8)	1,996	(4.1)	1,915		
April	2,017	(3.5)	1,946	1.7	1,979	6.7	2,111		
May	2,026	2.5	2,076	4.8	2,175	4.2	2,267		
Total Year	22,933	3.8	23,812	1.3	24,127	0.3	24,207		
June-Jan	15,377	4.8	16,123	0.5	16,206	(0.1)	16,186	3.0	16,679

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	16,365	2.3	16,741	(1.5)	16,496	0.3	16,539	(0.7)	16,423
July	17,205	1.4	17,441	(2.8)	16,947	(0.8)	16,811	1.8	17,121
Aug.	17,232	2.3	17,624	(3.2)	17,065	2.7	17,532	0.9	17,698
Sept.	15,925	2.0	16,238	(1.4)	16,013	(2.7)	15,583	2.6	15,993
Oct.	16,399	2.7	16,844	(2.3)	16,464	(2.8)	16,001	6.0	16,957
Nov.	15,295	2.8	15,717	(0.4)	15,647	(0.8)	15,516	(0.9)	15,380
Dec.	14,821	1.6	15,061	1.6	15,304	(3.6)	14,749	1.2	14,922
Jan.	13,797	(2.7)	13,425	3.8	13,930	1.4	14,128	(3.9)	13,578
Feb.	11,670	12.0	13,074	5.4	13,782	(4.6)	13,146		
March	15,591	(1.5)	15,363	0.3	15,413	(1.1)	15,249		
April	15,873	(3.0)	15,401	0.2	15,433	1.7	15,697		
May	16,359	(1.5)	16,115	3.0	16,592	2.1	16,946		
Total Year	186,531	1.3	189,042	0.0	189,087	(0.6)	187,897		
June-Jan	127,038	1.6	129,090	(0.9)	127,866	(0.8)	126,859	1.0	128,072

NOTES:
(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

- Turnpike I-376; and
- The Total Turnpike System (comprised of all the facilities listed above).

The information is provided by passenger cars, commercial vehicles, and total vehicles. For comparative purposes, subtotals are provided for June through January for each fiscal year.

As previously mentioned, the ticket system is by far the largest component of both traffic and toll revenue on the Turnpike System. Since the Great Recession officially ended in June 2009, transaction growth has been slow on the ticket system, primarily due to a very slow economic recovery and to yearly toll increases. Total transaction growth was 1.1 percent in FY 2010-11, negative 0.9 percent in FY 2011-12, and negative 1.0 percent in FY 2012-13. Year to date (June 2013 through January 2014) transactions increased 1.0 percent compared to the same period in the prior year. Abnormally cold temperatures and winter storms negatively affected January 2014 travel on the ticket system, contributing to a 4.1 percent decrease in transactions compared to January 2013. Excluding January 2014, toll transactions had increased by 1.7 percent from June through December 2013.

Transaction growth patterns are similar for the other toll facilities except for Turnpike 43, which has experienced strong positive increases in traffic. Total transaction growth was 3.4 percent in FY 2010-11, 12.3 percent in FY 2011-12, and 7.4 percent in FY 2012-13. Year to date (June 2013 through January 2014) transaction growth was 2.1 percent compared to the same period in the prior year. This strong growth is a continuation of the effects of improvements made to Turnpike 43. Turnpike 43 has been under construction, with new sections and access points being added to the facility. In July 2012, the newest section (Phase 2 from Uniontown to Brownsville) was opened to traffic. This project included new access points, and new toll locations.

Year to date (June 2013 to January 2014), total transactions have increased by 1.0 percent on the ticket system, 2.1 percent on Turnpike 43, and 7.0 percent on the barrier portion of the Northeast Extension. Total transactions decreased by 0.5 percent on Turnpike 66 and by 5.1 percent on Turnpike I-376. The decreased transactions on Turnpikes 66 and I-376 are likely due to a combination of factors including the slow economic recovery, annual toll increases, and the presence of toll-free alternative routes. It appears traffic may finally be responding to the improving economy, particularly commercial vehicles. Commercial vehicle transactions are up for the year to date by 2.2 percent on the ticket system, 27.0 percent on Turnpike PA 43, 3.3 percent on Turnpike 66, and 8.5 percent on the Northeast Extension Barriers.

In total, the Turnpike System transaction growth was 1.3 percent in FY 2010-11, 0.0 percent in FY 2011-12, and negative 0.6 percent in FY 2012-13. Year to date (June 2013 through January 2014) transaction growth was 1.0 percent compared to the same period in the prior year. Excluding January which was impacted in 2014 by abnormally cold and stormy weather, total transactions increased by 1.6 percent. Commercial vehicle traffic increased by 3.0 percent for the year to date (June 2013 through January 2014), and passenger car transactions increased by 0.7 percent. Excluding January 2014, commercial vehicle traffic increased by 3.6 percent, and passenger cars increased by 1.3 percent over the seven-month period from June through December 2013 compared to the same period in 2012.

Table 4 presents recent monthly gross toll revenue trends from FY 2009-10through January 2014 for the PTC toll facilities. Ticket system total toll revenue growth totaled 6.2 percent in FY 2010-11, 4.0 percent in FY 2011-12, and 2.8 percent in FY 2012-13. Year to date (June 2013 through January 2014) toll revenue growth was 5.5 percent compared to the same period in the prior year. These revenue growth rates are significantly higher than the comparable growth in transactions because of the annual toll rate increases implemented at the beginning of each calendar year since 2009.

Systemwide toll revenue increased by 6.4 percent in FY 2010-11, 4.4 percent in FY 2011-12, and 3.0 percent in FY 2012-13. Year to date (June 2013 through January 2014) toll revenue growth was 5.6 percent compared to the same period in the prior year (6.2 percent growth excluding January). Commercial vehicle toll revenue increased by 4.7 and passenger car toll revenue increased by 6.2 percent from June 2013 through January 2014 compared to the same time period in the prior year. These increases in toll revenue were due primarily to the annual toll increases, and secondarily to the increased toll transactions on the turnpike system.

Actual and Assumed Toll Rate Increases

At the direction of the PTC, annual toll rate increases are assumed to occur on the entire Turnpike System. The toll rate increases are assumed to occur within several days of January 1 of each year. The assumptions regarding the planned toll rate increases have changed since the 2013 Bring Down Letter. Table 5 presents a comparison of the assumed annual percent increases in toll rates by E-ZPass and cash from calendar year 2011 through 2041 between the 2013 Bring Down letter and this 2014 Bring Down Letter.

The percent increases in toll rates in Table 5 under the 2014 Bring Down Letter column are actual through 2014. In 2014, the PTC increased E-ZPass tolls by 2.0 percent and cash tolls by 12.0 percent (except on Turnpike 576). This actual increase differs from the assumed 3.0 percent increase in both E-ZPass and cash toll rates assumed for year 2014 in the 2013 Bring Down Letter. The actual toll rate increase that took place in 2014 increases the differential between E-ZPass and cash rates so that on average, Cash customers pay 39.0 percent more in tolls compared to E-ZPass customers. This change in toll rates further incentivizes the shift of cash customers into E-ZPass.

From 2015 through 2041 there are no differences in the assumptions regarding the annual toll rate increases between the 2013 and 2014 Bring Down Letters. After2014, all the toll rate increases are applied equally to all toll facilities and to all vehicle classes.

Table 4
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Ticket System (Including Gateway Barrier Plaza)

Month	Passenger Cars 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	34,578	5.3	36,414	3.3	37,602	5.5	39,684	5.5	41,861
July	38,194	6.1	40,507	3.0	41,736	0.0	41,751	7.8	44,993
Aug.	38,760	4.0	40,319	(1.9)	39,537	8.4	42,863	8.2	46,393
Sept.	32,509	3.3	33,584	3.5	34,758	3.1	35,836	5.9	37,962
Oct.	33,193	5.8	35,102	1.8	35,750	(0.5)	35,588	10.1	39,199
Nov.	32,323	3.7	33,523	4.2	34,946	2.1	35,666	3.5	36,898
Dec.	30,228	3.7	31,351	6.3	33,328	2.0	34,003	7.2	36,441
Jan.	27,544	0.1	27,567	8.3	29,864	2.7	30,658	0.7	30,865
Feb.	21,952	21.0	26,554	9.3	29,015	(2.2)	28,387		
March	30,980	3.2	31,980	4.0	33,254	7.9	35,882		
April	33,002	2.2	33,735	3.6	34,959	2.8	35,941		
May	35,494	1.1	35,870	6.3	38,124	7.0	40,799		
Total Year	$388,757	4.6	$406,506	4.0	$422,872	3.4	$437,059		
June-Jan	267,328	4.1	278,367	3.3	287,521	3.0	296,049	6.3	314,612

Month	Commercial Vehicles 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	25,674	5.1	26,995	7.3	28,971	(1.4)	28,574	3.8	29,670
July	25,449	4.8	26,682	2.6	27,364	1.3	27,725	9.0	30,228
Aug.	25,276	8.1	27,328	7.0	29,252	2.2	29,905	3.2	30,876
Sept.	24,979	8.6	27,133	3.7	28,142	(3.8)	27,083	6.2	28,753
Oct.	25,385	6.5	27,024	4.9	28,359	0.0	28,365	10.2	31,267
Nov.	22,107	12.6	24,896	6.9	26,611	4.7	27,873	(1.8)	27,377
Dec.	22,568	10.3	24,890	2.1	25,405	(1.1)	25,133	5.3	26,471
Jan.	22,287	10.6	24,658	4.0	25,647	8.2	27,739	0.1	27,768
Feb.	20,697	14.4	23,674	6.9	25,297	(0.3)	25,225		
March	26,144	9.6	28,651	(2.3)	27,994	0.3	28,078		
April	25,753	5.1	27,061	(0.3)	26,970	8.8	29,337		
May	25,856	7.4	27,777	6.0	29,438	5.9	31,162		
Total Year	$292,174	8.4	$316,770	4.0	$329,450	2.0	$336,199		
June-Jan	193,724	8.2	209,606	4.8	219,751	1.2	222,396	4.5	232,411

Month	Total Vehicles 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$60,252	5.2	$63,410	5.0	$66,573	2.5	$68,258	4.8	$71,531
July	63,642	5.6	67,189	2.8	69,100	0.5	69,476	8.3	75,221
Aug.	64,036	5.6	67,647	1.7	68,789	5.8	72,768	6.2	77,270
Sept.	57,488	5.6	60,717	3.6	62,900	0.0	62,919	6.0	66,715
Oct.	58,578	6.1	62,126	3.2	64,109	(0.2)	63,953	10.2	70,466
Nov.	54,430	7.3	58,419	5.4	61,557	3.2	63,540	1.2	64,276
Dec.	52,796	6.5	56,241	4.4	58,734	0.7	59,136	6.4	62,912
Jan.	49,830	4.8	52,225	6.3	55,510	5.2	58,397	0.4	58,633
Feb.	42,650	17.8	50,228	8.1	54,312	(1.3)	53,612		
March	57,124	6.1	60,631	1.0	61,248	4.4	63,960		
April	58,755	3.5	60,796	1.9	61,928	5.4	65,279		
May	61,349	3.7	63,647	6.2	67,562	6.5	71,961		
Total Year	$680,931	6.2	$723,276	4.0	$752,322	2.8	$773,258		
June-Jan	461,052	5.8	487,974	4.0	507,271	2.2	518,445	5.5	547,023

Turnpike 43 - Mon/Fayette Expressway

Month	Passenger Cars 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	779	6.6	830	7.8	896	23.4	1,105	13.3	1,253
July	815	6.2	865	13.6	982	22.3	1,201	7.4	1,290
Aug.	841	7.4	903	18.9	1,073	23.4	1,325	2.8	1,362
Sept.	849	8.2	919	17.1	1,076	13.8	1,225	5.7	1,295
Oct.	891	7.5	958	14.4	1,096	15.3	1,264	7.9	1,363
Nov.	802	7.2	859	19.0	1,023	12.4	1,149	3.2	1,186
Dec.	775	8.2	839	20.2	1,008	8.5	1,093	5.7	1,156
Jan.	730	10.1	803	17.0	940	12.3	1,056	1.2	1,069
Feb.	669	22.3	818	21.7	995	6.4	1,059		
March	871	5.6	920	19.2	1,096	9.0	1,195		
April	882	4.8	925	17.9	1,090	14.7	1,250		
May	844	6.9	902	27.9	1,153	15.1	1,326		
Total Year	$9,747	8.1	$10,540	17.9	$12,427	14.6	$14,247		
June-Jan	6,481	7.6	6,976	16.0	8,094	16.4	9,418	5.9	9,974

Month	Commercial Vehicles 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	101	25.3	127	20.1	153	37.8	210	30.1	274
July	116	11.1	129	19.5	154	44.3	222	33.7	297
Aug.	129	5.8	137	35.8	186	35.1	251	21.6	305
Sept.	123	5.8	130	32.1	172	21.2	209	34.2	280
Oct.	120	7.8	129	29.5	167	41.4	236	36.7	323
Nov.	105	8.2	113	37.9	156	31.8	206	25.4	258
Dec.	92	6.3	98	45.4	142	21.8	173	33.1	230
Jan.	85	21.4	104	43.0	148	33.2	198	15.1	228
Feb.	74	36.7	101	59.9	162	21.9	197		
March	118	15.9	137	35.9	186	19.2	222		
April	122	1.2	123	58.5	196	28.8	252		
May	119	14.3	136	57.5	214	25.5	268		
Total Year	$1,305	12.2	$1,464	39.0	$2,036	29.9	$2,644		
June-Jan	872	10.9	967	32.2	1,278	33.4	1,705	28.7	2,195

Month	Total Vehicles 2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$881	8.7	$958	9.5	$1,048	25.5	$1,315	16.0	$1,526
July	931	6.8	994	14.3	1,136	25.3	1,423	11.5	1,587
Aug.	971	7.1	1,040	21.1	1,259	25.1	1,576	5.8	1,667
Sept.	972	7.9	1,049	19.0	1,248	14.8	1,433	9.9	1,575
Oct.	1,010	7.5	1,087	16.2	1,263	18.8	1,500	12.4	1,686
Nov.	906	7.3	972	21.2	1,179	14.9	1,355	6.6	1,444
Dec.	867	8.0	937	22.8	1,150	10.1	1,266	9.5	1,386
Jan.	815	11.3	907	20.0	1,089	15.2	1,254	3.4	1,297
Feb.	743	23.7	919	25.9	1,157	8.6	1,256		
March	989	6.8	1,057	21.3	1,282	10.5	1,417		
April	1,004	4.4	1,048	22.6	1,285	16.8	1,502		
May	962	7.8	1,037	31.7	1,367	16.7	1,595		
Total Year	$11,052	8.6	$12,004	20.5	$14,463	16.8	$16,892		
June-Jan	7,353	8.0	7,943	18.0	9,372	18.7	11,123	9.4	12,169

NOTES:
(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

Table 4 (Cont'd)
Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class
Revenue in Thousands

Turnpike 66

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$669	6.3	$711	4.8	$745	2.5	$764	2.0	$780
July	687	7.5	739	2.2	755	1.1	763	4.9	800
Aug.	686	8.6	746	3.8	774	3.6	802	3.7	831
Sept.	669	8.3	725	3.4	750	(0.4)	747	5.1	785
Oct.	678	9.0	740	2.9	761	1.5	772	6.7	824
Nov.	635	7.3	681	5.4	718	1.0	726	3.7	753
Dec.	638	5.8	674	8.1	729	(3.0)	707	6.3	751
Jan.	589	6.6	628	7.2	674	0.7	678	(0.1)	678
Feb.	520	17.6	611	8.2	661	(2.3)	646		
March	681	4.2	709	4.6	742	(0.8)	736		
April	690	1.9	703	3.8	729	5.9	773		
May	710	3.5	735	6.0	779	4.0	810		
Total Year	$7,853	7.0	$8,402	4.9	$8,817	1.2	$8,924		
June-Jan	5,253	7.5	5,644	4.6	5,905	0.9	5,959	4.1	6,201

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$259	21.7	$315	4.2	$328	5.7	$347	2.9	$357
July	268	14.8	308	7.6	331	4.5	346	7.5	372
Aug.	256	30.0	333	9.2	364	1.7	370	4.8	388
Sept.	264	23.4	325	6.3	346	(4.3)	331	10.5	366
Oct.	280	10.3	308	18.8	366	(2.3)	358	7.4	384
Nov.	235	17.0	275	22.9	338	(10.9)	301	2.6	309
Dec.	230	8.8	250	15.5	289	(9.8)	261	10.7	289
Jan.	224	17.1	262	9.1	286	0.9	289	12.6	325
Feb.	202	19.4	241	17.8	284	(6.2)	267		
March	266	10.5	294	10.7	326	(9.0)	297		
April	288	(1.7)	283	15.5	327	5.9	347		
May	294	7.6	317	12.5	356	5.8	377		
Total Year	$3,068	14.5	$3,514	12.2	$3,944	(1.4)	$3,890		
June-Jan	2,016	17.9	2,378	11.4	2,650	(1.8)	2,603	7.2	2,790

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$928	10.6	$1,026	4.6	$1,074	3.5	$1,111	2.3	$1,137
July	955	9.6	1,047	3.7	1,086	2.1	1,109	5.7	1,172
Aug.	943	14.4	1,079	5.5	1,138	3.0	1,172	4.0	1,219
Sept.	933	12.6	1,050	4.3	1,096	(1.6)	1,078	6.7	1,150
Oct.	958	9.4	1,048	7.6	1,127	0.3	1,130	6.9	1,208
Nov.	870	9.9	957	10.5	1,057	(2.8)	1,027	3.4	1,062
Dec.	868	6.6	925	10.1	1,018	(5.0)	968	7.5	1,040
Jan.	813	9.5	890	7.8	960	0.7	967	3.7	1,003
Feb.	722	18.1	853	10.9	945	(3.4)	913		
March	947	6.0	1,004	6.4	1,068	(3.3)	1,033		
April	978	0.8	986	7.2	1,057	5.9	1,120		
May	1,004	4.7	1,051	8.0	1,135	4.6	1,187		
Total Year	$10,921	9.1	$11,916	7.1	$12,761	0.4	$12,814		
June-Jan	7,269	10.4	8,022	6.6	8,555	0.1	8,562	5.0	8,991

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$282	2.7	$289	9.8	$318	9.5	$348	9.1	$379
July	370	0.4	371	8.2	402	0.9	405	12.1	454
Aug.	389	(3.3)	376	1.4	381	11.4	425	14.5	486
Sept.	283	2.0	288	5.9	305	0.7	307	14.1	350
Oct.	273	10.4	301	7.2	323	(4.4)	309	17.0	361
Nov.	256	9.4	280	5.6	296	3.2	305	4.9	320
Dec.	222	6.4	236	12.7	266	(0.3)	266	15.7	307
Jan.	199	4.8	208	7.7	225	5.4	237	7.7	255
Feb.	171	16.7	200	12.6	225	3.2	232		
March	235	2.9	241	9.8	265	13.3	301		
April	269	10.2	297	9.8	326	(0.3)	325		
May	290	16.7	339	6.8	362	11.1	402		
Total Year	$3,239	5.9	$3,428	7.7	$3,693	4.5	$3,861		
June-Jan	2,273	3.4	2,351	7.0	2,516	3.4	2,601	12.0	2,914

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$274	4.9	$288	15.6	$332	5.5	$351	3.8	$364
July	293	(0.0)	293	9.3	320	8.1	346	16.6	403
Aug.	295	2.5	303	13.4	343	6.0	364	11.4	405
Sept.	282	5.2	296	13.2	335	(5.3)	318	16.2	369
Oct.	271	8.7	295	15.8	341	(0.6)	339	16.3	394
Nov.	226	24.0	280	5.2	295	11.0	327	2.8	336
Dec.	229	14.0	262	7.7	282	1.2	285	16.2	331
Jan.	223	13.7	254	6.0	269	18.1	318	8.3	344
Feb.	203	11.6	226	17.7	266	9.8	293		
March	264	1.6	269	12.4	302	8.0	326		
April	266	7.9	287	22.4	351	7.4	377		
May	275	27.0	349	14.1	398	6.8	425		
Total Year	$3,101	9.6	$3,400	12.8	$3,835	6.1	$4,067		
June-Jan	2,093	8.4	2,270	10.9	2,517	5.1	2,647	11.4	2,947

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$556	3.8	$577	12.7	$650	7.4	$699	6.4	$743
July	662	0.2	664	8.7	721	4.1	751	14.2	857
Aug.	684	(0.8)	679	6.8	725	8.8	789	13.0	891
Sept.	564	3.6	584	9.6	640	(2.4)	625	15.2	719
Oct.	544	9.6	596	11.4	664	(2.4)	648	16.6	755
Nov.	482	16.3	560	5.4	591	7.1	632	3.8	657
Dec.	452	10.2	498	10.0	548	0.5	551	16.0	638
Jan.	422	9.5	462	6.8	494	12.3	555	8.0	599
Feb.	374	13.9	426	15.3	492	6.8	525		
March	499	2.2	510	11.2	567	10.5	627		
April	535	9.1	584	16.0	677	3.7	702		
May	565	21.7	687	10.5	759	8.8	826		
Total Year	$6,340	7.7	$6,828	10.3	$7,528	5.3	$7,928		
June-Jan	4,366	5.8	4,621	8.9	5,033	4.3	5,248	11.7	5,861

NOTES:
(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

Table 4 (Cont'd)

Pennsylvania Turnpike Monthly Gross Toll Revenue Trends By Facility and Vehicle Class

Revenue in Thousands

Turnpike I-376 (Formerly PA 60)

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$561	4.7	$587	9.3	$641	3.1	$661	(3.1)	$640
July	590	6.9	631	7.8	680	1.8	692	(1.6)	681
Aug.	586	6.7	625	6.5	666	4.3	695	(0.9)	688
Sept.	545	8.5	592	3.4	612	1.7	622	1.4	631
Oct.	563	7.2	604	7.7	651	(1.8)	639	3.6	662
Nov.	520	7.4	559	4.4	583	2.7	599	(0.7)	595
Dec.	509	2.5	522	11.9	584	(1.5)	575	4.9	604
Jan.	456	7.8	492	6.4	524	3.8	544	(1.4)	536
Feb.	404	16.8	472	10.9	523	(1.2)	517		
March	532	7.1	569	5.9	603	(0.0)	603		
April	545	8.6	592	2.2	605	1.7	616		
May	574	10.1	631	3.1	651	1.7	662		
Total Year	$6,385	7.7	$6,876	6.5	$7,323	1.4	$7,424		
June-Jan	4,331	6.5	4,611	7.2	4,941	1.7	5,027	0.2	5,037

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$205	32.4	$271	7.0	$290	8.6	$315	(13.2)	$273
July	210	15.3	242	15.6	280	12.4	315	(5.7)	297
Aug.	216	20.9	261	25.6	328	1.2	332	(5.2)	314
Sept.	204	28.3	262	13.1	297	(5.0)	282	5.8	298
Oct.	203	18.2	240	25.9	302	(1.7)	297	8.9	324
Nov.	174	32.6	231	16.6	270	(0.4)	269	1.6	273
Dec.	169	26.5	214	16.7	249	(2.0)	244	4.7	256
Jan.	171	28.8	221	12.5	248	8.7	270	0.4	271
Feb.	180	16.5	210	24.6	261	(7.5)	242		
March	221	20.1	266	4.7	278	(6.4)	260		
April	222	16.6	259	7.2	278	6.7	296		
May	234	19.7	280	7.3	301	1.3	305		
Total Year	$2,410	22.7	$2,957	14.4	$3,382	1.3	$3,426		
June-Jan	1,553	25.1	1,942	16.6	2,264	2.6	2,323	(0.7)	2,306

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$765	12.1	$858	8.6	$931	4.8	$976	(6.4)	$914
July	800	9.1	873	10.0	960	4.9	1,007	(2.9)	978
Aug.	802	10.5	886	12.1	994	3.3	1,026	(2.3)	1,003
Sept.	750	13.9	854	6.4	908	(0.5)	904	2.8	929
Oct.	767	10.1	844	12.9	953	(1.8)	936	5.3	986
Nov.	695	13.7	790	8.0	853	1.7	868	0.0	868
Dec.	678	8.5	736	13.3	834	(1.7)	820	4.9	860
Jan.	628	13.6	713	8.3	772	5.4	813	(0.8)	807
Feb.	584	16.7	681	15.1	784	(3.3)	758		
March	753	10.9	835	5.5	881	(2.0)	863		
April	767	10.9	851	3.8	883	3.3	912		
May	808	12.9	912	4.4	952	1.5	967		
Total Year	$8,795	11.8	$9,832	8.9	$10,705	1.4	$10,850		
June-Jan	5,884	11.4	6,553	9.9	7,205	2.0	7,350	(0.1)	7,343

Total Toll Revenue

Passenger Cars

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$36,869	5.3	$38,832	3.5	$40,202	5.9	$42,563	5.5	$44,913
July	40,655	6.0	43,113	3.3	44,555	0.6	44,813	7.6	48,219
Aug.	41,263	4.1	42,968	(1.2)	42,432	8.7	46,109	7.9	49,761
Sept.	34,855	3.6	36,108	3.9	37,501	3.3	38,737	5.9	41,023
Oct.	35,598	5.9	37,705	2.3	38,580	(0.0)	38,572	9.9	42,409
Nov.	34,536	4.0	35,902	4.6	37,566	2.3	38,446	3.4	39,752
Dec.	32,372	3.9	33,623	6.8	35,916	2.0	36,644	7.1	39,259
Jan.	29,518	0.6	29,699	8.5	32,226	2.9	33,172	0.7	33,403
Feb.	23,716	20.8	28,654	9.6	31,419	(1.8)	30,841		
March	33,298	3.4	34,419	4.5	35,960	7.7	38,716		
April	35,389	2.4	36,251	4.0	37,709	3.2	38,904		
May	37,911	1.5	38,477	6.7	41,069	7.1	44,000		
Total Year	$415,981	4.8	$435,752	4.4	$455,133	3.6	$471,516		
June-Jan	285,667	4.3	297,950	3.7	308,977	3.3	319,055	6.2	338,738

Commercial Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$26,513	5.6	$27,996	7.4	$30,075	(0.9)	$29,797	3.8	$30,938
July	26,335	5.0	27,654	2.9	28,449	1.8	28,953	9.1	31,597
Aug.	26,172	8.4	28,362	7.4	30,473	2.5	31,222	3.4	32,289
Sept.	25,852	8.9	28,147	4.1	29,292	(3.7)	28,222	6.5	30,066
Oct.	26,259	6.6	27,996	5.5	29,536	0.2	29,595	10.5	32,692
Nov.	22,847	12.9	25,796	7.3	27,670	4.7	28,976	(1.5)	28,554
Dec.	23,289	10.4	25,713	2.5	26,368	(1.0)	26,096	5.7	27,577
Jan.	22,991	10.9	25,499	4.3	26,599	8.3	28,813	0.4	28,936
Feb.	21,356	14.5	24,452	7.4	26,271	(0.2)	26,223		
March	27,014	9.6	29,617	(1.8)	29,086	0.3	29,182		
April	26,651	5.1	28,014	0.4	28,122	8.8	30,610		
May	26,778	7.8	28,858	6.4	30,707	6.0	32,537		
Total Year	$302,057	8.6	$328,105	4.4	$342,646	2.2	$350,226		
June-Jan	200,258	8.4	217,163	5.2	228,460	1.4	231,674	4.7	242,649

Total Vehicles

Month	2009-10	% Chg	2010-11	% Chg	2011-12	% Chg	2012-13	% Chg	2013-14
June	$63,383	5.4	$66,829	5.2	$70,276	3.0	$72,360	4.8	$75,851
July	66,990	5.6	70,767	3.2	73,004	1.0	73,767	8.2	79,816
Aug.	67,435	5.8	71,330	2.2	72,904	6.1	77,330	6.1	82,050
Sept.	60,707	5.8	64,255	3.9	66,792	0.2	66,959	6.2	71,089
Oct.	61,857	6.2	65,701	3.7	68,116	0.1	68,166	10.2	75,101
Nov.	57,383	7.5	61,698	5.7	65,236	3.4	67,422	1.3	68,306
Dec.	55,661	6.6	59,336	5.0	62,284	0.7	62,740	6.5	66,836
Jan.	52,509	5.1	55,198	6.6	58,824	5.4	61,985	0.6	62,338
Feb.	45,072	17.8	53,107	8.6	57,690	(1.1)	57,064		
March	60,313	6.2	64,037	1.6	65,046	4.4	67,899		
April	62,040	3.6	64,265	2.4	65,831	5.6	69,514		
May	64,689	4.1	67,335	6.6	71,776	6.6	76,536		
Total Year	$718,038	6.4	$763,856	4.4	$797,779	3.0	$821,742		
June-Jan	485,925	6.0	515,114	4.3	537,436	2.5	550,729	5.6	581,387

NOTES:

(1) Tolls increase by 3% on January 3, 2010, except for Turnpike 576 where toll rates remained unchanged.
(2) E-ZPass tolls increased by 3% and a cash tolls increased by 10% on January 2, 2011, except for Turnpike 576 where toll rates remained unchanged.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576 where toll rates remained unchanged.
(6) February 2010 traffic was negatively impacted several times due to severe snowstorms.
(7) January 2011 traffic was negatively impacted due to several winter storms.
(8) Phase 2 of the Turnpike 43 Uniontown to Brownsville project opened to traffic in July 2012, with positive impacts to traffic.
(9) Hurricane Sandy negatively impacted traffic and toll revenue in late October and early November 2012.
(10) Several winter weather events negatively impacted traffic and toll revenue in December 2012.
(11) Abnormally cold temperatures and winter storms negatively impacted travel in Janaury 2014.

Table 5
Actual and Assumed Percent Changes in Toll Rates
Pennsylvania Turnpike System

Calendar Year	Percent Changes in Turnpike System's Toll Rates (1): 2014 Bring Down Letter E-ZPass	2014 Bring Down Letter Cash	2013 Bring Down Letter E-ZPass	2013 Bring Down Letter Cash
2011	3.00	10.00	3.00	10.00
2012	0.00	10.00	0.00	10.00
2013	2.00	10.00	2.00	10.00
2014	2.00	12.00	3.00	3.00
2015	5.00	5.00	5.00	5.00
2016	5.50	5.50	5.50	5.50
2017	5.50	5.50	5.50	5.50
2018	5.50	5.50	5.50	5.50
2019	5.50	5.50	5.50	5.50
2020	5.50	5.50	5.50	5.50
2021	4.50	4.50	4.50	4.50
2022	4.50	4.50	4.50	4.50
2023	4.50	4.50	4.50	4.50
2024	4.50	4.50	4.50	4.50
2025	4.50	4.50	4.50	4.50
2026	4.00	4.00	4.00	4.00
2027	3.50	3.50	3.50	3.50
2028	3.00	3.00	3.00	3.00
2029	3.00	3.00	3.00	3.00
2030	3.00	3.00	3.00	3.00
2031	3.00	3.00	3.00	3.00
2032	3.00	3.00	3.00	3.00
2033	3.00	3.00	3.00	3.00
2034	3.00	3.00	3.00	3.00
2035	3.00	3.00	3.00	3.00
2036	3.00	3.00	3.00	3.00
2037	3.00	3.00	3.00	3.00
2038	3.00	3.00	3.00	3.00
2039	3.00	3.00	3.00	3.00
2040	3.00	3.00	3.00	3.00
2041	3.00	3.00	3.00	3.00

(1) The percent toll rate increases are the same for all toll facilities and for all vehicle classes, except for 2011, 2012 and 2014 when Turnpike 576 was exempted from a toll increase.

Note: The toll rate increases for this 2014 Bring Down Letter are actual through 2013, and were actual through 2012 for the 2013 Bring Down Letter.

Actual and Assumed E-ZPass Penetration Rates

Table 6 presents the actual assumed annual E-ZPass penetration rates from calendar year 2011 through 2041 for both the 2014 and 2013 Bring Down letter. The penetration rates are shown for cars, trucks and total vehicles for the Turnpike System.

The percent penetration rates are the same in years 2011 and 2012 between the two Bring Down Letters because the rates are based off of actual data. The penetration rates in 2013 are based on actual data for the 2014 Bring Down Letter, and were forecast penetration rates for the 2013 Bring Down Letter. Compared to the 2013 Bring Down Letter, the estimated E-ZPass penetration rates are higher in calendar year 2014 because of the increased toll differential between E-ZPass and cash implemented in January 2014 that was not assumed in the 2013 Bring Down Letter.

At the time of the 2013 Bring Down Letter, it was assumed that cash toll rates would continue to be about 27 percent greater than E-ZPass toll rates. In actuality, due to the new toll schedule change in January 2014, cash toll rates became about 39 percent more than E-ZPass rates, thus causing customers to shift into E-ZPass. In 2014, the total E-ZPass market share was estimated to total 71.6 percent in the 2013 Bring Down letter. Due to the toll rate increase, it is now estimated that the total E-ZPass market share will increase to 74.9 percent in 2014 for the Turnpike System. This represents an increase of 3.3 percentage points. Similarly, 2014 passenger car E-ZPass penetration is now estimated to increase to 73.1 percent compared to 69.7 percent in the 2013 Bring Down Letter, and 2014 commercial vehicle E-ZPass penetration is now estimated to increase to 86.7 percent compared to 84.5 percent. This represents an increase of 2.2 percent for cars, 3.4 percent for trucks, and 3.3 percent overall, in E-ZPass market share in 2014 compared to the 2013 Bring Down Letter due to the increased toll differential implemented in 2014. These percentage point increases are assumed to continue through the forecast period, resulting in higher E-ZPass penetration rates for each year in the forecast period.

By 2041, E-ZPass market share on the Turnpike System is currently estimated to reach 86.2 percent for cars (previously 82.4), 95.2 percent for trucks (previously 95.0), and 87.5 percent overall (Previously 84.1). Note that E-ZPass market share forecasts are capped at 95 percent for trucks and 90 percent for passenger cars. The E-ZPass penetration rates are higher for cars and trucks throughout the forecast period in this Bring Down Letter compared to the 2013 Bring Down Letter due to the changed toll rate assumption in 2014. This has toll revenue implications, because E-ZPass customers pay substantially less than cash customers.

Table 6
Actual and Assumed Percent E-ZPass Penetration
Pennsylvania Turnpike System

Calendar Year	E-ZPass Penetration Rates: 2014 Bring Down Letter Cars	Trucks	Total	2013 Bring Down Letter Cars	Trucks	Total
2011	60.1	79.0	62.6	60.1	79.0	62.6
2012	64.3	81.6	66.5	64.3	81.6	66.5
2013	68.8	84.2	70.8	68.6	83.9	70.6
2014	73.1	86.7	74.9	69.7	84.5	71.6
2015	74.3	87.3	76.0	70.9	85.0	72.7
2016	75.0	87.9	76.7	71.6	85.6	73.4
2017	75.7	88.5	77.4	72.2	86.2	74.0
2018	76.4	89.0	78.1	72.9	86.7	74.7
2019	77.1	89.6	78.8	73.5	87.2	75.3
2020	77.7	90.1	79.3	74.0	87.8	75.9
2021	78.2	90.7	79.9	74.6	88.3	76.4
2022	78.7	91.1	80.4	75.1	88.8	76.9
2023	79.3	91.6	81.0	75.6	89.3	77.4
2024	79.8	92.1	81.5	76.1	89.8	77.9
2025	80.3	92.5	82.0	76.6	90.3	78.4
2026	80.8	93.0	82.5	77.1	90.8	78.9
2027	81.3	93.4	83.0	77.5	91.2	79.4
2028	81.7	93.9	83.4	78.0	91.7	79.8
2029	82.2	94.3	83.9	78.4	92.2	80.3
2030	82.6	94.7	84.3	78.9	92.6	80.7
2031	83.0	95.0	84.7	79.2	92.9	81.1
2032	83.4	95.2	85.0	79.6	93.2	81.4
2033	83.7	95.2	85.3	79.9	93.5	81.8
2034	84.0	95.2	85.6	80.2	93.7	82.1
2035	84.4	95.2	85.9	80.6	94.0	82.4
2036	84.7	95.2	86.2	80.9	94.3	82.7
2037	85.1	95.2	86.5	81.2	94.5	83.1
2038	85.4	95.2	86.8	81.5	94.8	83.4
2039	85.7	95.2	87.0	81.8	95.0	83.7
2040	86.0	95.2	87.3	82.2	95.0	83.9
2041	86.2	95.2	87.5	82.4	95.0	84.1

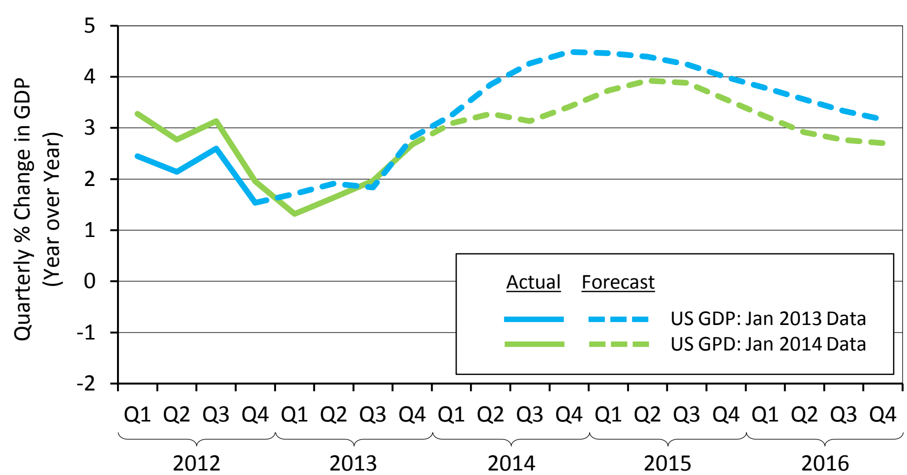
Note: The E-ZPass penetration rates for this 2014 Bring Down Letter are actual through 2013 and were actual only through 2012 for the 2013 Bring Down Letter.

Summary of Changes in U.S. Gross Domestic Product

This section presents a comparison of the GDP information available for the 2012 Forecast Study with updated forecasts for GDP (available on January 13, 2014) from Moody's Analytics. This information was a key input in developing estimated growth forecasts for the Turnpike System. The last actual data point for the updated forecast is the fourth quarter of 2013. A graphic comparison between the forecast U.S. GDP available for the 2013 Bring Down Letter and this 2014 Bring Down Letter is shown in Figure 3. The intent is to highlight the major differences in estimated U.S. economic activity at the time of the 2013 Bring Down Letter and this 2014 Bring Down Letter. Figure 3 shows the percent change in quarterly growth of GDP over the same quarter in the prior year. The blue line presents the actual (solid line) and estimated (dashed line) GDP growth available for the 2013 Bring Down Letter (old data). The green line presents the actual (solid line) and estimated (dashed line) GDP growth available for this 2014 Bring Down Letter (new data).

FIGURE 3

COMPARISON OF QUARTERLY GROWTH ESTIMATES IN U.S. GROSS DOMESTIC PRODUCT



Source: Actuals are from the Bureau of Economic Analysis and estimates are by Moody's Analytics.

U.S. GDP growth in 2013 mirrored the GDP forecast used for the 2013 Bring Down Letter. Going forward, the most recently availabe U.S. GDP growth forecast is lower than the one used for the 2013 Bring Down Letter through calendar year 2016. The difference is most pronounced in the third quarter and fourth quarter of 2014 where the most recently availabe forecast is a full percentage point lower than the forecast used for the 2013 Bring Down Letter. This difference remains at approximatetly 0.5 percent through 2016. Based on the the new forecasts in GDP, normal growth rates in transactions were reduced in calendar years 2014 and 2015. After 2015, growth rates remain unchanged from those provided in the 2013 Bring Down Letter.

Actual Versus Estimated Traffic and Toll Revenue

Table 7 provides a comparison of actual traffic and toll revenue versus estimated traffic and toll revenue from CDM Smith's 2013 Bring Down Letter. The analysis period in this table is from February 2013 through January 2014. This twelve-month period corresponds to the period for which actual data currently exists, but was estimated at the time of the 2013 Bring Down Letter.

Table 7
Comparison of Estimated and Actual Traffic Volumes and Toll Revenue
From February 2013 through January 2014 (1)
Pennsylvania Turnpike System

	Total Traffic (in Thousands)			Total Toll Revenue (in Thousands)		
Facility	Estimated	Actual	Actual as Percent of Estimated	Estimated	Actual	Actual as Percent of Estimated
			Passenger Cars			
Ticket and Gateway Barrier	134,773	133,651	(0.8)	$ 450,938	$ 455,622	1.0
Turnpike 43	12,325	12,171	(1.2)	14,803	14,803	0.0
Turnpike 66	6,974	6,784	(2.7)	9,288	9,166	(1.3)
Northeast Extension (Barrier)	5,000	5,192	3.8	3,991	4,173	4.6
Turnpike I-376	6,992	6,611	(5.5)	7,760	7,434	(4.2)
Total System	166,064	164,409	(1.0)	$ 486,780	$ 491,199	0.9
			Commercial Vehicles			
Ticket and Gateway Barrier	20,471	20,565	0.5	$ 347,053	$ 346,213	(0.2)
Turnpike 43	804	908	13.0	2,814	3,134	11.4
Turnpike 66	1,042	1,036	(0.6)	4,063	4,077	0.3
Northeast Extension (Barrier)	1,019	1,062	4.2	4,199	4,368	4.0
Turnpike I-376	1,213	1,129	(6.9)	3,676	3,409	(7.3)
Total System	24,549	24,700	0.6	$ 361,804	$ 361,201	(0.2)
			Total Vehicles			
Ticket and Gateway Barrier	155,244	154,217	(0.7)	$ 797,991	$ 801,835	0.5
Turnpike 43	13,128	13,079	(0.4)	17,617	17,937	1.8
Turnpike 66	8,016	7,820	(2.4)	13,351	13,244	(0.8)
Northeast Extension (Barrier)	6,018	6,254	3.9	8,190	8,541	4.3
Turnpike I-376	8,205	7,740	(5.7)	11,436	10,843	(5.2)
Total System	190,613	189,110	(0.8)	$ 848,585	$ 852,400	0.4

(1) These 12 months correspond to the period for which actual data exists, but was estimated at the time of CDM Smith's 2013 Bring Down Letter.

In general, estimated traffic and toll revenue tracked very well compared to actuals. On a Total System basis, actual passenger-car transactions fell short of estimates by 1.0 percent, and passenger-car toll revenue exceeded estimates by 0.9 percent. Commercial vehicle transactions exceeded estimates by 0.6 percent, and actual commercial vehicle toll revenue was 0.2 percent less than estimates. When all vehicles are considered, actual transactions fell short of estimates by 0.8 percent and toll revenue exceeded estimates by 0.4 percent.

On a facility basis, the ticket system passenger car transactions fell short of estimates by 0.8 percent and the toll revenue exceeded estimates by 1.0 percent. Actual transactions on Turnpike 43 were 1.2 percent less than forecast, but toll revenue matched the forecast. Turnpike 66 actual transactions were 2.7 percent less than forecast, and toll revenue was 1.3 percent less than forecast. This is likely due to local economic conditions and possibly a greater sensitivity to the toll increases due to more viable alternative toll-free routes in the vicinity. Actual transactions on the barrier portion of the Northeast Extension exceeded forecasts by 3.8 percent, and toll revenue was 4.6 percent greater than forecast. It appears that travel is rebounding more quickly than anticipated due to economic activity on this section of the Northeast Extension. Lastly, Turnpike I-376 transactions fell short of estimates by 5.5 percent and toll revenue was 4.2 percent less than forecast. This is likely due to local economic conditions and possibly a greater sensitivity to the toll increases due to more viable alternative toll-free routes in the vicinity.

Estimated Traffic and Gross Toll Revenue

Updated traffic and gross toll revenue impacts were developed through FY 2040-41 incorporating the following changes into the forecast. All these changes were described in previous sections.

- Actual traffic and revenue experience through January 2014 (as shown in Tables 3 and 4);
- Different annual toll rate increases in calendar year 2014 (as shown in Table 5);
- Different assumptions for the discounts and adjustments due to changes in the commercial volume discount program;
- Higher E-ZPass penetration rates associated with changes in the 2014 toll schedule (as shown in Table 6);
- Lower economic growth than anticipated in 2014, 2015, and 2016 at the time the 2013 Bring Down Letter was developed (as shown in Figure 3); and
- Toll sensitivity for commercial vehicles and passenger cars that pay with cash was increased compared to the 2013 Bring Down Letter. It is believed that the cash toll rates have increased enough since 2009 that cash patrons are more sensitive to further toll increases in future years.

Other assumptions remain unchanged from the 2013 Bring Down Letter including:

- Long range normal growth rates from 2016 through the end of the forecast period;
- Long range economic indicators; and
- Major Committed Roadway Improvements – including the phasing of the I-276/I-95 Interchange Project. It was however confirmed that the current phasing of the I-276/I-95 Interchange project is still consistent with the 2013 Bring Down Letter.

Table 8 shows the traffic and toll revenue for only the ticket system. Data for FY 2012-13 reflects a full year of actual experience and FY 2013-14 includes eight months of actual experience (through January 2014). Total toll transactions increase from 154.7 million to 238.9 million over the forecast period, an average annual increase of 1.5 percent. Gross toll revenue increases from $752.3 million to $3.4 billion by FY 2040-41. This amounts to an average annual increase of 5.4 percent, reflecting the impact of normal growth plus the annual rate adjustments.

The same information is shown for the barrier toll systems in Table 9. Compared to the ticket system, total annual toll transactions are estimated to grow at a slightly higher average annual rate, averaging 1.6 percent over the period shown. Total barrier revenue increases at an annual rate of 5.5 percent.

Table 10 identifies total combined transactions and gross toll revenue and also factors in estimated toll discounts and adjustments. The vast majority of the discounts and adjustments results from commercial account toll adjustments due to the Turnpike's volume discount program. At the time of the 2013 Bring Down Letter, it was assumed that the Toll Discounts and Adjustments would virtually go to zero starting in January 2014. The bulk of the adjustments were associated with the commercial vehicle volume discount program which was assumed to end in January 2014. Instead, the volume discount program was continued at a modified discount, so that a 3.0 percent discount is provided to accounts that accrue $20,000 or more in monthly tolls. Discounts and adjustments shown in Table 10 assume no further changes to the post-paid commercial volume discount program during the forecast period. The result is that the current forecasts have a negative adjustment applied for FY 2014-15 and beyond that equals approximately 1.5 percent of the commercial vehicle gross toll revenue. In the previous forecasts the downward adjustment in toll revenue ceases in January 2014.

As shown in Table 10, total toll transactions are expected to increase from nearly 189.1 million to 293.3 million over the forecast period. This amounts to an average annual growth rate of 1.5 percent. As shown, total adjusted gross toll revenue is estimated to grow from approximately $780.8 million in FY 2011-12 to $3.6 billion by FY 2040-41. This reflects an average annual growth

Table 8
Ticket System: Estimated Annual Transactions and Gross Toll Revenue (1)
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

Fiscal Year		Annual Transactions: Passenger Cars	Annual Transactions: Commercial Vehicles	Annual Transactions: Total Vehicles	Annual Gross Toll Revenue: Passenger Cars	Annual Gross Toll Revenue: Commercial Vehicles	Annual Gross Toll Revenue: Total Vehicles
2011-12	(2,4)	134,383	20,312	154,695	$422,872	$329,450	$752,322
2012-13	(2,5)	132,901	20,266	153,168	437,059	336,199	773,258
2013-14	(3,6)	134,169	20,734	154,902	461,957	352,539	814,497
2014-15	(7)	136,806	21,294	158,100	488,235	375,538	863,774
2015-16	(7)	139,389	21,746	161,135	519,961	402,445	922,406
2016-17	(7)	141,729	22,173	163,902	555,539	431,821	987,360
2017-18	(7,8)	145,157	22,788	167,944	601,938	470,713	1,072,651
2018-19	(7)	149,147	23,498	172,645	656,798	515,661	1,172,460
2019-20	(7)	151,156	23,902	175,058	699,622	551,967	1,251,589
2020-21	(7)	153,214	24,314	177,528	742,918	588,486	1,331,404
2021-22	(7)	155,340	24,737	180,078	784,568	624,107	1,408,675
2022-23	(7)	157,508	25,166	182,674	828,615	661,832	1,490,446
2023-24	(7)	159,715	25,600	185,316	875,182	701,781	1,576,963
2024-25	(7)	161,966	26,040	188,006	924,436	744,084	1,668,520
2025-26	(7)	164,258	26,487	190,745	974,704	787,352	1,762,056
2026-27	(7)	166,610	26,946	193,556	1,022,977	829,264	1,852,241
2027-28	(7)	169,040	27,416	196,456	1,068,779	869,323	1,938,101
2028-29	(7)	171,538	27,896	199,434	1,113,564	908,800	2,022,364
2029-30	(7)	174,082	28,382	202,465	1,160,279	950,026	2,110,305
2030-31	(7)	176,667	28,874	205,542	1,209,329	993,428	2,202,756
2031-32	(7)	179,278	29,370	208,648	1,260,944	1,039,270	2,300,214
2032-33	(7)	181,929	29,871	211,801	1,314,772	1,087,807	2,402,579
2033-34	(7)	184,629	30,378	215,007	1,370,961	1,139,431	2,510,392
2034-35	(7)	187,380	30,891	218,272	1,429,649	1,193,388	2,623,037
2035-36	(7)	190,167	31,409	221,577	1,490,804	1,249,777	2,740,582
2036-37	(7)	192,994	31,933	224,927	1,554,553	1,308,703	2,863,256
2037-38	(7)	195,876	32,464	228,340	1,621,139	1,370,329	2,991,468
2038-39	(7)	198,810	33,002	231,812	1,690,654	1,434,798	3,125,452
2039-40	(7)	201,802	33,547	235,349	1,763,272	1,502,214	3,265,485
2040-41	(7)	204,836	34,102	238,938	1,839,533	1,572,798	3,412,331

(1) Includes the transactions and toll revenue from the Gateway Plaza.
(2) Reflects actual traffic and revenue experience.
(3) Reflects actual experience through January 2014.
(4) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(5) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(6) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576, where toll rates were unchanged.
(7) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates for each year are listed in Table 5.
(8) Includes impacts for I-95 Interchange Stages 0 and 1.

Table 9
Barrier System: Estimated Annual Transactions and Gross Toll Revenue
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

Fiscal Year		Annual Transactions Passenger Cars	Commercial Vehicles	Total Vehicles	Annual Gross Toll Revenue Passenger Cars	Commercial Vehicles	Total Vehicles
2011-12	(1,3)	30,577	3,815	34,392	$32,261	$13,196	$45,457
2012-13	(1,4)	30,788	3,941	34,729	34,457	14,028	48,484
2013-14	(2,5)	30,813	4,169	34,981	36,096	15,249	51,345
2014-15	(6)	31,168	4,291	35,459	38,004	16,256	54,261
2015-16	(6)	31,604	4,422	36,025	40,229	17,584	57,812
2016-17	(6)	32,155	4,560	36,715	42,899	19,083	61,982
2017-18	(6)	32,703	4,685	37,388	45,737	20,637	66,375
2018-19	(6)	33,246	4,803	38,049	48,759	22,272	71,031
2019-20	(6)	33,784	4,920	38,704	51,981	24,017	75,998
2020-21	(6)	34,328	5,038	39,366	55,232	25,794	81,026
2021-22	(6)	34,882	5,158	40,040	58,371	27,560	85,931
2022-23	(6)	35,442	5,278	40,720	61,683	29,444	91,127
2023-24	(6)	36,008	5,399	41,406	65,176	31,444	96,620
2024-25	(6)	36,580	5,520	42,100	68,872	33,567	102,439
2025-26	(6)	37,159	5,642	42,802	72,671	35,751	108,422
2026-27	(6)	37,749	5,766	43,516	76,371	37,888	114,258
2027-28	(6)	38,352	5,891	44,243	79,921	39,947	119,868
2028-29	(6)	38,965	6,017	44,982	83,399	41,992	125,391
2029-30	(6)	39,585	6,142	45,727	87,020	44,139	131,159
2030-31	(6)	40,210	6,267	46,477	90,784	46,385	137,169
2031-32	(6)	40,839	6,393	47,232	94,715	48,732	143,447
2032-33	(6)	41,474	6,521	47,995	98,835	51,189	150,024
2033-34	(6)	42,115	6,649	48,765	103,124	53,761	156,885
2034-35	(6)	42,763	6,779	49,542	107,589	56,452	164,040
2035-36	(6)	43,416	6,911	50,327	112,235	59,266	171,500
2036-37	(6)	44,073	7,043	51,116	117,098	62,208	179,305
2037-38	(6)	44,734	7,177	51,911	122,210	65,286	187,496
2038-39	(6)	45,402	7,312	52,714	127,536	68,505	196,041
2039-40	(6)	46,078	7,448	53,526	133,086	71,875	204,961
2040-41	(6)	46,763	7,587	54,350	138,876	75,406	214,282

(1) Reflects actual traffic and revenue experience.
(2) Reflects actual experience through January 2014.
(3) Cash tolls increased by 10% on January 1, 2012, except for Turnpike 576 where toll rates remained unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576, where toll rates were unchanged.
(6) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50%, depending upon the year. The rates for each year are listed in Table 5.

Table 10
Total System: Estimated Annual Transactions and Gross Toll Revenue
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

		Annual Transactions			Annual Gross Toll Revenue			Discounts	Adjusted Annual
Fiscal Year		Passenger Cars	Commercial Vehicles	Total Vehicles	Passenger Cars	Commercial Vehicles	Total Vehicles	**and Adjustments (8)**	**Gross Revenue**
2011-12	(1,3)	164,960	24,127	189,087	$455,133	$342,646	$797,779	($16,981)	$780,798
2012-13	(1,4)	163,690	24,207	187,897	471,516	350,226	821,742	(10,198)	811,544
2013-14	(2,5)	164,981	24,902	189,884	498,053	367,788	865,842	(5,517)	860,325
2014-15	(6)	167,974	25,585	193,559	526,239	391,795	918,034	(5,877)	912,157
2015-16	(6)	170,993	26,167	197,160	560,189	420,029	980,218	(6,300)	973,918
2016-17	(6)	173,884	26,734	200,617	598,437	450,904	1,049,341	(6,764)	1,042,577
2017-18	(6,7)	177,860	27,473	205,333	647,675	491,350	1,139,026	(7,370)	1,131,656
2018-19	(6)	182,392	28,301	210,694	705,557	537,933	1,243,490	(8,069)	1,235,421
2019-20	(6)	184,940	28,822	213,762	751,603	575,984	1,327,587	(8,640)	1,318,947
2020-21	(6)	187,542	29,352	216,894	798,150	614,280	1,412,430	(9,214)	1,403,216
2021-22	(6)	190,222	29,896	220,117	842,939	651,667	1,494,606	(9,775)	1,484,831
2022-23	(6)	192,950	30,444	223,394	890,298	691,276	1,581,574	(10,369)	1,571,205
2023-24	(6)	195,723	30,999	226,722	940,358	733,225	1,673,583	(10,998)	1,662,585
2024-25	(6)	198,546	31,560	230,106	993,308	777,651	1,770,960	(11,665)	1,759,295
2025-26	(6)	201,417	32,130	233,547	1,047,375	823,103	1,870,478	(12,347)	1,858,131
2026-27	(6)	204,359	32,712	237,072	1,099,348	867,151	1,966,499	(13,007)	1,953,492
2027-28	(6)	207,391	33,307	240,698	1,148,700	909,270	2,057,970	(13,639)	2,044,331
2028-29	(6)	210,503	33,912	244,415	1,196,963	950,792	2,147,755	(14,262)	2,133,493
2029-30	(6)	213,668	34,524	248,192	1,247,299	994,166	2,241,465	(14,912)	2,226,553
2030-31	(6)	216,877	35,141	252,019	1,300,112	1,039,812	2,339,925	(15,597)	2,324,328
2031-32	(6)	220,117	35,763	255,881	1,355,659	1,088,002	2,443,661	(16,320)	2,427,341
2032-33	(6)	223,404	36,392	259,795	1,413,607	1,138,996	2,552,603	(17,085)	2,535,518
2033-34	(6)	226,744	37,028	263,772	1,474,085	1,193,192	2,667,277	(17,898)	2,649,379
2034-35	(6)	230,143	37,671	267,814	1,537,238	1,249,840	2,787,077	(18,748)	2,768,329
2035-36	(6)	233,584	38,320	271,904	1,603,039	1,309,043	2,912,082	(19,636)	2,892,446
2036-37	(6)	237,067	38,976	276,043	1,671,651	1,370,911	3,042,562	(20,564)	3,021,998
2037-38	(6)	240,610	39,641	280,250	1,743,349	1,435,615	3,178,963	(21,534)	3,157,429
2038-39	(6)	244,212	40,314	284,526	1,818,191	1,503,303	3,321,493	(22,550)	3,298,943
2039-40	(6)	247,879	40,996	288,875	1,896,358	1,574,088	3,470,446	(23,611)	3,446,835
2040-41	(6)	251,599	41,689	293,287	1,978,409	1,648,204	3,626,612	(24,723)	3,601,889

(1) Reflects actual traffic and revenue experience.
(2) Reflects actual experience through January 2014.
(3) Cash toll rates were increased by 10 percent on January 1, 2012, except for Turnpike 576, where toll rates were unchanged.
(4) Cash tolls increased by 10% and E-ZPass tolls increased by 2% on January 6, 2013.
(5) Cash tolls increased by 12% and E-ZPass tolls increased by 2% on January 5, 2014, except for Turnpike 576, where toll rates were unchanged.
(6) Annual toll rate increases are assumed to be implemented at the first of each year. The percent increases are the same for cars and trucks, and for E-ZPass and cash. The percent increases range from 3.00% to 5.50% depending upon the year. The rates are listed in Table 5.
(7) Includes impacts for I-95 Interchange Stages 0 and 1.
(8) This reflects actual discounts and adjustments in FY 2011-12 and through December of FY 2012-13. Changes were implemented in the commercial discount program in January 2012 and 2013 to reduce the amount of the discount. In January 2014 the volume discount program was amended so that a 3.0 percent discount is provided to accounts that accrue $20,000 or more in monthly tolls. It is assumed this policy remains in effect through FY 2040-41.

rate in gross toll revenue of 5.4 percent. Again, this includes the impact of normal growth plus annual toll rate adjustments.

Table 11 provides a comparison of the current traffic and adjusted gross toll revenue forecasts with those developed as part of the 2013 Bring Down Letter. In the current FY 2013-14, the new transaction forecasts are 0.9 percent below the previous forecast. This reflects eight months of actual data. During the same period, total adjusted gross toll revenue is 0.6 percent higher than the forecast in the 2013 Bring Down Letter. As discussed earlier, it was assumed that growth would continue to be below the old forecasts through the remainder of 2014. Only slight changes were made to growth rates for calendar year 2015. The changes in annual growth rate assumptions in transactions results in a FY 2015-16 that is 1.1 percent less than the previous forecast. The differences in transactions between the two forecasts slowly increase over time, ranging from 0.8 percent in FY 2014-15 to 1.7 percent in FY 2040-41. The slowly increasing difference over time is due to the slightly higher toll rate assumptions in the current forecast and the increased toll sensitivity for cash customers, which results in slightly more diversion over time.

The current adjusted gross toll revenue estimate is 0.6 percent greater in FY 2013-14 than previously forecast due to the increase in the toll rate schedule that was implemented in 2014 (the 2.0 percent increase in E-ZPass tolls and the 12.0 percent increase in cash tolls). This impact is carried through into FY 2014-15. The percent difference in estimated toll revenue between the two forecasts decreases until FY 2016-17. From FY 2017-18 through FY 2040-41 the current forecasted toll revenue becomes increasingly less than the previous forecast. By FY 2040-41, the current adjusted gross toll revenue forecast is 1.6 percent lower than the previous forecast.

The primary reason why the current forecasts in gross toll revenue are slightly higher than the previous forecast from FY 2013-14 through FY 2016-17, and then fall below the previous forecast, is related to the increased E-ZPass market share and its effects on the average toll rate for the Turnpike System. The average toll rate for the Turnpike System is estimated to decrease over time at a faster rate in the current forecast compared to the previous forecast. This is due to a larger shift of traffic into E-ZPass starting in FY 2013-14 due to the increased toll differential between cash and E-ZPass toll rates starting in January 2014. Cash customers pay about 39 percent more than E-ZPass customers throughout the forecast period. Since E-ZPass customers pay a lower toll rate, increased E-ZPass market share assumptions increasingly dilute the impact of the differential toll increase.

Table 11
Comparson of New Traffic and Revenue Estimates with those from the 2013 Bring Down Letter
Pennsylvania Turnpike

Traffic and Toll Revenue in Thousands

	Total Annual Transactions			Total Annual Adjusted Gross Toll Revenue		
Fiscal Year	Current Estimates	2013 Forecast	Percent Difference	Current Estimates	2013 Forecast	Percent Difference
2011-12	189,087	189,087	0.0%	$780,798	$780,798	0.0%
2012-13	187,897	188,740	(0.4)	811,544	811,003	0.1
2013-14	189,884	191,597	(0.9)	860,325	854,819	0.6
2014-15	193,559	195,180	(0.8)	912,157	906,641	0.6
2015-16	197,160	199,324	(1.1)	973,918	971,106	0.3
2016-17	200,617	202,939	(1.1)	1,042,577	1,041,170	0.1
2017-18	205,333	207,830	(1.2)	1,131,656	1,131,995	(0.0)
2018-19	210,694	213,348	(1.2)	1,235,421	1,237,412	(0.2)
2019-20	213,762	216,566	(1.3)	1,318,947	1,322,954	(0.3)
2020-21	216,894	219,838	(1.3)	1,403,216	1,409,242	(0.4)
2021-22	220,117	223,187	(1.4)	1,484,831	1,492,970	(0.5)
2022-23	223,394	226,588	(1.4)	1,571,205	1,581,641	(0.7)
2023-24	226,722	230,038	(1.4)	1,662,585	1,675,520	(0.8)
2024-25	230,106	233,542	(1.5)	1,759,295	1,774,940	(0.9)
2025-26	233,547	237,098	(1.5)	1,858,131	1,876,603	(1.0)
2026-27	237,072	240,727	(1.5)	1,953,492	1,974,808	(1.1)
2027-28	240,698	244,450	(1.5)	2,044,331	2,068,477	(1.2)
2028-29	244,415	248,255	(1.5)	2,133,493	2,160,539	(1.3)
2029-30	248,192	252,119	(1.6)	2,226,553	2,256,655	(1.3)
2030-31	252,019	256,035	(1.6)	2,324,328	2,357,525	(1.4)
2031-32	255,881	259,989	(1.6)	2,427,341	2,463,535	(1.5)
2032-33	259,795	263,999	(1.6)	2,535,518	2,574,257	(1.5)
2033-34	263,772	268,071	(1.6)	2,649,379	2,689,941	(1.5)
2034-35	267,814	272,208	(1.6)	2,768,329	2,810,772	(1.5)
2035-36	271,904	276,392	(1.6)	2,892,446	2,936,822	(1.5)
2036-37	276,043	280,626	(1.6)	3,021,998	3,068,369	(1.5)
2037-38	280,250	284,929	(1.6)	3,157,429	3,205,863	(1.5)
2038-39	284,526	289,301	(1.7)	3,298,943	3,349,510	(1.5)
2039-40	288,875	293,745	(1.7)	3,446,835	3,500,255	(1.5)
2040-41	293,287	298,257	(1.7)	3,601,889	3,659,167	(1.6)

Disclaimer

Current accepted professional practices and procedures were used in the development of these traffic and revenue forecasts. However, as with any forecast of the future, it should be understood that there may be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. In formulating its forecasts, CDM Smith has reasonably relied upon the accuracy and completeness of information provided (both written and oral) by the Pennsylvania Turnpike Commission. CDM Smith also has relied upon the reasonable assurances of some independent parties and is not aware of any facts that would make such information misleading.

CDM Smith has made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue forecasts that must be considered as a whole; therefore selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underling methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit to partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple federal, state and local agencies, including the Pennsylvania Turnpike Commission, and some independent parties. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projections contained within this report.

While CDM Smith believes that some of the projections or other forward-looking statements contained within the report are based on reasonable assumptions as of the date in the report, such forward looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

Sincerely,

Scott A. Allaire

Scott A. Allaire
Vice President
CDM Smith Inc.

Gary T. Quinlin
Project Manager
CDM Smith Inc.

APPENDIX H

CERTAIN INFORMATION REGARDING COMMONWEALTH MOTOR LICENSE FUND

Table 1 below sets forth a condensed summary of revenues and expenditures for the Motor License Fund for the Commonwealth's fiscal years ended June 30 of the years 2009 through 2013. This table includes all sources of revenue (both restricted and unrestricted) for the Motor License Fund and not just the sources of revenue that are considered available under Act 44 for debt service payments on the Special Revenue Bonds.

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Table 1

Results of Operations — Motor License Fund

GAAP Basis — Unaudited

(In Thousands)

	Fiscal Year Ended June 30				
	2009	**2010**	**2011**	**2012**	**2013**
Fund Balance — Beginning of Period	$1,566,520	$1,509,732	$1,661,421	$1,503,483	$1,192,998
Restatements	30,059	--	--	--	--
Fund Balance — Beginning of Period, as Restated	$1,596,579	$1,509,732	$1,661,421	$1,503,483	$1,192,998
Revenues:					
Taxes	$1,975,678	$2,045,505	$2,092,645	$2,096,222	$2,058,228
Licenses and fees	874,711	851,164	899,208	913,660	920,536
Intergovernmental	2,062,260	2,649,613	1,791,466	1,917,064	1,935,313
Other revenues	75,421	240,767	234,845	145,264	185,050
Other Financing Sources:					
Operating transfers in	--	5,164	--	--	--
Other additions	--	--	111	--	--
TOTAL REVENUES AND OTHER SOURCES	$4,988,070	$5,792,213	$5,018,275	$5,072,210	$5,099,127
Expenditures:					
Direction and supportive services	$ 71,167	$ 61,906	$ 50,624	$58,679	$31,593
Protection of persons and property	638,844	647,735	669,213	707,229	743,349
Public education	806	811	689	595	459
Recreation and cultural enrichment	1,390	3,263	3,421	3,855	901
Transportation	2,105,489	2,372,220	1,840,867	2,001,559	2,036,728
Capital outlay	2,217,691	2,502,788	2,548,674	2,542,787	2,384,372
Other Uses:					
Operating transfers out	39,530	51,801	62,725	67,991	0
TOTAL EXPENDITURES AND OTHER USES	$5,074,917	$5,640,524	$5,176,213	$5,382,695	$5,197,402
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURE AND OTHER USES	(86,847)	151,689	(157,938)	(310,485)	(98,275)
Fund Balance — End of Period	$1,509,732	$1,661,421	$1,503,483	$1,192,998	$1,094,723
Components of Fund Balance					
Reserved for encumbrances	$652,352	$ 768,916	$ -- -	$ --	$ --
Reserved for advances and other	10,225	116,545	--	--	--
Unreserved - designated - highways	700,018	768,710	--	--	--
Unreserved - undesignated.	147,137	7,250	--	--	--
Restricted	--	--	1,503,483	1,192,998	1,094,723
TOTAL FUND BALANCE	$1,509,732	$1,661,421	$1,503,483	$1,192,998	$1,094,723

Source: Commonwealth of Pennsylvania Office of the Budget.

Table 2 below shows revenues in the Motor License Fund from various sources considered to be available under Act 44 for payment of debt service on Special Revenue Bonds for the Commonwealth's fiscal years ended June 30 of the years 2009 through 2013:

Table 2
Motor License Fund Revenues Available for Special Revenue Bonds
(In Millions)

	Fiscal Year Ended June 30				
	2009	**2010**	**2011**	**2012**	**2013**
Fuel Taxes:					
Liquid Fuels and Fuels tax	$670.1	$694.2	$720.0	$717.1	$711.5
Oil Company Franchise tax	1,045.4	1,034.0	1,050.3	1,057.2	1,043.7
Total Fuel Taxes	**$1,715.5**	**$1,728.2**	**$1,770.3**	**$1,774.3**	**$1,755.2**
Registration Fees:					
Passenger cars	283.9	284.5	283.5	286.0	286.3
Motor homes	2.7	2.8	2.6	2.5	2.5
Motorcycles	7.3	7.3	7.4	7.4	7.3
Motor-driven cycles					
Trucks and truck tractors	215.9	218.1	221.8	225.0	273.8
Motor buses and limousines	2.6	2.8	2.8	2.9	2.9
Implements of husbandry					
Antique, classic and collectible vehicles	0.8	0.8	0.8	0.8	1.3
Farm vehicles	1.9	1.9	1.9	1.8	1.9
Ambulances, taxis, and hearses	0.3	0.3	0.3	0.3	0.3
Dealers and miscellaneous motor vehicle business	3.7	3.5	3.4	3.7	3.6
Farm equipment vehicle dealers					
Transfer of registration	5.1	5.4	5.6	5.8	5.8
Replacement registration plates					
Duplicate registration cards	1.5	1.5	1.5	1.4	1.4
Commercial implements of husbandry					
Certificate of title	67.9	69.0	70.7	72.5	72.4
Excluded Revenues	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)
Total Registration Fees	**$565.6**	**$569.9**	**$574.3**	**$582.1**	**$631.5**
Total Available Revenues	**$2,281.1**	**$2,298.1**	**$2,344.6**	**$2,356.4**	**$2,386.7**

Source: Pennsylvania Department of Transportation.

Table 3 below shows the average daily balances in the Motor License Fund for the Commonwealth's fiscal years ended June 30 of the years 2005 through 2013. This table includes all sources of revenue (both restricted and unrestricted) for the Motor License Fund and not just the sources of revenue that are considered available under Act 44 for debt service payments on the Special Revenue Bonds.

Table 3
Motor License Fund Average Daily Balances

Fiscal Year Ended June 30	Minimum Daily Balance	Maximum Daily Balance	Average Daily Balance
2013	$709,260,274.53	$1,401,855,566.09	$1,086,569,421.91
2012	1,065,538,423.74	1,792,015,491.82	1,414,106,234.22
2011	1,477,102,431.30	2,223,547,512.40	1,801,131,083.51
2010	982,849,223.63	2,148,048,685.85	1,553,419,476.30
2009	1,108,038,369.68	2,087,146,599.19	1,569,188,162.88
2008	1,349,460,833.70	1,980,685,110.19	1,662,820,948.59
2007	1,311,562,196.59	1,726,289,602.52	1,521,761,746.92
2006	1,369,817,865.16	1,739,264,399.05	1,568,993,547.43
2005	743,285,647.77	1,524,896,576.96	1,250,788,086.30

Source: Pennsylvania Department of Transportation.

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APPENDIX I

TABLE OF COMPOUNDED AMOUNTS FOR
2014A CONVERTIBLE CAPITAL APPRECIATION BONDS

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Table 1 - Compounded Amounts for 2014A Subordinate Convertible Capital Appreciation Bonds

Date	2039 Term Bond 5.125%	2040 Term Bond 5.125%
4/29/2014	$3,000.85	$3,000.85
6/1/2014	3,014.35	3,014.35
12/1/2014	3,091.60	3,091.60
6/1/2015	3,170.80	3,170.80
12/1/2015	3,252.05	3,252.05
6/1/2016	3,335.40	3,335.40
12/1/2016	3,420.90	3,420.90
6/1/2017	3,508.55	3,508.55
12/1/2017	3,598.45	3,598.45
6/1/2018	3,690.65	3,690.65
12/1/2018	3,785.25	3,785.25
6/1/2019	3,882.25	3,882.25
12/1/2019	3,981.70	3,981.70
6/1/2020	4,083.75	4,083.75
12/1/2020	4,188.40	4,188.40
6/1/2021	4,295.70	4,295.70
12/1/2021	4,405.80	4,405.80
6/1/2022	4,518.70	4,518.70
12/1/2022	4,634.50	4,634.50
6/1/2023	4,753.25	4,753.25
12/1/2023	4,875.05	4,875.05
6/1/2024	5,000.00	5,000.00

Table 2 - Compounded Amounts for 2014A Subordinate MLF Revenue Convertible Capital Appreciation Bonds

Date	2034 Term Bond 4.500%	2037 Term Bond (Insured) 4.600%	2037 Term Bond (Uninsured) 4.750%	2044 Term Bond 4.900%
4/29/2014	$3,566.95	$3,540.60	$3,501.45	$3,462.75
6/1/2014	3,581.10	3,554.95	3,516.10	3,477.65
12/1/2014	3,661.70	3,636.70	3,599.60	3,562.85
6/1/2015	3,744.05	3,720.35	3,685.05	3,650.15
12/1/2015	3,828.30	3,805.90	3,772.60	3,739.60
6/1/2016	3,914.45	3,893.45	3,862.20	3,831.20
12/1/2016	4,002.55	3,983.00	3,953.90	3,925.05
6/1/2017	4,092.60	4,074.60	4,047.85	4,021.25
12/1/2017	4,184.65	4,168.35	4,143.95	4,119.75
6/1/2018	4,278.80	4,264.20	4,242.40	4,220.70
12/1/2018	4,375.10	4,362.30	4,343.15	4,324.10
6/1/2019	4,473.55	4,462.60	4,446.30	4,430.05
12/1/2019	4,574.20	4,565.25	4,551.90	4,538.60
6/1/2020	4,677.10	4,670.25	4,660.00	4,649.75
12/1/2020	4,782.35	4,777.65	4,770.70	4,763.70
6/1/2021	4,889.95	4,887.55	4,884.00	4,880.40
12/1/2021	5,000.00	5,000.00	5,000.00	5,000.00

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APPENDIX J

TABLE OF COMPOUNDED AMOUNTS FOR 2014A SUBORDINATE CAPITAL APPRECIATION BONDS

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Table 1 - Compounded Amounts for 2014A Subordinate Capital Appreciation Bonds

Date	2040 Term Bond (Insured) 5.250%	2041 Term Bond 5.420%	2042 Term Bond 5.440%
4/29/2014	$1,260.50	$1,143.40	$1,077.85
6/1/2014	1,266.30	1,148.85	1,083.00
12/1/2014	1,299.55	1,180.00	1,112.45
6/1/2015	1,333.70	1,211.95	1,142.70
12/1/2015	1,368.70	1,244.80	1,173.80
6/1/2016	1,404.60	1,278.55	1,205.70
12/1/2016	1,441.50	1,313.20	1,238.50
6/1/2017	1,479.35	1,348.75	1,272.20
12/1/2017	1,518.15	1,385.30	1,306.80
6/1/2018	1,558.00	1,422.85	1,342.35
12/1/2018	1,598.90	1,461.45	1,378.85
6/1/2019	1,640.90	1,501.05	1,416.35
12/1/2019	1,683.95	1,541.70	1,454.90
6/1/2020	1,728.15	1,583.50	1,494.45
12/1/2020	1,773.50	1,626.40	1,535.10
6/1/2021	1,820.10	1,670.50	1,576.90
12/1/2021	1,867.85	1,715.75	1,619.75
6/1/2022	1,916.90	1,762.25	1,663.85
12/1/2022	1,967.20	1,810.00	1,709.10
6/1/2023	2,018.85	1,859.05	1,755.55
12/1/2023	2,071.85	1,909.45	1,803.30
6/1/2024	2,126.25	1,961.20	1,852.35
12/1/2024	2,182.05	2,014.35	1,902.75
6/1/2025	2,239.30	2,068.90	1,954.50
12/1/2025	2,298.10	2,125.00	2,007.70
6/1/2026	2,358.45	2,182.60	2,062.30
12/1/2026	2,420.35	2,241.75	2,118.40
6/1/2027	2,483.90	2,302.50	2,176.00
12/1/2027	2,549.10	2,364.90	2,235.20
6/1/2028	2,616.00	2,428.95	2,296.00
12/1/2028	2,684.65	2,494.80	2,358.45
6/1/2029	2,755.15	2,562.40	2,422.60
12/1/2029	2,827.45	2,631.85	2,488.50
6/1/2030	2,901.70	2,703.15	2,556.15
12/1/2030	2,977.85	2,776.45	2,625.70
6/1/2031	3,056.00	2,851.65	2,697.10
12/1/2031	3,136.25	2,928.95	2,770.50
6/1/2032	3,218.55	3,008.30	2,845.85
12/1/2032	3,303.05	3,089.85	2,923.25
6/1/2033	3,389.75	3,173.60	3,002.75
12/1/2033	3,478.75	3,259.60	3,084.45
6/1/2034	3,570.05	3,347.95	3,168.35
12/1/2034	3,663.80	3,438.65	3,254.50
6/1/2035	3,759.95	3,531.85	3,343.05
12/1/2035	3,858.65	3,627.55	3,433.95
6/1/2036	3,959.95	3,725.85	3,527.40
12/1/2036	4,063.90	3,826.85	3,623.30
6/1/2037	4,170.55	3,930.55	3,721.90
12/1/2037	4,280.05	4,037.05	3,823.10
6/1/2038	4,392.40	4,146.45	3,927.10

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Table 1 - Compounded Amounts for 2014A Subordinate Capital Appreciation Bonds (continued)

Date	2040 Term Bond (Insured) 5.25%	2041 Term Bond 5.42%	2042 Term Bond 5.44%
12/1/2038	$4,507.70	$4,258.85	$4,033.90
6/1/2039	4,626.05	4,374.25	4,143.65
12/1/2039	4,747.45	4,492.80	4,256.35
6/1/2040	4,872.10	4,614.55	4,372.10
12/1/2040	5,000.00	4,739.60	4,491.05
6/1/2041		4,868.05	4,613.20
12/1/2041		5,000.00	4,738.70
6/1/2042			4,867.60
12/1/2042			5,000.00

APPENDIX K

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

PENNA

TURN
PIKE