

VOLUNTARY DISCLOSURE NOTICE
PENNSYLVANIA TURNPIKE COMMISSION

Subject: Owner Operator Independent Drivers Association, Inc. et al. v. Pennsylvania Turnpike Commission et al., No. 1:18-cv-00608-SHR (United States District Court for the Middle District of Pennsylvania)

The Pennsylvania Turnpike Commission (the “Commission”) hereby gives notice that on March 15, 2018, several individuals, entities and associations involved in or related to the commercial trucking industry (the “Trucking Plaintiffs”) filed this class action lawsuit against the Commission, several individuals in their individual capacity and in their official capacity related to the Commission, an individual in her individual capacity and in her official capacity as Chair of the Commission and as Secretary of Transportation, and Governor Wolf. The Commission, as well as the officers and commissioners thereof who have been named in the lawsuit have accepted service of the Complaint. As of April 10, 2018, it is unknown whether the Secretary of Transportation, and Governor Wolf have received service of the Complaint. The Trucking Plaintiffs allege that Act 44 of 2007, as amended by Act 89 of 2013 (hereinafter, “Act 44/89”), violates the Commerce Clause and the right to travel under the U.S. Constitution, either facially or as applied.

Essentially, the Trucking Plaintiffs allege that the Commission improperly imposes Turnpike tolls beyond that which is necessary for the operation and maintenance of the Turnpike and that the Commission expends toll revenues for purposes other than the operation and maintenance of the Turnpike. The lawsuit seeks, among other things, the following injunctive remedies: (1) a preliminary injunction (a) requiring the Commission to segregate all toll receipts in excess of what may be required for the current operation and maintenance of the Pennsylvania Turnpike System or for the funding of Commission senior revenue bonds issued under the Amended and Restated Trust Indenture dated as of March 1, 2001, as amended and supplemented, between the Commission and U. S. Bank, National Association, as trustee, and prohibiting the Commission from expending those toll receipts pending ruling on this action, and (b) prohibiting the Commission from authorizing the issuance of any further subordinate revenue bonds under the Subordinate Trust Indenture dated as of April 1, 2008, as amended and supplemented, between the Commission and Wells Fargo Bank, N.A., Philadelphia, Pennsylvania, as trustee, or the incurring of any additional debt for the purpose of making any additional Act 44/89 payments to the Pennsylvania Department of Transportation; (2) a permanent injunction enjoining the Commission from issuing any further bonds or incurring any additional debt for the purpose of making Act 44/89 payments; and (3) a permanent injunction prohibiting the Commission from using toll revenues to make payments on outstanding bonds issued to meet Act 44/89 obligations. Moreover, the lawsuit seeks certain monetary damages including a refund of a portion of certain tolls.

On April 2, 2018, the Trucking Plaintiffs filed a motion for preliminary injunction asking the court to enjoin the Commission, as relevant here, from (1) using any sums derived from Pennsylvania Turnpike toll revenue to satisfy the Commission’s obligations under Act 44/89 for any purpose except operating, maintaining, or improving the Turnpike; (2) using any sums derived from such toll revenue to pay the cost of debt service for any bonds issued by Commission for any purpose other than operating, maintaining, or improving the Turnpike; and

(3) issuing or causing to be issued additional bonds or other debt obligations for the purpose of complying with Act 44/89. The Commission has not yet responded to this motion.

The Commission along with all of the Commonwealth parties are evaluating the Trucking Plaintiffs' lawsuit and the response to their claims. The Commission and the Commonwealth of Pennsylvania expect to vigorously defend Act 44/89 and the propriety of its use of the Turnpike toll revenues in court.

The Commission is filing this information as a voluntary filing on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. This information is only accurate as of its date.

Date: April 10, 2018