NEW ISSUE – BOOK – ENTRY – ONLY

Ratings: (See "Ratings" herein)

In the opinion of Co-Bond Counsel, interest on the 2009B Bonds will be excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, subject to the conditions described in "TAX MATTERS" herein. In addition, interest on the 2009B Bonds will not be treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the individual and corporate alternative minimum taxes; however, under the Code, such interest may be subject to certain other taxes affecting corporate holders of the 2009B Bonds. Under the existing laws of the Commonwealth of Pennsylvania, interest on the 2009B Bonds will be free from Pennsylvania personal income taxation and Pennsylvania corporate net income taxation but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2009B Bonds or the interest thereon. For a more complete discussion, see "TAX MATTERS" herein.

PENNSYLVANIA TURNPIKE COMMISSION
$375,010,000 TURNPIKE REVENUE BONDS,
SERIES B OF 2009

Dated: Date of Delivery **Due: See inside cover**

The Pennsylvania Turnpike Commission's Turnpike Revenue Bonds, Series B of 2009 (the "***2009B Bonds***") are being issued pursuant to a Supplemental Trust Indenture No. 17 dated as of December 1, 2009 (the "***Supplemental Indenture No. 17***") to the Amended and Restated Trust Indenture dated as of March 1, 2001, and as amended and supplemented (the "***Indenture***"), between the Pennsylvania Turnpike Commission (the "***Commission***") and U. S. Bank, National Association, as trustee (the "***Trustee***").

The 2009B Bonds will be dated the date of initial issuance and delivery thereof, will bear interest at the fixed rates as shown on the inside front cover set for the maturity dates thereof, calculated on the basis of a year of 360 days consisting of twelve 30-day months payable on June 1 and December 1 of each year commencing June 1, 2010. The inside cover page of this Official Statement contains information concerning the maturity schedule, interest rates, prices and approximate yields of the 2009B Bonds. The 2009B Bonds are deliverable in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the 2009B Bonds. Beneficial ownership interests in the 2009B Bonds will be recorded in book-entry only form in denominations of $5,000 or any integral multiple thereof. Purchasers of 2009B Bonds will not receive bonds representing their beneficial ownership in the 2009B Bonds but will receive a credit balance on the books of their respective DTC Participants or DTC Indirect Participants. So long as Cede & Co. is the registered owner of the 2009B Bonds, principal of, premium, if any, and interest on the 2009B Bonds will be paid to Cede & Co., as nominee of DTC, which will, in turn, remit such principal, interest and premium to the Participants and Indirect Participants for subsequent disbursement to the Beneficial Owners, as described herein. The 2009B Bonds will be transferable or exchangeable to another nominee of The Depository Trust Company or as otherwise described herein. So long as Cede & Co. is the registered owner of the 2009B Bonds, payments of principal of and interest on the 2009B Bonds will be made directly by the Trustee under the Indenture, as described herein. See "DESCRIPTION OF THE 2009B BONDS – Book Entry Only System."

The 2009B Bonds will be subject to optional redemption prior to maturity as described herein.

THE 2009B BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION 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, BUT THE 2009B BONDS SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED HEREIN) WHICH CONSISTS PRIMARILY OF TOLLS FROM THE SYSTEM (AS DEFINED HEREIN). THE COMMONWEALTH IS NOT OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE 2009B BONDS. THE COMMISSION HAS NO TAXING POWER.

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 2009B 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 Cozen & O'Connor and The Law Offices of Denise Joy Smyler, both of Philadelphia, Pennsylvania, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Stevens & Lee, a professional corporation, Reading, Pennsylvania, Counsel for the Underwriters. Certain legal matters will be passed upon for the Commission by its Chief Counsel, Doreen A. McCall, Esquire. It is anticipated that delivery of the 2009B Bonds in book-entry form will be made through the facilities of DTC in New York, New York on or about December 22, 2009.

MORGAN STANLEY

J.P. Morgan
PNC Capital Markets LLC

Jefferies & Company
Wells Fargo Securities

Boenning & Scattergood, Inc.
Loop Capital Markets

Cabrera Capital Markets, LLC
Merrill Lynch

Janney Montgomery Scott
Siebert Brandford Shank & Co., LLC

Official Statement dated December 9, 2009

$375,010,000 TURNPIKE REVENUE BONDS, SERIES B OF 2009

$375,010,000 Serial Bonds

Maturity (December 1)	Principal Amount	Interest Rate	CUSIP** No.	Price	Yield
2014	$ 1,735,000.00	3.000%	709223 YB1	105.116	1.910%
2014	10,635,000.00	5.000%	709223 YM7	114.504	1.910%
2015	3,325,000.00	3.000%	709223 YC9	103.584	2.350%
2015	9,560,000.00	5.000%	709223 YN5	114.614	2.350%
2016	5,660,000.00	4.000%	709223 YD7	108.375	2.670%
2016	32,010,000.00	5.000%	709223 YP0	114.673	2.670%
2017	1,415,000.00	3.250%	709223 YE5	101.753	3.000%
2017	38,015,000.00	5.000%	709223 YQ8	114.038	3.000%
2018	4,080,000.00	3.125%	709223 YF2	99.035	3.250%
2018	36,250,000.00	5.000%	709223 YR6	113.483	3.250%
2019	5,225,000.00	3.250%	709223 YG0	98.493	3.430%
2019	37,020,000.00	5.000%	709223 YS4	113.129	3.430%
2020	2,895,000.00	3.500%	709223 YH8	99.100	3.600%
2020	1,535,000.00	4.000%	709223 YT2	103.316†	3.600%
2020	23,375,000.00	5.000%	709223 ZB0	111.611†	3.600%
2021	1,800,000.00	4.000%	709223 YJ4	102.390†	3.710%
2021	27,260,000.00	5.000%	709223 YU9	110.641†	3.710%
2022	1,325,000.00	4.000%	709223 YK1	101.890†	3.770%
2022	30,025,000.00	5.000%	709223 YV7	110.117†	3.770%
2023	520,000.00	4.000%	709223 YL9	101.309†	3.840%
2023	31,810,000.00	5.000%	709223 YW5	109.509†	3.840%
2024	1,190,000.00	4.000%	709223 YX3	100.733†	3.910%
2024	32,750,000.00	5.000%	709223 YZ8	108.905†	3.910%
2025	1,270,000.00	4.000%	709223 YY1	100.160†	3.980%
2025	34,325,000.00	5.000%	709223 ZA2	108.304†	3.980%

† Price shown to first optional redemption date of December 1, 2019.

** Copyright 2006, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience or reference only and no representation is made as to the accuracy of such CUSIP numbers. Neither the Commission nor the Underwriters take any responsibility for the accuracy of such CUSIP numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2009B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity. Neither the Commission nor the Underwriters have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in such CUSIP numbers.

PENNSYLVANIA TURNPIKE COMMISSION

COMMISSIONERS

ALLEN D. BIEHLER
Chairman

TIMOTHY J. CARSON
Vice Chairman

J. WILLIAM LINCOLN
Secretary/Treasurer

PASQUALE T. DEON, SR.
Commissioner

A. MICHAEL PRATT
Commissioner

JOSEPH G. BRIMMEIER
Chief Executive Officer

GEORGE M. HATALOWICH
Chief Operating Officer

NIKOLAUS H. GRIESHABER
Chief Financial Officer

FRANK J. KEMPF, JR.
Chief Engineer

DOREEN A. MCCALL
Chief Counsel

U. S. BANK NATIONAL ASSOCIATION
Trustee and Authenticating Agent

PHOENIX CAPITAL PARTNERS, LLP and NW FINANCIAL GROUP, LLC
Co-Financial Advisors

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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 2009B 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 2009B Bonds are not and will not be registered under the Securities Act of 1933, or under any state securities laws, and the 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 Securities and Exchange Commission 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 here, 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 different 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 2009B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 2009B BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

PENNSYLVANIA TURNPIKE COMMISSION

$375,010,000
TURNPIKE REVENUE BONDS, SERIES B OF 2009

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover and the Appendices hereto, is furnished by the Pennsylvania Turnpike Commission (the "Commission") in connection with the issuance of $375,010,000 aggregate principal amount of Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series B of 2009 (the "2009B Bonds").

All capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the definitions set forth in APPENDIX C - SUMMARIES OF CERTAIN PROVISIONS OF THE INDENTURE - DEFINITIONS OF CERTAIN TERMS. All references herein to the Enabling Acts, the 2009B Bonds, the Indenture and the Continuing Disclosure Agreement are qualified in their entirety by reference to the complete texts thereof. Copies of drafts of such documents may be obtained during the initial offering period from the principal offices of the Underwriters and thereafter, executed copies may be obtained from U.S. 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 2009B BONDS AS OF THE DATE OF THE OFFICIAL STATEMENT. OWNERS AND PROSPECTIVE PURCHASERS OF THE 2009B BONDS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT FOR INFORMATION CONCERNING THE 2009B BONDS ON AND AFTER ANY SUCH DATE, BUT SHOULD LOOK TO ANY REVISIONS, AMENDMENTS, SUPPLEMENTS OR SUBSTITUTIONS HEREOF FOR INFORMATION CONCERNING THE 2009B 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 (as defined below), with 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.

Indenture and Enabling Acts

The 2009B Bonds are being issued pursuant to Supplemental Trust Indenture No. 17 dated as of December 1, 2009 (the "Supplemental Indenture No. 17") between the Commission and U.S. Bank National Association (successor to First Union National Bank), as Trustee, under an Amended and Restated Trust Indenture dated as of March 1, 2001, between the Commission and the Trustee (as amended and supplemented, the "Indenture"), pursuant to and authorized by an Act of the General Assembly of Pennsylvania approved 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 (collectively, the "Enabling Acts"), and the Resolution adopted by the Commission on October 6, 2009 (the "Bond Resolution").

DESCRIPTION OF THE 2009B BONDS

General

The 2009B Bonds will mature on the dates and shall bear interest at the rates per annum as set forth on the inside cover of this Official Statement. The 2009B Bonds shall bear interest from and including the Dated Date thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions thereof, whether at maturity, upon redemption or otherwise. Interest on the 2009B Bonds shall be paid on June 1 and December 1 of each year, commencing June 1, 2010 (each, an "Interest Payment Date"). Interest on the 2009B Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The 2009B Bonds shall have a Series Issue Date which shall be the date of original issuance and first authentication and delivery against payment therefor; 2009B Bonds issued prior to the first Interest Payment Date following the Series Issue Date shall have a "Dated Date" as shown on the cover hereof. 2009B Bonds issued on or subsequent to the first Interest Payment Date following the Series Issue Date shall have a "Dated Date" which is the same as the Interest Payment Date next preceding the date of authentication hereof, unless such date of authentication shall be an Interest Payment Date to which interest on the 2009B Bonds has been paid in full or duly provided for, in which case they shall have a "Dated Date" which is the same as such date of authentication; provided that if, as shown by the records of the Trustee, interest on the 2009B Bonds shall be in default, 2009B Bonds issued in exchange for 2009B Bonds surrendered for transfer or exchange shall have a "Dated Date" which is the same as the date to which interest has been paid in full on the 2009B Bonds or, if no interest has been paid on the 2009B Bonds, the Series Issue Date of the 2009B Bonds.

A CUSIP number has been assigned by the Committee on Uniform Securities Identification Procedures Bureau, an organization not affiliated with the Commission. The CUSIP number is being provided solely for the convenience of the holders of the 2009B Bonds. The Commission is not responsible for the selection or uses of the CUSIP number, nor is any representation made as to the correctness or accuracy of the number on the 2009B Bonds or as referenced on the inside front cover of this Official Statement.

Payment of Principal of and Interest on the 2009B Bonds. The principal of and redemption premium, if any, and interest on the 2009B Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and the redemption premium, if any, on all 2009B Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such 2009B Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such 2009B Bonds at the Principal Office of the Trustee or of any Paying Agent named in the 2009B Bonds.

The interest payable on each 2009B Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, such payment to be made: (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at the address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or (ii) by electronic transfer in immediately available funds, if the 2009B Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of 2009B Bonds in the aggregate principal amount of not less than $1,000,000, such request to be signed by such Owner, and containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment by the Owner that an electronic transfer fee is payable. Any such written request must be filed with the Trustee no later than ten (10) Business Days before the applicable Record Date preceding such Interest Payment Date.

The Record Date for determining the Owner entitled to payment of interest with respect to the 2009B Bonds on any given Interest Payment Date is the 15th day of the month immediately preceding such Interest Payment Date.

Defaulted Interest with respect to any 2009B Bond shall cease to be payable to the Owner of such 2009B Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Commission shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each 2009B 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 2009B 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 2009B Bond entitled to such notice at the address of such owner as it appears on the Bond Register not less than ten (10) days prior to such Special Record Date.

So long as the 2009B Bonds are in book-entry only form, the principal and redemption price of, and interest on, such 2009B Bonds is payable by check or draft mailed or wire transferred to Cede & Co., as nominee for DTC and Registered Owner of the 2009B Bonds, for redistribution by DTC to its Participants and in turn to Beneficial Owners as described under "DESCRIPTION OF THE 2009B BONDS – Book Entry Only System."

Authorized Denominations. The 2009B Bonds will be issued as fully registered bonds in authorized denominations of $5,000 and any integral multiple thereof.

Registration, Transfer and Exchange. The Trustee has been appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office. The Person in whose name any 2009B Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such 2009B Bond for any and all purposes, and payment of or on account of the principal and redemption premium, if any, and interest on any such 2009B Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2009B Bond, including the interest thereon, to the extent of the sum or sums so paid.

Any 2009B Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Commission shall execute and the Trustee shall authenticate and deliver in exchange for such 2009B Bond a new 2009B Bond or 2009B Bonds, registered in the name of the transferee, of any Authorized Denomination and of the same maturity and series and bearing interest at the same rate.

The Trustee may charge an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid in connection with any such transfer, registration, conversion or exchange plus such amount as the Commission deems appropriate for such transfer, registration, conversion or exchange. The Trustee shall not be required to (i) transfer or exchange any 2009B Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of such 2009B Bond and ending at the close of business on the day of such mailing, or (ii) transfer or exchange any 2009B Bond so selected for redemption in whole or in part, or during a period beginning at the opening of business on any Record Date for such 2009B Bond and ending at the close of business on the relevant Interest Payment Date therefor. See also "DESCRIPTION OF THE 2009B BONDS - Book-Entry Only System" herein for further information regarding registration, transfer and exchange of the 2009B Bonds.

The Indenture, and all provisions thereof, are incorporated by reference in the text of the 2009B Bonds, and the 2009B Bonds provide that each Registered Owner, Beneficial Owner, Participant or Indirect Participant (as such terms are defined hereinafter) by acceptance of a 2009B 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 2009B Bonds while held in book-entry only form.

Redemption of 2009B Bonds

Optional Redemption. The 2009B Bonds maturing on or after December 1, 2020 are subject to optional redemption by the Commission, on or after December 1, 2019, in whole or in part, at any time and from time to time, at par plus, in each case, accrued interest on the 2009B Bonds to be redeemed to the redemption date.

Selection of 2009B Bonds to be Redeemed. 2009B Bonds shall be redeemed only in Authorized Denominations. Any 2009B Bonds subject to partial optional redemption shall be redeemed in any order of maturity and in any principal amount within a maturity as designated by the Commission. The particular 2009B Bonds within a maturity to be redeemed shall be determined by the Trustee by lot or by such other method as the Trustee deems fair and appropriate.

When 2009B Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate 2009B Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any 2009B Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such 2009B Bond or such Owner's attorney or legal representative shall forthwith present and surrender such 2009B Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof for a new 2009B Bond or 2009B Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such 2009B Bond. If the Owner of any such 2009B Bond shall fail to present such 2009B Bond to the Trustee for payment and exchange as aforesaid, said 2009B Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Official notice of any such redemption shall be given by the Trustee on behalf of the Commission by mailing a copy of an official redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the redemption date to each Registered Owner of the 2009B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee. Official notice of redemption having been given as aforesaid, the 2009B Bonds or portions of 2009B Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified therein, and from and after such date (unless the Commission shall default in the payment of the redemption price) such 2009B Bonds or portions of 2009B Bonds shall cease to bear interest.

As long as DTC remains the sole Registered Owner of the 2009B Bonds, notice of redemption shall be sent to DTC as provided in the Indenture. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2009B Bonds called for redemption or of any other action premised on such notice. See "BOOK – ENTRY ONLY SYSTEM."

Any notice of redemption of any 2009B Bonds pursuant to this Section may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the 2009B Bonds or portions of 2009B Bonds which are to be redeemed on that date.

Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other 2009B Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2009B Bonds. The 2009B 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 2009B Bond certificate will be issued in the aggregate principal amount of each maturity of the 2009B Bonds, and will be deposited with DTC.

DTC, the world's largest 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 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2009B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2009B Bonds on DTC's records. The ownership interest of each actual purchaser of each 2009B 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 2009B 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 2009B Bonds, except in the event that use of the book-entry system for the 2009B Bonds is discontinued.

To facilitate subsequent transfers, all 2009B 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 2009B Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2009B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2009B 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 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 2009B Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2009B Bonds, such as redemptions, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2009B Bonds may wish to ascertain that the nominee holding the 2009B 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 2009B Bonds within a 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 2009B Bonds unless authorized by a Direct Participant in accordance with DTC's 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 2009B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, premium, if any, and interest on the 2009B 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) are 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 2009B 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, 2009B 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, 2009B 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 PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR: (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY 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 2009B BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OR ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN HOLDERS OR OWNERS OF BOOK-ENTRY 2009B BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BOOK-ENTRY 2009B BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF BOOK-ENTRY 2009B BONDS.

In the event that the Book Entry Only System is discontinued and the Beneficial Owners become Registered Owners of the 2009B Bonds, the 2009B Bonds will be transferable in accordance with the provisions of the Indenture.

PENNSYLVANIA TURNPIKE SYSTEM

The present System (as defined below) is composed of the following: a 359 mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west, a 110 mile north-south section identified as the Northeast Extension, a 16 mile north-south connection, known as the Beaver Valley Expressway which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth, the 13 mile Amos K. Hutchinson Bypass, which adjoins the Turnpike Mainline near the New Stanton Interchange, a 23-mile section of the Mon/Fayette Project, an eight mile section from the Pennsylvania/West Virginia border to Fairchance, which is located just south of Uniontown, and the first part of the Southern Beltway, the Findlay Connector near Greater Pittsburgh International Airport. (Such roads, together with any other roads for which the Commission has operational responsibility and is collecting Tolls presently constitute the "System"). When completed, the Mon/Fayette Expressway will extend 65 miles from Interstate Route 68 in West Virginia to Interstate Route 376 near Pittsburgh.

The Commission may in the future, under the terms of the Indenture, identify in writing certain roads, other than the Mainline Section and the Northeast Extension, as not being part of the System for the purposes of the Indenture. In October 2007, in accordance with Act 44, the Commission entered into a 50 year Lease and Funding Agreement, dated as of October 14, 2007 (the "Lease") with the Pennsylvania Department of Transportation ("PennDOT") providing for the funding of certain PennDOT capital expenditures and mass transit grants and providing for the lease of Interstate 80 (traversing northern Pennsylvania) from PennDOT upon approval of tolling Interstate 80 by the United States Federal Highway Administration (the "FHWA"). The Commission has no plan to include Interstate 80 in the System (for purposes of the Indenture). See: "Act 44," below and APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION – The Pennsylvania Turnpike – Act 44 for discussion on the Commission's lease of Interstate 80 from PennDOT and its proposed conversion of Interstate 80 to a toll road.

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 Pennsylvania Turnpike 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 Pennsylvania Turnpike System has a total of 57 interchanges which connect it with major arteries and population centers in its 531 mile traffic corridor. Thirty 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 17 interchanges are located on the three extensions previously noted. There are 19 service plazas along the Pennsylvania Turnpike System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services. See APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION.

Revenue Sources of the Commission

Tolls. 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 (the "Tolls", as defined in the Indenture) constitute one of the Commission's three principal streams of revenues. The Tolls are pledged to secure the 2009B Bonds and the Commission's other outstanding turnpike revenue bonds (collectively, the "Turnpike Revenue Bonds") and other parity obligations under the Indenture (including certain interest rate swap agreements), which are subject to or may be issued under the terms of the Indenture. There are currently $2,245,545,000 aggregate principal amount of Turnpike Revenue Bonds Outstanding under the Indenture. In addition, the Revenues (as defined in Appendix C) secure interest rate swap agreements with a total current notional amount of $1,330,130,000. The Commission may in the future, under the terms of the Indenture, identify in writing certain roads, other than the Mainline Section and the Northeast Extension, as not being part of the System for the purposes of the Indenture. The Commission has no plan to include Interstate 80 in the System (for purposes of the Indenture), and, as such, income realized from the potential tolling of Interstate 80 will not be pledged as security for Turnpike Revenue Bonds. The Tolls are not pledged to secure the Oil Franchise Tax Revenue Bonds (as defined below) and are not pledged to secure the Registration Fee Revenue Bonds (as defined below). Certain payments made from monies in the General Reserve Fund and derived from Tolls are, however, pledged on a wholly subordinate basis to secure payments due on the Commission's Act 44 Bonds. See "ADDITIONAL INDEBTEDNESS OF THE COMMISSION – Subordinate Bonds" and APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION – The Pennsylvania Turnpike – Financial Policies and Guidelines.

Toll increases in the amount of 25% were implemented in 2009, the Commission has approved a 3% toll increase effective January 3, 2010, and future toll increases are anticipated annually thereafter. The Commission anticipates that it will borrow substantial additional funds through at least the year 2024. Therefore, the projected toll increases may be revised by the Commission if necessary to meet the then existing debt and operational obligations of the Commission. See "Act 44", "ADDITIONAL INDEBTEDNESS OF THE COMMISSION – Subordinate Bonds" and APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION – Act 44, for a description of the subordinate obligations and Special Revenue Bonds (as defined in Section 9511.2 of Act 44) which the Commission is authorized to issue under Act 44.

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"), a total of $814,041,246 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 the 2009B Bonds, other 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"), a total of $442,020,000 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 the 2009B Bonds, other Turnpike Revenue Bonds, or the Oil Franchise Tax Revenue Bonds.**

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

Act 44

On July 18, 2007, Pennsylvania Governor Edward G. Rendell signed Act 44 into law, creating a "public-public partnership" between the Commission and PennDOT to provide funding for roads, bridges, and transit throughout the Commonwealth, thus greatly expanding the Commission's previous focus on operating and improving the Turnpike. Under Act 44, the Lease was entered into between the Commission and PennDOT pursuant to which the Commission has been granted the option to lease Interstate 80 (traversing northern Pennsylvania) from PennDOT. The Lease contains certain provisions dealing with various items including, among other things, the terms and conditions of the conversion of Interstate 80 into a toll road (the "Conversion") (subject to the requisite approval of the FHWA), the operation, maintenance, repair, and improvement of Interstate 80, the payment by the Commission of annual payments to PennDOT, and the issuance of special revenue bonds by the Commission. The Commission is required to make payments to PennDOT in fiscal 2010 totaling $900 million in quarterly installments. It expects to fund certain of such payments through the issuance of Subordinate Bonds (as hereinafter defined). The term of the Lease is 50 years from its effective date, October 14, 2007. See APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION – The Pennsylvania Turnpike – Act 44 – Tolling of I-80 and – Recent Developments and Future Legislation.

The General Assembly enacted Act 44 after considering transportation funding proposals by Governor Rendell including the leasing of the Turnpike Mainline to a private party. In 2008 Governor Rendell conducted a selection process for a proposed lease or concession of the Turnpike Mainline to a private party and selected a vendor. The offer submitted by the selected vendor expired prior to the end of 2008 and Governor Rendell has not pursued Turnpike Mainline privatization any further.

In addition, certain legislation has been or may be introduced which would affect Act 44 if adopted. For additional details and current developments, see APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION – The Pennsylvania Turnpike – Recent Developments and Future Legislation.

Traffic and Revenue Study

Attached hereto as APPENDIX F is the Pennsylvania Turnpike 2009 Traffic and Revenue Update Study prepared by Wilbur Smith Associates dated January 6, 2009 (the "Traffic Study"), which, as of the date of this Official Statement, has not been updated. The Traffic Study, which should be reviewed in its entirety, updates the study conducted by Wilbur Smith Associates in May 2004, which was prepared in anticipation of the then last toll increase, which took effect on August 1, 2004. As set forth in the Traffic Study, total adjusted gross toll revenue is estimated to increase from $598.9 million in Fiscal Year 2007-08 to $2,129.5 million by Fiscal Year 2030-31, representing 5.7% annualized growth. However, as noted in the Traffic Study, because current traffic and revenue trends reflect the negative effects of the current economic downturn, the forecasts made in the Traffic Study assume continued negative growth through the middle of Fiscal Year 2009-10 and flat to no growth through the middle of Fiscal Year 2010-11, with the resumption of more "normal" growth patterns in the longer term forecasts. See "CERTAIN RISK FACTORS" and APPENDIX F – TRAFFIC AND REVENUE STUDY. Despite the current low to negative growth forecasts, the Commission believes that it will have sufficient revenue to meet the debt and operational obligations of the Commission in future years.

Act 44 Financial Plan

In accordance with Act 44, the Commission is required to provide a financial plan (the "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 revenues and expenditures for the ensuing Fiscal Year. The Financial Plan must also show that the operation of the system can reasonably be anticipated to result in the Commission's ability to meet its payment obligations to PennDOT pursuant to the Lease and Act 44. It does not, however, address the funding needs for the Mon/Fayette or Southern Beltway projects.

The Commission's Financial Plan for Fiscal Year 2010 indicates that in 2009 the Commission was able to meet all of its financial covenants, Act 44 obligations, and was able to progress with its capital plan. Given the unprecedented economic environment, which is expected to continue to negatively impact both traffic and revenue, the Commission recently implemented several cost containment measures, including workforce reductions, a management pay freeze and a transfer of union holidays to vacation days. These measures, together with a 3% toll increase (effective January 3, 2010), are expected to allow the Commission to once again meet its financial covenants, Act 44 obligations and capital needs during Fiscal Year 2010.

The Financial Plan concludes that the Commission will continue to meet all of its Indenture covenants and all of its other obligations through the 2057 Fiscal Year. However, as a forward-looking report, the Financial Plan makes certain assumptions to reach its conclusion that the financial covenants, Act 44 obligations, and capital needs will be met beyond Fiscal Year 2010. Key among them is the tolling of I-80 (with collections beginning in Fiscal Year 2012) and the Commission's ability to raise all tolls throughout the System. No assurances can be given by the Commission with respect to the assumptions made or conclusions reached in the

Financial Plan. A complete copy of the Financial Plan can be obtained by contacting the Commission.

PLAN OF FINANCING

The 2009B Bonds are being issued to provide for: (a) the current refunding of all of the Commission's outstanding, Variable Rate Demand Turnpike Revenue Bonds, Series U of 2001 (the "Series 2001U Bonds"), Variable Rate Demand Turnpike Revenue Bonds, Series A of 2002 (the "Series 2002A Bonds"), and Variable Rate Demand Turnpike Revenue Bonds, Series B of 2002 (the "Series 2002B Bonds" and together with the Series 2001U Bonds, and the Series 2002A Bonds, the "Refunded Bonds"); (b) termination payments on certain interest rate swaps (the "Swap Agreements") related to the Series 2002A Bonds, the Series 2002B Bonds and the Series 2001U Bonds; (d) the funding of necessary reserves to the extent required; and (e) costs of issuing the 2009B Bonds (collectively, the "2009B Project").

Current Refunding

The Refunded Bonds have been conditionally called for optional redemption on December 22, 2009.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS	
Par Amount of 2009B Bonds	$375,010,000.00
Net Original issue premium	40,864,018.00
TOTAL SOURCES	$415,874,018.00
USES OF FUNDS	
Termination Payments on the Swap Agreements	$ 52,665,900.00
Deposit to Debt Service Fund to pay redemption price of the Refunded Bonds[1]	339,735,000.00
Deposit to Debt Service Reserve Fund	20,919,011.39
Deposit to Debt Service Fund for 2009B Bonds	10,948.13
Costs of Issuance[2]	2,543,158.48
TOTAL USES	$415,874,018.00

1 The Commission will pay interest accrued on the Refunded Bonds to the date of redemption from Commission funds.

2 Costs of Issuance include, but are not limited to, Underwriters' discount, Co-Bond Counsel fee, Underwriters' Counsel fee and other legal fees, rating agency fees, printing expenses, Co-Financial Advisors' fee, Swap Advisor's fee and Trustee's fee.

SECURITY FOR THE 2009B BONDS

Security

The 2009B Bonds are limited obligations of the Commission. They are secured, along with the other outstanding Bonds and certain other Parity Obligations, under the Indenture by the pledge by the Commission to the Trustee of (1) all Revenues (which includes all Tolls), (2) all monies deposited into accounts or funds, other than the Rebate Fund, created by the Indenture, (3) any insurance proceeds required to be deposited under the Indenture, (4) all payments received pursuant to Parity Swap Agreements, and (5) all investment earnings on all monies held in accounts and funds, other than the Rebate Fund, established by the Indenture (all five of these items being collectively referred to as the "Trust Estate"). OIL FRANCHISE TAX REVENUES AND REGISTRATION FEE REVENUES, AS WELL AS OTHER SOURCES OF THE COMMISSION'S REVENUES NOT DERIVED FROM TOLL REVENUE, INCLUDING CONCESSION REVENUE, ARE EXCLUDED FROM THE TRUST ESTATE. THE TRUST ESTATE ALSO EXCLUDES ALL MONIES HELD IN THE REBATE FUND. ANY ADDITIONAL BONDS AND PARITY OBLIGATIONS ISSUED PURSUANT TO THE INDENTURE (OTHER THAN SUBORDINATE INDEBTEDNESS) WILL BE EQUALLY AND RATABLY SECURED UNDER THE INDENTURE.

THE 2009B BONDS SHALL NOT BE DEEMED TO BE A DEBT OF 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 THEREFOR OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF ANY OF THE 2009B BONDS.

Payments of the principal of and the interest on the Bonds, including the 2009B Bonds and any Additional Bonds and payments on certain other Parity Obligations, are secured, pro rata and without preference or priority of one Bond or Parity Obligation over another, by a valid pledge of the Trust Estate and by the Indenture.

The Indenture further provides that the Commission may not issue Additional Bonds or incur other Parity Obligations except upon satisfaction of various requirements as expressly provided in the Indenture. See "SECURITY FOR THE 2009B BONDS – Additional Bonds Test" and APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

Rate Covenant

The Commission has agreed in the 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 Indebtedness then outstanding under the provisions of the Indenture; or (ii) 100% of the Maximum Annual Debt Service on all Applicable Long-Term Indebtedness, plus (a) the amount of required transfers from the Revenue Fund to the credit of the Reserve Maintenance Fund pursuant to the Annual Capital Budget, and (b) an amount sufficient to restore any deficiency in the Debt Service Reserve Fund, if applicable, within an 18 month period; plus

(2) the amount of any Short-Term Indebtedness outstanding under the 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 Indebtedness, shall be sufficient to pay the Annual Debt Service for any Subordinated Indebtedness. See also "SECURITY FOR THE 2009B BONDS – General Reserve Fund" below for discussion of the rate covenant applicable to Subordinate Bonds under the Subordinate Indenture.

The Commission's failure to meet the Rate Covenant shall not constitute an Event of Default under the Indenture if (i) no 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 Trustee in writing of such retention. Anything in the Indenture to the contrary notwithstanding, if the Commission shall comply with the recommendations of the Consultant in respect of Tolls, it will not constitute an Event of Default under the provisions of the Indenture if the Commission fails to meet the Rate Covenant during the succeeding Fiscal Year as long as no 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 Trustee may, and upon the request of the holders of not less than 25% in Principal Amount of the 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 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 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 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.

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, 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 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 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 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 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.

Revenue Fund

All Revenues will be deposited daily, as near as practicable, 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 Revenue Fund. The monies in the Revenue Fund are to be held by the Trustee in trust and applied in accordance with the Indenture.

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

Rebate Fund;

Operating Account;

Debt Service Fund;

Reserve Maintenance Fund;

Debt Service Reserve Fund, if applicable; and

General Reserve Fund.

Operating Account

The Commission shall establish an account known as the Operating Account which shall be held by the Commission in the name of the Commission outside of the Indenture until applied as set forth in the Indenture. The Trustee shall transfer from the Revenue Fund on or before the last Business Day of each month to the credit of the Operating Account an amount equal to (i) the amount shown by the Annual Operating Budget to be necessary to pay Current Expenses for the ensuing month and (ii) an amount certified by a Commission Official as being reasonably necessary to pay Current Expenses which are expected for such month, after taking into account the amount on deposit in the Operating Account (including the amount described in clause (i) above).

Debt Service Fund

After first having made the foregoing specified deposits to the Operating Account, the Trustee is required to withdraw from the Revenue Fund and deposit to the applicable account in the Debt Service Fund held by the Trustee under the Indenture, the amounts hereinafter specified which shall be applied by the Trustee for the purposes for which the same shall be deposited:

> On or before the last business day preceding an Interest Payment Date, an amount which equals the interest due on such Interest Payment Date; provided, however, that in the case of any fixed rate bonds, including the 2009B Bonds, term mode bonds and multi-modal fixed mode bonds (collectively, "Fixed Rate Bonds"), the withdrawal from the Revenue Fund and deposit to the Debt Service Fund shall be made on or before the first Business Day of each calendar month in an amount which equals the amount necessary to pay, and for the purpose of paying, one-sixth (1/6) of the interest due on any Fixed Rate Bonds issued under the Indenture on the next succeeding Interest Payment Date 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 to the first Interest Payment Date for the applicable Fixed Rate Bonds, a monthly amount equal to the interest amount owed on such first Interest Payment Date divided by the number of months from the date of issuance of such Fixed Rate Bond to such first Interest Payment Date) plus any accumulated unfunded balance relating to prior months' deposit requirements;
>
> On or before the last business day preceding a principal payment date, an amount which equals the principal amount of the Bonds or Parity Obligations maturing on such principal payment date; provided, however, that in the case of any Fixed Rate Bonds, the withdrawal from the Revenue Fund and deposit to the Debt Service Fund shall be made on or before the first Business Day of each calendar month in an amount which equals the amount necessary to pay, and for the purpose of paying one-twelfth (1/12) of the amount necessary to pay and for the purpose of paying the principal amount of any Fixed Rate Bonds issued under the Indenture maturing (including mandatory sinking fund installments) on the next succeeding principal payment date (or, in the case of the period from the date of issuance of such Fixed Rate Bonds to the first date on which principal is due on

such Fixed Rate Bonds, a monthly amount equal to the principal amount owed on such first principal maturity date divided by the number of months from the date of issuance of such Fixed Rate Bond to such first principal maturity date) plus any accumulated unfunded balance relating to prior months' deposit requirements; and

On the dates specified in any Supplemental Indenture relating to Additional Bonds or Parity Obligations, the amounts required to be deposited on said dates to the credit of the Interest Account or Principal Account pursuant to the provisions of such Supplemental Indenture for the purpose of paying the interest on and the principal of such Additional Bonds.

The 2009B Bonds are Fixed Rate Bonds.

The Trustee is required to pay out of the Interest Account, from time to time, without further authorization from the Commission, and as the same shall become due and payable, the interest upon the Bonds, except to the extent payable from funds and accounts other than the Debt Service Reserve Fund, if applicable, as provided in any Supplemental Indenture. The Trustee is required likewise to pay out of the Principal Account, from time to time, without further authorization from the Commission, as the same shall become due and payable, the principal of the Bonds, except to the extent payable from funds and accounts other than the Debt Service Reserve Fund, if applicable, as provided in any Supplemental Indenture.

The Commission has directed the Trustee to pay and deposit from Commission Revenues into the applicable account of the Debt Service Fund such amounts as are necessary to pay interest and principal on the 2009B Bonds on the Interest Payment Date and on the date on which principal payments are due.

If at the time the Trustee is required to make a withdrawal from the Debt Service Fund and the monies therein shall not be sufficient for the purposes set forth above, the Trustee shall withdraw the amount of such deficiency from the monies on deposit in the following funds or accounts and transfer the same to the Debt Service Fund in the following order: the Debt Service Reserve Fund, if applicable, the General Reserve Fund, and the Reserve Maintenance Fund.

Reserve Maintenance Fund

In each Fiscal Year, after first having made the deposits provided by the Indenture, the Trustee shall transfer from the Revenue Fund on or before the last Business Day of each month to the credit of the Reserve Maintenance Fund the amount shown in the Annual Capital Budget for the ensuing month.

Except as otherwise provided in the Indenture, or except in case of an emergency, as characterized in a certificate signed by a Commission Official stating that the monies to the credit of the Operating Account are insufficient to meet such emergency, monies in the Reserve Maintenance Fund shall be disbursed to pay current capital expenditures shown in the Annual Capital Budget for the System, plus the cost of unusual or extraordinary maintenance (as determined solely by the Commission) and shall be disbursed only for such purposes, except to the extent hereinafter provided. Such purposes shall include, but not be limited to, paying the cost of constructing, improving and reconstructing improvements and betterments to all parts of the System now or hereafter open to vehicular traffic, including, without limitation, additional lanes, tunnels, interchanges, toll plazas, bridges and connecting roads, transit interface facilities and any other improvements deemed necessary or desirable by the Commission.

Payments from the Reserve Maintenance Fund, except the transfers which the Trustee is authorized to make, shall be made pursuant to a requisition process which follows the process described in the Indenture for payments from the Construction Fund.

The Trustee shall transfer any monies from the Reserve Maintenance Fund to the credit of the General Reserve Fund from time to time upon the receipt of a certificate of a Commission Official certifying that the amount so to be transferred is not required for the purposes for which the Reserve Maintenance Fund has been created.

Debt Service Reserve Fund

A Debt Service Reserve Fund has been established under the Indenture to provide additional security for Debt Service Reserve Fund Bonds. The 2009B Bonds are Debt Service Reserve Fund Bonds and, accordingly, are secured by moneys in the Debt Service Reserve Fund.

The 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 Maximum Annual Debt Service on account of all the Debt Service Reserve Fund Bonds. Debt Service Reserve Fund Bonds include Long-Term Indebtedness specified by the Commission in the Indenture as being secured by the Debt Service Reserve Fund. See APPENDIX C -- SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – THE INDENTURE - Debt Service Reserve Fund for information with respect to the Debt Service Reserve Fund under the Indenture.

In each Fiscal Year, after first having made the deposits provided by the Indenture, the Trustee shall transfer from the Revenue Fund on or before the last day of each month to the credit of the Debt Service Reserve Fund (1) 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 provided in the Rate Covenant contained in the Indenture, is intended to occur within 18 months and (2) the amount set forth in a Supplemental Indenture if an amount different from the Debt Service Reserve Requirement is required.

To the extent accounts are created in the Debt Service Reserve Fund for Debt Service Reserve Fund Bonds, including the creation of an account for the 2009B Bonds, the funds and DSRF Security, as hereinafter defined, held therein shall be available to make payments required under the Indenture for the benefit of all Debt Service Reserve Fund Bonds.

Monies held in the Debt Service Reserve Fund shall be used for the purpose of paying interest on, and the maturing principal of, Debt Service Reserve Fund Bonds whenever and to the extent that the monies held for the credit of the Debt Service Fund shall be insufficient for such purpose. If at any time the monies and the principal amount of any DSRF Security (as defined herein) held in the Debt Service Reserve Fund shall exceed the Debt Service Reserve

Requirement, the Commission shall direct whether such excess monies shall be transferred by the Trustee to the credit of the General Reserve Fund or used to reduce the principal amount of any DSRF Security as described below.

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 amount of such deficiency shall be allocated pro rata among such Debt Service Reserve Fund Bonds.

In lieu of the deposit of monies 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 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 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 under the Indenture) on any Interest Payment Date on which monies will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of the principal of or interest on any 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 (i) to reinstate the maximum limits of such DSRF Security or (ii) 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 18 months.

If the DSRF Security shall cease to have a rating described above, 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. The Commission does not currently have a DSRF Security with respect to the Debt Service Reserve Fund.

General Reserve Fund

After first having made the above specified deposits to the Operating Account, the Debt Service Fund, the Reserve Maintenance Fund and the Debt Service Reserve Fund, if applicable, and while any Bonds are outstanding, the Trustee is required to transfer from the Revenue Fund on or before the last Business Day of each Fiscal 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 Debt Service Fund. Monies in the General Reserve Fund may be expended by the Commission to restore deficiencies in any funds or accounts created under the Indenture, and absent any such deficiency, for any of the following purposes, with no one item having priority over any of the others:

to purchase or redeem Bonds;

to secure and pay the principal or redemption price of, and interest on, any Subordinated Indebtedness;

to make payments into the Construction Fund;

to fund improvements, extensions and replacements of the System; or

to further any corporate purpose (including transfers to other indentures in connection with Subordinate Bonds and future Act 44 subordinated debt).

The Trustee has been directed to disburse from the General Reserve Fund, to the trustee under the Subordinate Indenture, funds sufficient to meet debt service requirements on the Subordinate Bonds. Under the Subordinate Indenture, the Commission has agreed that it will at all times establish and maintain Tolls for traffic over the System so that the amount paid into the General Reserve Fund in each Fiscal Year after deducting any liquidity reserve or other required holdback or deposit then in effect will be at least sufficient to provide funds in an amount not less than (i) 115% of the annual debt service on Subordinate Bonds (and obligations on parity with Subordinate Bonds), plus (ii) 100% of the annual debt service on Subordinate Bonds which are guaranteed by the Motor License Fund under Act 44, plus (iii) any amount required under the Subordinate Indenture to restore within eighteen months any deficiency in the debt service reserve fund held under the Subordinate Indenture. Failure to meet this covenant will not constitute a default under the Subordinate Indenture (nor the Indenture), but will require the Commission to retain a consultant to advise with respect to schedules of Tolls in order to bring the Commission into compliance. The Trustee has never withdrawn funds from the General Reserve Fund to meet regularly scheduled debt service payments on Bonds outstanding under the Indenture nor has the General Reserve Fund been used to restore any shortfalls in any Debt Service Reserve Fund for any Bonds. See also "ADDITIONAL INDEBTEDNESS – Subordinate Bonds."

Additional Bonds Test

The Commission is permitted to issue Additional Bonds under the terms of the Indenture in the form of Short-Term Indebtedness, Long-Term Indebtedness, Subordinated Indebtedness and Approved Swap Agreements; provided that there is no default, that certain resolutions, opinions, supplemental indentures, certifications and moneys and securities, if necessary, are delivered to the Trustee and that the following conditions are met:

(a) with respect to Short-Term Indebtedness, (1) immediately after the incurrence of such Short-Term Indebtedness, the outstanding principal amount of all Short-Term Indebtedness issued pursuant to the Indenture may not exceed 30% of the Revenues for the most recent Fiscal Year for which audited financial statements are available; and (2) for a period of not fewer than seven consecutive days within each Fiscal Year, commencing with the Fiscal Year following the issuance of such Short-Term

Indebtedness, the aggregate principal amount of all outstanding Short-Term Indebtedness is reduced to less than 5% of the Revenues for the immediately preceding Fiscal Year for which audited financial statements are available. Short-Term Indebtedness issued pursuant to the Indenture will be on a parity with other Additional Bonds;

(b) with respect to Long-Term Indebtedness, prior to or contemporaneously with the incurrence thereof (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 Maximum Annual Debt Service on all Applicable Long-Term Indebtedness then Outstanding and on any Applicable Long-Term Indebtedness proposed to be issued (which report may assume any revisions of the Tolls which have been approved by the Commission after 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 Indebtedness is being incurred solely for the purpose 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;

(c) with respect to Subordinated Indebtedness, there is no limit, provided that the Indebtedness is subordinate and junior in all respect to payment of all Bonds and other Parity Obligations incurred under the Indenture so that the same is payable as to principal and interest once all other payments have been made under the Indenture from amounts on deposit to the credit of the General Reserve Fund as long as prior to or contemporaneously with the incurrence, 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. Such Subordinated Indebtedness and the payment thereof may be secured by a lien and pledge (a) subordinate to that of the Bonds on the Revenues or (b) prior to, on a parity with or subordinate to, that of the Bonds on Other Revenues, in which event the Commission and the Trustee may establish such other accounts under the Indenture as they deem necessary or appropriate; and

(d) with respect to Approved Swap Agreements, no Approved Swap Agreement will be entered into unless prior to or contemporaneously with the incurrence thereof, a certificate of a Commission Official as described in (b)(1) above, or a report of a Consultant as described in (b)(2) above, which takes into account the expected payments by and to the Commission pursuant to such Approved Swap Agreement in calculating Annual Debt Service is delivered.

ADDITIONAL INDEBTEDNESS OF THE COMMISSION

Bonds and Other Parity Obligations

The Commission has previously issued Bonds and Notes under the terms of the Indenture that have an equal claim to the Trust Estate with the 2009B Bonds. Currently, $2,245,545,000 aggregate principal amount of such Bonds are Outstanding. See APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

In addition to the Outstanding Bonds, the Commission has entered into various interest rate exchange agreements with a current notional amount of $1,330,130,000 that constitute Parity Swap Agreements under the Indenture. Under the terms of the Indenture, regularly scheduled amounts payable under Parity Swap Agreements, and in certain cases termination payments, are secured on a parity with the Bonds by the Trust Estate. See APPENDIX A – THE PENNSYLVANIA TURNPIKE – Financial Policies and Guidelines and APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

Following the issuance of the 2009B Bonds and the completion of the refundings and swap terminations described under "PLAN OF FINANCING," $2,280,820,000 aggregate principal amount of such Bonds will be outstanding and $1,330,130,000 notional amount of such Parity Swap Agreements will be outstanding.

The Commission anticipates issuing approximately $5 billion of Additional Bonds under the Indenture through 2019, the end of its current Ten Year Capital Plan, to fund capital expenditures detailed in such Ten Year Capital Plan.

Subordinate 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 Lease of Interstate 80. The Commission has $2,574,772,763 of outstanding Turnpike Subordinate Revenue Bonds and Notes (the "Subordinate Bonds") under the authorization of Act 44 to be paid solely from monies released from the General Reserve Fund (such bonds are therefore subordinate to Bonds and other Parity Obligations under the Indenture).

Upon fulfillment of conditions set forth in the Subordinate Indenture, the Commission may issue additional Subordinate Bonds under the terms of the Subordinate Indenture. In addition to any Subordinate 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. Under the terms of the Subordinate Indenture, amounts payable under parity swap agreements, including termination payments, may be secured on a parity with the Subordinate Bonds. The Commission has not entered into any parity swap agreements under the Subordinate Indenture.

There is no statutory limit on the amount of Subordinate Bonds that may be issued by the Commission. To date, the Commission has issued Subordinate Bonds under the Subordinate

Indenture, but has not issued any Subordinated Indebtedness under the Indenture. The Commission has no plans to issue any Subordinated Indebtedness under the Indenture.

Under Act 44, the Commission may also issue up to $5 billion of Special Revenue Bonds which are subordinate to Parity Obligations under the Indenture and to the Subordinate Bonds under the Subordinate Indenture. The Special Revenue Bonds authorized by Act 44 are subject to various limitations, including, among others, the following: the aggregate amount of such Special Revenue Bonds is limited to $5 billion; no more than $600,000,000 of Special Revenue Bonds may be issued in any calendar year; debt service on the Special Revenue Bonds shall be payable from any available funds of the Commission but are additionally secured by a pledge of amounts in the Motor License Fund created under Act 44 required to pay any debt service shortfall; all such debt service payments are subordinate obligations of the Commission payable solely from certain money in, or periodically released from, the General Reserve Fund after meeting all other Commission requirements pursuant to any financial documents, financial covenants, insurance policies, liquidity policies or agreements in effect at the Commission; and the proceeds from the issuance of the Special Revenue Bonds may only be used for roads and bridges. No Special Revenue Bonds have been issued by the Commission to date and no such bonds are expected to be issued in the immediate future. See: "APPENDIX A – THE PENNSYLVANIA TURNPIKE– Act 44", for a description of the Subordinate Bonds and Special Revenue Bonds which the Commission is authorized to issue under Act 44.

Other Bonds Issued by Commission – No Claim on Trust Estate

The Commission has also issued Oil Franchise Tax Revenue Bonds that are currently outstanding in the aggregate principal amount of $814,041,246 and Registration Fee Revenue Bonds that are currently outstanding in the aggregate principal amount of $442,020,000. The Commission has entered into various interest rate exchange agreements (swaps) with respect to certain of the Oil Franchise Tax Revenue Bonds and Registration Fee Revenue Bonds. Neither the Oil Franchise Tax Revenue Bonds nor the Registration Fee Revenue Bonds are secured by or have any interest in the Trust Estate. Furthermore, neither the Oil Franchise Tax Revenues nor the Registration Fee Revenues are pledged to secure the 2009B Bonds.

CERTAIN RISK FACTORS

There are various factors which could adversely affect the sufficiency of the Trust Estate and which, if present, may result in an inability to meet the debt service requirements on the 2009B Bonds. The following is intended only as a summary of certain risk factors attendant to an investment in the 2009B Bonds and is not intended to be exhaustive. In order to identify risk factors and make informed investment decisions, potential investors should be thoroughly familiar with the entire Official Statement (including each Appendix), and the Bond Documents in order to make a judgment as to whether the 2009B Bonds are an appropriate investment.

Certain Matters Relating to Enforceability of Obligations. The remedies available to an Owner upon an Event of Default under the Indenture are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the United States Bankruptcy Code, the remedies specified in the Indenture may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the original delivery of the 2009B Bonds will be qualified as to enforceability of the various legal instruments by, among other things, limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

Legislative Action. State legislation is introduced from time to time which, if adopted, may affect the Commission and/or the System. The Commission cannot predict whether or not these bills will be enacted into law or how such legislation may affect the Commission and its ability to pay debt service on the 2009B Bonds.

Decline in Toll Revenues. The information provided with respect to toll revenues collected by the Commission is based on historical data. The amount of future toll revenues to be collected by the Commission depends upon a number of factors, some of which are not in the control of the Commission. Some of these factors include a decline in traffic on the System due to general economic conditions, diversion of traffic to alternative non-toll routes, increased fuel costs, availability of alternate forms of travel and shipping, and government regulations, such as Clean Air Act requirements, increased mileage standards or higher fuel taxes, which could significantly restrict motor vehicle use. The Commission is obligated to set tolls at a level that will generate revenues sufficient to pay all of its obligations, however, there is no certainty that the traffic on the System will continue to generate such revenues.

Adverse Changes to 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: (i) risk to the Commission's investment portfolio due to defaults or changes in market valuation of the debt securities of such institutions, (ii) counterparty risk related to swaps used by the Commission to hedge its cost of funds; and (iii) 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 render such variable rate debt unmarketable.

Other Factors. Additional factors which may affect the financial condition of the Commission and the future operation of the System include the following:

- Increased and/or unanticipated costs of operating the System;
- Increased and/or unanticipated costs of operating Interstate 80;
- Work stoppage, slowdown or action by unionized employees;
- Increased mass transit systems;
- Complete or partial destruction or temporary closure of the System for extended periods of time; and
- Increased pension costs, unfunded healthcare and other non-pension post-employment benefits.

AMENDMENT OF INDENTURE

Supplemental Indenture No. 17 contains provisions amending the definition of Annual Debt Service to allow the Commission to take scheduled subsidy payments to the Commission with respect to any "Build America Bonds" issued as Bonds under the Indenture into account as a credit when calculating the Annual Debt Service for such Bonds. The Commission would also be required to deposit such subsidy payments into an account of the Debt Service Fund created for each such series of Bonds and apply them to debt service. Such amendments will become effective upon receipt of the consent of the holders of a majority of the aggregate principal amount of the Bonds then Outstanding. **The initial purchasers of the 2009B Bonds, on behalf of themselves, their successors and assigns, will have consented irrevocably to such amendments by their purchase of the 2009B Bonds, and such consent will be deemed sufficient to satisfy the requirements of the Indenture.** See "Amendments to Indenture" in APPENDIX C – SUMMARIES OF CERTAIN PROVISIONS OF THE INDENTURE - DEFINITIONS OF CERTAIN TERMS.

AUDITED FINANCIAL STATEMENTS

The financial statements of the Commission for the years ended May 31, 2009 and May 31, 2008 are set forth in "APPENDIX B – AUDITED FINANCIAL STATEMENTS: 2009 AND 2008" certified by Ernst & Young, in its capacity as Independent Auditor. The Commission has not asked Ernst & Young to perform any additional review 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 2009B Bonds (the "Disclosure Undertaking") pursuant to United States Securities and Exchange Commission ("SEC") Rule 15c2-12.

Pursuant to the Disclosure Undertaking, the Commission will provide to the appropriate national repository (currently, EMMA, as hereinafter defined) within 180 days of the end of each fiscal year of the Commission commencing with the fiscal year ending May 31, 2009, annual financial information, consisting of financial and operating data of the type set forth in this Official Statement in Tables I, II and III of "APPENDIX A – THE PENNSYLVANIA TURNPIKE COMMISSION" and in "APPENDIX B – AUDITED FINANCIAL STATEMENTS: 2009 AND 2008" as well as a summary of any material legislative or regulatory developments affecting Act 44 or the tolling of Interstate 80. In the event that 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.

The Disclosure Undertaking will also provide that the Commission will file in a timely manner, with the Municipal Securities Rulemaking Board (the "MSRB") as set forth below, notice of the occurrence of any of the following events with respect to the 2009B Bonds, if material: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or banks, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the 2009B Bonds; (vii) modifications to rights of holders of the 2009B Bonds; (viii) 2009B Bond calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the 2009B Bonds; and (xi) rating changes. The foregoing events are quoted from Rule 15c2-12.

The SEC requires the listing of (i) through (xi) in the preceding paragraph, although some of such events are not applicable to the 2009B Bonds. For example, items (iv) and (v) are not applicable to the 2009B Bonds because there is no credit enhancement providing for the payment of the 2009B Bonds.

The Commission shall file in a timely manner with the MSRB's Electronic Municipal Market Access System ("EMMA"), accessible at http://emma.msrb.org, which is currently the only national repository.

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 Rule 15c2-12 at the time of original issuance of the 2009B Bonds, taking into account any amendments or interpretations of Rule 15c2-12; and (iii) the amendment or waiver does not materially impair the interests of the Registered Owners of the 2009B 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 each Repository (presently only EMMA) and shall be sent to the Registered Owners of the 2009B Bonds.

The Disclosure Undertaking will recite that it is entered into for the benefit of the Registered Owners from time to time of the 2009B Bonds. For the purposes of the Disclosure Undertaking, for so long as the 2009B 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 2009B 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 2009B Bonds or the 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 2009B Bonds, (2) upon repeal or rescission of Section (b)(5) of Rule 15c2-12, or (3) upon a final determination that Section (b)(5) of Rule 15c2-12 is invalid or unenforceable. A copy of the Disclosure Undertaking is on file at the principal office of the Commission.

The Commission has complied with all of its continuing disclosure requirements pursuant to Rule 15c2-12 with respect to its other series of bonds.

RELATIONSHIPS OF CERTAIN PARTIES

Cozen & O'Connor, Co-Bond Counsel, and The Law Offices of Denise Joy Smyler, Co-Bond Counsel and Stevens & Lee, P.C. counsel to the Underwriters, provide legal services to the Commission in various matters from time to time. Financial S&Lutions LLC, a wholly owned affiliate of Stevens & Lee, has provided swap advisory services to the Commission from time to time. In addition, Morgan Stanley Capital Services Inc., JP Morgan Chase, PNC Bank, National Association, and Merrill Lynch Capital Services, Inc. have entered into various swap agreements with the Commission.

UNDERWRITING

Morgan Stanley & Co. Incorporated, on behalf of itself and the other Underwriters shown on the cover hereof (the "Underwriters"), are expected to enter into a purchase contract (the "Purchase Contract") with the Commission pursuant to which the Underwriters will jointly and severally agree, subject to certain customary conditions precedent to closing, to purchase the 2009B Bonds from the Commission at a purchase price equal to $413,976,310.40 representing the aggregate principal amount of the 2009B Bonds, plus net original issue premium of $40,864,018.00, less underwriters' discount of $1,897,707.60.

Pursuant to the Purchase Contract, the Underwriters will be obligated to purchase all of the 2009B Bonds if any of such 2009B Bonds are purchased. The 2009B Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such 2009B 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. 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. Incorporated, an underwriter of the 2009B Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2009B Bonds.

J.P. Morgan Securities Inc., one of the underwriters of the 2009B Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement (if applicable for this transaction), J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the 2009B Bonds with UBS Financial Services Inc.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wachovia Bank, National Association.

RATINGS

Moody's Investors Service, Standard & Poor's Rating Group, and Fitch, Inc., have assigned their municipal bond ratings of "Aa3", "A+", and "A+", respectively, in each case based on the long-term underlying municipal bond rating of the Commission for the 2009B Bonds.

An explanation of the significance of each of such ratings may be obtained from the rating agency furnishing the same at the following addresses: Moody's Investors Service, 99 Church Street, New York, NY 10007; Standard & Poor's Rating Group, 25 Broadway, New York, NY 10004; and Fitch, Inc., One State Street Plaza, New York, NY 10007. 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 either 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 2009B Bonds.

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 2009B Bonds, or in any way contesting or affecting the validity of the 2009B 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 2009B 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 person or $1,000,000 in the aggregate.

There are currently approximately 74 open claims for personal injury and/or property damage pending against the Commission, none of which individually or in the aggregate are deemed to expose the Commission to a material risk of loss.

The Commission has received from the Pennsylvania Office of the Attorney General (the "PaAG") a grand jury document subpoena requesting a broad range of information. The Commission is cooperating with the PaAG in connection with such request for information. The Commission also understands that several former employees have appeared before the grand jury. The nature of the inquiry is unknown at this point. It is not possible for the Commission to predict what effect this inquiry and its eventual outcome may have.

LEGAL MATTERS

Certain legal matters will be passed upon by Cozen & O'Connor, Philadelphia, Pennsylvania and The Law Offices of Denise Joy Smyler, both of Philadelphia, Pennsylvania, Co-Bond Counsel. A copy of the form of opinion of Co-Bond Counsel which will be delivered with the 2009B Bonds is set forth in "APPENDIX D - FORM OF OPINION OF CO-BOND COUNSEL." Certain other legal matters will be passed upon for the Underwriters by their counsel, Stevens & Lee, P.C., Reading, Pennsylvania, and for the Commission by its Chief Counsel, Doreen A. McCall, Esquire.

FINANCIAL ADVISORS

The Commission has retained Phoenix Capital Partners, LLP, Philadelphia, Pennsylvania, and NW Financial Group, LLC, Jersey City, New Jersey, as Co-Financial Advisors with respect to the authorization and issuance of the 2009B Bonds. The 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. Phoenix Capital Partners, LLP is an independent advisory firm and is not engaged in the business of underwriting, holding or distributing municipal or other public securities.

TRUSTEE

The Commission has appointed U.S. Bank National Association (successor to First Union National Bank), Philadelphia, Pennsylvania, as the Trustee and Authenticating Agent under the Indenture. The obligations and duties of the Trustee are as described in the Indenture. The Trustee has not evaluated the risks, benefits or propriety of any investment in the 2009B Bonds, and makes no representation, and has reached no conclusions, regarding the validity of the 2009B Bonds, the security therefor, the adequacy of the provisions for payment thereof or the tax status of the interest on the 2009B Bonds. The Trustee has relied upon the opinion of Co-Bond Counsel for the validity and tax status of the interest on the 2009B 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 2009B Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such 2009B Bonds by the Commission.

Under the terms of the Indenture, the Trustee shall not be 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 Indenture, the Trustee is not required to take notice, and is not deemed to have notice, of any default under the Indenture (except for defaults in payment by the Commission), unless the Trustee has been specifically notified in writing of such default by the owners of at least 25% in aggregate principal amount of the Outstanding Bonds. All notices or other instruments required by the Indenture to be delivered to the Trustee must be delivered at the corporate trust office of the Trustee. In the absence of any such notice, the Trustee may conclusively assume no Event of Default (as defined in the Indenture) exists, except as expressly stated in the 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 Indenture for a complete statement of the Trustee's rights, duties, obligations and immunities.

TAX MATTERS

Federal Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the 2009B Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2009B Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Commission subsequent to the issuance and delivery of the 2009B Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Commission has covenanted to comply with such requirements.

In the opinion of Co-Bond Counsel, interest on the 2009B Bonds will be excluded from gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Co-Bond Counsel is subject to the condition that the Commission complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2009B Bonds in order that interest thereon continues to be excluded from gross income. The Commission has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the 2009B Bonds to be includable in gross income retroactive to the date of issuance of the 2009B Bonds. Interest on the 2009B Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax.

In addition to the matters addressed above, prospective purchasers of the 2009B Bonds should be aware that ownership of the 2009B Bonds may result in collateral tax consequences to certain taxpayers, including, but not limited to, foreign corporations, certain S corporations, recipients of social security and railroad retirement benefits, financial institutions and property or casualty insurance companies. Co-Bond Counsel expresses no opinion regarding any other federal tax consequences relating to the 2009B Bonds or the receipt of interest thereon.

Original Issue Discount

The difference between the principal amount of the 2009B Bonds maturing on December 1, 2018 (3.125% coupon), December 1, 2019 (3.125% coupon) and December 1, 2020 (3.500% coupon) (the "Discount Bonds"), and their initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), as shown on the inside cover hereof, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Discount Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond, and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. **Purchasers of any Discount Bonds, whether at the time of the initial issuance or subsequent thereto, should consult their own tax advisors with respect to the tax treatment of original issue discount.**

Original Issue Premium

The 2009B Bonds other than the Discount Bonds are hereinafter referred to as the "Premium Bonds." An amount equal to the excess of the initial public offering price of a Premium Bond as shown on the inside cover hereof over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's basis in such Premium Bond as reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. **Purchasers of any Premium Bonds, whether at the time of the initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium.**

State Tax Exemption

In the opinion of Co-Bond Counsel, under the existing laws of the Commonwealth, the interest on the 2009B Bonds is free from Pennsylvania personal income taxation and Pennsylvania corporate net income taxation, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2009B Bonds or the interest thereon. Profits, gains or income derived from the sale, exchange or other disposition of the 2009B Bonds are subject to state and local taxation within the Commonwealth.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. **Prospective purchasers should consult their tax advisors about the consequences of purchasing or holding the 2009B Bonds.**

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. 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 2009B Bonds, the Indenture, Supplemental Indenture No. 17, the Subordinate Indenture and the Continuing Disclosure Undertaking 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 2009B Bonds is to be construed as a contract with the holders of the 2009B Bonds. Any statements 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.

PENNSYLVANIA TURNPIKE COMMISSION

By: /s/Nikolaus H. Grieshaber
Chief Financial Officer

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APPENDIX A

THE PENNSYLVANIA TURNPIKE COMMISSION

APPENDIX A

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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 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***"), (collectively, the "***Enabling Acts***"). Pursuant to the Enabling Acts, the Commission has the power to construct, operate and maintain the System and to enter into a lease for I-80 with the Department of Transportation of the Commonwealth of Pennsylvania ("***PennDOT***"). Its composition, powers, duties, functions, duration and all other attributes are derived from the Enabling Acts as amended and supplemented by subsequent legislation. 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 PennDOT. Mr. Allen D. Biehler is the current Secretary. He was recently elected Chairman of the Commission. 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.

The present members of the Commission and the dates on which their respective terms expire are as follows:

Name	Position	Expiration of Term
Allen D. Biehler	Chairman	Ex-Officio
Timothy J. Carson	Vice Chairman	June 24, 2013
J. William Lincoln	Secretary/Treasurer	June 24, 2013
Pasquale T. Deon, Sr.	Commissioner	June 30, 2010
A. Michael Pratt	Commissioner	June 24, 2013

Act 44 extensively revised and modified earlier legislation, added new authorities and responsibilities and required adoption of a code of conduct for executive level employees, as well as members of the Commission. As more fully discussed herein, Act 44 obligated the Commission, among other things, to enter into a lease with PennDOT and to make substantial lease payments to PennDOT to provide funds for various transportation needs in the Commonwealth. See particularly "The Pennsylvania Turnpike – Act 44 – Lease between PennDOT and Commission" and "– Act 44 Payments to PennDOT for Roads, Bridges and Transit." In addition, Act 44 granted the Commission the right to lease that portion of I-80 within the Commonwealth and the option to convert such portion of I-80 to a toll road subject to certain federal approvals, as more fully described in "The Pennsylvania Turnpike – Act 44 – Lease Between PennDOT and Commission" and " – Tolling of I-80" herein.

The Enabling Acts provide that the Commission shall not be required to pay any taxes or assessments on any property acquired or used by it. It also provides that turnpike revenue bonds issued by the Commission shall not be deemed to be a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth and that the Commonwealth is not obligated to levy or pledge any form of taxation or make any appropriation for the payment of such bonds. The Commission has no taxing power.

Executive Personnel

Joseph G. Brimmeier has been the Chief Executive Officer since February 2003. Prior to that time, he served as Chief of Staff to former U.S. Representative Ron Klink.

George M. Hatalowich was named the Chief Operating Officer in February 2007. Prior to that time, he was Contracts Administration Manager from 2003 to 2007, Engineering Contracts Supervisor and Agreement Supervisor from 1993 to 2003, and Bridge Design Engineer from 1990 to 1993.

Nikolaus H. Grieshaber was named Chief Financial Officer in June 2008. Prior to that time, 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.

Frank J. Kempf, Jr. was named Chief Engineer in July 2007. Prior to that time, he held positions of Assistant Chief Engineer Design and Chief Bridge Engineer with the Turnpike Commission. Before joining the Commission in 1986, he worked as a Bridge Design Engineer for a consulting engineering firm and with PennDOT.

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.

THE PENNSYLVANIA TURNPIKE

General

The present Pennsylvania Turnpike System (the "***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 23 mile section of the Mon/Fayette Project and the 8 mile section from the Pennsylvania/West Virginia border to Fairchance, which is located just south of Uniontown; and

- the 6 mile Southern Beltway project from PA 60 to US 22 (which was opened to traffic to bring the System mileage to 535 miles).

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 development of the National Interstate Highway System but portions have been designated as Interstate Routes. However, 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. The Turnpike Mainline has been designated as Interstate Route 276 between the area where Interstate Route 95 crosses the Pennsylvania Turnpike 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.

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 such 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 Pennsylvania Turnpike Commission and the New Jersey Turnpike Authority.

The roadway for which the Commission will have operational responsibility will be greatly expanded if the Commission exercises the right granted to it under Act 44 to lease that portion of I-80 (an east west highway in the Interstate Highway System) within the Commonwealth and receives the necessary federal approvals to convert such portion of I-80 to a toll road, as more fully described in "Act 44 – Lease Between PennDOT and Commission" and " –Tolling of I-80" herein. However, see "Recent Developments and Future Legislation" for other possible developments.

Revenue Sources of the Commission

Tolls. 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***", as defined in the attached APPENDIX C) constitute one of the Commission's three principal streams of revenues. The Tolls are presently pledged to secure the Commission's outstanding turnpike senior revenue bonds (collectively, the "***Senior Revenue Bonds***") and the Senior Indenture Parity Obligations (the Senior Revenue Bonds and the Senior Indenture Parity Obligations, together with any Senior Indenture Subordinated Indebtedness issued under the Senior Indenture, herein collectively the "***Senior Indenture Obligations***") which will be subject to or may be issued under the terms of the Senior Indenture. Currently, $2,245,545,000 aggregate principal amount of Senior Revenue Bonds are Outstanding under the Senior Indenture. Other Senior Parity Obligations include, among other things, interest rate swaps and reimbursement and standby bond purchase agreements. There are currently no Senior Subordinated Obligations Outstanding. The lien of the Subordinate Indenture in and to the Trust Estate is subordinate to the lien of the Senior Indenture to the Tolls, and therefore all Subordinate Indenture Bonds, and all other parity obligations issued by the Commission under the Subordinate Indenture are subordinated to the payment of the Senior Indenture Obligations issued under the Senior Indenture. The Commission may in the future, under the terms of the Senior Indenture, identify in writing certain roads, other than the Mainline Section and the Northeast Extension, as not being part of the System for the purposes of the Senior Indenture. The Tolls are not pledged to secure the Oil Franchise Tax Revenue Bonds (as defined below), are not pledged to secure the Registration Fee Revenue Bonds (as defined below), and are not pledged to secure bonds and other obligations issued under the Subordinate Indenture. The Commission's cash flow from Tolls is only indirectly subject to the lien of the Subordinate 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***"), a total of $814,041,246 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 (including the 2009B Bonds), any Subordinate Indenture Bonds 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***"), a total of $442,020,000 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, including the 2009B Bonds, the Subordinate Indenture Bonds or the Oil Franchise Tax Revenue Bonds.

Neither the Subordinate 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.

Future Sources. In addition to Additional Subordinate Indenture Bonds, 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 has approved a toll increase in the amount of 25% effective January 4, 2009, and expects to implement annual increases. A toll increase in the amount of 3% will be effective January 3, 2010. In addition, the Commission anticipates that it will borrow substantial additional funds through the year 2024 for purposes of funding capital expenditures for the System and payments under Act 44 and the Lease. Such borrowings are expected to be undertaken principally under the Senior Indenture and the Subordinate Indenture. Any projected toll increases may be revised by the Commission if necessary to meet the then existing debt and operational obligations of the Commission.

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. The cost of fuel could increase which 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. See "Toll Schedule and Rates" and "Five Year Financial History" for further information, including information on recent declines in traffic volume and gross fare revenues. See "CERTAIN RISK FACTORS" in the forepart of this Official Statement.

In addition, from time to time, legislation is introduced in the Pennsylvania General Assembly, with respect to Act 44 and otherwise, which may affect the Commission and, therefore, may affect certain of the assumptions made in the Official Statement. The Commission cannot predict if any such bills or other legislation will be enacted into law, or how any such legislation may affect the Commission's ability to pay the 2009B Bonds. See "Recent Developments and Future Legislation."

Act 44

On July 18, 2007, Pennsylvania Governor Rendell signed Act 44 into law, creating a "public public partnership" between the Commission and the Pennsylvania Department of

Transportation ("***PennDOT***") to provide funding for roads, bridges and transit throughout the Commonwealth. Under Act 44, a 50 year Lease and Funding Agreement dated as of October 14, 2007 (the "***Lease***") was entered into by the Commission and PennDOT. Many of the terms of Act 44 are required to be set forth in the Lease. See "*Lease Between PennDOT and Commission.*"

Lease Between PennDOT and Commission. On October 14, 2007 the Commission and PennDOT entered into the Lease as required under the terms of Act 44. The Lease provides for a lease from PennDOT to the Commission of the portion of I-80 located in the Commonwealth. In addition, the Lease contains certain provisions set forth in Act 44, including provisions dealing with the terms and conditions of the conversion of I-80 into a toll road (the "***Conversion***"), subject to the requisite approval of the United States Federal Highway Administration (the "***FHWA***"), and the operation, maintenance, repair and improvement of I-80. The term of the Lease is 50 years.

The Lease grants the unilateral option to the Commission to effectuate the Conversion at any time before the third anniversary of the Lease (the "***Conversion Period***"). The Commission may elect to extend such Conversion Period for three additional one year periods. The Commission is authorized, with the cooperation of PennDOT, to apply to the FHWA under one of the federal tolling pilot programs for the right to operate and toll I-80. See "Tolling of I-80" below. In accordance with the requirements of Act 44, the Lease provides that I-80 will be an "open tolling" system with no more than ten toll collection points, and service plazas will not be permitted in the right of way along I-80. After Conversion, all legal, financial and operational responsibility for I-80 would reside with the Commission and all toll revenues subsequently collected, would be paid to the Commission, except as otherwise agreed by the Commission and PennDOT. The Commission's submission to FHWA stated that it planned to spend an average of $250,000,000 per year on capital improvements to I-80 over a 10 year period if the FHWA approved tolling of I-80.

The Lease also commits the Commission to make certain payments to PennDOT, including $900 million in fiscal year 2010, whether or not Conversion has occurred. Thereafter, the scheduled annual payments increase by 2.5 percent for each fiscal year for the remainder of the 50 year term, with certain credits for I-80 Cost Savings once Conversion has occurred, as described below. All such cash payments are due in equal quarterly installments. The Lease further provides that the Commission is obligated to pay all debt service due with respect to the Guaranteed Bonds, if issued by the Commission; and to pay to PennDOT certain surplus revenues, as described below. As of the date of this Official Statement, the Commission has paid PennDOT all quarterly payments required under the Lease in an aggregate amount of $2,050,000,000 all of which were financed or reimbursed from the proceeds of Bond Anticipation Notes issued under the Indenture or non guaranteed Subordinated Indenture Bonds.

Upon Conversion, the cash component of the scheduled annual payment obligation will be offset by an amount equal to $116,985,856 in fiscal year 2011, reflecting cost savings to the Commonwealth's Motor License Fund if I-80 becomes a tolled facility ("***I-80 Cost Savings***"). Under Act 44, the I-80 Cost Savings credit (which will be pro rated for the fiscal year during which Conversion occurs) increases by 4 percent for each fiscal year thereafter.

The Lease prohibits any proceeds of Guaranteed Bonds or revenue from the operation of I-80 (including tolls charged for the use thereof) from being applied to the portions of the payment obligations to PennDOT required to be deposited into the Public Transportation Trust Fund for mass transit.

If the Conversion does not occur by October 14, 2010 (as such date may be extended at the option of the Commission for up to three (3) one year extension periods), Act 44 provides that the scheduled annual payment obligation will be reduced to $450 million per fiscal year, and the obligation to pay the annual surplus amount will terminate.

The Commission is required by the terms of the Lease 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 Lease when due and other obligations of the Commission.

Act 44 Payments to PennDOT for Roads, Bridges and Transit. Act 44 provides that all required payments under the Lease 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. Of the Commission's payments to PennDOT, the Lease provides that $450 million shall be deposited in the Motor License Fund to be available for roads and bridges in fiscal year 2007-08, $500 million in fiscal year 2008-09 and $500 million in fiscal year 2009-10. Thereafter, assuming Conversion occurs, the amount, adjusted for any I-80 Cost Savings, shall increase by 2.5% for each successive fiscal year for the remainder of the 50 year term of the Lease. If Conversion does not occur prior to the end of the Conversion Period, such payments shall drop to $200 million for each fiscal year thereafter. The balance of the annual payments under the Lease shall be deposited into the Public Transportation Trust Fund for distribution to Pennsylvania's local and regional public transportation agencies for operating and capital purposes. These amounts to be so deposited pursuant to the Lease are $300 million in fiscal year 2007-08, $350 million in fiscal year 2008-09 and $400 million in fiscal year 2009-10, which amount shall increase by 2.5% for each fiscal year thereafter, assuming Conversion occurs. If Conversion does not occur, such payments will reduce to $250 million annually. Notwithstanding the foregoing, no portion of the payments of the Commission to be deposited into the Public Transportation Trust Fund may be made with the revenues generated by the Commission from the operation of I-80 or from the proceeds of the Guaranteed Bonds. The first ten payments, in the aggregate amount of $2,050,000,000 were all timely made as required under Act 44. The $225 million dollar payment due on July 31, 2009 was financed with a portion of the proceeds of the Commission's $856,735,000 Turnpike Subordinate Revenue Bonds, Series B of 2009 (the "***2009B Subordinate Bonds***") issued in July of 2009 and a portion of the proceeds of the Commission's $99,998,204 Turnpike Subordinate Revenue Bonds, Series C of 2009 (the "***2009C Subordinate Bonds***") issued in July of 2009. The $225 million payment due October 31, 2009 was financed with a portion of the proceeds of the Commission's $524,749,558.45 Turnpike Subordinate Revenue Bonds, Series D of 2009 (the "***2009D Subordinate Bonds***") and Turnpike Subordinate Revenue Bonds, Series E of 2009 (the "***2009E Subordinate Bonds***") issued in October of 2009. There are currently $2,574,772,763 Subordinate Bonds outstanding under the Subordinate Indenture.

Upon the occurrence of the Conversion, the Commission is additionally committed under Act 44 to make annual surplus payments (the "***Annual Surplus Payment***") of the General Reserve Fund Surplus available at the end of each fiscal year, according to a certificate of the Auditor General. The General Reserve Fund Surplus is defined in Act 44 as the amount which (i) is certified by the Auditor General as existing in the Commission's General Reserve Fund on the last day of the fiscal year of the Commission, and (ii) is not required to be retained in the General Reserve Fund pursuant to any financial documents, financial covenants, insurance policies, liquidity policies or agreements in effect at the Commission, including the Senior Indenture and the Subordinate Indenture. Currently, the Lease and Act 44 are inconsistent on the beginning date of the Annual Surplus Payment. The Commission anticipates amending the Lease to match the terms of Act 44.

If Conversion does not occur by the end of the Conversion Period, the Commission's obligation to make payments after the end of the Conversion Period is $450 million annually over the term of the Lease, with $200 million to be deposited in the Motor License Fund to be available for roads and bridges and $250 million to be deposited in the Public Transportation Trust Fund annually to be available for transit.

Issuance of Bonds; Commission Payments. Under the Enabling Acts, including Act 44, 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 Lease, 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 Lease for purposes of funding PennDOT highway, road and bridge construction and maintenance programs in the Commonwealth, (iii) costs of improvements to the System, and (iv) certain amounts into a Public Transportation Trust Fund pursuant to the Lease to be used exclusively for mass transit programs (provided that, pursuant to the terms of the Lease, the proceeds of any Special Revenue Bonds (also referred to herein and in the Subordinate Indenture as Guaranteed Bonds) may not be applied for payments to mass transit programs).

The bonds authorized to be issued by the Commission under Act 44, after execution of the Lease, 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 Lease and Act 44, except, pursuant to the terms of the Lease, that portion of the annual payment obligations to be deposited in the Public Transportation Trust Fund. The Commission presently intends any such long term bonds to be issued under the Subordinate Indenture and paid solely from Commission Payments (and therefore to be subordinate to the Senior Indenture Obligations issued under the Senior Indenture). See "*Statutory Limitations on the Incurrence of Guaranteed Bonds*" below.

Pursuant to the terms of the Subordinate Indenture, the Commission covenanted, after payment of all required debt service on all Senior Indenture Obligations and subject to the provisions of the Senior Indenture, to pay to the Subordinate Trustee, and it instructed the Senior Trustee to pay to the Subordinate Trustee, 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, debt service on all outstanding Subordinate Indenture Bonds and the parity obligations under the Subordinate Indenture.

Accordingly, the Commission shall instruct and furnish a debt service schedule to the Senior Trustee providing for the payment to the Subordinate 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 and to pay debt service on the outstanding Subordinate Indenture Bonds, the parity obligations and all other payments required from time to time under the Subordinate Indenture and in a supplemental indenture to the Subordinate Indenture.

The Guaranteed Bonds will have a subordinate right to payment from Commission Payments to the rights of payment in favor of the holders of the Revenue Bonds issued under the Subordinate Indenture.

The Commission may, from time to time, issue additional bonds, including Revenue Bonds and Special Revenue Bonds, to help satisfy its payment obligations under Act 44. Such obligations, if issued, are anticipated to be issued on a subordinate basis to the Senior Revenue Bonds issued under the Senior Indenture, but will be parity obligations of the outstanding Subordinate Bonds issued under the Subordinate Indenture. **APPENDIX E sets forth the existing debt service schedule for the Senior Indenture Bonds.**

Statutory Limitations on the Incurrence of Guaranteed Bonds. Under Act 44, 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, public transportation systems, planning, engineering, administrative and other expenses, and debt service. In addition, 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 bond may be issued unless the Lease is in effect, and no such bond may be outstanding beyond the stated term of the Lease at the time of issuance. Special Revenue Refunding Bonds (as defined in §9511.2 Act 44) shall not be deemed to count against the total or annual maximum issuance volume under Act 44. No Guaranteed Bonds have been issued nor are being issued contemporaneously with the 2009B Bonds.

Should the Commission issue Guaranteed Bonds in the future and then fail to timely pay the debt service on such Guaranteed Bonds, the Subordinate Trustee shall proceed under the terms of Act 44 to notify PennDOT of such default, and PennDOT shall give notice to the Treasurer of the Commonwealth of such deficiency and to request the payment of funds necessary to cure such deficiency only from funds available for such purpose in the Motor License Fund. 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 Guaranteed Bonds. The Commission is obligated pursuant to the Lease 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

Guaranteed Bonds. This reimbursement obligation is subject and junior to the payment obligations of the Commission under the Guaranteed Bonds.

Tolling of I-80. I-80 currently is part of the National Interstate Highway System, traversing northern Pennsylvania for approximately 311 miles from the Delaware Water Gap Bridge over the Delaware River to the Ohio Pennsylvania state line. I-80, including the portion located in Pennsylvania, is the second longest Interstate Highway route in the United States, connecting downtown San Francisco, California with Teaneck, New Jersey. Pursuant to Act 44, the Commission, in consultation with PennDOT, is authorized to apply, and has applied, to the U.S. Department of Transportation for permission to convert the portion of I-80 which is in Pennsylvania to a toll road.

Act 44 and the Lease require the Secretary to cooperate with the Commission on the Conversion application by ensuring that all information required for the application is made available to the Commission as soon as practicable.

Act 44 grants the Commission the option, at any time before the third anniversary of the Lease, to convert I-80 to a toll road, and thereafter to assume legal, financial and operational responsibility for I-80. The Conversion Period may be extended unilaterally by the Commission for three one year periods.

Under Act 44, the Commission may give PennDOT notice of the Commission's intent to exercise its option to convert I-80 to a toll road ("***Conversion Notice***") at any time prior to the expiration of the Conversion Period. On the date the Conversion is effective as set forth in the Conversion Notice (the "***Conversion Date***"), the Commission shall receive an annual credit toward its payment obligations under Act 44 for the I-80 operational cost savings (prorated for the fiscal year during which the Conversion occurs), starting at $116,985,856 for fiscal year 2011, and increasing by 4 percent for each fiscal year after the fiscal year in which the Conversion Date occurs.

Act 44 authorizes an open tolling system with no more than ten toll collection points. The Commission may contract with PennDOT for any portion of the maintenance of I-80 at cost levels agreed to by PennDOT and the Commission. Service plazas are not permitted in the right of way along I-80.

The Commission submitted its Preliminary Expression of Interest to the FHWA in August 2007, requesting tolling authority for that portion of I-80 traversing the Commonwealth of Pennsylvania. By a letter dated September 26, 2007, the FHWA replied to the Commission stating that the Interstate System Reconstruction and Rehabilitation Pilot Program (the "***Pilot Program***") is the appropriate tolling pilot program under which the Commission should apply. The Commission submitted to FHWA a joint application with PennDOT on October 13, 2007. On October 15, 2007, Governor Rendell sent a letter supporting the application to United States Department of Transportation Secretary Mary Peters. The FHWA responded to the application with a request for additional information on December 12, 2007. Among FHWA's requests were a clearer identification of the rehabilitation, reconstruction and improvement projects currently being planned for I-80 by the Commission after the Conversion Date, further information of PennDOT's historic funding strategy for I-80, and the completion of consultative meetings held with the metropolitan and rural planning organization through which I-80 passes. The Commission and PennDOT replied to the FHWA on December 20, 2007, and they jointly acknowledged the request for additional information and confirmed their intent to continue seeking federal approval for the Conversion. Representatives of the Commission and PennDOT met with FHWA staff on two occasions during the first half of 2008 to discuss the additional information to be included in the updated application. As a result of these discussions, an amended Phase 1 application, along with a letter of support from Governor Rendell, was submitted to FHWA on July 22, 2008, and certain supplemental information was furnished to FHWA on August 29, 2008.

On September 11, 2008, FHWA sent the Commission and PennDOT a letter stating that it could not approve the I-80 application at that time, because of insufficient information concerning how rental payments for I-80 were determined and whether they are related to the true costs of the leasehold interest. More specifically, FHWA stated that, while it considers a lease payment to a lessor such as PennDOT to be a permitted use of toll revenues, because the FHWA has no information in the form of competitive bids or investment grade traffic and revenue studies stating that the lease payments are related to the market based costs of the I-80 leasehold interest, the FHWA could not determine that such lease payments are a cost necessary for the proper operation of I-80. The Commission submitted additional supplemental information to the FHWA in support of its I-80 application on October 29, 2009.

If the Commission decides not to pursue further the tolling of I-80 and does not extend the Conversion Period, the Conversion Period will lapse on October 14, 2010. In such event, the Commission believes that 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. There can be no assurance that the application will ultimately be approved by FHWA or that a slot in the Pilot Program will be available for the Commonwealth. See "*Recent Developments and Future Legislation.*"

If the application for Conversion is ultimately approved, PennDOT and the Commission will enter into an agreement with the federal government. The terms of such conversion agreement have not been drafted and there can be no assurance that the proceeds of toll revenue from I-80 may be used to pay some or any portion of the future lease payments due to PennDOT under the Lease. In any event, even if the application for Conversion is ultimately approved, the Commission retains the right to complete or abandon the Conversion.

If I-80 is not tolled and no other funding is substituted, then Act 44 funding of highways and transit would drop from $900 million annually to $450 million annually.

Rules Relating to Governance and Accountability Under Act 44. Act 44 sets forth certain rules relating to governance and accountability of the Commission, including, but not limited to, the filing of an annual financial plan of the Commission with the Pennsylvania Secretary of the Budget no later than June 1 of each year (the "Financial Plan"), providing updates to the Chairman and Minority Chairman of the Pennsylvania House and Senate Transportation Committees regarding the conversion of I-80, conducting traffic studies to quantify diversion of traffic from I-80 to other roadways as a result of the Conversion, conducting an audit by the Auditor General every four years to be paid for by the Commission and the adoption by the Commission of a comprehensive code of conduct for Commissioners and executive level employees. The Commission completed its Financial Plan for the 2010 fiscal year and delivered it to the Secretary of the Budget by the June 1 deadline. A complete copy of the Financial Plan can be obtained by contacting the Commission. See discussion in the forepart of the Official Statement under "Pennsylvania Turnpike System – Act 44 Financial Plan."

Recent Developments and Future Legislation

From time to time, legislation is introduced in the Pennsylvania General Assembly and Congress which may affect the Commission and, therefore, may affect certain of the assumptions made in the Official Statement. The Commission cannot predict if any such bills or other legislation will be enacted into law, or how any such legislation may affect the Commission's ability to pay the 2009B Bonds.

State Legislation. At the state level, Representative Scott E. Hutchinson announced his intention to introduce legislation in the Pennsylvania General Assembly which will require the Commission to maintain its scheduled annual payments to PennDot pursuant to Act 44 through Fiscal Year 2013-2014 with an annual cost of living increase of 2.5%. He has also introduced a bill which would have PennDot assume all powers and duties of the Commission that relate to operation, maintenance, construction and reconstruction of the Pennsylvania Turnpike and related highways and receive all tolls and other money otherwise payable to the Commission, transfer all of the Commission's property to PennDot and dissolve the Commission; such bill has been referred to the Transportation Committee. Representative Mike Vereb has announced that he will introduce a similar bill.

Federal Legislation. At the federal level, United States Representatives whose districts are traversed by I-80 have urged the U.S. Secretary of Transportation not to approve any application from the Commission and PennDOT to convert I-80 to a toll road.

On February 13, 2009, Congressman Glenn Thompson from the 5th District of Pennsylvania, introduced H.R. 1071 which would prohibit the imposition and collection of tolls on existing interstate highways constructed with federal funds. The legislation was referred to the House Committee on Transportation and Infrastructure and the House Subcommittee on Highway and Transit. No other reported action has been taken on this legislation.

On May 21, 2009, Senator Kay Bailey Hutchison, R TX, introduced Senate Bill 1115 which would prohibit the imposition of any tolls on any segment of highway constructed with federal funds where construction is complete, the highway is in active operation, and is not tolled. The legislation has been referred to the Committee on Environment and Public Works.

In June, 2009, James O. Oberstar, Chairman of the U.S. House of Representatives Committee on Transportation and Infrastructure, presented the Surface Transportation Authorization Act of 2009 to the Subcommittee on Highways and Transit staff for markup. This bill (which has not yet been assigned a number but can be found at http://transportation.house.gov.medicalfile/highways/HPP/OBERST_044_xml.pdf) would create new federal oversight for projects such as the tolling of Federal highways by establishing an Office of Public Benefit in the Federal Highway Administration and would have to approve tolling of I-80. The tolling of I-80 would be subject to the approval of this proposed office if this bill becomes law.

In the future, additional legislation may be introduced in the U.S. Congress that could adversely affect the conversion or the tolling of I-80.

Interchanges and Service Areas

The Pennsylvania Turnpike System has a total of 57 interchanges which connect it with major arteries and population centers in its 531 mile traffic corridor. Thirty 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 17 interchanges are located on the 3 extensions previously noted. There are currently 19 service plazas along the Pennsylvania Turnpike System providing gasoline and diesel fuel, other automotive supplies and services and restaurant services. The Pennsylvania Turnpike Commission has negotiated long term leases with HMSHost Restaurants, LLC and Sunoco, Inc. to design, reconstruct, finance, operate and maintain the Commission's Service Plazas. The two companies are expected to invest approximately $190 million in the project over a five year period, at no cost to the Commission.

If I-80 is converted to a toll road, Act 44 prohibits service plazas in the right of way and mandates the adoption of an open tolling system of no more than 10 toll collection points.

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 9 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 PENNSYLVANIA TURNPIKE – E-ZPass Lanes."

Between 1957 and 2008, the Commission implemented only 5 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 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 revenue generated by such toll increase have been used to fund capital improvements to the Turnpike's roads, tunnels and other system upgrades. On July 22, 2008, the Commission approved a toll increase in the amount of 25% which became effective on January 4, 2009, with the expectation that it would implement annual increases thereafter. The Commission approved a toll increase in the amount of 3% which will become effective on January 3, 2010. Such toll increase will be used to provide funds for payments under the Lease and other Act 44 purposes. In addition, the Commission anticipates that it will borrow substantial additional funds in the future.

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

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

Vehicle Toll Class	Gross Vehicle Weight (Thousand Pound)	Current Toll	Per Mile Rate
1	1-7	$24.70	$0.075
2	7-15	36.25	0.110
3	15-19	45.00	0.137
4	19-30	52.50	0.160
5	30-45	73.75	0.224
6	45-62	93.75	0.285
7	62-80	133.75	0.407
8	80-100	175.00	0.532
9	Over 100	992.00	3.015

Note: The above rates represent an "East West" trip for the ticket system toll rate between Warrendale (#30) and the Delaware River Bridge (#359) interchanges. The Gateway Barrier toll rate is based on five axle classes and is computed separately from the ticket system. The 2009 toll rate is $3.75 for the first two axles and $3.75 for each additional axle. The rates do not increase above 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, payments to the Pennsylvania Department of Transportation under the Lease and any repayment to the Federal Government with respect to the conversion of I-80 to a toll road.

If the Commission ultimately receives approval from the FHWA to convert I-80 to a toll road, additional toll revenues could be generated from I-80. However, under the provisions of the Pilot Program, the Commission believes that I-80's financial operations would need to be separate from those of the System. If an application for conversion is ultimately approved, PennDOT and the Commission will enter into an agreement with the federal government concerning the operation of I-80, including the use of the proceeds of toll revenue from I-80. There can be no assurance that such agreement will authorize or permit the use of the proceeds of toll revenue from I-80 to pay some or any portion of the future payments due to PennDOT under the Lease. See "Act 44 – Tolling of I-80" above.

Five Year Financial History

The following tables II and III summarize the financial history of the System for the five fiscal years from 2005 to 2009. The financial statements are a combination of cash basis financial statements with certain accruals included. 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: 2009 AND 2008."

TABLE II
Number of Vehicles and Fare Revenues – Summarized by Fare Classification
(000's Omitted)

Year Ended May 31:	Number of Vehicles			Fare Revenues				
	Passenger	Commercial	Total	Passenger	Commercial	Total	Discount	Net Fare Revenues
2005	163,316	25,109	188,425	$309,032	$252,097	$561,129	$15,971	$545,158
2006	160,421	25,403	185,824	$321,268	$286,140	$607,408	$18,771	$588,637
2007	160,107	25,316	185,423	$322,781	$294,836	$617,617	$24,975	$592,642
2008	164,097	25,455	189,552	$327,761	$291,389	$619,150	$20,224	$598,926
2009	162,637	23,582	186,219	$354,642	$283,603	$638,245	$22,640	$615,605

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

	2005	2006	2007	2008	2009
Revenues					
Net Toll Revenues	$545,158	$588,637	$592,642	$598,926	$615,605
Concession Revenues	10,923	8,486	3,877	3,212	3,087
Interest Income (non bond proceeds)	7,139	8,400	13,142	13,566	9,903
Miscellaneous	15,393	12,484	11,925	17,699	14,855
Total Revenues	$578,613	$618,007	$621,586	$633,403	$643,450
Operating Expenditures					
Turnpike Patrol	$25,278	$28,965	$30,735	$31,977	$34,127
General & Administrative	15,247	15,438	16,670	19,870	18,492
Normal Maintenance	51,226	53,095	57,110	63,653	61,327
Employee Benefits & Other Misc. Items	38,940	41,833	46,112	65,865	79,563
Fare Collection	54,681	55,149	55,007	60,348	60,317
Traffic Services, Safety & Communications	33,396	37,339	37,872	37,295	39,008
Total Operating Expenditures	$218,768	$231,819	$243,506	$279,008	$292,834
Revenues less Operating Expenditures	$359,845	$386,188	$378,080	$354,395	$350,616
Annual Senior Debt Service Requirement	$88,112	$97,654	$111,543	$126,058	$159,756
Coverage Ratio	4.08	3.95	3.39	2.81	2.19

Budget Process

The Commission's Finance 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 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 Commission for formal approval.

In addition, Act 44 requires 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 four years. Act 44 also requires the Commission to prepare and submit to the Secretary of the Budget a financial plan 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

[1] This summary of revenues and operating expenditures is not intended to present results of operations in conformity with generally accepted accounting principles.

and all other revenues and expenses. The purpose of the financial plan is to demonstrate that the Commission's operation in accordance with the plan can be reasonably anticipated to have unencumbered funds sufficient to make all payments due to the PennDOT under Act 44 and the Lease in the upcoming year after all other Commission Obligations have been met. Any deviations and the causes therefor in prior year plans must be explained.

Financial Policies and Guidelines

The Commission originally adopted its first Investment Policy and Guideline for the investment of cash assets on June 6, 1997. The Commission approved an amendment to the Investment Policy effective November 7, 2002 that permitted the use of additional types of eligible securities consistent with the Amended and Restated Trust Indenture entered into in 2001. The policy statements set forth the purpose, objectives, and guidelines for eligible securities, performance benchmarks, periodic reviews and amendments with respect to investments. (See Note 4, "Cash and Investments – Concentration of Credit Risk" in the Notes to Financial Statements (Years Ended May 31, 2009 and 2008) in APPENDIX B for a discussion of the Commission's concentration of credit risk to particular issuers.

The Commission adopted three Financial Policies on April 20, 2004: a Debt Management Policy, an Interest Rate Swap Management Policy and a Liquidity Standard 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 Commission's Interest Rate Swap Management Policy ("***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***" or "***Agreements***") incurred in connection with the incurrence of debt. The Commission may change the Swap Policy in its sole discretion.

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:

Swap Counterparties – Credit Criteria. 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 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 the 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 Agreements 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 Advisor, 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 Government Accounting Standards Board or other applicable regulatory agencies.

The Commission has a number of interest rate exchange agreements with respect to certain series of the Senior Revenue Bonds as well as with respect to certain series of its Registration Fee Revenue Bonds and Oil Franchise Tax Revenue Bonds. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS: 2009 AND 2008." As of December 9, 2009, the aggregate market value of such Swaps to the counterparties thereto from the Commission was calculated to be approximately $57,960,243.

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.

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, the technology has improved traffic flow and reduced congestion at the System's busiest interchanges, especially in southeastern Pennsylvania. Express E-ZPass lanes have been constructed at three interchanges and permit E-ZPass customers to travel through the toll plaza at highway speeds. In addition, E-ZPass customers traveling in twelve other states that have implemented E-ZPass technology are able to use E-ZPass. Currently, E-ZPass is available on the entire Turnpike system, including the western extensions. The Commission has not experienced 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 to 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 result in no reads. VES enables the Commission to collect appropriate tolls and other additional fees relating to the evasion of fares through E-ZPass lanes and other causes of nonpayment. Act 44 includes new enforcement provisions for E-ZPass, including, among other things, certain evidentiary presumptions with respect to whether the operator of a vehicle using E-ZPass fails to pay the prescribed toll, procedures for notifying the vehicle operator of the violation charged, evidentiary standards for determining if a violation occurred and civil liability amounts of the vehicle owner for violations.

The Commission's annual revenues from E-ZPass drivers have increased to \$389,462,401 during the fiscal year ending May 31, 2009 from \$346,993,675 for the fiscal year ending May 31, 2008. The Commission's annual revenue from ticketed drivers (i.e. those not using E-ZPass) decreased to \$248,782,278 from \$254,436,050 during the same period. The Commission expects that E-ZPass usage will continue to increase.

The Commission is a member of the E-ZPass Interagency Group (IAG), a coalition of toll authorities throughout the United States. The Interagency Group includes the following agencies: Peace Bridge Authority; Burlington County Bridge Commission; Skyway Concession Company LLC (Chicago Skyway); 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 Turnpike Authority; Massachusetts Port Authority; Metropolitan Transportation Authority Bridges & Tunnels; New Hampshire Department of Transportation, Bureau of Turnpikes; New Jersey Turnpike Authority; New York State Bridge Authority; New York State Thruway Authority; Port Authority of New York and New Jersey; Rhode Island Turnpike and Bridge Authority; South Jersey Transportation Authority; Virginia Department of Transportation; and West Virginia Parkways Authority. The Ohio Turnpike Commission recently joined and implemented its E-ZPass system on October 1, 2009.

New highway construction projects, such as the Mon/Fayette Expressway and Southern Beltway, are being designed and built to be compatible with the introduction of 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 2009, 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. Plans call for enhancements to E-ZPass lane signage and design of additional Express E-ZPass lanes.

Slip Ramps

The Commission has constructed an alternative interchange (a "***Slip Ramp***") near the Fort Washington Interchange. Such unmanned ramps, designed for the exclusive use of E-ZPass customers, are expected to reduce congestion at the Turnpike's busier interchanges and similarly are expected to provide better access to industrial parks and job centers. The Commission is considering the construction of slip ramps in other growing areas as well. Slip ramp locations currently in design include Route 29 in Chester County, near the Great Valley Corporate Center; Route 903 in Carbon County; Philadelphia Park in Bucks County; and the Lansdale Interchange in Montgomery County.

Personnel and Labor Relations

As of October 1, 2009, the Commission employed 2,181 persons, consisting of 451 management employees, 1,582 union members, and 148 temporary employees. Seventy-seven and four-tenths percent (77.4%) of all employees are engaged in maintenance operations and fare collection. 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, and first level supervisory personnel. The three collective bargaining agreements became effective on October 1, 2007 and expire on September 30, 2011. The memorandum of understanding has no termination date. Since union representation began, the Commission has experienced one work stoppage which occurred on November 24, 2004 and lasted for 7 days.

Retirement Plan

Substantially all employees of the Commission are covered by the State Employee's Retirement System of the Commonwealth ("SERS"). The costs of the contributory 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 the SERS with assets sufficient to meet the benefits to be paid to the SERS members.

The Commission's retirement contribution, as a percentage of covered payroll, for all Class A and Class AA member whose normal retirement age is any age upon accumulation of 35 years of eligibility points or age 60, with three years of service are as follows:

Year Ended June 30 (Commonwealth's fiscal year)	Class A	Class AA
2009	2.64%	3.29%
2008	2.63%	3.28%
2007	2.59%	3.23%

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

Year Ended May 31	Commission Required Contribution (in millions)	Percent Contributed
2009	$3.8	100%
2008	$3.7	100%
2007	$3.3	100%

A copy of the System'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.

The SERS has recently advised the Commission that, based on the assumptions and forecasts of SERS, the employer contribution rates, including those of the Commission, are projected to increase to 33.5% of payroll in Fiscal Year 2014. Based on these projections, which assume an 8% investment return, the Commission's annual contribution would increase from approximately $4,000,000 in Fiscal Year 2010 to approximately $30,000,000 in Fiscal Year 2014, which represents approximately 3% of estimated revenues in that Fiscal Year. SERS projects that composite contribution rates will gradually decrease thereafter to approximately 20% of payroll in Fiscal Year 2035. The Commission will continue to monitor these projected increases and to evaluate its options to minimize their impact.

Other Post Employment Benefit Liabilities

Historically, the Commission has funded its post employment benefit liabilities on a pay as you go basis. In accordance with the pronouncements of the Governmental Accounting Standards Board applicable to the Commission, the Commission began reporting its unfunded actuarial accrued liabilities for health care and other non pension post employment benefits ("OPEB") and its annual OPEB cost each year commencing with its audited financial statements for the Fiscal Year ending May 31, 2009. The Commission's unfunded actuarial accrued OPEB liability for the Fiscal Year ending May 31, 2008, was $214,067,000 using an 8% discount rate and assuming that the annual required contribution would be invested in an irrevocable separate trust account. The Commission's annual required contribution for Fiscal Year 2010 is estimated to be $29.1 million. The annual required contribution for Fiscal Year 2009 was $27.8 million. The Commission is required to have biennial actuarial valuations of its OPEB obligations.

CAPITAL IMPROVEMENTS

Act 61 Projects

In 1985, the General Assembly of the Commonwealth enacted Act 61 that, 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 repeals Act 61, it further provides that all activities initiated under Act 61 shall continue and remain in full force and effect and may be completed under Act 44.

Ten Year Capital Plan

The Commission has a Ten Year Capital Plan for its facilities and equipment (exclusive of I-80), consisting of Highway, Technology Fleet and Facilities Programs, which it updates each year. The current Ten Year Capital Plan for Fiscal Year 2009-2010 is included below. The Highway Program consists of roadway, bridge, tunnel and toll plaza/interchange projects. The Technology Program consists of toll collection, communication, Intelligent Transportation Systems (ITS) and other electronic information management projects. The Fleet Program funds rolling stock that is required to maintain the system. The Facilities Program consists of buildings and large, heavy or high value equipment needs.

The highest priority highway project is the ongoing full depth roadway total reconstruction of the east/west Mainline and Northeast Extension. This work includes the reconstruction of the roadway, the widening of the median, and the replacement of both mainline and overhead bridges. To date, approximately 68 miles of total reconstruction has been completed and approximately 8 miles are currently in construction. The Reconstruction from Valley Forge Interchange (Milepost 326.0) to Norristown Interchange (Milepost 333.0) was completed in 2008. Reconstruction from Gateway Interchange (Milepost 1.5) the New Castle/Beaver Falls Interchange (Milepost 10) was completed in 2009. Total reconstruction projects from Irwin Interchange (Milepost 67.0) to New Stanton Interchange (Milepost 75.0), from Milepost 31 to Milepost 38 and from Milepost 210.0 to Milepost 215.0 is currently under construction. The Commission currently plans to spend approximately $1.8 billion on total reconstruction projects and about $916 million on various bridge projects over the next ten years.

The replacement of the Lehigh River and Pohopoco River Bridges on the Northeast Extension and the replacement of the Allegheny River Bridge are both major bridge projects currently under construction. The replacement of the Gettysburg, Lebanon/Lancaster and Harrisburg East Toll Plazas were all completed in 2008.

The Technology Program includes funding of $250 million over the next ten years to address the Commission's technology needs including toll collection projects, communication, application development and technical operational needs. One of the primary initiatives of the Technology Program is a project to replace the Commission's core financial and administrative systems with an Enterprise Resource Planning (ERP) system software package. The Commission is in the process of implementing SAP to provide a set of integrated business process supported by multi module application software with a centralized data repository.

The Fleet Program includes funding of $91 million to purchase rolling stock to insure adequate maintenance of the roadway system.

The Facilities Program includes funding of $416 million to repair and place the aging facilities of the Commission. This commitment will ensure that major equipment and facilities are in good repair to support ongoing Turnpike operations.

Mon/Fayette Expressway and Southern Beltway

Four projects constructed as part of the Mon/Fayette Expressway are in operation. One is a 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 eight mile section of toll road from the Pennsylvania/West Virginia border to Fairchance, which is located just south of Uniontown. The third project is a 17 mile section of the Mon/Fayette Expressway from Interstate Route 70 in Washington County to Pennsylvania Route 51 in Allegheny County. In 2008, approximately 8 miles of the Uniontown to Brownsville Mon/Fayette Project opened in Fayette County, north of Uniontown. These are now part of the System.

The remaining 7 miles of the Uniontown to Brownsville Project of the Mon/Fayette Expressway is now under construction and is scheduled to open in 2012. A 26 mile section of the Mon/Fayette Expressway, extending from Pennsylvania 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 completed, the Mon/Fayette Expressway will extend from Interstate Route 68 in West Virginia to Interstate Route 376 near Pittsburgh, a distance of approximately 65 miles.

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 Pennsylvania Route 60 at the Pittsburgh International Airport. It is composed of three distinct projects. The project from PA 60 to U.S. 22 (also known as the Findlay Connector) opened to traffic in late 2006. The project from U.S. 22 to I-79 received environmental clearance for its 13.3 miles in September, 2008 and is in final design; right of way acquisition began in late 2008. The remaining Southern Beltway project, from I-79 to the Mon/Fayette Expressway, received environmental clearance in May 2009. Further advancement of the US 22 to I-79 project cannot proceed until additional funding is identified.

The proceeds of the Commission's Oil Franchise Tax Bonds, Series A and B of 1998 and Series A, B and C of 2003 and the Registration Fee Revenues 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 and Registration Fee Revenues along with other funding sources. Although the open sections of the Mon/Fayette Expressway and the Southern Beltway are toll roads, Mainline System Revenues will not be pledged for the financing of their construction.

The Commission has no legal obligation to complete the unfinished portions of the Mon/Fayette Expressway and Southern Beltway projects at this time. However, the Commission recently has begun to consider other approaches to completing such projects, due in large part to an estimated cost of $5.2 billion to complete them. On September 17, 2008, the Commission issued a Request for Concepts/Solutions to complete such projects, noting that it was "seeking innovative public private partnership Concepts/Solutions for financing, designing, constructing, operating, and maintaining the un-built 52 miles of the Mon/Fayette Expressway and Southern Beltway." The purpose of the Request was "to receive submissions that include Concepts/Solutions from teams that can demonstrate the necessary financial capacity and technical expertise to complete all or part of such major projects." The existing completed portions of the Mon Fayette Expressway and Southern Beltway accounted for 1.3% of the Commission's gross System revenue in fiscal 2008 and revenue on the completed portions has been sufficient to cover annual operating expenses.

The Request noted that "There are limited state and federal resources to complete three un-built projects of this program. The two un-built Southern Beltway projects are each approximately thirteen miles in length and the un-built Mon/Fayette Expressway project from PA Route 51 to I-376 is approximately 26 miles in length." The Commission noted that it welcomed "all innovative ideas for completing all or part of the Mon Fayette Expressway and Southern Beltway projects."

The Commission held an informational meeting on September 17, 2008 at which it was reported the Commission requested that interested parties submit their ideas for completing one or more of the unfinished projects by January 15, 2009. The Commission received and evaluated three responses and conducted oral interviews with all respondents in March 2009.

Since that time, a number of significant events have occurred. World financial markets have become more uncertain resulting in less credit available to fund public-private partnership ("PPP") projects, proposed federal regulations for transportation PPP projects are more stringent, proposed federal taxation schedules for amortization and depreciation have been lengthened, new transportation legislation at the federal and state level may not be addressed this year, a number of transportation PPPs nationwide have received no responses or have not been consummated and all three respondents indicated that Commission financial participation would be required for any of the construction scenarios.

As a result of the evaluation of the three responses and the significant events listed above, the Commission will not move forward with a Request for Proposals at this time.

PENNSYLVANIA TURNPIKE COMMISSION
FISCAL YEAR 2009-1010 TEN YEAR CAPITAL PLAN – ANNUAL PROGRAM DETAIL
(IN MILLIONS OF $)

	Current		Priority A Year 2-4			Priority B Year 5-7			Priority C Year 8-10			
CAPITAL PLAN CATEGORY	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	Total	% of Total
Highway Program												
Roadway	58.0	57.9	57.4	44.3	26.0	38.0	39.2	40.8	49.3	42.7	453.5	10%
Structures	111.8	81.0	51.8	88.1	97.6	105.7	83.1	87.2	95.7	114.4	916.4	20%
Total Reconstruction Program	163.7	151.8	210.7	188.0	199.9	171.1	185.2	191.6	191.2	191.6	1,844.8	40%
Slip Ramp/Interchange Program	33.8	59.3	59.6	65.4	62.1	57.9	64.3	51.6	34.2	21.4	109.7	11%
Highway Misc. Program	14.5	15.2	14.8	8.4	8.7	9.1	9.9	10.5	11.5	11.8	114.5	2%
TOTAL	**381.8**	**365.2**	**394.3**	**394.2**	**394.3**	**381.9**	**381.8**	**381.8**	**381.8**	**381.8**	**3,838.8**	**84%**
Facilities program												
Re-capitalization Program	3.2	1.3	6.2	20.3	20.9	20.1	8.9	1.6	23.6	22.9	128.9	3%
Sustainment Program	15.4	10.6	11.6	12.2	12.9	13.4	13.9	14.5	15.1	15.7	135.1	3%
Compliance program	4.8	2.1	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	26.7	1%
New Initiative program	18.0	25.7	22.9	8.0	6.6	5.5	16.1	22.7	-	-	125.6	3%
TOTAL	**41.4**	**39.6**	**42.7**	**42.8**	**42.7**	**41.4**	**41.4**	**41.4**	**41.4**	**41.4**	**416.3**	**9%**
Fleet Equipment program	9.2	8.8	9.5	9.5	7.3	9.2	9.2	9.2	9.3	9.3	90.6	2%
TOTAL	**9.2**	**8.8**	**9.5**	**9.5**	**7.3**	**9.2**	**9.2**	**9.2**	**9.3**	**9.3**	**90.6**	**2%**
Technology Program												
Functional Business Software Program	6.4	20.9	16.2	14.9	25.5	25.0	12.3	13.0	13.8	14.9	162.8	4%
Infrastructure HW/SW Program	11.5	9.2	6.8	4.6	4.6	5.0	5.0	5.5	4.0	5.9	62.2	1%
Toll Collect/Operations Program	9.6	2.8	1.9	2.0	2.1	1.2	1.3	1.3	1.4	1.4	25.1	1%
TOTAL	**27.5**	**32.9**	**25.0**	**21.5**	**32.2**	**31.3**	**18.5**	**19.7**	**19.2**	**22.2**	**250.1**	**5%**
TOTAL TURNPIKE NEEDS BY YEAR	**459.9**	**446.5**	**471.5**	**468.0**	**476.5**	**463.8**	**451.0**	**452.2**	**451.7**	**454.6**	**4,595.8**	**100%**

APPENDIX B

AUDITED 2009 AND 2008 FINANCIAL STATEMENTS

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Basic Financial Statements

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania
Years Ended May 31, 2009 and 2008
With Report of Independent Auditors

0907-1072283-PH

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Basic Financial Statements

Years Ended May 31, 2009 and 2008

Contents

0907-1072283-PH

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Report of Independent Auditors

The Commissioners
Pennsylvania Turnpike Commission

We have audited the accompanying basic financial statements of the Pennsylvania Turnpike Commission, a component unit of the Commonwealth of Pennsylvania, as of May 31, 2009 and 2008, and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the Pennsylvania Turnpike Commission's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Commission's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pennsylvania Turnpike Commission as of May 31, 2009 and 2008, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Management's Discussion and Analysis and the required schedule of funding progress for postemployment healthcare benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ernst + Young LLP

September 20, 2009

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis

May 31, 2009

The management of the Pennsylvania Turnpike Commission (hereinafter referred to as the Commission) offers this narrative overview and analysis of the Commission's financial activities for the year ended May 31, 2009, which should be read in conjunction with the Commission's basic financial statements.

Overview of the Basic Financial Statements

This discussion and analysis 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 balance sheet presents information on all of the Commission's assets and liabilities, with the difference being reported as net assets. Over time, increases or decreases in net assets serve as a relative indicator of the change in financial position of the Commission.

The statement of revenues, expenses, and changes in net assets shows the result of the Commission's total operations during the fiscal year and reflects both operating and nonoperating activities. Changes in net assets (increases or decreases) reflect the current fiscal period's operating impact upon the overall financial position of the Commission.

The statement of cash flows provides a detailed analysis of all sources and uses of cash. The direct method of cash flows is presented, ending with a reconciliation of operating income to net cash provided by operating activities. The statement of cash flows is divided into the following activities sections—operating, investing, capital 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.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis (continued)

Financial Analysis

Comparative Condensed Balance Sheets

	May 31 2009	2008	2007
	(In Thousands)		
Assets			
Current assets	**$ 745,690**	$ 909,211	$ 654,864
Long-term investments	**311,219**	362,065	544,855
Capital assets, net of accumulated depreciation	**4,091,440**	3,766,829	3,430,937
Other assets	**50,512**	38,819	26,290
Total assets	**$ 5,198,861**	$ 5,076,924	$ 4,656,946
Liabilities and net assets			
Current liabilities	**$ 955,938**	$ 214,790	$ 230,368
Debt net of unamortized premium and unamortized refunding losses	**4,047,102**	3,755,287	2,631,488
Other noncurrent liabilities	**39,851**	37,880	34,942
Total liabilities	**5,042,891**	4,007,957	2,896,798
Net assets:			
Invested in capital assets, net of related debt	**1,263,878**	1,327,020	772,709
Restricted	**49,926**	57,681	731,995
Unrestricted	**(1,157,834)**	(315,734)	255,444
Total net assets	**155,970**	1,068,967	1,760,148
Total liabilities and net assets	**$ 5,198,861**	$ 5,076,924	$ 4,656,946

As noted earlier, net assets serve as an indicator of the Commission's overall financial position. Restricted net assets are restricted for projects defined in Trust Indentures and applicable bond issue official statements. The Commission's total net assets were $0.156 billion, $1.069 billion, and $1.760 billion as of May 31, 2009, 2008, and 2007, respectively. The large decreases in net assets in the fiscal years 2009 and 2008 were the result of $850 million and $750 million paid to the Pennsylvania Department of Transportation (PennDOT) as required by Act 44 and the lease and funding agreement between the Commission and PennDOT. These payments were recorded as nonoperating expenses. Please refer to Note 8 (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 lease and funding agreement between the Commission and PennDOT.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Total assets increased by $121.9 million and $420.0 million in fiscal 2009 and fiscal 2008, respectively. The 2009 increase is mostly related to an increase of $324.6 million in capital assets which was partially offset by a decrease in cash and investments of $216.2 million. The increase in capital assets was due mainly to the completion of phase 1 of the Uniontown to Brownsville section of the Mon-Fayette project which is included in infrastructure.

The 2008 increase was mainly the result of increases of $77.1 million and $335.9 million in cash and investments and capital assets, respectively. The increase in cash and investments was the result of new debt issuances while the increase in capital assets was the result of an increase of $152.0 million in assets under construction and a $251.0 million increase in infrastructure which was primarily due to the completion of the new Susquehanna River Bridge.

Total liabilities increased by $1,034.9 million in fiscal 2009 and by $1,111.2 million in fiscal 2008. The fiscal 2009 increase is due mainly to the issuance of new bonds. The new issuances include: Series 2008 B Subordinate, 2008 C, 2008 C Subordinate and 2009 A Subordinate. The subordinate bonds were issued to fund Act 44 payments.

The fiscal 2008 increase was due mainly to the issuance of new bonds and bond anticipation notes. The new issuances include: Series A&B 2007 Turnpike Bond Anticipation Notes; Series 2008 A Turnpike Subordinate Revenue bonds; Series A 2008 Turnpike Multi-Modal Revenue Refunding bonds; and Series B 2008 Turnpike Multi-Modal Revenue bonds. The 2007 A&B Bond Anticipation Notes and the 2008 A Subordinate bonds were issued primarily to make payments to the Pennsylvania Department of Transportation in accordance with Act 44; the 2008 A Refunding Series were issued to refund Series 2006 B&C bonds; and the 2008 B bonds were issued to finance various projects in the Commission's Ten-Year Capital Plan.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Comparative Statements of Revenues and Expenses

	Year Ended May 31		
	2009	**2008**	**2007**
		(In Thousands)	
Operating:			
Operating revenues	**$ 633,547**	$ 620,205	$ 608,444
Cost of services	**(393,364)**	(372,959)	(369,855)
Depreciation	**(237,108)**	(193,696)	(198,414)
Operating income	**3,075**	53,550	40,175
Nonoperating revenues (expenses):			
Oil company franchise tax revenues	**57,379**	60,592	67,071
Motor license registration fee revenue	**28,000**	28,000	28,000
Investment earnings	**27,672**	50,488	67,689
Other nonoperating revenues (expenses)	**660**	(135)	1,405
Act 44 payments to PennDOT	**(850,000)**	(750,000)	–
Interest and bond expense	**(191,553)**	(146,250)	(135,415)
Nonoperating income (loss)	**(927,842)**	(757,305)	28,750
Change in net assets before capital contributions	**(924,767)**	(703,755)	68,925
Capital contributions	**11,770**	12,574	24,306
Change in net assets	**$(912,997)**	$(691,181)	$ 93,231

For fiscal years ended May 31, 2009, 2008, and 2007, operating and nonoperating revenues totaled $747.3 million, $759.3 million, and $772.6 million, respectively, while expenses totaled $1,672.0 million, $1,463.0 million, and $703.7 million, respectively.

Total revenues for fiscal 2009 were $12.0 million or 1.6% lower than 2008. The decrease in total revenues was the result of decreases in nonoperating revenues. Investment earnings were down $22.8 million resulting from a decline in market interest rates and lower balances throughout the year and Oil Company Franchise Tax revenues were down $3.2 million. These decreases were partially offset by an increase of $19.1 million in gross toll revenue resulting from a toll rate increase of 25% in January 2009.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Total expenses for fiscal 2009 were $209.0 million higher than 2008 primarily due to increases in Act 44 payments, interest and bond expenses, cost of services and depreciation expense. The Commission paid an additional $100.0 million to PennDOT in fiscal 2009 as required by Act 44. In addition, interest and bond expenses increased by $45.3 million, which was mainly the result of fiscal 2009 and 2008 bond issuances. The $20.4 million increase in cost of services is mostly attributable to an $8.4 million increase in annual OPEB costs and a $7.9 million increase in I-80 related expenses. An increase in depreciation expense of $43.4 million resulting from completion of phase 1 of the Uniontown to Brownsville (Mon/Fayette) and total reconstruction projects and a full year of depreciation expense for the new Enterprise Resource Planning (ERP) system also added to the overall increase in expenses.

Total revenues for fiscal 2008 were $13.3 million or 1.7% lower than 2007. The decrease in total revenues was the result of decreases in nonoperating revenues. Investment earnings were down $17.2 million resulting from a decline in market interest rates and lower balances throughout the year and Oil Company Franchise Tax revenues which were down $6.5 million. Net fares increased $6.3 million or 1.1% from fiscal 2007; the increase was the result of a 1.9% increase in traffic volumes.

Total expenses for fiscal 2008 were $759.3 million higher than 2007. The increase was the result of $750.0 million paid to PennDOT as required by Act 44. Cost of services increased $3.1 million or 0.8% and depreciation expense decreased $4.7 million or 2.4%. Although $361.8 million of capital assets were added to the depreciable base during the fiscal year ended May 31, 2008, other assets were fully depreciated, which caused the decrease in the depreciation expense.

Capital Assets and Debt Administration

Capital Assets

The Commission's investment in capital assets as of May 31, 2009 amounted to $7.8 billion of gross asset value with accumulated depreciation of $3.7 billion, leaving a net book value of $4.1 billion. This investment represents 78.7% of the Commission's total assets compared with 74.2% in 2008. Capital assets consist of land, buildings, improvements, equipment, infrastructure, and assets under construction. Infrastructure assets are typically items that are immovable such as highways, bridges, and tunnels. The net book value of capital assets at May 31, 2008 was $3.8 billion.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Assets under construction at the end of fiscal 2009 were $1,229.8 million, which was $116.5 million less than fiscal 2008. This decrease is mainly the result of the completion of phase 1 of the Uniontown to Brownsville (Mon/Fayette) project.

In fiscal 2009, $642.7 million of constructed capital assets were completed which was $280.9 million more than the $361.8 million of constructed capital assets completed in fiscal 2008. In addition to constructed capital assets, the Commission made capital asset acquisitions totaling more than $29.7 million and $17.0 million in fiscal 2009 and 2008, respectively.

The Commission spent $419.3 million on capital improvements to the existing mainline system and $207 million on the Mon/Fayette Expressway and Southern Beltway roadway expansion (Act 61) projects during fiscal year 2009.

Roadway reconstruction totaling 67.5 miles has been completed. An additional 18.5 miles of roadway reconstruction has been initiated, and another 26 miles of reconstruction is currently in design. The Commission also completed 20.6 miles of roadway resurfacing, helping to maintain a quality-riding surface with a system-wide median IRI (International Roughness Index) of 87.

The Commission completely replaced 18 aging original bridges with new bridges, and rehabilitated another 18 bridges in fiscal 2009 and fiscal 2008. Construction of the new Allegheny River Bridge is continuing with the new westbound bridge nearly complete, and with an overall project completion date of October 2010. Demolition of the old Susquehanna River Bridge was completed in 2008 marking the completion of that project.

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. Equipment purchases and regular maintenance of existing equipment is ongoing to ensure the Turnpike 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.

Construction of phase 1 of the Uniontown to Brownsville project, an 8.4 mile section from Pittsburgh Road to US 40, opened to traffic in October 2008 and is now incorporated into the Turnpike System.

Pennsylvania Turnpike Commission
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Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Phase 2 of the Uniontown to Brownsville, a 7 mile section, will complete the Mon/Fayette Expressway from the West Virginia Line in Fayette County to PA 51 in Washington County, a distance of 54 miles. Phase 2 major construction projects have been bid and this segment is currently under construction. As of July 1, 2009, 29% of the construction work has been completed and the Pennsylvania Turnpike Commission anticipates completion for phase 2 in late 2011 or early 2012.

The Mon/Fayette Expressway project, extending from PA Route 51 to Interstate Route 376 in Pittsburgh, has completed the preliminary design phase and is waiting for additional funding.

The proposed Southern Beltway is planned to be constructed from the Mon/Fayette Expressway, near Finleyville, extending as part of a beltway south of Pittsburgh to Pennsylvania Route 60 at the Pittsburgh International Airport. It is presently planned for construction in three sections. I-79 to Mon/Fayette Expressway has completed the environmental phase and is inactive until additional resources are found. The section from US 22 to I-79 is in final design and acquisition of right-of-way for 71 total take parcels is underway. Additional funding is needed to continue the US 22 to I-79 project to complete the design and for all of its construction. The Findlay Connector (PA 60 to US 22), a six mile section of the Southern Beltway from the Pittsburgh International Airport to US 22, was opened to traffic in October of 2006.

A federal Environmental Impact Statement Record of Decision was issued for the I-95 Turnpike interchange project in late 2004 and preliminary design for the project has been completed. Final design has been initiated for the proposed Stage 1 construction which would include the tolling modifications (new mainline toll plaza near Milepost 352, open road tolling, westbound at Delaware River Bridge and elimination of tolls at Delaware Valley Interchange) and the I-95 ramps which will bring the I-95 designation on to the PA & NJ Turnpikes. There are also several early action overhead bridge replacements required prior to mainline construction. Two of the early action bridges are scheduled to be bid in 2010 and will be paid for by 100% Turnpike funds. Additional funding is needed for the construction of the remainder of the project.

Pennsylvania Turnpike Commission
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Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

The above paragraphs describe the changes in capital assets occurring during the fiscal years ended May 31, 2009 and 2008. Please refer to the capital assets section in the notes to the financial statements (Note 5) for more detailed capital asset schedules.

Debt Administration

In January 2009, the Commission issued $308,035,000 Turnpike Subordinate Revenue Bonds Series A of 2009. The 2009 A Subordinate Bonds were issued primarily to make payments to the Pennsylvania Department of Transportation (PennDOT) in accordance with Act 44.

On December 18, 2008 the Commission entered into two forward starting swap agreements with two counterparties (Deutsche Bank and Goldman Sachs). Each swap agreement had a notional amount of $150,000,000 with an effective date of June 1, 2010 and a termination date of June 1, 2039. The Commission entered into these forward starting interest rate swaps to hedge its exposure to interest rate variations and interest rate costs with respect to the Series 2009 A and Series 2010 A Mainline Revenue Bonds. The Commission issued its Series 2009 A revenue bonds in June 2009 and expects to issue its Series 2010 A revenue bonds in June 2010.

In October 2008, the Commission issued $411,110,000 Turnpike Subordinate Revenue Bonds, Series C of 2008. The bonds consist of Subseries C-1 Subordinate Revenue Bonds issued for $231,335,000, Subseries C-3 Subordinate Revenue Bond Anticipation Notes issued for $102,060,000 and Subseries C-4 Subordinate Revenue Bond Anticipation Notes (federally taxable) issued for $77,715,000. These bonds were issued to make payments to the Pennsylvania Department of Transportation (PennDOT) in accordance with Act 44.

On August 19, 2008, the Commission issued $50,000,000 Turnpike Multi-Modal Revenue Bonds, Series C of 2008 maturing June 1, 2038. These bonds bear interest at a variable rate and were issued primarily to finance the costs of various Mainline capital expenditures to fund the reconstruction of roadbed and roadway and the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges.

Financial Analysis (continued)

Capital Assets and Debt Administration (continued)

Debt Administration (continued)

In July 2008, the Commission issued $233,905,000 Turnpike Subordinate Revenue Bonds, Series B of 2008. Subseries B-1 of 2008 bonds total $164,915,000 and Subseries B-2 of 2008 bonds total $68,990,000 (federally taxable). These bonds were issued to make payment to PennDOT in accordance with Act 44.

In May 2008, the Commission issued Series 2008 B Multi-Modal Revenue Bonds in the amount of $402,000,000. The 2008 B Series Bonds were issued primarily to provide funds to finance the costs of various Mainline capital expenditures for the Pennsylvania Turnpike system as set forth in the Commission's current Ten-Year Capital Plan.

In May 2008, the Commission issued Series 2008 A Multi-Modal Refunding Bonds in the amount of $233,455,000. The primary purpose of this variable to variable refunding was to replace the Ambac insured 2006 B&C bonds with the 2008 A bonds which are uninsured, supported by a JP Morgan Standby Bond Purchase Agreement.

In April 2008, the Commission issued Series 2008 A (Subseries A-1) Subordinate Bonds in the amount of $176,565,000 and (Subseries A-2) which are federally taxable for $68,290,000. The 2008 A Subordinate Bonds were issued primarily to make payments to PennDOT in accordance with Act 44. Also in April 2008, the Oil Company Franchise Tax Revenue Bonds Series 2003 C were converted to a fixed interest rate of 5.0% from the auction rate.

In October 2007, the Commission issued 2007 Series A&B Turnpike Bond Anticipation Notes in the amounts of $280,830,000 and $251,025,000, respectively. The 2007 Series Anticipation Notes were issued primarily to make payments to PennDOT in accordance with Act 44 to fund certain grants to mass transit agencies and various road, highway, bridge and capital projects of PennDOT. Both Series have a final maturity of October 15, 2009. Additionally, the Series B Anticipation Notes are federally taxable.

The above paragraphs describe debt and swap activity occurring during the fiscal year. Please refer to the bonds payable and commitments and contingencies sections in the notes to the financial statements (Notes 6 and 8) for more detailed schedules and descriptions of long-term debt and swap activity.

Pennsylvania Turnpike Commission
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Management's Discussion and Analysis (continued)

Financial Analysis (continued)

Events That Will Impact Financial Position

In December 2006, Governor Edward G. Rendell announced his intention to seek expressions of interest for a possible sale or lease of the Pennsylvania Turnpike system in order to obtain funds for highway, bridge and transit programs throughout the Commonwealth of Pennsylvania. The Commonwealth hired several firms to perform work related to a possible sale or lease of the Pennsylvania Turnpike; however, the state legislature did not support the plan and alternative proposals were considered. In July 2007, House Bill 1590, titled Act 44 of 2007, was passed by the state legislature and signed by Governor Rendell. The provisions of Act 44 required the Turnpike Commission to enter into a 50-year lease of the Pennsylvania portion of Interstate 80 with PennDOT and to make substantial lease payments to PennDOT to provide funds for various transportation needs of the Commonwealth. In addition, Act 44 granted the Commission the option to convert such portion of Interstate 80 to a toll road subject to certain federal approvals. As required under Act 44, the Commission and PennDOT entered into a 50-year Lease and Funding Agreement on October 14, 2007. The Commission's payments to PennDOT for the fiscal years ended May 31, 2009 and 2008 were $850 million and $750 million, respectively. Please refer to Note 8 (Commitments and Contingencies) for additional information regarding required annual payments for the remainder of the term of the lease.

The Commission submitted its Preliminary Expression of Interest to the Federal Highway Administration (FHWA) in August 2007, requesting tolling authority for that portion of Interstate 80 traversing the Commonwealth of Pennsylvania. By a letter dated September 26, 2007, FHWA replied to the Commission stating that the Interstate System Reconstruction and Rehabilitation Pilot Program (the Pilot Program) is the appropriate tolling pilot program under which the Commission should apply. The Commission submitted to FHWA a joint application with PennDOT on October 31, 2007. FHWA responded to the application with a request for additional information on December 31, 2007. Among FHWA's requests were a clearer identification of the rehabilitation, reconstruction, and improvement projects currently being planned for Interstate 80 by the Commission after the Conversion Date, and further information of PennDOT's historic funding strategy for Interstate 80. The Commission and PennDOT replied to FHWA on December 20, 2007, and they jointly acknowledged this request for additional information and confirmed their intent to continue seeking federal approval for the Conversion. Representatives of the Commission and PennDOT met with FHWA staff on two occasions during the first half of 2008 to discuss the additional information to be included in the updated application.

Financial Analysis (continued)

Events That Will Impact Financial Position (continued)

The Commission and PennDOT submitted an amended application to FHWA to toll Interstate 80 in July 2008 and supplemented such application in August 2008. By letter dated September 11, 2008, FHWA advised the Commission and PennDOT that it was unable to move the application forward at that time primarily because the proposed lease payments (from the Commission to PennDOT), as presented to FHWA, did not meet federal statutory requirements. The Commission and PennDOT are evaluating strategies for the submittal of a new application.

The Commission continued to meet its funding commitments in full and on time during fiscal 2009, the second year of Act 44. As the Commission carries out its new Act 44 responsibilities, it also continues its efforts to maintain and improve the Turnpike. Meeting Act 44 and Turnpike funding commitments in a constrained financial environment requires carefully managing financial obligations while maintaining financial flexibility.

The Commission has met these significant challenges over the past fiscal year despite the unprecedented economic environment of rising fuel prices in the first half of the fiscal year and the worsening recession during the second half of the year by adjusting its financing and budget strategies which include cost-containment measures. As part of the Act 44 financial planning process, the Commission evaluates alternative tolling, operating cost, capital program and debt financing strategies to meet its obligations in a cost-effective and prudent manner. The ability to continually review and, as appropriate, adjust strategies throughout the term of the Lease provides the Commission with the necessary flexibility to adapt to changing market conditions.

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 8) for additional information regarding the Commission's commitments under the Lease and Funding Agreement.

Pennsylvania Turnpike Commission
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Balance Sheets

(In Thousands)

	May 31 2009	May 31 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 147,740	$ 143,276
Short-term investments	8,164	27,478
Accounts receivable	595	1,038
Accrued interest receivable	2,029	1,902
Inventories	19,144	15,372
Restricted current assets:		
Cash and cash equivalents	444,395	552,298
Short-term investments	85,984	128,552
Accounts receivable	36,471	36,514
Accrued interest receivable	1,168	2,781
Total current assets	745,690	909,211
Noncurrent assets:		
Long-term investments:		
Long-term investments unrestricted	200,078	181,446
Long-term investments restricted	111,141	180,619
Total long-term investments	311,219	362,065
Capital assets not being depreciated:		
Land	204,665	181,846
Assets under construction	1,229,835	1,346,351
Capital assets being depreciated:		
Buildings	742,815	697,816
Improvements other than buildings	60,322	59,482
Equipment	401,944	397,477
Infrastructure	5,199,598	4,613,052
	7,839,179	7,296,024
Less accumulated depreciation	3,747,739	3,529,195
	4,091,440	3,766,829
Other assets:		
Other assets	2,332	1,433
Deferred issuance costs	48,180	37,386
Total other assets	50,512	38,819
Total noncurrent assets	4,453,171	4,167,713
Total assets	$ 5,198,861	$ 5,076,924

	May 31	
	2009	**2008**
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 217,668**	$ 121,272
Current portion of debt	**709,715**	67,555
Unearned income	**28,555**	25,963
Total current liabilities	**955,938**	214,790
Noncurrent liabilities:		
Debt, less current portion, net of unamortized premium of $50,337 and $56,906 in 2009 and 2008, respectively, and net of unamortized refunding loss of $65,855 and $70,904 in 2009 and 2008, respectively	**4,047,102**	3,755,287
Other noncurrent liabilities	**39,851**	37,880
Total noncurrent liabilities	**4,086,953**	3,793,167
Total liabilities	**5,042,891**	4,007,957
Net assets:		
Invested in capital assets, net of related debt	**1,263,878**	1,327,020
Restricted for certain construction and maintenance purposes	**49,926**	57,681
Unrestricted	**(1,157,834)**	(315,734)
Total net assets	**155,970**	1,068,967
Total liabilities and net assets	**$ 5,198,861**	$ 5,076,924

See accompanying notes.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Revenues, Expenses, and Changes in Net Assets

(In Thousands)

	Year Ended May 31 2009	2008
Operating revenues:		
Fares – net of discounts of $22,640 and $20,224 for the years ended May 31, 2009 and 2008, respectively	**$ 615,604**	$ 598,926
Other	**17,943**	21,279
	633,547	620,205
Operating expenses:		
Cost of services	**393,364**	372,959
Depreciation	**237,108**	193,696
	630,472	566,655
Operating income	**3,075**	53,550
Nonoperating revenues (expenses):		
Oil company franchise tax revenues	**57,379**	60,592
Motor license registration fee revenue	**28,000**	28,000
Investment earnings	**27,672**	50,488
Other nonoperating revenues (expenses)	**660**	(135)
Act 44 payments to PennDOT	**(850,000)**	(750,000)
Interest and bond expenses	**(191,553)**	(146,250)
	(927,842)	(757,305)
Change in net assets before capital contributions	**(924,767)**	(703,755)
Capital contributions	**11,770**	12,574
Change in net assets	**(912,997)**	(691,181)
Net assets at beginning of year	**1,068,967**	1,760,148
Net assets at end of year	**$ 155,970**	$ 1,068,967

See accompanying notes.

Pennsylvania Turnpike Commission
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Statements of Cash Flows

	Year Ended May 31	
	2009	**2008**
	(In Thousands)	
Operating activities		
Cash received from customer tolls and deposits	**$ 629,760**	$ 667,795
Cash payments for goods and services	**(252,946)**	(309,323)
Cash payments to employees	**(135,476)**	(156,602)
Cash received from other operating activities	**12,939**	14,503
Net cash provided by operating activities	**254,277**	216,373
Investing activities		
Proceeds from sales and maturities of investments	**780,732**	1,259,581
Interest received on investments	**26,343**	46,675
Purchases of investments	**(665,189)**	(864,777)
Net cash provided by investing activities	**141,886**	441,479
Capital and related financing activities		
Capital grants received	**12,584**	16,694
Construction and acquisition of capital assets	**(528,560)**	(531,828)
Proceeds from sale of capital assets	**1,225**	29
Payments for bond expenses	**(2,282)**	(3,322)
Payments for redemption of debt	**(67,555)**	(52,645)
Interest paid on debt	**(153,443)**	(140,368)
Proceeds from new debt	**1,003,050**	1,179,835
Net cash provided by capital and related financing activities	**265,019**	468,395
Noncapital financing activities		
Cash payments to PennDOT	**(850,000)**	(750,000)
Cash proceeds from motor license grant	**28,000**	28,000
Cash proceeds from oil company franchise tax	**57,379**	58,709
Net cash used in noncapital financing activities	**(764,621)**	(663,291)
(Decrease) increase in cash and cash equivalents	**(103,439)**	462,956
Cash and cash equivalents at beginning of year	**695,574**	232,618
Cash and cash equivalents at end of year	**$ 592,135**	$ 695,574

Continued on the following page – see accompanying schedule of reconciliation.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Statements of Cash Flows (continued)

	Year Ended May 31 2009	2008
	(In Thousands)	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 3,075**	$ 53,550
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	**237,108**	193,696
Change in operating assets and liabilities:		
Accounts receivable	**(641)**	(3,121)
Inventories	**(3,772)**	1,033
Other assets	**(939)**	(1,047)
Accounts payable and accrued liabilities	**17,475**	(29,849)
Other noncurrent liabilities	**1,971**	2,111
Net cash provided by operating activities	**$ 254,277**	$ 216,373

Noncash Activities

The Commission recorded an increase of $3.4 million and $9.7 million in the fair value of its investments for the years ended May 31, 2009 and 2008, respectively.

The Commission recognized $4.4 million and $3.2 million in income for bond premium amortization for the years ended May 31, 2009 and 2008, respectively.

The Commission recorded $5.0 million and $4.9 million in expenses for amortization of deferred refunding losses for the years ended May 31, 2009 and 2008, respectively.

See accompanying notes.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements

May 31, 2009

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 (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 Governmental Accounting Standards Board (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:

Application of FASB Pronouncements

The Commission has elected not to apply any FASB statements or interpretations issued after November 30, 1989.

Basis of Accounting

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

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

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 that are reported at cost, which does not materially differ from fair value. Fair values are based on published market rates.

Capital Assets

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 cost 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. 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.

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.

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Unearned Income

E-ZPass customers of the Turnpike 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. Unearned income related to E-ZPass customers was $28.4 million and $25.9 million for the years ended May 31, 2009 and 2008, respectively.

Operating Revenues

Revenues associated with operations of the toll road 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, 2009 and 2008, approximately 61.0% and 58.9%, 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 toll road. 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.

2. Summary of Significant Accounting Policies (continued)

Nonoperating Revenues (Expenses)

Nonoperating revenues include: Oil Company Franchise Tax revenues, Motor License Registration Fee revenues, investment earnings, and other miscellaneous revenues not associated with the operations of the toll road. Nonoperating expenses include: Act 44 payments to PennDOT, interest and bond expenses, and other miscellaneous expenses not associated with the operations of the toll road.

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 are recorded as nonoperating revenue and totaled \$57.4 million and \$60.6 million for the fiscal years ended May 31, 2009 and 2008, respectively. These revenues are kept in a separate fund as required by the applicable bond indenture. This fund's assets equaled \$277.3 million and \$667.9 million as of May 31, 2009 and 2008, respectively, and consisted essentially of cash, investments, and assets under construction.

Motor License Registration Fee Revenues

The Commission received \$28.0 million in grants during each of the fiscal years ended May 31, 2009 and 2008 from the Commonwealth's Motor License Fund. The revenue from these grants has been recorded as nonoperating revenue. The Commission has elected to account for this grant in a separate fund. This fund's assets totaled \$87.1 million and \$253.8 million as of May 31, 2009 and 2008, respectively, and consisted essentially of cash, investments, and assets under construction.

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 8 for more information regarding this Lease and Funding Agreement.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Capital Contributions

The Commission receives grants from other governments for reimbursement of costs for various highway construction projects. During the years ended May 31, 2009 and 2008, the Commission received \$11.8 million and \$12.6 million, respectively, in reimbursements from the Federal government.

Derivatives

The Commission enters into various interest rate swaps in order to manage risks associated with interest on its bond portfolio. As currently allowed under accounting principles generally accepted in the United States, the Commission does not record the fair value or changes in the fair value of interest rate swaps in its financial statements. See Note 8 for relevant disclosures.

Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation.

Adoption of New Accounting Pronouncements

In June 2008, the Government Accounting Standards Board issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement is effective for periods beginning after June 15, 2009. Early adoption is allowed.

3. Indenture Requirements and Restrictions

The Commission's debt has been issued under the provisions of a Trust Indenture, dated July 1, 1986, which was amended and restated as of March 1, 2001; a Trust Indenture dated August 1, 1998 (1998 Indenture); and a Trust Indenture dated July 1, 2005 (collectively referred to as the Indentures) between the Commission and the Trustee (U.S. Bank Corp., successor to Wachovia Bank); and a Subordinate Trust Indenture dated April 1, 2008 between the Commission and TD Bank, N.A. as Trustee. Accordingly, certain activities of the Commission are restricted by the Indentures.

The Commission is required to maintain certain accounts with the Trustees as specified by the Indentures. Funds maintained in such accounts are restricted to use for construction, Turnpike System maintenance and operation, Act 44 payments and debt service.

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

4. Cash and Investments

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, 2009		
Demand deposits	**$ 588,223**	**$ 592,135**
May 31, 2008		
Demand deposits	$ 83,544	$ 65,374

The Indentures 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.

4. Cash and Investments (continued)

The Commission has an investment policy that defines guidelines and operational factors governing the investment of cash assets. The policy is consistent with the Indentures regarding permitted investments; however, it imposes the following additional limitations:

- Investments in government agencies are limited to 35% of the portfolio.
- Investments in certificates of deposit and investment agreements are limited to 30% of the portfolio.
- Investments in commercial paper, corporate bonds, and asset-backed securities, in aggregate, are limited to 35% of the portfolio.
- 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.

Credit Risk

The Commission's exposure to credit risk as of May 31, 2009 is as follows:

	Quality Rating				
Debt Investments	**AAA**	**AA**	**A**	**A-1**	***Unrated**
			(In Thousands)		
Government agency securities	$ 154,235	$ –	$ –	$ –	$ 41,967
Corporate obligations	30,293	38,137	–	62,536	–
Municipal bonds	17,262	2,599	–	–	–
Guaranteed investment contracts	–	–	–	–	16,449

* Unrated debt investments are securities that are not rated by the NRSROs.

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

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

4. Cash and Investments (continued)

Concentration of Credit Risk

As of May 31, 2009, the Commission had investments of more than 5% of its consolidated portfolio with the following issuers:

Issuer	Total Investments	Percent of Total
	(In Thousands)	
Federal Home Loan Bank	$ 64,867	6.50%
Federal National Mortgage Association	50,350	5.05

Interest Rate Risk

On May 31, 2009, the effective duration of the Commission's investments, by type, was as follows:

Investment Type	Fair Value	Effective Duration (Years)
	(In Thousands)	
U.S. Treasuries	$ 34,212	2.58
GNMA mortgages	7,677	1.99
Government agency securities	196,202	1.97
Municipal bonds	19,861	9.26
Guaranteed investment contracts	16,449	0.48
Corporate obligations	130,966	1.78
Total investment securities and cash equivalents	$ 405,367	

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Notes to Financial Statements (continued)

4. Cash and Investments (continued)

The following is a summary of cash and cash equivalents and investments by type:

	May 31 2009	2008
	(In Thousands)	
U.S. Treasuries	**$ 34,212**	$ 46,230
GNMA Mortgages	**7,677**	5,005
Government agency securities	**196,202**	326,540
Municipal bonds	**19,861**	20,006
Corporate obligations	**130,966**	103,855
Repurchase agreements	**–**	630,201
Guaranteed investment contracts	**16,449**	16,458
Total investment securities and cash equivalents	**405,367**	1,148,295
Demand deposits	**592,135**	65,374
Total cash and cash equivalents and investments	**$ 997,502**	$ 1,213,669

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Notes to Financial Statements (continued)

5. Capital Assets

A summary of changes to capital assets for the years ended May 31, 2009 and 2008 is as follows:

	Balance June 1, 2008	Additions	Transfers	Retirements	Balance May 31, 2009
			(In Thousands)		
Capital assets not being depreciated (cost)					
Land	$ 181,846	$ 23,209	$ –	$ 390	$ 204,665
Assets under construction	1,346,351	526,137	(642,653)	–	1,229,835
Total capital assets not being depreciated	1,528,197	549,346	(642,653)	390	1,434,500
Capital assets being depreciated (cost)					
Buildings	697,816	29	49,917	4,947	742,815
Improvements other than buildings	59,482	751	89	–	60,322
Equipment	397,477	5,664	14,006	15,203	401,944
Infrastructure	4,613,052	7,905	578,641	–	5,199,598
Total capital assets being depreciated	5,767,827	14,349	642,653	20,150	6,404,679
Less accumulated depreciation for:					
Buildings	233,844	19,981	–	3,583	250,242
Improvements other than buildings	43,563	1,865	–	–	45,428
Equipment	269,566	40,677	–	14,981	295,262
Infrastructure	2,982,222	174,585	–	–	3,156,807
Total accumulated depreciation	3,529,195	237,108	–	18,564	3,747,739
Total capital assets being depreciated, net	2,238,632	(222,759)	642,653	1,586	2,656,940
Total capital assets	$ 3,766,829	$ 326,587	$ –	$ 1,976	$ 4,091,440

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Notes to Financial Statements (continued)

5. Capital Assets (continued)

	Balance June 1, 2007	Additions	Transfers	Retirements	Balance May 31, 2008
			(In Thousands)		
Capital assets not being depreciated (cost)					
Land	$ 174,661	$ 7,276	$ –	$ 91	$ 181,846
Assets under construction	1,194,364	513,780	(361,793)	–	1,346,351
Total capital assets not being depreciated	1,369,025	521,056	(361,793)	91	1,528,197
Capital assets being depreciated (cost)					
Buildings	666,087	4,356	28,240	867	697,816
Improvements other than buildings	58,831	–	867	216	59,482
Equipment	319,524	5,390	76,967	4,404	397,477
Infrastructure	4,362,098	–	255,719	4,765	4,613,052
Total capital assets being depreciated	5,406,540	9,746	361,793	10,252	5,767,827
Less accumulated depreciation for:					
Buildings	215,367	19,113	–	636	233,844
Improvements other than buildings	41,643	2,136	–	216	43,563
Equipment	251,389	21,689	–	3,512	269,566
Infrastructure	2,836,229	150,758	–	4,765	2,982,222
Total accumulated depreciation	3,344,628	193,696	–	9,129	3,529,195
Total capital assets being depreciated, net	2,061,912	(183,950)	361,793	1,123	2,238,632
Total capital assets	$ 3,430,937	$ 337,106	$ –	$ 1,214	$ 3,766,829

For the fiscal years ended May 31, 2009 and 2008, the Commission incurred interest costs of $17.1 million and $26.2 million, respectively, which qualified for capitalization. For 2009, the interest expense was offset by $9.2 million of interest income resulting in a net capitalization of $7.9 million. For 2008, the interest expense was offset by an approximately equal amount of interest income resulting in a net capitalization of zero.

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Notes to Financial Statements (continued)

6. Debt

Debt consists of the following:

	May 31 2009	May 31 2008
	(In Thousands)	
Mainline Debt		
1998 Series Q: Issued $53,000 in July 1998 at a variable rate (based on SIFMA, reset daily, paid the 1st of each month) due in varying installments through June 1, 2028.	**$ 53,000**	$ 53,000
2001 Series R: Issued $186,025 in March 2001 at 5.00% to 5.125%, due in varying installments through December 1, 2030. Interest paid each June 1 and December 1.	**186,025**	186,025
2001 Series S: Issued $244,925 in May 2001 at 3.40% to 5.60%, due in varying installments through June 1, 2015. Interest paid each June 1 and December 1.	**143,530**	160,205
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.	**72,755**	75,355
2001 Series U: Issued $169,820 in September 2001 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month) due in varying installments through December 1, 2019.	**169,820**	169,820
2002 Series A: Issued $288,265 in September 2002 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month) due in varying installments through December 1, 2030.	**288,265**	288,265
2002 Series B: Issued $160,880 in September 2002 at a variable rate (based on SIFMA, reset weekly, paid the 1st of each month) due in varying installments through December 1, 2012.	**49,470**	67,940
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
2007 Series A: Issued $280,830 in October 2007 at 4.00%, due in varying installments through October 15, 2009. Interest paid each April 15 and October 15.	**280,830**	280,830
2007 Series B (Federally Taxable): Issued $251,025 in October 2007 at 5.29% due in varying installments through October 15, 2009. Interest paid each April 15 and October 15.	**251,025**	251,025

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Notes to Financial Statements (continued)

6. Debt

	May 31 2009	May 31 2008
	(In Thousands)	
Mainline Debt (continued)		
2008 Series A Subordinate (Subseries A-1): 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 Series A Subordinate (Subseries A-2 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.	**68,290**	68,290
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.	**402,000**	402,000
2008 Series A Multi-Modal Refunding: Issued $233,455 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, 2022.	**221,705**	233,455
2008 Series B Subordinate (Subseries 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**	–
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**	–
2008 Series C Subordinate (Subseries 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 (Subseries C-3 interest due on July 31, 2009).	**411,110**	–
2009 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.	**308,035**	–
Total Mainline debt payable	**3,753,590**	2,800,035

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Notes to Financial Statements (continued)

6. Debt (continued)

	May 31 2009	May 31 2008
	(In Thousands)	
Oil Company Franchise Tax Debt		
1998 Series A Oil Company Franchise Tax Revenue: Issued $310,475 in August 1998 at 3.85% to 5.50%, partially defeased in July 2003 and November 2006, due in varying installments through December 1, 2023. Interest paid each June 1 and December 1.	**$ 18,505**	$ 21,665
1998 Series B Oil Company Franchise Tax Revenue: Issued $228,405 in August 1998 at 3.85% to 5.25%, partially defeased in July 2003 and November 2006, due in varying installments through December 1, 2027. Interest paid each June 1 and December 1.	**28,845**	30,600
2003 Series A Oil Company Franchise Tax Revenue: Issued $124,730 in August 2003 at 2.50% to 5.25%, partially defeased in November 2006, due in varying installments through December 1, 2024. Interest paid each June 1 and December 1.	**53,405**	57,355
2003 Series B Oil Company Franchise Tax Revenue: Issued $197,955 in August 2003 at 2.38% to 5.50%, partially defeased in November 2006, due in varying installments through December 1, 2032. Interest paid each June 1 and December 1.	**69,910**	73,305
2003 Series C Oil Company Franchise Tax Multi-Modal Revenue: Issued $160,000 in August 2003 at a variable rate, were 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.	**98,705**	98,705
2006 Series B 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.	**141,670**	141,970
Total Oil Company Franchise Tax debt payable	**571,040**	583,600

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Notes to Financial Statements (continued)

6. Debt (continued)

	May 31 2009	May 31 2008
	(In Thousands)	
Motor License Registration Fee Debt		
2005 Series A: Issued $234,135 in August 2005 at 3.25% to 5.25%, due in varying installments through July 15, 2030. Interest paid each January 15 and July 15.	**$ 216,280**	$ 221,780
2005 Series B, C, and D: Issued $231,425 in August 2005 at a variable rate (based on SIFMA, reset weekly, paid the 15th of each month) due in varying installments through July 15, 2041.	**231,425**	231,425
Total Motor License Registration Fee debt payable	**447,705**	453,205
Total debt payable	**4,772,335**	3,836,840
Unamortized premium	**50,337**	56,906
Unamortized deferred loss on refundings	**(65,855)**	(70,904)
Total debt, net of unamortized premium and deferred loss on refundings	**4,756,817**	3,822,842
Less current portion	**709,715**	67,555
Debt, noncurrent portion	**$ 4,047,102**	$ 3,755,287

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 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 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.

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Notes to Financial Statements (continued)

6. 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 $28,000,000 of Act 3 revenues to the Commission annually. The $28,000,000 is payable to the Commission in the amount of $2,333,333 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.

Changes in debt are as follows:

	Balance at June 1, 2008	Additions	Reductions	Balance at May 31, 2009	Due Within One Year
			(In Thousands)		
Mainline debt	$ 2,800,035	$ 1,003,050	$ 49,495	$ 3,753,590	$ 690,955
Oil Company Franchise Tax debt	583,600	–	12,560	571,040	13,075
Motor License Registration Fee debt	453,205	–	5,500	447,705	5,685
	3,836,840	1,003,050	67,555	4,772,335	709,715
Premium (discount)	56,906	(2,151)	4,418	50,337	–
Less: deferred loss on refundings	70,904	–	5,049	65,855	–
	$ 3,822,842	$ 1,000,899	$ 66,924	$ 4,756,817	$ 709,715

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Notes to Financial Statements (continued)

6. Debt (continued)

	Balance at June 1, 2007	Additions	Reductions	Balance at May 31, 2008	Due Within One Year
			(In Thousands)		
Mainline debt	$ 1,655,270	$ 1,412,165	$ 267,400	$ 2,800,035	$ 49,495
Oil Company Franchise Tax debt	594,945	–	11,345	583,600	12,560
Motor License Registration Fee debt	458,535	–	5,330	453,205	5,500
	2,708,750	1,412,165	284,075	3,836,840	67,555
Premium (discount)	49,005	11,068	3,167	56,906	–
Less: deferred loss on refundings	73,622	2,187	4,905	70,904	–
	$ 2,684,133	$ 1,421,046	$ 282,337	$ 3,822,842	$ 67,555

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

In October 2007, the Commission issued Series A&B Bond Anticipation Notes in the amounts of $280,830,000 and $251,025,000, respectively. The 2007 Series Anticipation Notes were issued primarily to make payments to the Pennsylvania Department of Transportation (PennDOT) in accordance with Act 44 to fund certain grants to mass transit agencies and various road, highway, bridge and capital projects of PennDOT. The Series A Anticipation Notes have a 4.00% fixed rate. The Series B Anticipation Notes are federally taxable and were issued at 5.29%.

In April 2008, the Commission issued Series 2008 A (Subseries A-1) Subordinate Bonds in the amount of $176,565,000 at fixed rates from 4.125% to 5.00% and (Subseries A-2) which are federally taxable for $68,290,000 at fixed rates from 3.74% to 6.41%. The 2008 A Subordinate Bonds were issued primarily to make payments to PennDOT in accordance with Act 44 to fund certain grants to mass transit agencies and various road, highway, bridge and capital projects of PennDOT. Also in April 2008, the Oil Company Franchise Tax Revenue Bonds Series 2003 C were converted from auction rate to 5.00% fixed.

In May 2008, the Commission issued Series 2008 A Multi-Modal Refunding Bonds in the amount of $233,455,000. The primary purpose of this variable to variable refunding was to replace the Ambac insured 2006 B&C bonds with the 2008 A bonds which are uninsured, supported by a JP Morgan Standby Bond Purchase Agreement. The refunding of these bonds resulted in a deferred loss of $2.2 million that will be amortized over the life of the bonds.

6. Debt (continued)

In May 2008, the Commission also issued Series 2008 B Multi-Modal Bonds in the amount of $402,000,000. The 2008 B Series Bonds were issued primarily to provide funds to finance the costs of various capital expenditures for the Pennsylvania Turnpike System as set forth in the Commission's current Ten-Year Capital Plan. The bonds were issued at a variable rate.

In July 2008, the Commission issued $233,905,000 Turnpike Subordinate Revenue Bonds, Series B of 2008 which bear interest at fixed interest rates. Subseries B-1 of 2008 bonds total $164,915,000 and consist of: $65,420,000 Serial Bonds maturing June 1, 2030, $48,830,000 5.50% Term Bonds maturing June 1, 2033 and $50,665,000 5.25% Term Bonds maturing June 1, 2036. Subseries B-2 of 2008 bonds total $68,990,000 (federally taxable) and consist of: $6,565,000 Serial Bonds maturing June 1, 2018 and $62,425,000 7.47% Term Bonds maturing June 1, 2025. These bonds were issued primarily to finance the costs of making payments to fund certain grants to mass transit agencies and to fund various road, highway and bridge capital projects of PennDOT.

In August 2008, the Commission issued $50,000,000 Turnpike Multi-Modal Revenue Bonds, Series C of 2008 maturing June 1, 2038. These bonds bear interest at a variable rate and were issued primarily to finance the costs of various capital expenditures to fund the reconstruction of roadbed and roadway and the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges.

In October 2008, the Commission issued $411,110,000 Turnpike Subordinate Revenue Bonds, Series C of 2008. The bonds consist of Subseries C-1 Subordinate Revenue Bonds issued for $231,335,000, Subseries C-3 Subordinate Revenue Bond Anticipation Notes issued for $102,060,000 and Subseries C-4 Subordinate Revenue Bond Anticipation Notes (federally taxable) issued for $77,715,000. These bonds were issued primarily to make payments to PennDOT in accordance with Act 44 to fund certain grants to mass transit agencies and various road, highway, bridge and capital projects of PennDOT.

In January 2009, the Commission issued $308,035,000 Turnpike Subordinate Revenue Bonds, Series A of 2009. The 2009 A Subordinate Bonds were issued primarily to make payments to PennDOT in accordance with Act 44 to fund certain grants to mass transit agencies and various road, highway, bridge and capital projects of PennDOT.

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Notes to Financial Statements (continued)

6. Debt (continued)

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, 2009 and 2008, the Commission had $895.5 million and $993.0 million, respectively, of defeased bonds outstanding.

Total debt service requirements subsequent to May 31, 2009 are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2010	$ 709,715	$ 160,606	$ 870,321
2011	166,150	141,066	307,216
2012	92,320	135,863	228,183
2013	96,855	132,494	229,349
2014	101,640	128,920	230,560
2015 – 2019	569,340	590,078	1,159,418
2020 – 2024	609,525	502,775	1,112,300
2025 – 2029	763,250	359,917	1,123,167
2030 – 2034	900,565	206,701	1,107,266
2035 – 2039	669,265	50,732	719,997
2040 – 2044	93,710	1,282	94,992
	$ 4,772,335	$ 2,410,434	$ 7,182,769

6. Debt (continued)

Debt service requirements subsequent to May 31, 2009 related to the Mainline debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2010	$ 690,955	$ 119,702	$ 810,657
2011	146,585	100,909	247,494
2012	71,885	96,594	168,479
2013	75,440	94,190	169,630
2014	79,185	91,644	170,829
2015 – 2019	439,290	421,232	860,522
2020 – 2024	442,755	370,291	813,046
2025 – 2029	550,435	274,416	824,851
2030 – 2034	672,960	176,839	849,799
2035 – 2039	564,870	44,942	609,812
2040 – 2044	19,230	481	19,711
	$ 3,753,590	$ 1,791,240	$ 5,544,830

Debt service requirements subsequent to May 31, 2009 related to Oil Company Franchise Tax debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2010	$ 13,075	$ 27,691	$ 40,766
2011	13,685	27,150	40,835
2012	14,340	26,521	40,861
2013	15,020	25,868	40,888
2014	15,735	25,168	40,903
2015 – 2019	91,015	113,920	204,935
2020 – 2024	116,410	89,190	205,600
2025 – 2029	147,760	57,276	205,036
2030 – 2034	144,000	17,984	161,984
	$ 571,040	$ 410,768	$ 981,808

6. Debt (continued)

Debt service requirements subsequent to May 31, 2009 related to Motor License Registration Fee debt are as follows:

Year Ending May 31	Principal Maturities	Interest	Total
		(In Thousands)	
2010	$ 5,685	$ 13,213	$ 18,898
2011	5,880	13,007	18,887
2012	6,095	12,748	18,843
2013	6,395	12,436	18,831
2014	6,720	12,108	18,828
2015 – 2019	39,035	54,926	93,961
2020 – 2024	50,360	43,294	93,654
2025 – 2029	65,055	28,225	93,280
2030 – 2034	83,605	11,878	95,483
2035 – 2039	104,395	5,790	110,185
2040 – 2044	74,480	801	75,281
	$ 447,705	$ 208,426	$ 656,131

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Notes to Financial Statements (continued)

6. Debt (continued)

Swap Payments and Associated Debt

Net swap payments and related debt service requirements subsequent to May 31, 2009, assuming current interest rates remain the same for the term of the agreements are as follows:

	Variable-Rate Bonds		Fixed	
Year Ending May 31	Principal Maturities	Interest	Interest Rate Swaps, Net	Total
		(In Thousands)		
2010	$ 15,540	$ 6,717	$ 33,516	$ 55,773
2011	13,385	6,535	32,992	52,912
2012	13,785	6,366	32,508	52,659
2013	14,405	6,190	32,005	52,600
2014	2,110	6,098	31,749	39,957
2015 – 2019	213,360	26,176	149,287	388,823
2020 – 2024	117,080	20,240	132,916	270,236
2025 – 2029	160,305	18,108	120,781	299,194
2030 – 2034	238,195	13,990	87,938	340,123
2035 – 2039	278,335	7,116	40,090	325,541
2040 – 2044	74,480	801	3,158	78,439
	$ 1,140,980	$ 118,337	$ 696,940	$ 1,956,257

	Fixed-Rate Bonds		Variable	
Year Ending May 31	Principal Maturities	Interest	Interest Rate Swaps, Net	Total
		(In Thousands)		
2010	$ –	$ 13,901	$ (7,796)	$ 6,105
2011	–	13,901	(8,590)	5,311
2012	–	13,901	(8,577)	5,324
2013	–	13,901	(8,564)	5,337
2014	–	13,901	(8,550)	5,351
2015 – 2019	–	69,504	(42,514)	26,990
2020 – 2024	42,855	68,500	(40,466)	70,889
2025 – 2029	151,360	41,441	(20,051)	172,750
2030 – 2034	83,800	10,694	(5,250)	89,244
2035 – 2039	–	–	(703)	(703)
	$ 278,015	$ 259,644	$(151,061)	$ 386,598

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Notes to Financial Statements (continued)

6. Debt (continued)

Swap Payments and Associated Debt (continued)

As rates vary, variable rate bond interest payments and net swap payments will vary. Please refer to Note 8 Commitments and Contingencies – Interest Rate Swaps for additional information pertaining to the individual swaps.

7. Retirement Benefits

Substantially all employees of the Commission participate in the Commonwealth of Pennsylvania State Employees' Retirement System (System), a cost-sharing multiple-employer public employee retirement system that was established under the provisions of Public Law 858, No. 331.

Membership in the System is mandatory for most Commission employees. The System provides retirement, death, and disability benefits, which were established by and can be amended according to statute. Retirement benefits vest after 5 years of credited service. 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.

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 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. 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.

Covered Class A and Class AA employees are required by statute to contribute to the System at a rate of 5% and 6.25%, 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.

7. Retirement Benefits (continued)

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 the System with assets sufficient to meet the benefits to be paid to System members.

The Commission's retirement contribution, as a percentage of covered payroll, for all Class A and Class AA members whose normal retirement age is any age upon accumulation of 35 years of eligibility points or age 60, with three years of service is as follows:

Year Ended June 30	Class A	Class AA
2009	**2.64%**	**3.29%**
2008	2.63%	3.28%
2007	2.59%	3.23%

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

Year Ended May 31	Commission Required Contribution	% Contributed
	(In millions)	
2009	**$ 3.8**	**100%**
2008	$ 3.7	100%
2007	$ 3.3	100%

A copy of the System'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.

8. 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.

Open Purchase Order Commitments

The Commission had open purchase order commitments of $1,166,707,132 and $1,133,215,453 at May 31, 2009 and 2008, respectively.

Lease and Funding Agreement Between the Commission and PennDOT

On October 14, 2007, the Commission and PennDOT entered into a Lease and Funding Agreement (the Agreement) as required under the terms of Act 44. The Agreement provides for an option to the Commission to lease the portion of Interstate 80 located in the Commonwealth from PennDOT. In addition, the Agreement contains certain provisions set forth in Act 44, including provisions dealing with the terms and conditions of the conversion of Interstate 80 into a toll road (the Conversion), subject to the requisite approval of the Federal Highway Administration (FHWA), and the operation, maintenance, repair and improvement of Interstate 80. The term of the Agreement is 50 years.

The Agreement grants the unilateral option to the Commission to effectuate the Conversion at any time before the third anniversary of the Agreement (the Conversion Period), provided that the Commission may elect to extend such Conversion Period for three additional one-year periods.

Also, the Agreement commits the Commission to make certain payments to PennDOT. The Commission made payments of $850 million and $750 million (recorded as nonoperating expense) in fiscal 2009 and fiscal 2008, respectively. The Commission will make the scheduled payment of $900 million in fiscal year 2010. Thereafter, the scheduled annual payments

8. Commitments and Contingencies (continued)

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

increase by 2.50% for each fiscal year for the remainder of the 50-year term, with certain credits for Interstate 80 Cost Savings once Conversion has occurred. All such cash payments are due in equal quarterly installments.

Upon Conversion, the cash component of the scheduled annual payment obligation will be offset by an amount equal to $116,985,856 per fiscal year, reflecting cost-savings to the Commonwealth's Motor License Fund if Interstate 80 becomes a tolled facility (Interstate 80 Cost Savings). Under Act 44, the Interstate 80 Cost Savings credit (which will be prorated for the fiscal year during which Conversion occurs), increases by 4.00% for each fiscal year thereafter.

If the Conversion does not occur by October 14, 2010 (such date may be extended at the option of the Commission for up to three (3) one-year extension periods), Act 44 provides that the scheduled annual payment obligation will be reduced to $450 million per fiscal year beginning in fiscal 2011.

The payment obligations of the Commission under the Agreement are 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 other agreements in effect of the Commission. However, the Commission is required by the terms of the Lease 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 Agreement when due and other obligations of the Commission.

Interest Rate Swaps

On December 18, 2008, the Commission entered into two forward starting swap agreements with two counterparties (Deutsche Bank and Goldman Sachs). Each swap agreement had a notional amount of $150,000,000 with an effective date of June 1, 2010 and a termination date of June 1, 2039. The Commission entered into these forward starting interest rate swaps to hedge its exposure to interest rate variations and interest rate costs with respect to the Series 2009 A and Series 2010 A Mainline Revenue Bonds. The Commission issued its Series 2009 A revenue bonds in June 2009 and expects to issue its Series 2010 A revenue bonds in June 2010.

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Notes to Financial Statements (continued)

8. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

Following is a summary of the swaps in place as of May 31, 2009. These swap agreements contain certain risks as described below.

Associated Debt	Notional Value	Final Maturity	Receivable Floating Rate Index[1]	Receivable Fixed Rate	Payable Floating Rate Index[1]	Payable Fixed Rate	Fair Value (to) from Counterparty
Series U 2001	$ 127,365,000	12/01/2019	67.00% of 1-month LIBOR			4.21%	$ (18,317,424)
	42,455,000	12/01/2019					(6,106,133)
Series A 2002	72,066,250	12/01/2030	67.00% of 1-month LIBOR			4.40%	(15,710,166)
	144,070,000	12/01/2030					(31,405,159)
	72,066,250	12/01/2030					(15,710,327)
Series U 2001 and A 2002	107,784,000	12/01/2030	60.08% of 10-year LIBOR		67.00% of 1-month		4,726,937
Constant maturity	107,784,000	12/01/2030			LIBOR		4,726,937
	107,784,000	12/01/2030					4,726,937
	134,733,000	12/01/2030					5,909,336
Series B 2002	12,367,500	12/01/2012	SIFMA			4.54%	(794,720)
	24,735,000	12/01/2012					(1,589,232)
	12,367,500	12/01/2012					(794,840)
Series C 2003	48,000,000	12/01/2032	63.00% of 1-month LIBOR		SIFMA		(5,550,614)
	112,000,000	12/01/2032	plus 20 basis points				(12,951,456)
Series C 2003	80,000,000	11/15/2032	60.15% of 10-year LIBOR		67.00% of 1-month		2,433,721
Constant maturity	80,000,000	11/15/2032			LIBOR		2,433,721
Series 2005	57,860,000	07/15/2041	SIFMA			4.20%	(6,526,302)
	57,845,000	07/15/2041					(6,524,842)
	57,860,000	07/15/2041					(6,521,494)
	57,860,000	07/15/2041					(6,521,494)
Series A 2006	118,015,000	12/01/2026		4.19%	SIFMA		11,529,106
Series 2008	100,000,000	12/01/2038	SIFMA			4.89%	(22,102,083)
	100,000,000	12/01/2038					(22,100,571)
	100,000,000	12/01/2038					(22,102,073)
Series A 2009 forward starting	150,000,000	06/01/2039	99.80% of 3-month LIBOR		SIFMA		9,695,003
Series A 2009 forward starting	150,000,000	06/01/2039	99.68% of 3-month LIBOR		SIFMA		9,593,384

(1) 1-month LIBOR was 0.32% at May 31, 2009.
3-month LIBOR was 0.66% at May 31, 2009.
10-year LIBOR was 3.78% at May 31, 2009.
SIFMA was 0.39% at May 31, 2009.

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Notes to Financial Statements (continued)

8. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

- ***Credit Risk*** – The Commission is exposed to credit risk for swaps that have positive fair values. The Commission was exposed to credit risk with respect to the Series U of 2001 and A of 2002 constant maturity, the Series C of 2003 constant maturity, the Series A of 2006 and Series A of 2009 forward starting swaps at May 31, 2009. However, should interest rates change and the fair values of the other swaps become positive, the Commission would have additional credit risk exposure.

  The Commission had eleven counterparties at May 31, 2009. The credit ratings of the swap providers as of May 31, 2009 were AAA to A and Aaa to A2 by Standard & Poor's and Moody's, respectively. 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.

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

- ***Basis Risk*** – The underlying variable rates for the Commission's Series U of 2001 and Series A of 2002 bonds are based on Securities Industry and Financial Markets Association (SIFMA) while the Series U of 2001 and Series A 2002 swaps are based on a percentage of LIBOR. Therefore, the Commission is exposed to basis risk to the extent SIFMA exceeds 67% of one-month LIBOR.

  The Commission is also exposed to basis risk related to Series C of 2003 and the constant maturity swap agreements. The exposure for the agreement associated with the Series C 2003 is to the extent that SIFMA exceeds 63% of one-month LIBOR plus 20 basis points. The exposure for the Series C 2003 constant maturity swap is to the extent 67% of one-month LIBOR exceeds 60.15% of 10-year LIBOR. The exposure for Series U of 2001 and Series A of 2002 Revenue Bonds constant maturity swap is to the extent 67% of one-month LIBOR exceeds 60.08% of 10-year LIBOR. The risk for the Series A

8. Commitments and Contingencies (continued)

Interest Rate Swaps (continued)

of 2009 (Deutsche Bank) is to the extent SIFMA exceeds 99.80% of 3-month LIBOR and the Series A (Goldman Sachs) of 2009 is to the extent SIFMA exceeds 99.68% of 3-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 fair value. It is the Commission's intent to maintain the swap transactions for the life of the financing.

9. Related Party Transactions

The Commission incurred costs of $36.4 million and $35.5 million related to its use of the Commonwealth's State Police in patrolling the Turnpike System in 2009 and 2008, respectively.

10. Postemployment Benefits

Plan Description

The Commission maintains a welfare plan program (the Plan), one purpose of which is to provide benefits to eligible retirees and their dependents. The Plan is a single employer, defined benefit plan. The Plan's financial statements are not included in the financial statements of a public employee retirement system. The Plan issues a stand-alone financial report, which can be obtained by contacting the Commission's Accounting Department.

Plan benefit provisions and employee contribution rates are established and may be amended by the Commission. The Plan provides certain postemployment medical, prescription drug, dental and vision benefits to management employees who have reached 20 years of service and are under age 60; benefit eligibility changes from 20 to 10 years for retirees 60 years of age or older. The Plan provides certain postemployment medical and prescription drug benefits to union employees who have reached 20 years of service and are under age 60; benefit eligibility changes from 20 to 10 years for retirees 60 years of age or older.

10. Postemployment Benefits (continued)

Plan Description (continued)

The Commission established The Pennsylvania Turnpike Commission Retiree Medical Trust to provide these postemployment benefits other than pensions (OPEB). The Trust is administered by PNC Bank, which acts as a third-party administrator and administers the Trust under an administrative agreement with the Commission.

Funding Policy

The Commission approved a Retiree Medical Trust Funding Policy whereby the Commission anticipates approving an annual contribution to the Trust in the amount of the Annual Required Contribution as determined by the Commission's actuary during the approval of each Operating Budget.

Annual OPEB Cost and Net OPEB Asset

The Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* prospectively during fiscal 2008 and no net OPEB obligation or asset was carried forward from prior accounting periods. Therefore, the Commission's annual OPEB cost (expense) for fiscal 2008 was equal to its annual required contribution (ARC) of $19,455,000. The ARC is actuarially calculated in accordance with the parameters of GASB Statement No. 45 and represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and the amortization of the actuarial accrued liabilities over a period not to exceed thirty years.

The Commission made contributions towards the ARC totaling $20,549,297 in fiscal 2008 which resulted in a net OPEB asset of $1,094,297, which was recorded as an other asset on the balance sheet at year end. The contributions towards the ARC consisted of $14,000,000 transferred to the Retiree Medical Trust plus $7,612,262 paid to retiree medical benefit providers for current premiums offset by $1,062,965 in contributions from retirees. The effect of adopting GASB Statement No. 45 was a $12.9 million increase in OPEB cost (expense) for fiscal 2008.

The ARC for fiscal 2009 was $27,835,000. The Commission made contributions towards the ARC totaling $29,033,699. The contributions towards the ARC consisted of $28,000,000 transferred to the Retiree Medical Trust plus $2,167,629 paid to retiree medical benefit providers for current premiums offset by $1,133,930 in contributions from retirees. The contributions were

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Notes to Financial Statements (continued)

10. Postemployment Benefits (continued)

Annual OPEB Cost and Net OPEB Asset (continued)

offset by a $16,675 ARC adjustment which resulted in an ending OPEB asset of $2,276,321, which was recorded as an other asset on the balance sheet at year end and a net OPEB cost of $27,851,675 for fiscal 2009. The following chart summarizes the components of the Commission's annual OPEB cost for the year ended May 31, 2009 and 2008 and the amount contributed to the Plan.

Fiscal Year Ended May 31,	Normal Cost	30-Year Level Dollar Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	Mid-Year Contribution Interest	ARC Adjustment	Annual OPEB Cost	Actual Contributions	Percentage Contributed	Ending Net OPEB Asset
			(Dollar Amounts in Thousands)					
2009	$ 6,373	$ 20,391	$1,071	$ 17	$ 27,852	$ 29,034	104.2%	$ 2,276
2008 – transition year	$ 4,920	$ 13,800	$ 735	$ –	$ 19,455	$ 20,549	105.6%	$ 1,094

The ARC and its components (normal cost, UAAL, and mid-year contribution interest) were obtained from an actuarial valuation, prepared by an independent actuary, as of February 28, 2006 using census data collected as of February 28, 2006 and health care claims for the period ended February 28, 2006.

Retiree and spouse contribution rates at May 31, 2009 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.

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Notes to Financial Statements (continued)

10. Postemployment Benefits (continued)

Funding Status and Funding Progress

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)				
2008 – transition year	$ 14,000	$228,067	$214,067	6.1%	$118,559	180.6%
2006	$ –	$167,785	$167,785	–%	$109,022	153.9%

The actuarial value of assets, AAL, and UAAL amounts for the fiscal years ended May 31, 2008 and 2006 in the above chart were obtained from actuarial valuations, prepared by an independent actuary, as of March 1, 2008 and February 28, 2006, respectively.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, is to present multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The valuation measurements in the above charts result, in part, from estimates of the value of reported amounts and assumptions about the probability of events far into the future and 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. Following is a summary of the actuarial methods and assumptions used in the February 28, 2006 and March 1, 2008 valuations.

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Notes to Financial Statements (continued)

10. Postemployment Benefits (continued)

Actuarial Methods and Assumptions (continued)

Actuarial cost method	Projected Unit Credit
Discount rate	8%
Rate of return on assets	8%
Amortization method	Level dollar
Amortization period	30 years (closed)
Asset valuation method	Fair value

Health Care Trend	Medical	Prescription Drugs	Dental	Vision
Initial Rate	10%	12%	5%	4%
Ultimate Rate	5% in 2012	5% in 2014	5%	4%
Annual Change	1% decrease	1% decrease	NA	NA
Cost	Incurred costs	Incurred costs	Incurred costs	Incurred costs

Salary increases were not considered as OPEB benefits are not based upon pay.

11. 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.

The Commission recorded a liability of $26.8 million and $22.3 million for loss and loss adjustment expenses on claims relating to self-insurance that have been incurred but not reported as of May 31, 2009 and 2008, 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 was discounted using

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Notes to Financial Statements (continued)

11. Self-Insurance (continued)

a rate of 4.05% and 3.59% for May 31, 2009 and 2008, respectively. 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, 2009 and 2008. 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 following summary provides aggregated information on self-insurance liabilities:

	June 1, 2008 Liability	Effects of Discount as of June 1, 2008	Incurred Claims		Paid Claims		Effects of Discount as of May 31, 2009	May 31, 2009 Liability
			Current Year	Prior Years	Current Year	Prior Years		
			(In Thousands)					
Year ended May 31, 2009								
Workers' compensation	$ 7,070	$ 1,732	$ 1,622	$ 2,403	$ 623	$ 2,381	$ 2,099	$ 7,724
Automobile/general tort	15,200	–	96	4,118	24	329	–	19,061
	$ 22,270	$ 1,732	$ 1,718	$ 6,521	$ 647	$ 2,710	$ 2,099	$ 26,785

	June 1, 2007 Liability	Effects of Discount as of June 1, 2007	Incurred Claims		Paid Claims		Effects of Discount as of May 31, 2008	May 31, 2008 Liability
			Current Year	Prior Years	Current Year	Prior Years		
			(In Thousands)					
Year ended May 31, 2008								
Workers' compensation	$ 7,541	$ 2,023	$ 1,218	$ 589	$ 706	$ 1,863	$ 1,732	$ 7,070
Automobile/general tort	11,029	–	40	4,497	20	346	–	15,200
	$ 18,570	$ 2,023	$ 1,258	$ 5,086	$ 726	$ 2,209	$ 1,732	$ 22,270

The foregoing reflects an adjustment for a deficiency of $6.5 million and $5.1 million for the fiscal years ended May 31, 2009 and 2008, respectively, for prior years' incurred claims that resulted from a change in estimate as more information became available.

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Notes to Financial Statements (continued)

12. 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 $2.0 million and $1.9 million in November 2008 and 2007, 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.

Upon termination of employment, all unused sick and vacation leave is paid to the employee. A summary of changes to compensated absences for the years ended May 31, 2009 and 2008 is as follows:

Fiscal Year Ended May 31	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
			(In Thousands)		
2009	**$ 16,847**	**$ 12,713**	**$ 12,652**	**$ 16,908**	**$10,108**
2008	$ 16,347	$ 12,075	$ 11,575	$ 16,847	$ 9,808

13. Segment Information

The Pennsylvania Turnpike Commission consists of three segment types. These segments are based on the types of revenues and the associated bond issues. The Mainline consists of income and expenses directly associated with the operations of the toll road. In addition, all bonds pledged against this revenue source are included in this segment.

The Oil Company Franchise segment consists of revenues received from the Commission's allocation of the Commonwealth's Oil Company Franchise Tax. This revenue is pledged against the associated 1998 Series A and B Oil Company Franchise Tax Revenue Bonds, the 2003 Series A, B, and C Oil Company Franchise Tax Revenue Bonds and the 2006 Series A and B Oil Company Franchise Tax Revenue Bonds.

The Motor License segment 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 Registration Fee Revenue Bonds 2005 Series.

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Notes to Financial Statements (continued)

13. Segment Information (continued)

Balance Sheet

	May 31, 2009 Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Assets				
Current assets:				
Cash and cash equivalents	$ 118,623	$ 28,425	$ 692	$ 147,740
Short-term investments	2,031	5,230	903	8,164
Accounts receivable	595	–	–	595
Accrued interest receivable	152	1,676	201	2,029
Inventories	19,144	–	–	19,144
Restricted current assets:				
Cash and cash equivalents	378,475	25,864	40,056	444,395
Short-term investments	69,535	16,449	–	85,984
Accounts receivable	30,100	5,635	736	36,471
Accrued interest receivable	602	438	128	1,168
Total current assets	619,257	83,717	42,716	745,690
Noncurrent assets:				
Long-term investments:				
Long-term investments unrestricted	14,546	163,350	22,182	200,078
Long-term investments restricted	75,238	18,356	17,547	111,141
Total long-term investments	89,784	181,706	39,729	311,219
Capital assets not being depreciated:				
Land	204,665	–	–	204,665
Assets under construction	1,229,835	–	–	1,229,835
Capital assets being depreciated:				
Buildings	742,815	–	–	742,815
Improvements other than buildings	60,322	–	–	60,322
Equipment	401,944	–	–	401,944
Infrastructure	5,199,598	–	–	5,199,598
	7,839,179	–	–	7,839,179
Less accumulated depreciation	3,747,739	–	–	3,747,739
	4,091,440	–	–	4,091,440
Other assets:				
Other assets	2,332	–	–	2,332
Deferred issuance costs	31,690	11,884	4,606	48,180
Total other assets	34,022	11,884	4,606	50,512
Total noncurrent assets	4,215,246	193,590	44,335	4,453,171
Total assets	$ 4,834,503	$ 277,307	$ 87,051	$ 5,198,861

Continued on the following page.

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Notes to Financial Statements (continued)

13. Segment Information (continued)

Balance Sheet (continued)

	May 31, 2009			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Liabilities and net assets				
Current liabilities:				
Accounts payable and accrued liabilities	$ 179,763	$ 24,106	$ 13,799	$ 217,668
Current portion of debt	690,955	13,075	5,685	709,715
Unearned income	28,555	–	–	28,555
Total current liabilities	899,273	37,181	19,484	955,938
Noncurrent liabilities:				
Debt, less current portion, net of unamortized premium/discount	3,047,807	564,091	435,204	4,047,102
Other noncurrent liabilities	39,660	191	–	39,851
Total noncurrent liabilities	3,087,467	564,282	435,204	4,086,953
Total liabilities	3,986,740	601,463	454,688	5,042,891
Net assets:				
Invested in capital assets, net of related debt	2,228,250	(553,001)	(411,371)	1,263,878
Restricted for certain construction and maintenance purposes	–	30,170	19,756	49,926
Unrestricted	(1,380,487)	198,675	23,978	(1,157,834)
Total net assets	847,763	(324,156)	(367,637)	155,970
Total liabilities and net assets	$ 4,834,503	$ 277,307	$ 87,051	$ 5,198,861

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Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Revenues, Expenses, and Changes in Net Assets

	Year Ended May 31, 2009			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating revenues:				
Net fares	$ 615,604	$ –	$ –	$ 615,604
Other	17,904	38	1	17,943
	633,508	38	1	633,547
Operating expenses:				
Cost of services	384,261	7,874	1,229	393,364
Depreciation	237,108	–	–	237,108
	621,369	7,874	1,229	630,472
Operating income (loss)	12,139	(7,836)	(1,228)	3,075
Nonoperating revenues (expenses):				
Oil company franchise tax revenues	–	57,379	–	57,379
Motor license registration fee revenue	–	–	28,000	28,000
Investment earnings	12,869	11,481	3,322	27,672
Other nonoperating revenues	660	–	–	660
Act 44 payments to PennDOT	(850,000)	–	–	(850,000)
Interest and bond expenses	(144,457)	(24,952)	(22,144)	(191,553)
	(980,928)	43,908	9,178	(927,842)
Change in net assets before capital contributions	(968,789)	36,072	7,950	(924,767)
Capital contributions	10,869	901	–	11,770
Change in net assets	(957,920)	36,973	7,950	(912,997)
Net assets at beginning of year	1,207,136	59,084	(197,253)	1,068,967
Asset transfers	598,547	(420,213)	(178,334)	–
Net assets at end of year	$ 847,763	$(324,156)	$ (367,637)	$ 155,970

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows

	Year Ended May 31, 2009			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating activities				
Cash received from customer tolls and deposits	$ 629,760	$ –	$ –	$ 629,760
Cash payments for goods and services	(245,187)	(6,858)	(901)	(252,946)
Cash payments to employees	(134,415)	(852)	(209)	(135,476)
Cash received from other operating activities	12,900	38	1	12,939
Net cash provided by (used in) operating activities	263,058	(7,672)	(1,109)	254,277
Investing activities				
Proceeds from sales and maturities of investments	328,198	326,934	125,600	780,732
Interest received on investments	9,737	12,550	4,056	26,343
Purchases of investments	(367,403)	(219,041)	(78,745)	(665,189)
Net cash (used in) provided by investing activities	(29,468)	120,443	50,911	141,886
Capital and related financing activities				
Capital grants received	11,312	1,272	–	12,584
Construction and acquisition of capital assets	(333,204)	(153,349)	(42,007)	(528,560)
Proceeds from sale of capital assets	1,225	–	–	1,225
Payments for bond expenses	(1,773)	(135)	(374)	(2,282)
Payments for redemption of debt	(49,495)	(12,560)	(5,500)	(67,555)
Interest paid on debt	(110,261)	(21,658)	(21,524)	(153,443)
Proceeds from new debt	1,003,050	–	–	1,003,050
Net cash provided by (used in) capital and related financing activities	520,854	(186,430)	(69,405)	265,019

Continued on the following page.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows (continued)

	Year Ended May 31, 2009			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Noncapital financing activities				
Cash payments to PennDOT	$(850,000)	$ –	$ –	$(850,000)
Cash proceeds from motor license grant	–	–	28,000	28,000
Cash proceeds from oil company franchise tax	–	57,379	–	57,379
Net cash (used in) provided by noncapital financing activities	(850,000)	57,379	28,000	(764,621)
(Decrease) increase in cash and cash equivalents	(95,556)	(16,280)	8,397	(103,439)
Cash and cash equivalents at beginning of year	592,654	70,569	32,351	695,574
Cash and cash equivalents at end of year	$ 497,098	$ 54,289	$ 40,748	$ 592,135

Continued on the following page – see accompanying schedule of reconciliation.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows (continued)

	Year Ended May 31, 2009			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 12,139	$ (7,836)	$ (1,228)	$ 3,075
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	237,108	–	–	237,108
Change in operating assets and liabilities:				
Accounts receivable	(641)	–	–	(641)
Inventories	(3,772)	–	–	(3,772)
Other assets	(939)	–	–	(939)
Accounts payable and accrued liabilities	17,185	171	119	17,475
Other noncurrent liabilities	1,978	(7)	–	1,971
Net cash provided by (used in) operating activities	$ 263,058	$ (7,672)	$ (1,109)	$ 254,277
Noncash activities				
Increase in fair value of investments	$ 3,096	$ 141	$ 155	$ 3,392
Amortization of bond premium	$ 2,759	$ 940	$ 719	$ 4,418
Amortization of deferred refunding loss	$ (3,555)	$ (563)	$ (931)	$ (5,049)

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

13. Segment Information (continued)

Balance Sheet

	Mainline	Oil Franchise	Motor License	Total
	May 31, 2008			
	(In Thousands)			
Assets				
Current assets:				
Cash and cash equivalents	$ 121,032	$ 18,452	$ 3,792	$ 143,276
Short-term investments	8,624	18,854	–	27,478
Accounts receivable	1,038	–	–	1,038
Accrued interest receivable	285	1,434	183	1,902
Inventories	15,372	–	–	15,372
Restricted current assets:				
Cash and cash equivalents	471,622	52,117	28,559	552,298
Short-term investments	63,282	65,270	–	128,552
Accounts receivable	30,509	6,005	–	36,514
Accrued interest receivable	304	1,563	914	2,781
Total current assets	712,068	163,695	33,448	909,211
Noncurrent assets:				
Long-term investments unrestricted	24,149	139,265	18,032	181,446
Long-term investments restricted	23,123	88,076	69,420	180,619
Total long-term investments	47,272	227,341	87,452	362,065
Capital assets not being depreciated:				
Land	181,846	–	–	181,846
Assets under construction	953,763	264,462	128,126	1,346,351
Capital assets being depreciated:				
Buildings	697,816	–	–	697,816
Improvements other than buildings	59,482	–	–	59,482
Equipment	397,477	–	–	397,477
Infrastructure	4,613,052	–	–	4,613,052
	6,903,436	264,462	128,126	7,296,024
Less accumulated depreciation	3,529,195	–	–	3,529,195
	3,374,241	264,462	128,126	3,766,829
Other assets:				
Other assets	1,433	–	–	1,433
Deferred issuance costs	20,196	12,441	4,749	37,386
Total other assets	21,629	12,441	4,749	38,819
Total noncurrent assets	3,443,142	504,244	220,327	4,167,713
Total assets	$ 4,155,210	$ 667,939	$ 253,775	$ 5,076,924

Continued on the following page.

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

13. Segment Information (continued)

Balance Sheet (continued)

	May 31, 2008			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Liabilities and net assets				
Current liabilities:				
Accounts payable and accrued liabilities	$ 97,867	$ 18,554	$ 4,851	$ 121,272
Current portion of debt	49,495	12,560	5,500	67,555
Unearned income	25,963	–	–	25,963
Total current liabilities	173,325	31,114	10,351	214,790
Noncurrent liabilities:				
Debt, less current portion, net of unamortized premium/discount	2,737,067	577,543	440,677	3,755,287
Other noncurrent liabilities	37,682	198	–	37,880
Total noncurrent liabilities	2,774,749	577,741	440,677	3,793,167
Total liabilities	2,948,074	608,855	451,028	4,007,957
Net assets:				
Invested in capital assets, net of related debt	1,722,882	(145,876)	(249,986)	1,327,020
Restricted for certain construction and maintenance purposes	–	26,955	30,726	57,681
Unrestricted	(515,746)	178,005	22,007	(315,734)
Total net assets	1,207,136	59,084	(197,253)	1,068,967
Total liabilities and net assets	$ 4,155,210	$ 667,939	$ 253,775	$ 5,076,924

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Revenues, Expenses, and Changes in Net Assets

	Year Ended May 31, 2008			
	Mainline	**Oil Franchise**	**Motor License**	**Total**
	(In Thousands)			
Operating revenues:				
Net fares	$ 598,926	$ –	$ –	$ 598,926
Other	21,279	–	–	21,279
	620,205	–	–	620,205
Operating expenses:				
Cost of services	337,352	35,340	267	372,959
Depreciation	193,696	–	–	193,696
	531,048	35,340	267	566,655
Operating income (loss)	89,157	(35,340)	(267)	53,550
Nonoperating revenues (expenses):				
Oil company franchise tax revenues	–	60,592	–	60,592
Motor license registration fee revenue	–	–	28,000	28,000
Investment earnings	22,495	22,329	5,664	50,488
Other nonoperating expenses	(135)	–	–	(135)
Act 44 payments to PennDOT	(750,000)	–	–	(750,000)
Interest and bond expenses	(96,550)	(28,903)	(20,797)	(146,250)
	(824,190)	54,018	12,867	(757,305)
Change in net assets before capital contributions	(735,033)	18,678	12,600	(703,755)
Capital contributions	10,258	2,316	–	12,574
Change in net assets	(724,775)	20,994	12,600	(691,181)
Net assets at beginning of year	1,925,643	44,374	(209,869)	1,760,148
Asset transfers	6,268	(6,284)	16	–
Net assets at end of year	$ 1,207,136	$ 59,084	$(197,253)	$ 1,068,967

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows

	Year Ended May 31, 2008			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Operating activities				
Cash received from customer tolls and deposits	$ 667,795	$ –	$ –	$ 667,795
Cash payments for goods and services	(267,199)	(41,857)	(267)	(309,323)
Cash payments to employees	(156,402)	(200)	–	(156,602)
Cash received from other operating activities	14,281	222	–	14,503
Net cash provided by (used in) operating activities	258,475	(41,835)	(267)	216,373
Investing activities				
Proceeds from sales and maturities of investments	787,898	351,291	120,392	1,259,581
Interest received on investments	21,748	19,480	5,447	46,675
Purchases of investments	(505,246)	(245,542)	(113,989)	(864,777)
Net cash provided by investing activities	304,400	125,229	11,850	441,479
Capital and related financing activities				
Capital grants received	12,939	3,755	–	16,694
Construction and acquisition of capital assets	(449,323)	(82,520)	15	(531,828)
Proceeds from sale of capital assets	29	–	–	29
Payments for bond expenses	(2,495)	(1,058)	231	(3,322)
Payments for redemption of debt	(35,970)	(11,345)	(5,330)	(52,645)
Interest paid on debt	(90,088)	(28,866)	(21,414)	(140,368)
Proceeds from new debt	1,179,835	–	–	1,179,835
Net cash provided by (used in) capital and related financing activities	614,927	(120,034)	(26,498)	468,395

Continued on the following page.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows (continued)

	Year Ended May 31, 2008			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Noncapital financing activities				
Cash payments to PennDOT	$(750,000)	$ –	$ –	$(750,000)
Cash proceeds from motor license grant	–	–	28,000	28,000
Cash proceeds from oil company franchise tax	–	58,709	–	58,709
Net cash (used in) provided by noncapital financing activities	(750,000)	58,709	28,000	(663,291)
Increase in cash and cash equivalents	427,802	22,069	13,085	462,956
Cash and cash equivalents at beginning of year	164,852	48,500	19,266	232,618
Cash and cash equivalents at end of year	$ 592,654	$ 70,569	$ 32,351	$ 695,574

Continued on the following page – see accompanying schedule of reconciliation.

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Notes to Financial Statements (continued)

13. Segment Information (continued)

Statement of Cash Flows (continued)

	Year Ended May 31, 2008			
	Mainline	Oil Franchise	Motor License	Total
	(In Thousands)			
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 89,157	$ (35,340)	$ (267)	$ 53,550
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	193,696	–	–	193,696
Change in operating assets and liabilities:				
Accounts receivable	(3,121)	–	–	(3,121)
Inventories	1,033	–	–	1,033
Other assets	(1,047)	–	–	(1,047)
Accounts payable and accrued liabilities	(23,354)	(6,495)	–	(29,849)
Other noncurrent liabilities	2,111	–	–	2,111
Net cash provided by (used in) operating activities	$ 258,475	$ (41,835)	$ (267)	$ 216,373
Noncash activities				
Increase in fair value of investments	$ 5,215	$ 4,282	$ 200	$ 9,697
Amortization of bond premium	$ 1,691	$ 756	$ 719	$ 3,166
Amortization of deferred refunding loss	$ (3,410)	$ (563)	$ (931)	$ (4,904)

Pennsylvania Turnpike Commission
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Notes to Financial Statements (continued)

14. Subsequent Events

On June 22, 2009, the Commission issued Series 2009 A Revenue Bonds, Federally Taxable Build America Bonds, in the amount of $275,000,000 at 6.105% and maturing December 1, 2039. The Commission has designated the 2009 A bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 and has elected to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the 2009 A bonds for an effective yield of 3.96%. The 2009 A bonds are being issued to: (a) finance the costs of various capital expenditures for the Pennsylvania Turnpike System 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, (b) fund capitalized interest with respect to the 2009 A bonds, (c) fund a debt service reserve fund with respect to the 2009 A bonds, and (d) pay the cost of issuance of the 2009 A bonds.

On July 22, 2009, the Commission issued Series 2009 B&C Subordinate Revenue Bonds for $956,733,204. The Series B bonds consist of serial and term bonds. The serial bonds were issued for $247,650,000, bear interest at 3.00% to 5.25% and mature in varying installments through June 1, 2022. The term bonds were issued for $609,085,000, bear interest at 4.75% to 5.75% and mature in varying installments through June 1, 2039. The Series C bonds are considered Convertible Capital Appreciation Term Bonds maturing on June 1, 2033 at a 6.25% interest rate. The interest on the 2009 C Bonds will not be payable on a current basis prior to June 1, 2016, but will compound from the date of delivery on a semiannual basis, beginning December 1, 2009, to and including June 1, 2016. After June 1, 2016, the interest will be payable semiannually on December 1, 2016 and on each June 1 and December 1 thereafter. The compounded amount will be payable at maturity or earlier redemption. The 2009 B&C Bonds will be used to (a) make payments in accordance with Act 44 to fund certain transportation grants to mass transit agencies and to local governments and various road, highway and bridge projects, (b) refund the Commission's outstanding Turnpike Bond Anticipation Notes Series B of 2007 and C-3 of 2008, (c) fund the debt service reserve for the 2009 bonds, (d) obtain a credit facility for a portion of the 2009 bonds, (e) pay capitalized interest on a portion of the 2009 bonds, and (f) pay the cost of issuing the 2009 bonds.

Required Supplementary Information

Pennsylvania Turnpike Commission
A Component Unit of the Commonwealth of Pennsylvania

Schedule of Funding Progress – Postemployment Healthcare Benefits

(Dollar Amounts 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, 2008	$ 14,000	$228,067	$214,067	6.54%	$118,559	180.6%
February 28, 2006	$ –	$167,785	$167,785	–%	$109,022	153.9%

Because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above schedule does not reflect information for three years as typically required.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

DEFINITIONS OF CERTAIN TERMS

In addition to words and terms elsewhere defined in this Official Statement, the following words and terms as used in this Appendix C and the Indenture shall have the following meanings unless the context clearly indicates otherwise:

"Additional Bonds" -- Bonds of any Series authorized to be issued under the Indenture.

"Annual Capital Budget" -- the budget adopted by the Commission pursuant to the provisions described under the heading "The Indenture—Covenants of Commission--Annual Operating Budget; Capital Budget."

"Annual Debt Service" -- (i) the amount of principal and interest paid or payable with respect to Bonds in a Fiscal Year plus (ii) 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 Approved Swap Agreements, minus (iv) 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 (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 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 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 such refinancing 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.

"Annual Operating Budget" -- the budget adopted by the Commission pursuant to the provisions described under the heading "The Indenture--Annual Operating Budget; Capital Budget."

"Applicable Long-Term Indebtedness" -- includes Bonds, Additional Bonds, Reimbursement Obligations and obligations of the Commission under Approved Swap Agreements, to the extent the same constitute Long-Term Indebtedness, and excludes Subordinated Indebtedness.

"Approved Swap Agreement" -- shall have the meaning set forth below under the heading "The Indenture--Approved and Parity Swap Obligations".

"Assumed Variable Rate" -- in the case of (1) Outstanding Variable Rate Indebtedness, the average interest rate on such Indebtedness for the most recently completed 12-month period; and (2) proposed Variable Rate 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 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 Trustee.

"Authenticating Agent" -- that Person designated and authorized to authenticate any series of Bonds or such Person designated by the Authenticating Agent to serve such function, and shall initially be the Trustee.

"Authorized Denominations" – for the 2009B Bonds are described in the forepart of this Official Statement.

"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 Bonds, each Person (other than a 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 Indenture providing for the issuance of such Bonds.

"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.

"Bond" or "Bonds" -- Bonds outstanding under the Prior Indenture and indebtedness of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued as Additional Bonds under the applicable provisions of the Indenture, other than Additional Bonds issued as Subordinated Indebtedness.

"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 Documents" means Supplemental Indenture No. 17, the 2009B Bonds and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Bond Insurer" -- as to any particular maturity or any particular Series of Bonds, the Person undertaking to insure such Bonds as designated in a Supplemental Indenture providing for the issuance of such Bonds.

"Bond Owner," "Bondholder," "Holder," "Owner" or "Registered Owner" (or the lower case version of the same) -- the Person in whose name any Bond or Bonds are registered on the books maintained by the Registrar.

"Bond Register" -- the register maintained pursuant to the applicable provisions of the Indenture.

"Bond Registrar" -- with respect to any series of Bonds, that Person which maintains the bond register or such other entity designated by the Bond Registrar to serve such function and initially shall be the Trustee.

"Book-Entry-Only System" -- a system similar to the system described in the Indenture and in the forepart of this Official Statement under "Description of the 2009B Bonds--Book-Entry Only System" pursuant to which Bonds are registered in book-entry form.

"Business Day" -- any day other than a Saturday or a Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the city in which the designated office of the Trustee is located, the Commonwealth or the City of New York.

"Chief Engineer" -- the employee of the Commission designated its "Chief Engineer" or any successor title.

"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.

"Conditional Redemption" – a redemption of Bonds (1) that 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.

"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.

"Consulting Engineers" -- the engineer or engineering firm or corporation at the time employed by the Commission under the Indenture.

"Cost" -- all or any part of: (a) the cost of construction, reconstruction, restoration, repair and rehabilitation of a Project or portion thereof (including, but not limited to, indemnity and surety bonds, permits, taxes or other municipal or governmental charges lawfully levied or assessed during construction); (b) the cost of acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for such Project or portion thereof; (c) the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed; (d) any cost of borings and other preliminary investigations necessary or incident to determining the feasibility or practicability of constructing such Project and any cost necessary or desirable to satisfy conditions associated with the issuance of any permit for the construction thereof (including the costs of environmental mitigation required in connection therewith); (e) the cost of all machinery and equipment, vehicles, materials and rolling stock; (f) Issuance Costs; (g) interest on Bonds and on any Reimbursement Obligation for the period prior to, during and for a period of up to one year after completion of construction as determined by the Commission, provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements; (h) the cost of architectural, engineering, environmental feasibility, financial and legal services; (i) plans, specifications, estimates and administrative and other expenses which are necessary or incidental to the determination of the feasibility of constructing such Project or portion thereof or incidental to the obtaining of construction contracts or to the construction (including construction administration and inspection), acquisition or financing thereof and which constitute capital costs; (j) Current Expenses, provided that, if applicable, the Trustee has received an opinion of Bond Counsel (which opinion may address either specific Current Expenses or categories of Current Expenses) to the effect that the treatment of such Current Expenses as a Cost will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (k) the repayment of any loan or advance for any of the foregoing; and (l) with respect to the use of Bond proceeds, such other costs and expenses as are permitted by the Enabling Acts at the time such Bonds are issued.

"Counsel" -- an attorney or law firm (who may be counsel for the Commission) not unsatisfactory to the Trustee.

"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 Bonds pursuant to the provisions of a Supplemental Indenture under which such 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 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 Trustee and of the Paying Agents, Policy Costs, legal expenses and any other expenses required to be paid by the Commission as shown in the Annual Operating Budget for the System.

"Debt Service Fund" -- the fund created by the Indenture and described under "The Indenture—Debt Service Fund."

"Debt Service Reserve Fund" -- the fund created by the Indenture and described under "The Indenture—Debt Service Reserve Fund."

"Debt Service Reserve Fund Bonds" -- shall mean the Long-Term Indebtedness specified by the Commission that is secured by the Debt Service Reserve Fund as described under "The Indenture—Debt Service Reserve Fund."

"Debt Service Reserve Requirement" -- the amount equal to the Maximum Annual Debt Service on account of all the Debt Service Reserve Fund Bonds.

"Defeasance Securities" -- Cash, Government Obligations, Government Obligations which have been stripped by the U.S. Treasury and CATS, TIGRS and similar securities, Resolution Funding Corp. strips which have been stripped by the Federal Reserve Bank of New York, pre-refunded obligations of a state or municipality rated in the highest rating category by the Rating Agency, and Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: Farmers Home Administration (Certificates of beneficial ownership), Federal Financing Bank, General Services Administration (Participation certificates), U.S. Maritime Administration (Guaranteed Title XI financing), U.S. Department of Housing and Urban Development (Project Notes, Local Authority Bonds and New Communities Debentures - U.S. government guaranteed debentures) and U.S. Public Housing Notes and Bonds (U.S. government guaranteed public housing notes and bonds).

"Depositary" -- a bank or trust company designated as such by the Commission to receive moneys under the provisions of the Indenture and approved by the Trustee, and shall include the Trustee.

"DSRF Security" -- shall have the meaning set forth under "The Indenture—Debt Service Reserve Fund."

"DTC" – The Depository Trust Company.

"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.

"Event of Default" -- those events specified under "The Indenture—Events of Default" and such other events specified in any Supplemental Indentures.

"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 of the Indenture and who is retained by the Commission as a Financial Consultant for the purposes of the 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.

"General Reserve Fund" -- the fund created by the Indenture and described under "The Indenture—General Reserve Fund."

"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 United States of America, (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (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 United States of America), (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 United States of America 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 Service in its highest rating category.

"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 Maximum Annual Debt Service for all Applicable Long-Term Indebtedness then Outstanding and the Applicable Long-Term Indebtedness proposed to be issued pursuant to the Indenture pursuant to the provisions described under "The Indenture—Covenants--Limitations on Issuance of Additional Bonds and Execution of Approved Swaps."

"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.

"Indenture" the Amended and Restated Trust Indenture amended and restated as of March 1, 2001, as amended and supplemented.

"Interest Payment Date" – for the 2009B Bonds is described in the forepart of this Official Statement. If the Interest Payment Date is not a Business Day then the Interest Payment Date shall be the Business Day next succeeding the date specified above.

"Issuance Cost" -- costs incurred by or on behalf of the Commission in connection with the issuance of Additional 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 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 Bonds, the initial or acceptance fee of the Trustee, and all other fees, charges and expenses incurred in connection with the issuance of the Bonds and the preparation of the 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.

"Maximum Annual Debt Service" -- at any point in time the maximum amount of Annual Debt Service on all Applicable Long-Term Indebtedness, as required by the context (e.g., whether relating to all such Applicable Long-Term

Indebtedness or only specified Applicable Long-Term Indebtedness) paid or payable in the then current or any future Fiscal Year.

"Moody's" -- Moody's Investors Service, 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.

"Net Revenues" -- the amount by which total Revenues exceed Current Expenses for any particular period.

"Other Revenues" -- any funds received or payable to the Commission, other than Revenues, which the Commission chooses to include as security for Parity Obligations and/or Subordinated Indebtedness pursuant to a Supplemental Indenture.

"Original Indenture" – the Indenture of Trust dated as of July 1, 1986 between the Commission and the Trustee.

"Outstanding" or "outstanding" in connection with Bonds -- all Bonds which have been authenticated and delivered under the Indenture, except: (a) Bonds theretofore cancelled or delivered to the Trustee for cancellation under the Indenture; (b) Bonds which are deemed to be no longer Outstanding in accordance with the provisions described under "The Indenture—Defeasance"; and (c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to the Indenture. In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are held by or on behalf of the Commission (unless all of the Outstanding Bonds are then owned by the Commission) shall be disregarded for the purpose of any such determination.

"Parity Obligations" -- includes Bonds and other obligations of the Commission owed to Secured Owners and excludes Subordinated Indebtedness.

"Parity Swap Agreement" -- shall have the meaning set forth under the heading "The Indenture--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 Bonds, that Person appointed pursuant to the Indenture to make payments to Bondholders of interest and/or principal pursuant to the terms of the Indenture, which initially shall be the Trustee.

"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 (g) 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 comparable 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 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; (l) 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 the Rating Agency; (p) asset-backed securities rated in the highest rating category by the Rating Agency; and (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 such Bonds.

"Person" -- an individual, public body, a corporation, a 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.

"Principal Office" means, with respect to any entity performing functions under any Bond Document, the principal office of that entity or its affiliate at which those functions are performed.

"Prior Indenture" – the Original Indenture as supplemented and amended.

"Project" -- any improvements to the System or refundings which are 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 Applicable Long-Term Indebtedness then Outstanding and on any Applicable Long-Term 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.

"Purchase Price" -- shall mean the purchase price payment described in paragraph (a) of the definition of Tender Indebtedness.

"Qualified Financial Institution" (a) any U.S. domestic institution which is a bank, trust company, national banking association or a corporation, including the Trustee and any of its affiliates, subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, or a member of the National Association of Securities Dealers, Inc. whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating within the two highest rating categories by the Rating Agency or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; (b) an insurance company with a claims-paying ability or a corporation whose obligations are guaranteed by an insurance company (in the form of an insurance policy) or by an insurance holding company rated in the highest rating category by the Rating Agency or whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating within the highest rating category by the Rating Agency; or (c) any banking institution whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating within one of the two highest rating categories by the Rating Agency.

"Rate Covenant" -- the requirement to establish and maintain a schedule of Tolls sufficient to provide the funds required pursuant to the Indenture provisions described under "The Indenture—Rate Covenant."

"Rating Agency" -- Fitch, Moody's or S&P or 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."

"Rebate Fund" -- the fund created by the Indenture and described under "The Indenture—Rebate Fund."

"Rebate Regulations" -- the Treasury Regulations issued under Section 148(f) of the Code.

"Record Date" -- for the 2009B Bonds is described in the forepart of this Official Statement. If the Record Date 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 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.

"Reserve Maintenance Fund" -- the fund created by the Indenture and described under "The Indenture—Reserve Maintenance Fund."

"Reserve Maintenance Fund Requirement" -- the amount to be deposited to the credit of the Reserve Maintenance Fund from the Revenues of the Commission pursuant to the provisions described under "The Indenture—Reserve Maintenance Fund."

"Revenue Fund" -- the fund created by the Indenture and described under "The Indenture—Revenue Fund; Agreements with Other Turnpikes."

"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 Trust Estate pursuant to a Supplemental 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 Revenue Fund pursuant to the Indenture. As more fully provided by the provisions described below under "The Indenture—Revenue Fund; Agreements with Other Turnpikes," 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.

"S&P" -- Standard & Poor's, a division of McGraw-Hill, 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 Bondholder of any Bonds, each Parity Swap Agreement Counterparty providing a Parity Swap Agreement, each Bank providing a Credit Facility and each Bond Insurer providing a bond insurance policy with respect to a Parity Obligation.

"Securities Depository" -- a Person that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such Act for the purposes of Section 17A thereof.

"Series" -- one or more Bonds issued at the same time, or sharing some other common term or characteristic, and designated as a separate series of Bonds.

"Series Issue Date" means, with respect to the 2009B Bonds, the date of original issuance of the 2009B Bonds.

"Short-Term Indebtedness" -- all Indebtedness which matures in less than 365 days and is designated as Short-Term Indebtedness pursuant to the provisions described under "The Indenture—Limitation on Issuance of Additional Bonds and Execution of Swap Agreements." 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" -- for the 2009B Bonds is described in the forepart of this Official Statement.

"Subordinated Indebtedness" -- Indebtedness incurred pursuant to the provisions referenced under "The Indenture—Limitation on Issuance of Additional Bonds and Execution of Swap Agreements."

"Supplemental Indenture" -- any supplemental indenture to (a) the Indenture, now or hereafter duly authorized and entered into in accordance with the provisions of the Indenture or (b) the Prior Indenture, including any supplemental indenture pursuant to which (and only for so long as) bonds are outstanding thereunder.

"Swap Agreement" -- shall have the meaning set forth under the heading "The Indenture--Approved and Parity Swap Obligations."

"System" – is described in the forepart of this Official Statement under "Pennsylvania Turnpike System."

"Tender Indebtedness" -- any Indebtedness or portion thereof: (a) the terms of which include (i) 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 (ii) 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 (i) one of the two highest long-term Rating Categories by the Rating Agency or (ii) 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.

"Trust Estate" -- (i) all Revenues, (ii) all monies deposited into accounts or funds created by the Indenture and held by or on behalf of the Trustee (other than the Rebate Fund), (iii) any insurance proceeds and other moneys required to be deposited in the Indenture, (iv) all payments received by the Commission pursuant to Parity Swap Agreements, and (v) all investment earnings on all moneys held in accounts and funds established by the Indenture, other than the Rebate Fund.

"Trustee" -- the Trustee at the time in question, whether the initial Trustee or a successor.

"U.S." -- United States of America.

"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 (i) 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 (ii) 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.

THE INDENTURE

LIMITED OBLIGATIONS

The Bonds shall be limited obligations of the Commission, payable solely from the Trust Estate. The Bonds shall constitute a valid claim of the respective owners thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds, and which shall be utilized for no other purpose, except as expressly authorized in the Indenture. The Bonds shall not constitute general obligations of the Commission and under no circumstances shall the 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 under the Indenture as security for the payment of the Bonds.

ADDITIONAL BONDS

The Commission agrees in the Indenture that it will not issue or incur any other Indebtedness having a parity lien on the Trust Estate except for Additional Bonds issued pursuant to the provisions described below and other Parity Obligations. Additional Bonds may be issued and the Trustee shall authenticate and deliver such Additional 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 Bonds, and (2) the issuance, sale, execution and delivery of the Additional 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 Bonds is permitted under the Indenture, (2) each of the Supplemental Indenture and the Additional 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 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 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 of such sum);

(e) A certificate of the Commission, signed by a Commission Official, that the Commission is not in default under the Indenture and evidence satisfactory to the Trustee that, upon issuance of the Additional Bonds, amounts will be deposited in the Funds under the Indenture adequate for the necessary balances therein after issuance of the Additional Bonds (including an amount sufficient to satisfy the Debt Service Reserve Requirement if the Additional Bonds constitute Debt Service Reserve Fund Bonds);

(f) A certificate of the Commission, signed by a Commission Official, identifying the Additional Bonds as Short-Term Indebtedness, Long-Term Indebtedness or Subordinated Indebtedness and demonstrating with reasonable detail that the applicable Indenture provisions described under "Covenants of the Commission -- Limitations on Issuance of Additional Bonds and Execution of Swap Agreements" have been met for the issuance of such Additional Bonds; and

(g) Such further documents, moneys and securities as are required by the provisions of the Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, Additional Bonds may bear interest which is included in gross income for federal income tax purposes under the Code, in which event provisions in the Indenture requiring or referencing the exclusion of interest on Bonds of 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 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 Bonds for federal income tax purposes; provided that if the Swap Agreement relates to Bonds being issued and the Swap Agreement is entered into prior to the issuance of such Bonds, the portion of the opinion of Bond Counsel referring to tax-exempt status of the Bonds need not be delivered until such Bonds are issued;

(d) A certificate of the Commission, signed by a Commission Official, that the Commission is not under default under the 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 Bonds by the Rating Agency;

(f) Evidence that the provisions with respect to Approved Swap Agreements described under "Limitation on Issuance of Additional Bonds and Execution of Swap Agreements" have been met; 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 its obligations thereunder be on parity with all Bonds and 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 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 Indenture provides that 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 Bonds by meeting the requirements set forth in paragraph (b) below under "Covenants of the Commission -- Limitation on Issuance of Additional Bonds and Execution of

Swap Agreements" (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).

REDEMPTION OF BONDS

The Bonds of any Series issued under the provisions of the Indenture shall be subject to redemption, in whole or in part, and at such times and prices as may be provided in the Supplemental Indenture pursuant to which such Bonds are issued. The provisions for redemption of the 2009B Bonds are described in the forepart of this Official Statement under "Description of the 2009B Bonds -- Redemption of 2009B Bonds."

NOTICE OF REDEMPTION

When Bonds (or portions thereof) are to be redeemed, the Commission shall give or cause to be given notice of the redemption of the Bonds to the Trustee no later than 15 days prior to the last date on which notice of such redemption can be given or such shorter time as may be acceptable to the Trustee. In the case of an optional redemption, 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.

The provisions for notice of redemption for the 2009B Bonds are further described in the forepart of this Official Statement under "Description of the 2009B Bonds -- Redemption of 2009B Bonds."

On or before the date fixed for redemption, subject to the provisions described above, moneys shall be deposited with the Trustee to pay the principal of, redemption premium, if any, and interest accrued to the redemption date on the Bonds called for redemption. Upon the deposit of such moneys, unless the Commission has given notice of rescission as described herein, the Bonds shall cease to bear interest on the redemption date and shall no longer be entitled to the benefits of the Indenture (other than for payment and transfer and exchange) and shall no longer be considered Outstanding.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Commission delivers a certificate of a Commission Official to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Commission to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

CONSTRUCTION FUND

The Indenture creates a special fund known as the "Construction Fund", which shall be held in trust by the Trustee. Money shall be deposited to the Construction Fund pursuant to the provisions of the Indenture and from any other sources identified by the Commission. Payment of the costs of the construction portion of any Project shall be made from the Construction Fund. A special account shall be created and identified for each such construction project, although funds, at the written direction of the Commission, may be transferred from one such account in the Construction Fund to another account in such Fund. Moneys in the Construction Fund may be disbursed by the Trustee to the Commission upon the filing by the Commission of a requisition, signed by the Chief Engineer (or his designee) and a Commission Official meeting the requirements of the Indenture.

If at any time a Commission Official shall file with the Trustee a certificate stating that the cost of a Project has been finally determined and that the funds remaining in the account established for such Project exceed the remaining costs of the Project, then an amount equal to such excess shall be transferred to such fund or account as directed in the certificate, provided the same is accompanied by an opinion of Bond Counsel to the effect that such transfer or and/or application will not adversely effect the tax-exempt status of the interest of the applicable Bonds.

RATE COVENANT

The Indenture contains the Rate Covenant which is described in the forepart of this Official Statement under "Security For The 2009B Bonds—Rate Covenant."

COVENANTS AS TO TOLLS

The Commission covenants with respect to Tolls as described in the forepart of this Official Statement under "Security For The 2009B Bonds—Rate Covenant."

COVENANTS OF COMMISSION

In addition to the Rate Covenant and covenants as to Tolls described above, in the Indenture the Commission also makes various other covenants, including the following covenants:

Payment of Principal, Interest and Premium. The Commission covenants in the Indenture that it will promptly pay the principal of, premium, if any, and the interest on every Bond issued under the provisions of the Indenture at the places, on the dates and in the manner provided in the Indenture and in said Bonds. Except as otherwise provided in the Indenture, the principal, interest and premium are payable solely from Revenues, which Revenues are hereby pledged to the payment thereof in the manner and to the extent provided in the 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 Bonds.

Annual Operating Budget; Capital Budget. The Commission covenants in the Indenture that on or before the 31st day of May (or such other date as is consistent with the Commission's policies then in effect) in each Fiscal Year it will adopt a budget for the ensuing Fiscal Year (the "Annual Operating Budget"). Copies of each Annual Operating Budget shall be provided to the Trustee. Prior to adopting the Operating Budget, the Commission shall provide a draft of such budget to the Consulting Engineer sufficiently in advance of the adoption of such Annual Operating Budget in order for the Consulting Engineer to provide comments before such adoption. The Commission further covenants in the Indenture that it will prepare each such Annual Operating Budget on the basis of monthly requirements, so that it will be possible to determine the Current Expenses for each month during the Fiscal Year.

If for any reason the Commission shall not have adopted the Annual Operating Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year, shall, until the adoption of the Annual Operating Budget, be deemed to be in force and shall be treated as the Annual Operating Budget.

The Commission may adopt an amended or supplemental Annual Operating Budget at any time for the remainder of the then current Fiscal Year. Copies of any such amended or supplemental Annual Operating Budget shall be provided to the Trustee.

The Commission further covenants in the Indenture that it will adopt a capital budget (the "Annual Capital Budget) on or before May 31st of each Fiscal Year. The Annual Capital Budget will detail the Commission's planned capital expenditures over a period of up to 10 years and the portion of capital expenditures expected to be funded from the Reserve Maintenance Fund. The Annual Capital Budget shall include the expected beginning balance in the Reserve Maintenance Fund, the amounts to be transferred by the Trustee to the Reserve Maintenance Fund from the General Reserve Fund, the amount of bond proceeds expected to become available during the Fiscal Year, the amounts expected to be transferred monthly by the Trustee from the Revenue Fund, and the desired year-end balance in the Reserve Maintenance Fund. Prior to adopting the Annual Capital Budget, the Commission shall provide a draft of the capital budget to the Consulting Engineer a sufficient time in advance of the Commission's adoption of the Annual Capital Budget in order for the Consulting Engineer to provide comments before the date of such adoption. The Commission may adopt amendments or supplements to the Annual Capital Budget at any time. Copies of the Annual Capital Budget shall be made available to the Trustee.

Limitations on Issuance of Additional Bonds and Execution of Approved Swaps. The Commission has covenanted in the Indenture with respect to issuance of Additional Bonds and execution of Approved Swap Agreements as described in the forepart of this Official Statement under "Security For The 2009B Bonds— Additional Bonds Test."

Use and Operation of System. The Commission covenants in the Indenture that (a) it will maintain and operate the System in an efficient and economical manner, (b) it will maintain the System in good repair and will make all necessary repairs, renewals and replacements, to the extent funds are available therefor under the Indenture, and (c) it will comply with laws and all rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such System, subject to the right of the Commission to contest the same in good faith and by appropriate legal proceedings.

Inspection of the System. The Commission shall make arrangements for the System to be inspected at least once every three years by engaging one or more Consultants to conduct the actual inspections and to prepare a report. Such report shall state (a) whether the System has been maintained in good repair, working order and condition since the last inspection report pursuant to this Section and (b) any recommendations which such Consultants may have as to revisions or additions to the Commission's Annual Capital Budget. Copies of such reports shall be filed with the Trustee.

Construction of Projects. The Commission covenants in the Indenture that it will proceed with diligence to construct any Projects in conformity with law and all requirements of all governmental authorities having jurisdiction thereover. Before entering into any construction contract it will secure the approval of the plans and specifications for such contract by a certified engineer or architect, who may be an employee of the Commission, and that it will require each Person, firm or corporation with whom it may contract in connection with the construction of any Project to furnish (1) a performance bond for 100% of the contract amount, and (2) a payment bond for 100% of the contract amount. Each of such bonds shall be executed by one or more responsible surety companies authorized to do business in the Commonwealth. Any proceeds received from such bonds first shall be applied toward the completion of the applicable Project and second shall be deposited in the General Reserve Fund. Construction contracts for labor and/or materials also shall provide that payments thereunder shall not be made by the Commission in excess of 95% of current estimates except that once the work is at least 50% complete, such retainage may be reduced by the Chief Engineer or another Commission Official to the extent such officer deems such reduction to be necessary or appropriate.

The Commission shall involve the Consulting Engineer or another Consultant to assist in quality assurance matters in connection with design and/or construction of any Project or portion thereof to the extent the Commission determines necessary or appropriate. For purposes of this subsection, "quality assurance" shall be defined to mean those activities, from inception to completion of a Project, which are necessary to ensure that the processes are in place to produce a quality product.

Employment of Consulting Engineers. The Commission covenants in the Indenture to employ an independent engineer or engineering firm or corporation having a national reputation for skill and experience in such work to perform any functions of the Consulting Engineer under the Indenture.

Insurance. The Commission covenants in the Indenture that it will keep the System and its use and operation thereof insured (including through self-insurance) at all times in such amounts, subject to such exceptions and deductibles and against such risks, as are customary for similar organizations. All insurance policies shall be carried with a responsible insurance company or companies authorized to do business in the Commonwealth or shall be provided under a self-insurance program; any self-insurance program shall be actuarially sound in the written opinion of an accredited actuary, which opinion shall filed with the Trustee at least annually. At any time and from time to time, the Commission may elect to terminate self-insurance of a given type. Upon making such election, the Commission shall, to the extent then deemed necessary by a Consultant, obtain and maintain comparable commercial insurance.

On July 1, 2003 and every three years thereafter (except with respect to self-insurance, which shall be annually), the Commission shall cause a Consultant to certify to the Trustee that (a) it has reviewed the adequacy of the Commission's insurance, listing the types and amounts of insurance, and (b) it finds such coverage to be reasonable and customary for similar organizations. If the Consultant concludes that coverage other than that which is currently carried by the Commission should be carried, the Commission shall obtain such insurance coverage unless it determines in good faith that it is unreasonable or uneconomical to obtain such coverage and certifies the same in writing to the Trustee.

All insurance policies maintained by the Commission shall be available at reasonable times for inspection by the Trustee, its agents and representatives.

The Commission covenants that it will take actions as it deems necessary to demand, collect and sue for any proceeds that may become due and payable to it under any policy

Damage or Destruction. Immediately after any damage to or destruction of any part of the System which materially adversely affects the Revenues of the Commission, the Commission will promptly take action to repair, reconstruct or replace the damaged or destroyed property or to otherwise ameliorate the adverse impact on Revenues.

Annual Audit. The Commission covenants in the Indenture that it will cause an annual audit to be made of its books and accounts of each Fiscal Year by an independent certified public accountant. A copy of such audit shall be filed with the Trustee promptly after the receipt by the Commission for such purpose.

Encumbrance of Revenues; Sale, Lease or Other Disposition of Property. The Commission covenants in the Indenture that so long as any Bonds are Outstanding under the Indenture:

(a) (1) It will not create or suffer to be created any lien or charge upon any Revenues, except the lien and charge of the Bonds secured hereby and any Subordinated Indebtedness permitted pursuant to the provisions of the Indenture; and (2) from such Revenues or other funds available under the Indenture, it will pay or cause to be discharged, or will make adequate provision to pay or discharge, within ninety (90) days after the same shall accrue, all lawful claims and demands for labor, materials or supplies which, if unpaid, might by law become a lien upon any Revenues; provided, however, that the Commission shall not be required to pay or discharge, or make provision for such payment or discharge of, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

(b) The Commission will not sell or otherwise dispose of any real estate or personal property comprising a portion of the System unless the Commission determines (1) such property (i) has become obsolete or worn out or is reasonably expected to become so within one year after the date of such disposition, (ii) is no longer used or useful in the operation of the System or in the generation of Revenues or (iii) is to be or has been replaced by other property or (2) by resolution that such action will not materially adversely affect the Net Revenues of the Commission. The Commission shall have the discretion to deposit the proceeds of such sale or disposition in a fund or account held under the Indenture or a Commission account held outside the Indenture, as it deems appropriate. In the event the Commission did not meet the Rate Covenant during the preceding Fiscal Year, however, then the Commission shall notify the Trustee of the sale or disposition of any property which generated Net Revenues in excess of one percent of the Commission's Net Revenues during the prior Fiscal Year and all proceeds from such sale or disposition shall be deposited in the Revenue Fund.

(c) The Commission will not lease any real estate or personal property comprising a portion of the System unless the Commission determines by resolution that such action will not materially adversely affect the Net Revenues of the Commission. The rental and other proceeds from any lease shall not be required to be deposited in the Revenue Fund unless the effect of such lease is to reduce Tolls.

Without intending to limit the foregoing, the Commission also may enter into contracts or other forms of agreement for the use of any real estate comprising a portion of the System including, but not limited to, rights of way for telephone, telegraph, optic fiber and other forms of communication, electric, gas transmission and other lines or facilities for utilities, and other uses which do not materially adversely affect the operation of the System and the payments received in connection with the same shall be deposited in such accounts (which may be outside the Indenture) as the Commission shall determine.

CREATION OF FUNDS

In addition to the Construction Fund and any other funds created by Supplemental Indentures, the Indenture creates the following funds: Operating Account; Revenue Fund; Debt Service Fund; Debt Service Reserve Fund; Reserve Maintenance Fund; General Reserve Fund; and Rebate Fund. Amounts deposited therein shall be held in trust by the Trustee until applied as directed in the Indenture.

REVENUE FUND; AGREEMENTS WITH OTHER TURNPIKES

The Commission covenants in the Indenture that all Revenues will be deposited daily, as far as practicable, with the Trustee or in the name of the Trustee with a Depositary or Depositaries, to the credit of the Revenue Fund.

The Indenture provides that, to the extent now or hereafter authorized by law, the Commission may enter into agreements with any commission, authority or other similar legal body operating a turnpike, whether or not connected to the System, (1) with respect to the establishment of combined schedules of Tolls and/or (2) for the collection and application of Tolls charged for trips over all or a portion of both turnpikes combined, which on the basis of the Revenues to be received by any such agreement will result in the receipt by the Commission of its allocable portion of such Tolls (less fees and expenses associated with such arrangement). To the extent now or hereafter authorized by law, the Commission also may enter into agreements with other Persons with respect to the collection of Tolls or advances or prepayment of Tolls charged for trips over all or a portion of the System, which on the basis of the Revenues to be received by any such agreement will result in the receipt by the Commission of the appropriate Tolls for such trips. Unless approved by a Consultant, no agreement establishing a combined schedule of Tolls shall restrict the ability of the Commission to implement an increase in its Tolls at least annually.

Amounts received by the Commission from such other commission, authority or other similar legal body or Person, in accordance with such agreements, shall be deposited in the Revenue Fund when they constitute Revenues. Such amounts may be held with a Depository or Depositories until they constitute Revenues. Amounts received by the Commission and deposited in the Revenue Fund which are payable by the Commission to such other commission, authority or other similar legal body or Person, in accordance with any such agreements, shall be withdrawn by the Trustee from the Revenue Fund upon delivery to the Trustee of a certificate of a Commission Official that such withdrawal is required pursuant to the terms of an agreement entered into pursuant to this Section and shall be paid by the Trustee in accordance with directions contained in such certificate.

Except as otherwise provided in the provisions described under this heading, transfers from the Revenue Fund shall be made to the following funds and in the following order of priority: (1) Rebate Fund; (2) Operating Account; (3) Debt Service Fund; (4) Reserve Maintenance Fund; (5) Debt Service Reserve Fund; and (6) General Reserve Fund (after retaining such funds in the Revenue Fund as are identified in the certificate described below under "General Reserve Fund").

OPERATING ACCOUNT

The Indenture provides that the Commission shall establish an account known as the "Operating Account" which is described in the forepart of this Official Statement under "Security for the 2009B Bonds--Operating Account."

DEBT SERVICE FUND

The Indenture creates two separate accounts in the Debt Service Fund to be known as the "Interest Account" and the "Principal Account."

The Trustee and the Commission may create such additional accounts in the Debt Service Fund pursuant to a Supplemental Indenture 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 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 Bonds shall be used to repay the provider of the Credit Facility for such payments), and (b) an account into which payments to 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 Trustee shall make deposits into the Debt Service Fund as described in the forepart of this Official Statement under "Security for the 2009B Bonds--Debt Service Fund."

The moneys in the Interest and Principal Accounts shall be held by the Trustee in trust for the benefit of the 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 Bonds until paid out or transferred as provided in the 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 Trustee sufficient money for paying the interest on and the principal of and premium on the 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 Debt Service Fund as provided in any Supplemental Indenture.

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 following funds or accounts and transfer the same to the Debt Service Fund in the following order: the Debt Service Reserve Fund, the General Reserve Fund, and the Reserve Maintenance Fund.

A 2009B Account of the Debt Service Fund is being created for the purpose of depositing and disbursing funds for payment of debt service on the 2009B Bonds.

RESERVE MAINTENANCE FUND

In each Fiscal Year, after first having made the deposits to the Revenue Fund, Operating Account and Debt Service Fund provided by the provisions described above, the Trustee shall transfer from the Revenue Fund on or before the last Business Day of each month to the credit of the Reserve Maintenance Fund the amount shown in the Annual Capital Budget for the ensuing month. The provisions regarding the Reserve Maintenance Fund are further described in the forepart of this Official Statement under "Security for the 2009B Bonds—Reserve Maintenance Fund."

DEBT SERVICE RESERVE FUND

The Indenture establishes a Debt Service Reserve Fund and provides that a special account within the Debt Service Reserve Fund may be created with respect to each series of Debt Service Reserve Fund Bonds issued under the Indenture and any Supplemental Indenture.

A special account is being established in the Debt Service Reserve Fund in connection with the 2009B Bonds (the "2009B Account"). All earnings on investments held in the 2009B Account shall be transferred to the 2009B Account of the Debt Service Fund, such transfers to be made no less frequently than semi-annually, on the second Business Day preceding each Interest Payment Date.

In each Fiscal Year, after first having made the deposits to the Operating Account, Debt Service Fund and Reserve Maintenance Fund described above, the Trustee shall transfer from the Revenue 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 implied by the Rate Covenant, is intended to occur within eighteen (18) months; and (b) the amount set forth in a Supplemental Indenture if an amount different from the Debt Service Reserve Requirement is required.

To the extent accounts are created in the Debt Service Reserve Fund for Debt Service Reserve Fund Bonds, the funds and DSRF Security, as hereinafter defined, held therein shall be available to make payments required under the 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, maturing principal 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 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 Debt Service Reserve Fund to restore a deficiency in the Debt Service Fund arising with respect to 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 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 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 interest on any 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 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 Debt Service Reserve Fund in lieu of replacing such DSRF Security with another.

GENERAL RESERVE FUND

After first having made the deposits to the Operating Account, Debt Service Fund, Reserve Maintenance Fund and Debt Service Reserve Fund described above, the Trustee shall transfer from the Revenue Fund on or before the last Business Day of each year (or more frequently if the Commission determines that excess funds are on deposit in the Revenue Fund) 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 Debt Service Fund. The provisions regarding the General Reserve Fund are further described in the forepart of this Official Statement under "Security for the 2009B Bonds—General Reserve Fund."

REBATE FUND

The Indenture authorizes the creation of a Rebate Fund. The Commission covenants in the Indenture to calculate and to pay directly to the government of the United States of America all amounts due for payment of "arbitrage rebate" under Section 148(f) of the Code with respect to any 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 under the Indenture for any or all Series of 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 United States of America 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 General Reserve Fund.

ADDITIONAL SECURITY; PARITY WITH OTHER PARITY OBLIGATIONS

Except as otherwise provided or permitted in the Indenture, the Trust Estate securing all Bonds issued under the terms of the 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 Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on any Bonds for federal income tax purposes will not be adversely affected thereby. Moreover, the Commission may provide in a Supplemental Indenture that Bonds issued thereunder are not secured, or are secured only in part or only under certain circumstances, by the Trust Estate.

DEPOSITARIES; INVESTMENT OF MONEYS

Except as otherwise provided in the Indenture, all moneys received by the Commission under the provisions of the Indenture shall be deposited with the Trustee or with one or more Depositaries. All moneys deposited under the provisions of the Indenture with the Trustee or any other Depositary shall be held in trust, credited to the particular fund or account to which such moneys belong and applied only in accordance with the provisions of the Indenture. No moneys shall be deposited with any Depositary, other than the Trustee, in an amount exceeding fifty per centum (50%) of the amount which an officer of such Depositary shall certify to the Commission as the combined capital and surplus of such Depositary. All moneys deposited with the Trustee or any other Depositary under the Indenture shall, to the extent not insured, be secured in the manner required or permitted by applicable law.

Moneys held in any of the funds or accounts under the Indenture may be retained uninvested, if deemed necessary by the Commission, as trust funds and secured as provided above or may be invested in Permitted Investments. All investments made pursuant to the Indenture shall be subject to withdrawal or shall 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 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 to the extent otherwise provided in the applicable Supplemental Indenture.

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 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 held under the Indenture shall be valued by the Trustee at least once annually within thirty days after the end of each Fiscal Year.

EVENTS OF DEFAULT

Each of the following is an "Event of Default" under the Indenture:

(a) Default in the payment of any installment of principal, redemption premium, if any, interest or other amount due on any Bond when the same becomes due and payable;

(b) Default in the payment by the Commission of any other 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 Indenture (other than a default under (a) and (b) above);

(d) The occurrence of any Event of Default under any Supplemental Indenture; or

(e) (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.

No default under paragraph (c) above under "Events of Default" shall constitute an Event of Default 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 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.

REMEDIES UPON DEFAULT

If an Event of Default occurs and is continuing, the Trustee may, and upon the written request to the Trustee by the holder or holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall, subject to the requirement that the Trustee be provided with indemnity satisfactory to it, by written notice to the Commission, declare the principal and interest on of the 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 Trustee may, or the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, may by written notice to the Commission and the Trustee, and subject to the provision to the Trustee of satisfactory indemnity, direct the Trustee to rescind and annul such declaration and its consequences if: (1) there has been paid to or deposited with the Trustee by or for the account of the Commission, or provision satisfactory to the Trustee has been made for the payment of a sum sufficient to pay: (i) all overdue installments of interest on the Bonds; (ii) the principal of and redemption premium, if any, on any Bonds which have become due other than by such declaration of acceleration and interest thereon; (iii) all amounts due on other 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 Trustee under the Indenture, together with the reasonable compensation, expenses, disbursements and advances of the 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.

ADDITIONAL REMEDIES

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 Bonds Outstanding and subject to the requirement that the Trustee be provided with satisfactory indemnity, shall proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Indenture by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained in the Indenture or in aid of the execution of any power in the Indenture granted, or for the enforcement of any other appropriate legal or equitable remedy, and 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 Bondholders under the Bonds or the Indenture.

TRUSTEE MAY FILE PROOFS OF CLAIM

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 Bonds or any property of the Commission, the Trustee (whether or not the principal of the 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 Bonds then Outstanding or for breach of the 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 Indenture. No provision of the Indenture empowers the

Trustee to authorize or consent to or accept or adopt on behalf of any Bondholders any plan of reorganization, arrangement, adjustment or composition affecting any of the 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 the preceding paragraph.

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 Bond Owner pursuant to any right given or action taken under the provisions of the 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 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 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 Reimbursement Agreement) and such declaration has not been rescinded and annulled, there shall be deposited into the 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 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 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 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;

(iii) the payment of any other amounts then owing under the 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 Indenture.

(b) If the principal of and interest on all 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 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 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 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 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 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 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 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 Bonds with respect to which the Event of Default occurred and shall not be required to make payment to any Bond Owner until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

BONDHOLDERS MAY DIRECT PROCEEDINGS

The owners of a majority in aggregate principal amount of the Bonds Outstanding shall, subject to the requirement that the Trustee be provided with satisfactory indemnity, 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 Indenture, provided that such direction shall not be in conflict with any rule of law or the 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 Bondholders not parties to such direction or would subject the Trustee to personal liability or expense. 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 under this provision.

LIMITATIONS ON RIGHTS OF BONDHOLDERS

No Bondholder shall have any right to pursue any other remedy under the Indenture or the 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 all 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 Bonds Outstanding.

The provisions of the preceding paragraph are conditions precedent to the exercise by any Bondholder of any remedy under the Indenture. The exercise of such rights is further subject to the provisions described under "Bondholders May Direct Proceedings" and "Delay or Omission Not Waiver" and certain other provisions of the Indenture. No one or more Bondholders shall have any right in any manner whatever to enforce any right under the Indenture, except in the manner provided in the 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 Indenture for the equal and ratable benefit of the Bondholders of all Bonds Outstanding.

RIGHTS AND REMEDIES CUMULATIVE

No right or remedy in the Indenture conferred 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 Indenture or now or hereafter existing at law, in equity or otherwise. The assertion or employment of any right or remedy under the 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 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 Indenture or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may as deemed expedient, by the Trustee or the Bondholders, as the case may be.

WAIVER OF DEFAULTS

The holders of a majority in aggregate principal amount of the Outstanding Bonds may, by written notice to the Trustee and subject to the requirement that the Trustee be provided with satisfactory indemnity, waive any existing default or Event of Default and its consequences, except an Event of Default under paragraph (a) or (b) under "Events of Default." 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.

Notwithstanding any provision of the Indenture, in no event shall any Person, other than all of the affected Bondholders, have the ability to waive any Event of Default under the Indenture if such event results or may result, in the opinion of Bond Counsel, in interest on any of the Bonds becoming includable in gross income for federal income tax purposes if the interest on such 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 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 Bondholder then Outstanding, provided, however, that except in the instance of an Event of Default described in paragraph (a) or (b) above under "Events of Default," 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 Bondholders, and provided, further, that notice to Bondholders of any Event of Default under paragraph (c) under "Events of Default" shall be subject to the provisions described above relating to cure of such defaults and shall not be given until the grace period has expired.

THE TRUSTEE; QUALIFICATIONS OF TRUSTEE

The Indenture contains provisions relating to the appointment and duties of the Trustee. The trustee under the Indenture shall be a corporation or banking association organized and doing business under the laws of the United States of America 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 at any time the Trustee shall cease to be eligible in accordance with the provision described above, it shall resign promptly in the manner and with the effect specified in the Indenture.

RESIGNATION OR REMOVAL OF TRUSTEE; APPOINTMENT OF SUCCESSOR TRUSTEE

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to the Indenture shall become effective until the acceptance of appointment by the successor Trustee under the Indenture.

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 Bondholder may petition a court of competent jurisdiction for the appointment of a successor Trustee.

Prior to the occurrence and continuance of an Event of Default under the 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 Bonds, 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 Indenture, the holders of a majority in aggregate principal amount of the Outstanding 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 Bonds and the Successor Trustee.

If at any time: (1) the Trustee shall cease to be eligible and qualified under the Indenture and shall fail or refuse to resign after written request to do so by the Commission or the holder of any 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 the immediately preceding paragraph; or (ii) any holder of a Bond then Outstanding may, on behalf of the holders of all Outstanding Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

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 Bonds then Outstanding as listed in the Bond Register. Each such notice shall include the name and address of the applicable corporate trust office of the successor Trustee.

SUPPLEMENTAL INDENTURES WITHOUT BONDHOLDERS' CONSENT

The Indenture provides that 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 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 Indenture or in any Supplemental Indenture; (b) grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee which are not contrary to or inconsistent with the Indenture as then in effect or to subject to the pledge and lien of the Indenture additional revenues, properties or collateral including Defeasance Obligations; (c) add to the covenants and agreements of the Commission in the Indenture other covenants and agreements thereafter to be observed by the Commission or to surrender any right or power in the Indenture reserved to or conferred upon the Commission which are not contrary to or inconsistent with the Indenture as then in effect; (d) permit the appointment of a co-trustee under the Indenture; (e) modify, alter, supplement or amend the Indenture in such manner as shall permit the qualification of the Indenture, if required, under the Trust Indenture Act of 1939, the Securities Act of 1933 or any similar federal statute hereafter in effect; (f) make any other change in the Indenture that is determined by the Trustee not to be materially adverse to the interests of the Bondholders; (g) implement the issuance of Additional Bonds permitted under the Indenture; or (h) if all Bonds in a series are Book Entry Bonds, amend, modify, alter or replace any Letter of Representations as provided in Section 209 of the 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 Indenture.

SUPPLEMENTAL INDENTURES REQUIRING 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 Indenture, but only with the written consent, given as provided in the Indenture, of the holders of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given, and in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the holders of at least a majority in aggregate principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds so affected remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under these provisions. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (a) a change in the terms of stated maturity or redemption of any Bond or of any installment of interest thereon; (b) a reduction in the principal amount of or redemption premium on any Bond or in the rate of interest thereon or a change in the coin or currency in which such 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 Indenture) the lien or pledge granted to the Bondholders under the 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 Bond or Bonds over any other Bond or Bonds, except to the extent permitted in the Indenture; (e) a reduction in the aggregate principal amount of Bonds of which the consent of the Bondholders is required to effect any such modification or amendment; or (f) a change in the provisions of the Indenture provisions relating to amendments and supplements. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available under the Indenture for the payment of the principal of and interest on the 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 the provisions described above shall be given to the Bondholders promptly following the execution thereof.

CONSENTS OF BONDHOLDERS AND OPINIONS

Each Supplemental Indenture executed and delivered pursuant to the provisions described under "Supplemental Indentures Requiring Bondholders' Consent" shall take effect only when and as provided below. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be sent by the Trustee to Bondholders, at the expense of the Commission, by first class mail, postage prepaid, provided that a failure to mail such request shall not affect the validity of the Supplemental Indenture when consented to as provided in the Indenture. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Bondholders of the percentage of Bonds specified above under "Supplemental Indentures Requiring Bondholders' Consent" given as provided in the Indenture, and (b) an opinion of counsel acceptable to the Trustee stating that (1) the execution of such Supplemental Indenture is authorized or permitted by the Indenture and (2) all conditions precedent to the execution and delivery of such Supplemental Indenture have been complied with, and an opinion of Bond Counsel that the execution and performance of such Supplemental Indenture shall not, in and of itself, adversely affect the federal income tax status of any Bonds, the interest on which is not included in gross income for federal income tax purposes. Any such consent shall be binding upon the Bondholder giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor or in lieu thereof (whether or not such subsequent Bondholder has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent holder of such Bonds by filing such revocation with the Trustee prior to the date the Trustee receives the material required in clauses (a) and (b) above.

Notwithstanding anything else in the Indenture, if a Supplemental Indenture is to become on the same date as the date of issuance of Additional Bonds, the consents of the underwriters or purchasers of such Additional Bonds shall be counted for purposes of the Indenture.

The Indenture provides that Bonds which are to be disregarded under the last sentence of the definition of "Outstanding" shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article. At the time of any consent or other action taken under this Article or elsewhere in the Indenture, the Commission shall furnish the Trustee a certificate of a Commission Official, upon which the Trustee may rely, describing all Bonds so to be excluded.

DISCHARGE OF BONDS

If (a) the principal of any Bonds and the interest due or to become due thereon, together with any redemption premium required by redemption of any of the Bonds prior to maturity, shall be paid, or is caused to be paid, or is provided for as described below under "Defeasance," at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with the Indenture, and (b) all of the covenants, agreements, obligations, terms and conditions of the Commission under the Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the 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 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 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 Indenture except for amounts required to pay such Bonds or held unclaimed in respect of Bonds which have matured or been redeemed pursuant to the Indenture.

If payment or provision therefor is made with respect to less than all of the 2009B Bonds of a maturity, the particular 2009B Bonds within such maturity for which provision for payment shall have been made shall be selected by lot or by such other method as the Trustee deems fair and appropriate, and thereupon the Trustee shall take similar action for the release of the Indenture with respect to such 2009B Bonds.

DEFEASANCE

Provision for the payment of 2009B Bonds shall be deemed to have been made when the Trustee holds in the Debt Service Fund (1) cash in an amount sufficient to make all payments (including principal, premium, if any, and interest) specified above with respect to such 2009B Bonds, or (2) direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing), or (3) any combination of cash and obligations described in clause (2) above the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient (together with any earnings thereon) to make all such payments. If provision is to be made for the payment of less than 100% of the 2009B Bonds Outstanding, the Trustee shall have received written confirmation from each Rating Agency then rating the 2009B Bonds at the request of the Commission that any ratings on the 2009B Bonds for which such payment provision is not to be made will remain unaffected by such provision.

Neither the moneys nor the obligations deposited with the Trustee pursuant to this Article shall be withdrawn or used for any purpose other than, and such obligations and moneys shall be segregated and held in trust for, the payment of the principal or redemption price of, premium, if any, on and interest on, the 2009B Bonds (or portions thereof) to be no longer entitled to the lien of this Indenture; provided that such moneys, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the Interest Payment Date next succeeding the date of investment or reinvestment.

Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of 2009B Bonds more than 60 days prior to the date that such 2009B Bonds are to mature or be redeemed, the Trustee shall mail a notice to the Owners of 2009B Bonds for the payment of which such moneys or obligations are being held at their registered addresses stating that such moneys or obligations have been deposited. Such notice shall also be sent by the Trustee to each Rating

Agency then rating the 2009B Bonds at the request of the Commission. Notwithstanding the foregoing, no provision for payment shall be deemed to have been made with respect to any 2009B Bonds which are to be redeemed prior to their stated maturity until such 2009B Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such 2009B Bonds may be redeemed and proper notice of such redemption shall have been given or the Commission shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give proper notice of such redemption.

In the event of a deposit of moneys or obligations for the payment or redemption of the 2009B Bonds described above, the Commission shall cause to be delivered a verification report of an independent, nationally recognized certified public accountant confirming that the above-described requirements have been satisfied. If a forward supply contract is employed in connection with the advance refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.

At such times as a 2009B Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such money or Defeasance Obligations.

NOTICE OF DEFEASANCE

In case any of the Bonds, for the payment of which moneys or Defeasance Obligations have been deposited with the Trustee pursuant to the provisions described above under "Defeasance," 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 Bonds on the redemption date for such Bonds.

In addition to the foregoing notice, in the event such 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 Bondholders that the deposit required by the provisions described above under "Defeasance" has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the 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 Bonds; such further notice shall be given promptly following the making of the deposit required by said provisions; and such further notice also shall be given in the manner set forth in the 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.

If the Commission has retained any rights pursuant to the provisions described above under "Defeasance", notice thereof shall be sent to Bondholders of such Bonds as soon as practicable and not later than any notice required as described above.

AMENDMENT OF INDENTURE

Upon receipt of the consent of the holders of a majority of the aggregate principal amount of the Bonds then Outstanding, the amendments to the Indenture set forth below shall become effective.

(a) The definition of Annual Debt Service in the Indenture will be amended by adding the following clause (5) at the end thereof:

> "(5) 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."

(b) Section 506 of the Indenture will be amended by adding the following paragraph at the end thereof:

> "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."

The holders of the 2009B Bonds as of the date of Supplemental Indenture No. 17, on behalf of themselves, their successors and assigns, have consented irrevocably to such amendments by their purchase of the 2009B Bonds, and such consent is deemed sufficient to satisfy Section 1003 of the Indenture.

APPENDIX D

FORM OF OPINION OF CO-BOND COUNSEL

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APPENDIX D

BELOW IS THE PROPOSED FORM OF OPINION OF CO-BOND COUNSEL EXPECTED TO BE DELIVERED IN CONNECTION WITH THE ISSUANCE OF THE 2009B BONDS

December 22, 2009

RE: Pennsylvania Turnpike Commission
$375,010,000 Turnpike Revenue Bonds, Series B of 2009

TO THE PURCHASERS OF THE BONDS:

We have served as Co-Bond Counsel to the Pennsylvania Turnpike Commission (the "Commission") in connection with the issuance of its $375,010,000 Turnpike Revenue Bonds, Series B of 2009 (the "2009B Bonds"). The 2009B Bonds are issued under and pursuant to an Act of the General Assembly of Pennsylvania approved 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 (collectively with Act 44, the "Enabling Acts"), pursuant to a resolution of the Commission adopted on October 6, 2009 (the "Resolution"), and pursuant to and under an Amended and Restated Trust Indenture dated as of March 1, 2001, between the Commission and U.S. Bank National Association (successor trustee to First Union National Bank), as trustee, as amended and supplemented (as previously amended and supplemented, the "Restated Indenture"), including by a Supplemental Trust Indenture No. 17 dated as of December 1, 2009 (the "Supplemental Indenture," and together with the Restated Indenture, the "Indenture").

The 2009B Bonds are fixed rate bonds dated their date of issuance, and will bear interest from such dated date at the rates, and mature in the amounts and on the dates, set forth in the Official Statement of the Commission related to the 2009B Bonds. The 2009B Bonds will be issued only as fully registered bonds in denominations of $5,000 and integral multiples of $5,000 in excess thereof. The 2009B Bonds are subject to redemption prior to maturity as more fully described in the Indenture.

The 2009B Bonds are being issued to finance a project (the "Project") which consists of financing: (i) the current refunding of the Commission's Variable Rate Demand Turnpike Revenue Bonds, Series U of 2001, Variable Rate Demand Turnpike Revenue Bonds, Series A of 2002 and Variable Rate Demand Turnpike Revenue Bonds, Series B of 2002; (ii) termination payments on certain interest rate swaps related to certain of the bonds being currently refunded; (iii) the funding of necessary reserves to the extent required; and (iv) costs of issuing the 2009B Bonds.

We have examined the proceedings relating to the authorization and issuance of the 2009B Bonds, including, among other things: (a) the Enabling Acts; (b) certified copies of the Resolution and the Indenture; (c) certificates executed by the Commission and the Trustee as to the execution and authentication of the 2009B Bonds; (e) various other certificates executed by the Commission, including a certificate with regard to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"); (f) the opinion of Doreen A. McCall, Esquire, Chief Counsel to the Commission; and (g) the Form 8038-G of the Commission with respect to the 2009B Bonds. In rendering our opinion, we have not undertaken to verify the factual matters set forth in such agreements, certificates and other documents by independent investigation and have relied on the covenants, warranties and representations made by the Commission and the Trustee in such certificates and in the Indenture.

From our examination of the foregoing and such other items as we deem relevant, we are of the opinion that:

1. The Commission is a body corporate and politic, is validly existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and has the corporate power to execute and deliver the Supplemental Indenture and to issue and deliver the 2009B Bonds.

2. The 2009B Bonds have been duly authorized, executed and delivered by the Commission, are valid and binding special obligations of the Commission, payable as to principal, interest and all other obligations thereunder solely from and enforceable only against the revenues and receipts derived from the Trust Estate and any other properties and rights assigned or pledged under the Indenture as security for the debt evidenced by the 2009B Bonds, except as such enforcement may be limited by laws relating to bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws affecting creditors' rights generally and subject to limitations on legal remedies against public entities in the Commonwealth, to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and to the exercise of judicial discretion in appropriate cases.

3. The Supplemental Indenture has been duly authorized, executed and delivered by the Commission and is enforceable against the Commission in accordance with its terms, except as such enforcement may be limited by laws relating to bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws affecting creditors' rights generally and subject to limitations on legal remedies against public entities in the Commonwealth, to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and to the exercise of judicial discretion in appropriate cases.

4. The Trust Estate (as defined in the Indenture) has been duly and validly assigned to the Trustee under the Indenture.

5. Under existing laws of the Commonwealth, the interest on the 2009B Bonds is free from Pennsylvania personal income taxation and Pennsylvania corporate net income taxation, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2009B Bonds or the interest thereon.

6. Interest on the 2009B Bonds is excluded from gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the Commission complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2009B Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. The Commission has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the 2009B Bonds to be includable in gross income retroactive to the date of issuance of the 2009B Bonds. Interest on the 2009B Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, we call to your attention that under the Code, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. We express no opinion regarding any other federal tax consequences relating to the 2009B Bonds or the receipt of interest thereon.

We express no opinion herein on the adequacy, completeness or accuracy of any official statement, placement memorandum or other disclosure document pertaining to the offering of the 2009B Bonds.

We call to your attention that the 2009B Bonds do not pledge the general credit or taxing power of the Commonwealth or any political subdivision, agency or instrumentality of the Commonwealth, nor shall the Commonwealth or any political subdivision, agency or instrumentality thereof be liable for the payment of the principal of or interest on the 2009B Bonds (other than the Commission, to the limited extent described in the Indenture).

This opinion is given as of the date hereof and we express no opinion as to any matter not set forth in the numbered paragraphs herein. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereafter come to our attention or any changes in law which may hereafter occur.

Very truly yours,

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index

APPENDIX E

TOTAL DEBT SERVICE FOR TOLL REVENUE BONDS

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APPENDIX E

ESTIMATED DEBT SERVICE REQUIREMENTS OF THE TURNPIKE REVENUE BONDS[1]

Fiscal Year Ending May 31	Existing Debt Service on Senior Indenture Bonds[2,3,4,5]	2009B Bonds			Aggregate Senior Indenture Debt Service	Aggregate Senior Indenture Debt Service - - Calculated Per Indenture[6]
		Principal	Interest	Total		
2010	$121,466,726	-	-	-	121,466,726	$117,125,071
2011	$140,361,482	-	17,213,831	17,213,831	157,575,313	$157,055,767
2012	$191,538,192	-	18,280,175	18,280,175	209,818,367	$158,242,914
2013	$189,110,943	-	18,280,175	18,280,175	207,391,118	$158,341,308
2014	$199,550,235	-	18,280,175	18,280,175	217,830,410	$171,402,429
2015	$168,347,158	12,370,000	18,280,175	30,650,175	198,997,333	$149,004,687
2016	$114,715,595	12,885,000	17,696,375	30,581,375	145,296,970	$149,006,370
2017	$90,135,008	37,670,000	17,118,625	54,788,625	144,923,633	$148,633,833
2018	$90,177,842	39,430,000	15,291,725	54,721,725	144,899,567	$148,612,367
2019	$91,425,714	40,330,000	13,344,988	53,674,988	145,100,701	$148,812,701
2020	$91,443,468	42,245,000	11,404,988	53,649,988	145,093,456	$148,806,256
2021	$107,800,164	27,805,000	9,384,175	37,189,175	144,989,339	$148,699,339
2022	$107,864,999	29,060,000	8,052,700	37,112,700	144,977,699	$148,686,299
2023	$106,994,947	31,350,000	6,617,700	37,967,700	144,962,647	$148,671,047
2024	$107,551,136	32,330,000	5,063,450	37,393,450	144,944,586	$148,653,786
2025	$107,537,748	33,940,000	3,452,150	37,392,150	144,929,898	$148,640,698
2026	$107,553,470	35,595,000	1,767,050	37,362,050	144,915,520	$148,623,520
2027	$107,558,601	-	-	-	107,558,601	$111,269,401
2028	$75,268,272	-	-	-	75,268,272	$78,977,072
2029	$75,396,311	-	-	-	75,396,311	$79,108,311
2030	$101,195,572	-	-	-	101,195,572	$104,905,572
2031	$101,246,624	-	-	-	101,246,624	$104,959,424
2032	$127,908,294	-	-	-	127,908,294	$127,908,294
2033	$127,951,038	-	-	-	127,951,038	$127,951,038
2034	$128,015,771	-	-	-	128,015,771	$128,015,771
2035	$128,075,836	-	-	-	128,075,836	$128,075,836
2036	$125,193,447	-	-	-	125,193,447	$125,193,447
2037	$123,771,675	-	-	-	123,771,675	$123,771,675
2038	$122,428,161	-	-	-	122,428,161	$122,428,161
2039	$121,328,833	-	-	-	121,328,833	$121,328,833
2040	$40,319,900	-	-	-	40,319,900	$40,319,900
TOTAL	$3,639,233,160	$375,010,000	$199,528,456	$574,538,456	$4,213,771,616	$3,991,755,817

(1) Does not include debt service on Subordinate Bonds issued under the Subordinate Indenture.

(2) 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. Interest on the 2009C Bonds is calculated at 4.0% plus the fixed spread for unhedged bonds and the fixed swap rate plus the fixed spread for the hedged bonds which are swapped to a fixed rate.

(3) 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.

(4) Interest does not reflect anticipated receipt of Federal Subsidy.

(5) Reflects the current refunding described under "PLAN OF FINANCING".

(6) Based on the same assumptions as "Aggregate Senior Indenture Debt Service" except with debt service on the 2009C Bonds calculated as Balloon Indebtedness under the Indenture. See APPENDIX C.

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APPENDIX F

TRAFFIC AND REVENUE STUDY

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January 6, 2009

Mr. Tim Scanlon, P.E.
Project Director
Pennsylvania Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106-7676

Re: Pennsylvania Turnpike 2009 Traffic and Revenue Update Study

Dear Mr. Scanlon:

This letter report summarizes Wilbur Smith Associates' (WSA) work related to updated traffic and revenue projections for the various toll facilities that make up the Pennsylvania Turnpike System (the Turnpike). In addition to considering normal growth forecasts for the Turnpike, this study also analyzes the estimated impacts of various future toll rate increases proposed, or recently implemented, by the Pennsylvania Turnpike Commission (PTC). A 25 percent rate increase was implemented on January 4, 2009; beyond this, three percent annual inflationary adjustments are to be assumed thereafter on or about each January 1st. All of these have been incorporated into the forecasts developed in this report.

The last study conducted by WSA for the PTC was in May 2004. That study was in anticipation of the toll increase which took place on August 1, 2004. Updated traffic modeling and actual experience from the 2004 toll increase were used to estimate likely impacts resulting from the upcoming rate adjustments. Though the 25 percent increase took effect on January 4, 2009, not enough information is available yet to estimate its impact on traffic and toll revenue. In addition, this analysis has taken into account a detailed review of Turnpike traffic trends, trends and forecasts of socioeconomic data, as well as an assessment of the near term impacts of the current economic recession. Traffic and revenue forecasts were developed through 2030. Estimates were developed for cars and trucks separately and for the ticket system and the various barrier toll systems that make up the entire Pennsylvania Turnpike System. Actual Turnpike experience through November 2008 has been incorporated into this study.

Only currently funded Turnpike capital projects are assumed in this study. Several major potential improvements are under study, but not included here. No revenue forecasts have been included in this analysis regarding conversion of the east end of the Turnpike to a barrier system or the potential future direct connection between the Turnpike and Interstate 95 in Philadelphia. Both of these would likely have significant positive revenue impacts should they be implemented. Likewise, full build-out of the

Southern Beltway is not assumed in this study. Only the existing portion and that currently under construction are considered for revenue purposes here. Finally, no additional sections of the Mon Fayette Expressway (PA 43), beyond that already under construction, is assumed in the traffic and revenue projections.

TURNPIKE TRAFFIC AND REVENUE TRENDS

Figure 1 provides an overview of the Turnpike. By far, the greatest proportion of traffic and toll revenue is generated on the I-76/276 East-West section (from Interchange 2 near the Ohio border to Interchange 359 near the New Jersey border) and the Northeastern Extension (from Interchange 20 to Interchange 131). Toll collection on the majority of these two sections is based on a ticket system. The exceptions to this are for Gateway barrier plaza at Interchange 2 and the two northernmost tolling locations on the Northeastern Extension, which are also barrier plazas (Interchanges 122 and 131, in Figure 1).

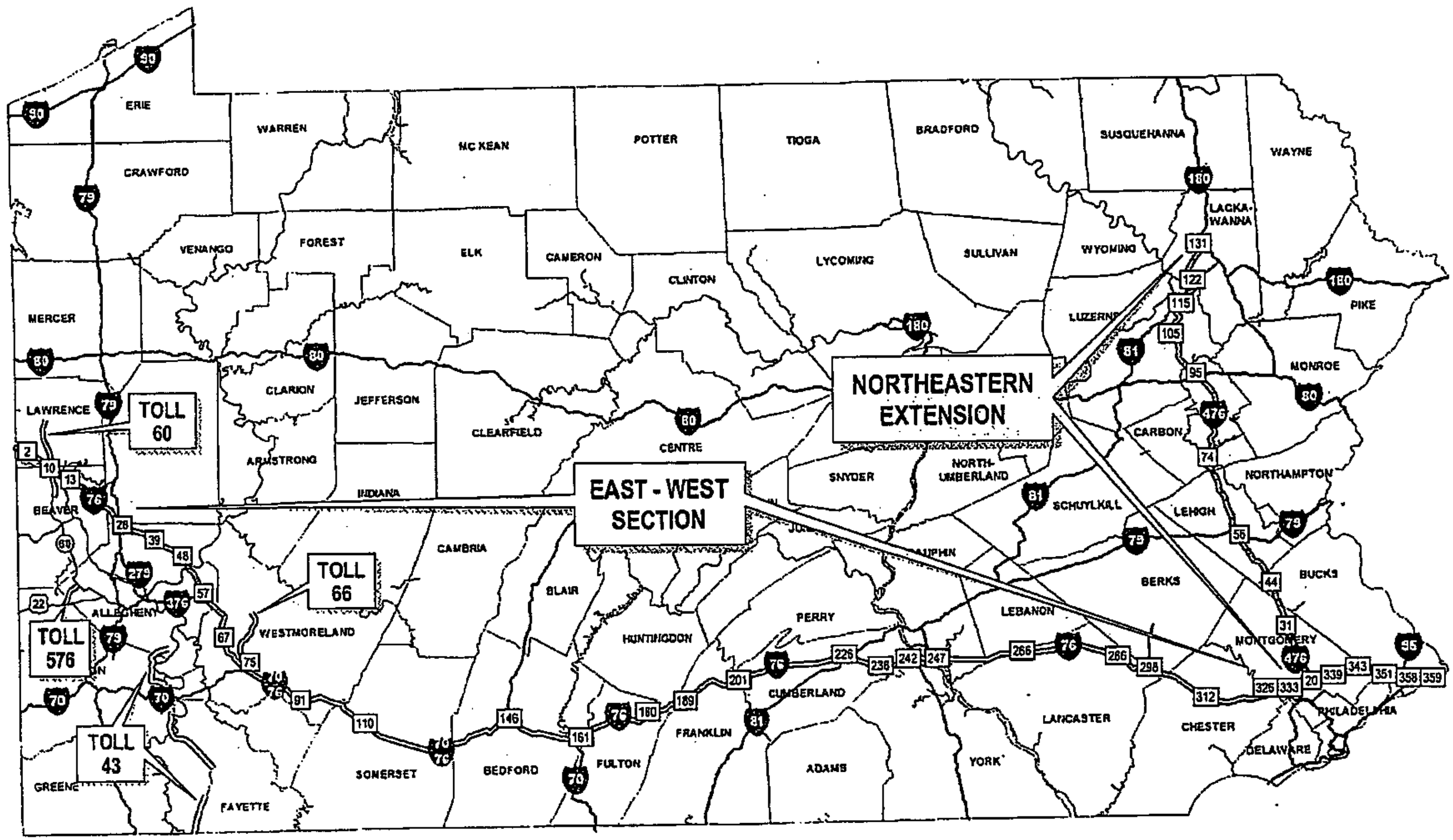
All remaining tolls are collected at fixed barrier locations, though these account for less than 5 percent of total Systemwide toll revenue. In addition to the three barrier locations mentioned above, additional barrier systems include the PA 43, PA 60, PA 66 and PA 576 systems. These are identified in Figure 1.

TICKET SYSTEM TRAFFIC TRENDS BETWEEN 1987 AND 2007

Table 1 identifies average annual daily traffic trends for each of the ticket system locations between 1987 and 2007. Gateway barrier plaza (Interchange 2) is also shown in this table. More recent trends will be discussed in Table 3. 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 1, two-way toll collection was replaced by one-way toll collection at Gateway in 2006. Traffic values in Table 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 in the upper portion of Table 1. Average annual percent changes (AAPC) are shown for various periods. Relatively strong growth was exhibited for the 1987-1993 and 1994-2002 periods (3.7 and 3.4 AAPC, respectively). Growth between 2003 and 2007 averaged only 0.7 percent per year for passenger cars. Low to negative growth was experienced over much of the western half of the tickets system, and low, positive growth was experienced on the eastern section and Northeastern Extension. Average annual passenger car growth on the ticket system has been 3.3 percent over the 20 years of historical trends shown in Table 1.

The second portion of Table 1 shows commercial vehicle historical traffic trends on the ticket system. Over the entire 20 year period, commercial vehicles have grown at an average annual rate very similar to that for passenger cars (3.5 percent for commercial vehicles versus 3.3 percent for passenger cars). But it is interesting to note that commercial vehicle growth was quite low (1.5 percent per annum) during the earliest period shown between 1987 and 1993. On the other hand, commercial vehicle growth was considerably higher than that for passenger cars for the more recent period between 2003 and 2007 (3.4 AAPC for commercial vehicles versus 0.7 AAPC for passenger cars).



STUDY AREA LOCATION MAP

FIGURE 1

Table 1

Summary of Annual Ticket System and Gateway Average Daily Toll Transaction Trends

Pennsylvania Turnpike System

Passenger Cars

Calendar Year	2 [4]	10 [5]	13 [5]	28 [5]	30 [5]	39	48	57	67	75	91	110	146	161	180	189	201	226	236	242
1987 [1]	5,757		1,303	6,169		4,098	6,967	14,302	6,944	7,447	2,022	1,574	1,717	4,858	473	305	343	3,580	1,860	3,186
1988	6,092		1,540	6,631		4,143	6,762	14,732	7,100	7,664	2,172	1,641	1,763	5,239	517	325	389	3,832	2,177	3,468
1989	6,480		1,758	7,088		4,211	7,080	15,319	7,441	7,726	2,242	1,882	1,843	5,535	543	347	385	4,082	2,317	3,708
1990	6,612		1,825	7,363		4,076	7,162	15,577	7,756	7,822	2,098	1,933	1,835	5,593	573	354	420	4,328	2,612	4,035
1991 [2]	6,873		1,740	7,414		4,019	7,196	15,821	7,874	7,765	2,126	1,944	1,943	5,407	570	356	430	4,333	2,672	3,874
1992	6,918		1,654	7,443		4,013	7,199	15,636	7,971	7,628	2,148	1,949	1,827	5,214	568	362	439	4,327	2,726	3,905
1993	6,909		1,581	7,519		4,629	7,235	15,714	8,113	7,519	2,165	1,960	1,822	5,057	564	359	451	4,348	2,797	3,658
1994	7,064	1,536	1,507	7,574		4,635	7,257	15,763	8,236	7,381	2,216	1,978	1,912	4,683	564	373	462	4,254	2,882	3,602
1995	7,288	1,691	1,488	7,538		4,053	7,045	15,687	8,225	7,851	2,311	2,024	2,036	5,109	565	381	477	4,675	3,495	4,165
1996	7,232	1,635	1,316	8,732		4,279	7,602	16,101	8,398	8,646	2,212	2,025	2,135	5,214	568	407	500	4,685	3,565	4,148
1997	7,495	1,811	1,604	8,568		4,443	6,084	16,700	8,566	8,331	2,253	2,030	2,222	5,438	617	428	521	4,281	3,485	4,080
1998	7,815	2,010	1,743	8,211		4,827	7,982	17,291	9,062	8,706	2,352	2,059	2,475	5,697	643	442	548	4,628	3,641	4,255
1999	7,850	2,064	1,759	8,349		5,003	8,488	17,620	9,461	9,684	2,381	1,914	2,738	5,636	673	480	567	4,866	3,869	4,899
2000	7,333	2,164	1,771	9,389		4,938	9,251	17,782	9,533	8,594	2,142	1,646	2,760	5,626	630	453	574	4,732	4,039	5,103
2001	8,056	2,302	1,624	9,940		5,188	8,988	18,337	9,393	8,868	2,236	1,911	2,960	6,331	681	436	591	5,304	4,172	5,861
2002	9,082	2,344	1,860	10,183		5,165	9,266	16,436	9,789	9,396	2,204	2,031	3,225	6,389	700	477	661	5,160	4,580	5,400
2003	13,828				7,374	5,448	9,505	18,770	10,303	9,394	2,253	2,061	3,290	6,620	715	488	679	5,365	4,604	5,781
2004 [3]	16,278				11,588	5,417	9,377	18,508	10,054	9,191	2,239	1,948	3,370	6,713	781	483	679	5,292	4,796	5,734
2005	15,673				11,289	5,154	9,101	18,087	9,437	8,860	2,257	1,892	3,163	6,517	691	448	643	4,939	4,567	5,352
2006	16,385				11,419	5,161	9,129	18,290	9,582	8,779	2,237	1,927	3,037	6,358	678	443	638	4,839	4,502	5,196
2007	16,365				11,940	5,613	9,406	18,190	9,614	8,606	2,476	2,067	3,058	6,216	711	440	662	4,973	4,661	5,265
Average Annual Percent Change																				
1987-93	3.3	NA	2.3	3.3	NA	(0.3)	1.8	1.6	2.8	0.2	1.3	3.4	1.0	0.3	3.0	3.1	4.7	3.3	6.9	2.2
1994-02	3.2	5.3	2.7	3.8	NA	3.2	3.2	2.0	2.2	3.0	(0.1)	0.3	6.8	3.8	2.7	3.1	4.4	2.2	6.1	4.5
2003-07	4.3	NA	NA	NA	12.8	0.8	(0.3)	(0.8)	(1.7)	(1.8)	2.4	0.1	(1.8)	(2.3)	(0.1)	(2.8)	(0.3)	(1.8)	(0.3)	(2.3)
1987-07	5.4	NA	NA	NA	NA	1.6	1.5	1.3	1.6	0.8	1.0	1.4	2.9	1.1	2.0	1.8	3.3	1.7	4.4	2.5

Calendar Year	247	266	286	298	312	326	333	20	339	343	351	356	359	31	44	56	74	95	105	115	Total
1987 [1]	5,648	1,786	3,773	3,850	4,731	20,404	4,519		11,220	13,358	16,229	4,478	12,271	3,874	2,573	6,346	2,176	2,982	1,787	1,869	198,098
1988	6,210	1,944	4,120	3,767	5,302	21,518	10,328		12,265	14,718	17,893	4,782	13,406	4,127	3,907	6,498	2,318	3,018	1,638	1,752	215,854
1989	6,579	2,053	4,471	3,848	5,856	21,044	12,747		13,306	16,015	20,211	5,180	14,589	4,362	4,232	6,817	2,417	2,854	1,618	1,767	232,270
1990	7,129	2,179	4,807	3,858	6,279	22,948	13,551		13,601	16,874	21,292	5,068	14,168	4,528	3,927	7,290	2,433	2,831	1,887	1,778	238,874
1991 [2]	7,164	2,212	4,750	4,001	6,439	22,820	12,673		14,473	17,576	21,668	5,065	14,113	5,181	4,141	7,764	2,551	3,020	1,970	2,010	241,388
1992	7,182	2,241	4,887	4,035	6,587	21,881	10,730		15,282	18,267	21,995	5,090	14,026	5,836	4,358	8,248	2,668	3,105	2,053	2,288	242,810
1993	7,241	2,283	5,056	4,092	6,775	21,006	9,582		16,186	18,100	22,458	5,065	14,079	6,825	4,615	8,811	2,609	3,211	2,152	2,608	246,130
1994	7,262	2,319	5,220	4,139	6,950	20,122	8,553	22,910	17,125	19,576	22,878	5,060	13,879	7,630	4,877	8,347	2,848	3,213	2,250	2,966	273,639
1995	7,508	2,363	5,453	4,224	7,070	20,707	8,575	25,569	18,179	21,963	24,361	5,024	14,248	8,258	5,067	8,907	3,058	3,387	2,308	3,170	287,342
1996	7,989	2,500	5,490	4,330	8,723	21,092	9,298	26,958	18,335	22,370	24,750	5,215	14,965	8,760	5,344	10,534	3,261	3,603	2,329	3,232	295,564
1997	7,881	2,643	5,729	4,844	7,311	21,337	9,912	28,430	18,612	22,902	25,685	5,291	14,829	9,980	5,585	11,218	3,482	3,832	2,442	3,401	306,765
1998	6,400	2,867	6,841	5,253	7,838	22,340	10,337	29,805	20,185	23,207	26,258	5,422	15,212	10,984	6,250	11,290	3,700	4,003	2,550	3,548	320,488
1999	6,818	2,987	6,086	5,513	6,361	21,643	10,565	29,828	20,031	22,357	26,089	5,476	15,450	11,187	6,528	11,843	3,865	4,159	2,583	3,587	326,504
2000	8,904	3,037	6,342	6,061	6,824	21,531	10,585	30,770	19,967	23,085	26,685	5,373	15,965	11,381	6,880	12,558	3,697	4,144	2,611	3,592	336,117
2001	9,125	3,214	6,472	6,167	8,437	24,784	11,335	31,945	21,056	23,752	27,653	5,317	16,349	11,430	6,693	13,363	4,137	4,151	2,716	3,897	345,535
2002	9,738	3,381	6,656	6,862	10,008	25,264	11,901	33,408	21,360	24,197	28,358	5,478	16,763	12,411	6,881	13,905	4,323	4,413	2,858	4,042	358,919
2003	10,217	3,563	6,854	7,201	10,421	26,526	12,257	34,130	22,140	24,650	29,503	5,753	17,532	12,939	7,378	14,528	4,442	4,568	2,946	4,013	369,305
2004 [3]	10,256	3,685	7,207	7,358	10,455	28,231	12,686	35,753	23,015	25,718	30,084	6,011	18,086	13,168	7,826	15,792	4,681	5,020	3,243	4,256	383,734
2005	9,817	3,643	6,989	7,335	10,291	28,201	11,881	35,452	21,709	25,152	29,503	5,856	17,844	12,947	7,950	15,064	4,562	4,722	3,033	4,051	374,387
2006	9,553	3,602	7,185	7,457	10,558	28,173	11,455	36,080	21,581	24,609	29,433	5,854	17,635	13,034	8,149	15,318	4,657	4,750	3,060	4,047	374,869
2007	9,902	3,740	7,397	7,448	11,011	27,069	11,312	36,359	21,203	20,054	29,917	5,917	17,727	13,304	8,235	15,841	4,796	4,761	3,186	4,043	378,734
Average Annual Percent Change																					
1987-93	3.6	4.1	6.0	1.9	6.2	0.5	11.7	NA	6.3	6.1	5.8	2.1	2.1	8.9	4.4	6.5	4.3	1.2	3.1	7.5	3.7
1994-02	3.7	4.6	3.1	6.2	4.7	2.8	4.2	4.6	2.6	2.5	2.8	1.0	2.3	5.9	4.6	4.9	4.8	3.8	3.0	3.9	3.4
2003-07	(0.8)	0.5	1.6	0.6	1.4	0.1	(2.1)	1.8	(1.1)	1.2	0.3	0.7	0.3	0.7	2.8	1.8	1.9	0.8	2.0	0.2	0.7
1987-07	2.7	3.7	3.4	3.6	4.3	1.4	4.2	NA	3.3	3.4	3.1	1.4	1.8	6.4	4.3	4.8	4.0	2.4	2.9	4.6	3.3

Commercial Vehicles

Calendar Year	2 [4]	10 [5]	13 [5]	28 [5]	30 [5]	39	48	57	67	75	91	110	146	161	180	189	201	226	236	242
1987 [1]	2,372		377	1,291		382	767	1,181	541	3,006	189	806	609	1,621	110	88	97	2,083	286	401
1988	2,422		411	1,347		411	829	1,246	572	3,215	205	858	630	1,828	113	100	104	2,246	317	458
1989	2,491		436	1,400		433	881	1,334	619	3,307	219	883	612	2,018	116	111	107	2,325	347	608
1990	2,379		404	1,385		390	680	1,314	664	3,337	207	876	636	1,854	107	105	112	2,340	348	520
1991 [2]	2,370		371	1,372		389	669	1,321	684	3,292	205	858	641	1,906	111	99	111	2,318	365	520
1992	2,358		345	1,355		368	636	1,206	652	3,278	200	839	644	1,918	114	83	110	2,286	381	536
1993	2,355		322	1,346		300	648	1,216	665	3,206	202	824	651	1,938	119	86	110	2,258	399	548
1994	2,348	225	304	1,334		391	679	1,344	665	3,154	201	808	657	1,953	123	83	109	2,247	417	555
1995	2,404	241	274	1,302		412	820	1,361	655	3,300	189	851	694	2,041	130	81	113	2,650	517	635
1996	2,374	281	285	1,433		413	850	1,419	645	3,400	195	874	695	2,115	124	88	103	2,818	478	629
1997	2,449	302	303	1,502		437	645	1,471	708	3,548	202	691	721	2,205	130	90	113	2,454	478	636
1998	2,605	314	293	1,576		472	983	1,534	745	3,769	211	725	823	2,390	136	95	117	2,789	478	665
1999	2,648	363	324	1,690		518	1,042	1,635	810	4,059	238	808	1,062	2,711	137	102	124	3,030	516	771
2000	2,649	384	334	1,708		528	1,057	1,682	809	4,136	228	710	1,145	2,729	151	104	135	3,072	536	802
2001	2,709	394	315	1,683		521	1,032	1,663	809	4,096	220	712	1,188	2,672	146	98	143	3,121	544	812
2002	3,037	402	303	1,670		523	1,027	1,806	826	4,161	253	734	1,312	2,753	160	100	151	3,196	569	854
2003	4,259				1,665	513	1,048	1,591	837	4,255	267	729	1,375	2,840	173	106	161	3,359	619	895
2004 [3]	3,447				3,198	536	1,075	1,653	849	4,345	318	729	1,454	2,848	198	105	186	3,471	632	1,070
2005	5,780				3,340	552	1,072	1,660	857	4,345	282	710	1,350	2,903	205	105	215	3,430	688	1,119
2006	5,285				3,371	537	1,061	1,706	853	4,389	288	715	1,332	2,835	218	107	214	3,483	723	1,164
2007	5,403				3,505	575	1,177	1,735	894	4,478	308	743	1,337	2,910	230	108	227	3,546	774	1,194
Average Annual Percent Change																				
1987-93	0.2	NA	(2.6)	0.7	NA	(0.1)	1.7	0.5	3.5	1.1	1.4	0.5	1.1	1.1	1.3	(0.2)	2.1	1.4	6.7	5.3
1994-02	2.6	7.5	(0.1)	2.8	NA	3.7	2.6	2.2	2.7	3.5	2.9	3.4	9.0	4.4	3.4	2.3	4.2	4.5	4.0	5.6
2003-07	6.1	NA	NA	NA	17.1	2.8	2.9	2.2	1.7	1.3	3.4	0.5	(0.8)	0.8	7.4	(0.2)	8.3	1.4	5.7	4.6
1987-07	4.3	NA	NA	NA	NA	1.3	2.2	1.9	2.5	2.0	2.3	1.0	4.0	2.4	3.8	1.0	4.4	2.7	5.1	5.5

Calendar Year	247	266	286	298	312	326	333	20	339	343	351	356	359	31	44	56	74	95	105	115	Total
1987 [1]	908	208	661	317	618	2,227	1,620		768	1,101	2,034	932	2,283	547	387	1,183	206	396	65	441	32,808
1988	1,082	225	635	531	692	2,391	1,101		835	1,187	2,174	896	2,519	589	444	1,131	233	413	92	445	35,157
1989	1,128	241	945	637	765	2,535	1,097		677	1,282	2,328	1,022	2,684	630	483	1,163	255	467	94	432	36,872
1990	1,143	305	904	520	748	2,530	1,144		671	1,258	2,382	991	2,561	604	382	1,163	241	436	94	465	36,474
1991 [2]	1,164	285	921	548	732	2,437	667		898	1,278	2,369	1,019	2,436	683	399	1,255	250	478	97	543	36,220
1992	1,183	271	837	576	714	2,341	656		977	1,298	2,342	1,027	2,312	726	416	1,326	258	517	100	632	35,848
1993	1,206	285	938	610	700	2,065	493		980	1,323	2,328	1,031	2,208	800	436	1,409	258	566	104	738	35,813
1994	1,231	281	978	645	684	2,182	378	2,435	982	1,347	2,308	1,073	2,099	800	459	1,453	275	618	106	663	36,661
1995	1,260	258	978	675	679	2,268	415	2,619	1,005	1,404	2,353	1,112	2,125	936	490	1,582	311	674	107	901	40,673
1996	1,273	282	813	630	616	2,375	427	2,830	1,035	1,471	2,371	1,162	2,179	1,005	493	1,713	342	776	114	944	41,668
1997	1,378	316	1,058	629	678	2,495	452	3,052	1,083	1,541	2,589	1,199	2,240	1,097	541	1,911	357	837	122	1,038	44,073
1998	1,479	358	1,025	681	740	2,670	473	3,258	1,152	1,528	2,691	1,242	2,364	1,143	615	2,061	386	899	125	1,113	47,121
1999	1,574	400	1,123	968	798	2,708	514	3,406	1,200	1,627	2,814	1,383	2,510	1,216	648	2,250	406	1,038	131	1,160	50,682
2000	1,558	389	1,305	597	839	2,727	532	3,573	1,198	1,680	2,851	1,352	2,716	1,242	676	2,380	429	1,113	141	1,162	52,008
2001	1,517	418	1,323	783	844	2,868	504	3,470	1,227	1,623	2,880	1,332	2,722	1,202	633	2,336	418	1,078	142	1,140	51,538
2002	1,567	452	1,336	1,634	901	2,894	572	3,707	1,323	1,748	3,071	1,420	2,871	1,249	689	2,443	461	1,138	165	1,241	53,929
2003	1,718	499	1,437	1,149	935	3,137	598	3,839	1,373	1,877	3,204	1,624	3,206	1,319	842	2,882	485	1,169	178	1,250	57,480
2004 [3]	1,812	501	1,482	1,194	971	3,300	618	4,124	1,406	2,040	3,288	1,737	3,613	1,387	889	2,633	496	1,239	205	1,336	62,649
2005	1,855	518	1,481	1,160	967	3,406	626	4,187	1,453	2,102	3,338	1,607	3,754	1,408	887	2,909	526	1,227	209	1,340	63,770
2006	1,854	538	1,537	1,182	996	3,486	611	4,320	1,424	2,119	3,374	1,610	3,760	1,428	951	3,051	546	1,282	210	1,329	64,108
2007	1,863	649	1,572	1,186	1,058	3,446	638	4,433	1,480	2,210	3,397	1,613	3,949	1,505	990	3,138	556	1,335	218	1,358	65,736
Average Annual Percent Change																					
1987-93	3.7	4.1	3.6	2.6	2.2	(1.1)	(11.2)	NA	3.6	3.1	2.4	2.0	(0.6)	6.5	1.7	4.2	4.5	6.1	3.4	8.8	1.5
1994-02	3.1	7.1	4.0	6.1	3.5	3.6	5.3	5.4	3.7	3.3	3.6	3.6	4.4	4.5	5.2	6.3	6.5	7.9	5.4	4.7	4.2
2003-07	2.0	2.4	2.3	0.9	3.1	2.4	1.8	3.7	0.5	4.2	1.5	2.8	4.5	3.4	4.1	4.8	5.4	3.4	5.6	2.1	3.4
1987-07	3.3	5.0	3.4	4.2	2.7	2.2	(2.3)	NA	3.1	3.5	2.6	3.4	2.8	5.2	4.7	5.4	5.5	6.3	4.8	5.8	3.5

Total Vehicles

Calendar Year	2 [4]	10 [5]	13 [5]	28 [5]	30 [5]	39	48	57	67	75	91	110	146	161	180	189	201	226	236	242
1987 [1]	8,079		1,759	7,480		4,480	7,334	15,483	7,485	10,455	2,200	2,180	2,326	6,777	585	395	440	5,663	2,266	3,586
1988	8,514		1,951	7,838		4,554	7,611	15,978	7,672	10,879	2,377	2,299	2,423	7,167	630	425	473	6,078	2,494	3,926
1989	6,971		2,197	8,488		4,643	7,961	16,653	8,060	11,033	2,461	2,365	2,481	7,554	655	458	492	6,410	2,664	4,316
1990	9,191		2,229	8,748		4,405	8,062	16,891	8,422	11,259	2,306	2,809	2,591	7,487	680	457	532	6,668	2,961	4,555
1991 [2]	9,243		2,111	8,786		4,408	8,067	16,942	8,558	11,077	2,331	2,802	2,584	7,313	681	455	541	6,649	3,037	4,393
1992	9,272		1,999	8,800		4,401	8,052	16,842	8,623	10,906	2,352	2,588	2,471	7,132	683	445	549	6,613	3,107	4,441
1993	9,264		1,903	8,865		4,419	8,953	16,930	8,778	10,725	2,367	2,590	2,573	6,996	683	445	561	6,615	3,196	4,404
1994	9,412	1,761	1,811	8,908		4,426	8,096	17,107	8,901	10,535	2,417	2,586	2,569	6,645	687	456	571	6,501	3,279	4,357
1995	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1996	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1997	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1998	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1999	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2000	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2001	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2002	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2003	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2004 [3]	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2005	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2006	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2007	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Annual Percent Change																				
1987-93	2.3	NA	1.3	2.5	NA	(0.2)	1.5	1.5	2.7	0.4	1.3	2.8	1.7	0.3	2.7	2.4	4.1	2.8	5.9	3.4
1994-02	2.1	5.8	2.3	3.5	NA	3.2	3.2	2.0	2.2	3.1	0.2	0.8	7.4	4.0	2.8	3.0	4.5	3.0	5.8	4.6
2003-07	4.7	NA	NA	NA	13.7	0.5	0.1	(0.5)	(1.4)	(0.7)	2.5	0.2	(1.5)	(1.4)	1.5	(2.1)	1.6	(0.8)	0.1	(1.2)
1987-07	5.1	NA	NA	NA	NA	1.6	1.8	1.3	1.7	1.2	1.3	1.3	3.2	1.5	2.4	1.6	3.4	2.1	4.5	3.0

Calendar Year	247	266	286	298	312	326	333	20	339	343	351	356	359	31	44	56	74	95	105	115	Total
1987 [1]	6,617	2,006	4,574	4,167	5,347	22,631	5,850		11,988	14,457	18,253	5,410	14,654	4,421	3,970	7,489	2,382	3,378	1,872	2,130	230,907
1988	7,272	2,169	5,016	4,298	5,994	23,909	11,430		13,100	15,905	20,067	5,758	15,927	4,715	4,351	7,629	2,551	3,431	1,820	2,197	251,021
1989	7,708	2,294	5,416	4,385	6,721	25,579	13,844		14,182	17,277	22,538	6,182	17,333	4,992	4,715	7,780	2,672	3,421	1,910	2,219	269,142
1990	8,272	2,484	5,511	4,478	7,026	28,478	14,695		14,582	18,132	23,684	6,059	16,729	5,132	4,309	8,453	2,674	3,267	1,981	2,243	276,348
1991 [2]	8,328	2,497	5,671	4,549	7,171	25,257	13,340		15,372	18,854	24,035	6,075	16,549	5,854	4,540	9,018	2,801	3,496	2,087	2,561	277,608
1992	8,365	2,512	5,824	4,611	7,301	24,222	11,388		16,149	19,565	24,337	6,077	16,338	6,562	4,774	9,574	2,927	3,622	2,153	2,916	278,658
1993	8,449	2,547	6,015	4,702	7,475	23,094	10,081		17,166	20,423	24,786	6,116	16,225	7,625	5,051	10,220	3,071	3,777	2,256	3,346	281,943
1994	8,513	2,590	6,198	4,784	7,634	22,304	8,931	25,345	18,107	21,273	25,184	6,141	16,078	8,710	5,336	10,800	3,123	3,831	2,356	3,828	312,720
1995	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	328,015
1996	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	337,433
1997	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	350,838
1998	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	367,607
1999	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	377,186
2000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	382,128
2001	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	387,134
2002	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	412,835
2003	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	426,784
2004 [3]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	446,383
2005	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	438,166
2006	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	438,975
2007	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	445,530
Average Annual Percent Change																					
1987-93	3.6	4.1	4.7	2.0	5.7	0.3	9.2	NA	6.1	5.8	5.2	2.1	1.7	9.5	4.1	6.3	4.4	1.8	3.2	7.6	3.4
1994-02	3.8	6.1	3.2	6.2	4.6	3.0	4.3	4.5	2.8	2.5	2.9	1.5	2.8	5.8	4.6	5.1	5.0	4.4	3.2	4.1	3.5
2003-07	(0.4)	0.8	1.7	0.8	1.5	0.4	(1.9)	2.0	(1.0)	1.4	0.5	1.3	1.0	1.8	2.8	2.3	2.4	1.4	2.2	0.6	1.1
1987-07	2.8	3.8	3.4	3.7	4.2	1.5	3.5	NA	3.3	3.4	3.1	1.8	3.0	6.2	4.3	4.7	4.2	3.0	3.6	4.8	3.3

(1) A toll increase of 40% was implemented on January 2, 1987.
(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) 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.
(5) 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.

Total vehicle traffic trends are shown in the lower portion of Table 1. Because passenger cars make up about 85 percent of total ticket system toll transactions, the trends and growth rates for total vehicles closely mirror those for passenger cars. It should also be noted that three toll increases have occurred over the time frame shown in Table 1. Rate increases were implemented in 1987, 1991 and 2004. These would have had some negative impact on traffic levels and this will be discussed in more detail below.

BARRIER SYSTEM TRAFFIC TRENDS BETWEEN 1994 AND 2007

Table 2 identifies average annual daily traffic trends for each of the Turnpike barrier systems. As mentioned above, these contribute relatively little to overall traffic and revenue (about 15 percent of traffic and 5 percent of revenue), but, as shown in Table 2, they have been growing at a slightly greater level than the ticket system. The higher growth in these corridors is likely related to the fact that they are newer facilities than the ticket system, and that the potential for "induced" and "ramp-up" growth is greater. These facilities tend to be on the fringe of urban areas and are benefiting from the increasing spread of development into their corridors.

Table 2
Barrier System: Average Daily Transactions by Interchange
Pennsylvania Turnpike

Passenger Cars

Calendar Year	Northeastern Facilities: Keiser Ave.	Clarks Summit	Subtotal	Toll 60[3]: South Toll 60	Beaver Falls Rte 551	Mercer Rte 168	North Toll 60	Mt Jackson Rte 108	Subtotal	Toll 66[4]: Rte 136	AKH Mainline	Route 30	Route 130	Route 66	Subtotal	Mon Fayette: Ramp M4	M5	California	Ramp M29	Ramp M44	Ramp M48	M52	Subtotal	Southern Beltway: Route 30	Bald Knob Rd	Route 72	Subtotal	Total Barrier Facilities
1994	0	2,831	2,831	6,065	271	481	3,915	720	12,352	295	5,754	1,841	822	413	8,925			5,436					5,436					29,544
1995	4,803	5,177	9,980	7,258	319	520	4,130	826	13,063	303	6,411	1,877	873	450	10,023			5,942					5,942					39,008
1996	6,491	6,814	13,305	7,887	334	546	4,814	1,097	14,488	366	7,259	2,191	1,017	501	11,334			6,714					6,714					45,841
1997	6,941	7,281	14,222	8,407	338	570	4,964	1,211	15,497	413	8,081	2,471	1,190	523	12,678			7,314					7,314					49,711
1998	6,481	6,709	13,230	8,724	355	613	5,192	1,313	16,201	437	8,911	3,020	1,123	527	14,018			6,643					6,643					50,092
1999	5,686	5,844	11,530	8,798	370	610	5,298	1,385	16,461	469	8,850	3,105	886	458	13,848			7,312					7,312					49,151
2000	5,527	5,642	11,169	9,008	382	619	5,481	1,454	16,944	479	9,283	3,390	893	455	14,499			6,274					6,274					50,886
2001	5,622	5,847	11,469	9,390	399	682	5,856	1,606	17,943	518	9,613	3,751	1,001	516	15,399	29	1,559	8,437	954				11,050					55,861
2002[1]	5,948	6,169	12,117	9,586			6,021		15,607		10,044				10,044	29	1,726	6,882	1,360				8,669					48,437
2003	6,274	6,492	12,766	9,782			6,176		15,958		10,476				10,476	30	1,794	2,728	1,768			5,689	12,008					51,205
2004[2]	6,719	6,747	13,466	9,821			6,385		16,206		10,858				10,858	29	1,884	8,365	906	736	2,543	6,376	21,780					62,320
2005	6,489	6,519	13,008	9,896			6,812		16,708		11,123				11,123	26	1,873	9,368	868	720	2,790	6,746	22,483					63,329
2006	6,573	6,545	13,117	9,854			7,047		16,901	217	12,053	861	226	117	13,473	32	2,060	9,754	963	768	2,936	7,099	23,602	80	59	533	671	67,765
2007	6,736	6,740	13,476	10,334	434	756	7,524	1,277	20,326	597	12,308	2,089	1,260	580	17,633	39	2,151	10,224	1,030	746	3,213	7,178	24,581	166	283	2,014	3,363	79,370
Average Annual Percent Change																												
1994[5] - 00	2.8	1.7	2.3	4.4	5.9	4.3	5.8	12.4	5.4	8.4	8.3	12.6	1.4	1.8	8.4	NA	NA	7.3	NA	NA	NA	NA	7.3	NA	NA	NA	NA	9.6
2000 - 07	2.9	2.6	2.7	2.0	1.9	2.9	4.6	(1.8)	2.6	3.2	4.1	(2.3)	5.0	3.5	2.8	NA	NA	3.1	NA	NA	NA	NA	18.6	NA	NA	NA	NA	6.6
1994[5] - 07	2.9	2.2	2.5	3.1	3.7	3.6	5.2	4.5	3.9	5.6	6.0	4.4	3.3	2.6	5.4	NA	NA	5.0	NA	NA	NA	NA	12.3	NA	NA	NA	NA	7.8

Commercial Vehicles

Calendar Year	Northeastern Facilities: Keiser Ave.	Clarks Summit	Subtotal	Toll 60[3]: South Toll 60	Beaver Falls Rte 551	Mercer Rte 168	North Toll 60	Mt Jackson Rte 108	Subtotal	Toll 66[4]: Rte 136	AKH Mainline	Route 30	Route 130	Route 66	Subtotal	Mon Fayette: Ramp M4	M5	California	Ramp M29	Ramp M44	Ramp M48	M52	Subtotal	Southern Beltway: Route 30	Bald Knob Rd	Route 72	Subtotal	Total Barrier Facilities
1994	0	480	480	719	35	36	409	53	1,252	134	908	141	58	66	1,305	0	0	227	0				227					3,264
1995	782	941	1,723	819	34	60	491	50	1,454	150	1,074	157	29	27	1,306	0	0	248	0				248					4,821
1996	1,113	1,272	2,385	986	39	72	614	85	1,796	169	1,215	172	30	30	1,616	0	0	280	0				280					6,077
1997	1,163	1,349	2,512	1,110	44	93	681	101	2,029	222	1,457	225	35	35	1,974	0	0	305	0				305					6,820
1998	1,038	1,255	2,293	1,147	45	81	725	109	2,117	198	1,518	256	38	32	2,040	0	0	277	0				277					6,727
1999	938	1,125	2,061	1,263	52	85	793	118	2,311	230	1,557	268	50	29	2,129	0	0	305	0				305					6,806
2000	919	1,118	2,037	1,301	51	93	863	138	2,446	241	1,729	295	67	27	2,360	0	0	345	0				345					7,188
2001	892	1,142	2,034	1,359	65	144	874	141	2,583	232	1,873	345	75	28	2,353	2	119	352	30				501					7,471
2002[1]	905	1,049	1,954	1,332			872		2,204		1,743				1,743	2	135	218	41				395					6,296
2003	818	857	1,675	1,304			870		2,174		1,813				1,813	1	161	84	52			92	382					6,244
2004[2]	838	831	1,669	1,328			911		2,239		1,818				1,818	1	135	314	23	37	107	107	724					6,650
2005	1,092	1,038	2,130	1,353			915		2,268		1,872				1,872	1	136	303	23	34	82	118	697					6,967
2006	1,227	1,112	2,339	1,311			998		2,309	126	1,835	142	17	5	2,226	1	150	321	26	42	58	109	707	2	1	24	28	7,608
2007	1,408	1,162	2,570	1,490	36	96	1,133	99	2,854	211	2,070	290	38	16	2,623	1	140	384	32	48	65	111	779	18	20	210	248	9,074
Average Annual Percent Change																												
1994[5] - 00	3.3	3.5	3.4	10.4	6.5	17.1	13.3	17.3	11.8	10.3	11.3	13.2	3.0	(13.8)	10.4	NA	NA	7.2	NA	NA	NA	NA	7.2	NA	NA	NA	NA	14.1
2000 - 07	6.3	0.6	3.4	2.0	(4.7)	0.5	4.0	(4.8)	2.2	(1.9)	2.8	(0.3)	(7.9)	(7.7)	1.5	NA	NA	1.6	NA	NA	NA	NA	12.3	NA	NA	NA	NA	3.4
1994[5] - 07	5.0	1.9	3.4	5.8	0.3	7.9	8.2	4.8	6.5	3.5	6.5	6.7	(3.0)	(10.6)	5.5	NA	NA	4.1	NA	NA	NA	NA	10.0	NA	NA	NA	NA	8.2

Total Vehicles

Calendar Year	Northeastern Facilities: Keiser Ave.	Clarks Summit	Subtotal	Toll 60[3]: South Toll 60	Beaver Falls Rte 551	Mercer Rte 168	North Toll 60	Mt Jackson Rte 108	Subtotal	Toll 66[4]: Rte 136	AKH Mainline	Route 30	Route 130	Route 66	Subtotal	Mon Fayette: Ramp M4	M5	California	Ramp M29	Ramp M44	Ramp M48	M52	Subtotal	Southern Beltway: Route 30	Bald Knob Rd	Route 72	Subtotal	Total Barrier Facilities
1994	0	3,311	3,311	7,684	306	517	4,324	773	13,604	429	6,602	1,782	878	479	10,230	0	0	5,663	0	0	0	0	5,663	0	0	0	0	32,808
1995	5,585	6,118	11,703	8,087	353	580	4,621	876	14,517	462	7,435	2,134	902	486	11,419	0	0	6,190	0	0	0	0	6,190	0	0	0	0	43,829
1996	7,604	8,086	15,690	8,883	373	618	5,228	1,182	16,284	635	8,474	2,383	1,047	631	12,950	0	0	6,994	0	0	0	0	6,994	0	0	0	0	51,918
1997	8,104	8,630	16,734	9,517	380	672	5,645	1,312	17,526	635	9,538	2,698	1,225	558	14,652	0	0	7,619	0	0	0	0	7,619	0	0	0	0	56,531
1998	7,499	8,024	16,523	9,871	404	704	5,917	1,422	18,318	633	10,429	3,276	1,161	550	16,058	0	0	6,920	0	0	0	0	6,920	0	0	0	0	56,818
1999	6,622	6,969	13,591	10,061	422	805	6,091	1,500	18,772	699	10,402	3,373	1,016	487	15,977	0	0	7,617	0	0	0	0	7,617	0	0	0	0	55,957
2000	6,446	6,760	13,206	10,309	433	712	6,344	1,592	19,390	719	11,012	3,686	980	482	16,859	0	0	6,619	0	0	0	0	6,619	0	0	0	0	58,074
2001	6,514	6,989	13,503	10,749	464	826	6,740	1,747	20,526	750	11,286	4,096	1,076	544	17,752	31	1,778	8,789	984	0	0	0	11,582	0	0	0	0	63,363
2002[1]	6,853	7,219	14,072	10,917	0	0	6,893	0	17,811	0	11,787	0	0	0	11,787	31	1,862	5,800	1,401	0	0	0	9,063	0	0	0	0	52,733
2003	7,192	7,449	14,641	11,085	0	0	7,048	0	18,132	0	12,288	0	0	0	12,288	31	1,945	2,812	1,819	0	0	5,781	12,387	0	0	0	0	57,449
2004[2]	7,657	7,678	15,335	11,149	0	0	7,296	0	18,445	0	12,676	0	0	0	12,676	30	2,020	9,079	929	773	2,649	6,433	22,513	0	0	0	0	68,970
2005	7,581	7,557	15,138	11,249	0	0	7,727	0	18,976	0	12,995	0	0	0	12,995	28	2,110	9,669	891	753	2,872	6,863	23,186	0	0	0	0	70,295
2006	7,800	7,656	15,456	11,165	0	0	8,044	0	19,210	343	13,988	1,003	243	122	15,699	33	2,210	10,075	989	789	2,995	7,208	24,309	82	60	657	799	75,373
2007	8,144	7,903	16,047	11,824	471	853	8,658	1,375	23,180	808	14,376	3,178	1,298	595	20,256	40	2,292	10,608	1,062	792	3,277	7,289	25,360	184	303	3,124	3,611	88,453
Average Annual Percent Change																												
1994[5] - 00	2.9	2.0	2.4	5.0	6.0	5.5	6.6	12.8	6.1	9.0	8.7	12.9	1.5	0.1	8.7	NA	NA	7.3	NA	NA	NA	NA	7.3	NA	NA	NA	NA	10.0
2000 - 07	3.4	2.3	2.8	2.0	1.2	2.6	4.5	(2.1)	2.6	1.7	3.9	(2.1)	4.4	3.1	2.7	NA	NA	3.0	NA	NA	NA	NA	18.7	NA	NA	NA	NA	6.2
1994[5] - 07	3.2	2.2	2.7	3.4	3.4	3.8	5.5	4.5	4.2	6.0	6.1	4.5	3.1	1.7	5.4	NA	NA	4.9	NA	NA	NA	NA	13.2	NA	NA	NA	NA	7.9

(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) Toll 60 ramp counts are not available from 2002 to 2006.
(4) Toll 66 ramp counts are not available from 2002 to 2006.
(5) Average annual growth rate of Northeastern Facilities began in 1995.

RECENT MONTHLY TRAFFIC AND REVENUE TRENDS

Table 3 provides monthly traffic volumes on all facilities for FY 2005-06 through mid FY 2008-09. Information is also provided for passenger cars and commercial vehicles separately. Similar to the longer term historical trends shown in Tables 1 and 2, the ticket system has exhibited much lower growth compared to the barrier locations. The effect of the current negative economic climate is evident in the most current monthly traffic trends. As shown, total ticket system transactions have been trending negative for some time and are currently lower by 2.7 percent for the first half of FY 2008-09. Though more positive, the contribution of the barrier locations still results in a total Turnpike traffic loss of 1.8 percent for the first half of FY 2008-09. A review of other toll facilities in the area has shown the same trends.

It should be pointed out that the impact on commercial vehicles was especially negative in November 2008. Total commercial traffic declined by 12.3 percent in November 2008 compared to November 2007. Part of this decline is real and part due to the fact that November 2008 had two more weekend days than November 2007. Commercial traffic is typically much lower on weekend days and this likely contributed to the especially large negative growth in the most recent month.

Monthly gross toll revenue trends over the same time period are shown in Table 4 for each toll facility. The same general trends are seen here as exhibited in the transaction trends. Because of the higher average commercial vehicle toll rates, however, the effect of larger negative commercial vehicle growth has a bigger impact on total revenue growth. Thus, while total ticket system transactions were down by 2.7 percent in the first half of FY 2008-09, revenue growth is down by 5.2 percent over the same period.

On a total Systemwide basis, gross toll revenue grew by 1.7 percent between FY 2005-06 and FY 2006-07. Growth amounted to only 0.2 percent between FY 2006-07 and FY 2007-08. In the most recent six month period (June through November) revenue growth has continued to decrease and amounted to a decrease of 4.8 percent over the same period in the last fiscal year.

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	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	12,486	(5.7)	11,769	1.8	11,992	(3.6)	11,561
July	12,805	(6.5)	11,979	1.8	12,197	(0.8)	12,100
August	12,868	(4.1)	12,345	3.1	12,731	(1.8)	12,502
September	11,401	(1.3)	11,253	1.6	11,431	(3.6)	11,014
October	11,702	0.5	11,762	2.0	12,002	(1.3)	11,843
November	11,418	(1.4)	11,262	(0.2)	11,236	(2.6)	10,877
December	11,073	0.2	11,096	(4.6)	10,583		
January	10,348	(0.1)	10,338	0.1	10,347		
February	9,559	(3.8)	9,200	5.6	9,718		
March	11,226	(2.7)	10,925	1.4	11,077		
April	11,053	(0.4)	11,022	0.5	11,078		
May	11,626	1.6	11,816	(1.6)	11,625		
Total Year	137,574	(2.0)	134,785	0.9	136,019		
June-Nov	72,880	(3.2)	70,370	1.7	71,589	(2.3)	69,947

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	2,103	(4.5)	2,009	(0.9)	1,991	(4.8)	1,895
July	1,969	(4.9)	1,872	3.4	1,936	0.6	1,947
August	2,133	(2.4)	2,081	(0.1)	2,079	(8.5)	1,902
September	2,004	(5.9)	1,886	(2.1)	1,847	(0.6)	1,835
October	2,005	(1.2)	1,980	3.3	2,045	(6.5)	1,912
November	1,887	(3.8)	1,816	(0.7)	1,803	(13.4)	1,562
December	1,786	(5.8)	1,683	(3.4)	1,625		
January	1,670	5.3	1,759	(0.8)	1,745		
February	1,572	2.4	1,609	0.9	1,624		
March	1,885	(2.2)	1,843	(5.2)	1,747		
April	1,783	2.0	1,818	4.3	1,897		
May	1,889	2.5	2,036	(6.1)	1,913		
Total Year	22,786	(1.7)	22,394	(0.6)	22,253		
June-Nov	12,101	(3.8)	11,644	0.5	11,701	(5.5)	11,053

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	14,589	(5.6)	13,778	1.5	13,983	(3.8)	13,456
July	14,774	(6.2)	13,851	2.0	14,133	(0.6)	14,047
August	15,001	(3.8)	14,426	2.7	14,810	(2.7)	14,404
September	13,405	(2.0)	13,139	1.1	13,278	(3.2)	12,849
October	13,707	0.3	13,742	2.2	14,047	(2.1)	13,755
November	13,305	(1.7)	13,078	(0.3)	13,039	(4.2)	12,489
December	12,859	(0.6)	12,779	(4.4)	12,211		
January	12,018	0.6	12,005	0.7	12,092		
February	11,131	(2.9)	10,809	4.9	11,342		
March	13,111	(2.6)	12,758	0.4	12,824		
April	12,846	(0.0)	12,840	1.1	12,975		
May	13,514	1.8	13,854	(2.3)	13,538		
Total Year	160,360	(2.0)	157,159	0.7	158,272		
June-Nov	84,781	(3.3)	82,014	1.6	83,290	(2.7)	81,000

PA 43 (Mon Fayette Expressway)

Passenger Cars

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	666	1.2	674	5.6	712	1.5	723
July	671	3.3	693	4.2	722	4.6	755
August	710	6.1	753	4.5	787	3.7	816
September	717	6.1	761	2.5	780	4.0	811
October	736	7.6	792	3.4	819	7.4	880
November	681	6.0	722	1.8	735	11.8	822
December	664	6.8	709	(2.4)	692		
January	628	4.6	657	3.3	679		
February	613	0.7	617	9.5	676		
March	692	4.9	726	(1.5)	715		
April	695	3.7	721	5.1	758		
May	696	7.8	750	(0.1)	749		
Total Year	8,169	5.0	8,575	2.9	8,824		
June-Nov	4,181	5.1	4,395	3.6	4,555	5.5	4,807

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	23	4.3	24	12.5	27	22.2	33
July	22	4.5	23	21.7	28	28.6	36
August	24	0.0	24	20.8	29	24.1	36
September	21	4.8	22	9.1	24	37.5	33
October	20	20.0	24	12.5	27	29.6	35
November	18	11.1	20	10.0	22	45.5	32
December	16	6.3	17	0.0	17		
January	15	6.7	16	18.8	19		
February	14	21.4	17	17.6	20		
March	19	5.3	20	5.0	21		
April	20	0.0	20	25.0	25		
May	22	9.1	24	20.8	29		
Total Year	234	7.3	251	14.7	288		
June-Nov	128	7.0	137	14.6	157	30.6	205

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	689	1.3	698	6.3	739	2.3	756
July	693	3.3	716	4.7	750	5.5	791
August	734	5.9	777	5.0	816	4.4	852
September	738	6.1	783	2.7	804	5.0	844
October	756	7.9	816	3.7	846	8.2	915
November	699	6.2	742	2.0	757	12.8	854
December	680	6.8	726	(2.3)	709		
January	643	4.7	673	3.7	698		
February	627	1.1	634	9.8	696		
March	711	4.9	746	(1.3)	736		
April	716	3.5	741	5.7	783		
May	718	7.8	774	0.5	778		
Total Year	8,403	5.0	8,826	3.2	9,112		
June-Nov	4,309	5.2	4,532	4.0	4,712	6.4	5,012

PA 66

Passenger Cars

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	358	8.1	387	39.0	538	10.8	596
July	358	23.7	443	23.6	547	12.8	617
August	364	33.5	486	18.7	577	11.3	642
September	340	37.9	469	20.5	565	7.4	607
October	345	42.6	492	30.1	640	0.0	640
November	328	41.4	481	27.3	587	(0.7)	583
December	320	43.1	458	26.4	579		
January	303	38.0	418	29.7	542		
February	288	28.8	371	39.1	516		
March	341	35.8	463	23.8	573		
April	352	35.8	478	24.3	594		
May	381	51.5	547	11.7	611		
Total Year	4,058	34.9	5,473	25.5	6,869		
June-Nov	2,091	30.9	2,738	26.2	3,454	6.7	3,685

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	64	15.6	74	17.6	87	(1.1)	86
July	61	29.5	79	10.1	87	3.4	90
August	65	36.9	89	2.2	91	(3.3)	88
September	64	21.9	78	6.4	83	6.0	88
October	60	40.0	84	14.3	96	(7.3)	89
November	52	38.5	72	6.9	77	(9.1)	70
December	45	35.6	61	3.3	63		
January	46	39.1	64	9.4	70		
February	43	27.9	55	21.8	67		
March	55	29.1	71	1.4	72		
April	56	32.1	74	12.2	83		
May	61	45.9	89	(5.6)	84		
Total Year	672	32.4	890	7.9	960		
June-Nov	366	30.1	476	9.5	521	(1.9)	511

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	422	9.2	461	35.6	625	9.1	682
July	419	24.8	522	21.5	634	11.5	707
August	429	34.0	575	16.2	668	9.3	730
September	404	35.4	547	18.5	648	7.3	695
October	405	42.2	576	27.9	736	(1.0)	729
November	378	41.0	533	24.6	664	(1.7)	653
December	365	42.2	519	23.7	642		
January	349	38.1	482	27.0	612		
February	331	28.7	426	36.9	583		
March	396	34.8	534	20.8	645		
April	408	35.3	552	22.6	677		
May	422	50.7	636	9.3	695		
Total Year	4,728	34.6	6,363	23.0	7,829		
June-Nov	2,457	30.8	3,214	23.7	3,976	5.8	4,196

Northeast Extension Barrier Plazas Only

Passenger Cars

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	430	(3.7)	414	3.6	429	1.4	435
July	524	(3.8)	504	1.4	511	1.2	517
August	507	0.2	508	8.7	552	3.3	570
September	390	6.4	415	2.9	427	(6.1)	401
October	392	11.0	435	(3.4)	420	2.6	431
November	380	7.6	409	(4.4)	391	0.8	394
December	337	8.9	367	(9.5)	332		
January	290	4.8	304	(2.3)	297		
February	283	(5.3)	268	6.7	286		
March	336	6.5	358	(0.8)	355		
April	383	5.5	404	(1.7)	397		
May	411	9.2	449	1.3	455		
Total Year	4,663	3.7	4,835	0.4	4,852		
June-Nov	2,623	2.4	2,685	1.7	2,730	0.7	2,748

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	71	7.0	76	5.3	80	(2.5)	78
July	71	8.5	77	3.9	80	3.8	83
August	76	7.9	82	7.3	88	(6.8)	82
September	70	10.0	77	2.6	79	1.3	80
October	68	16.2	79	1.3	80	(2.5)	78
November	64	9.4	70	(5.7)	66	(7.6)	61
December	58	6.9	62	(3.2)	60		
January	58	13.8	66	(1.5)	65		
February	56	16.1	65	(3.1)	63		
March	65	12.3	73	(11.0)	65		
April	64	17.2	75	4.0	78		
May	74	16.2	86	(3.5)	83		
Total Year	795	11.7	888	(0.1)	887		
June-Nov	420	9.8	461	2.6	473	(2.3)	462

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	501	(2.2)	490	3.9	509	0.8	513
July	595	(2.4)	581	1.7	591	1.5	600
August	583	1.2	590	8.5	640	1.9	652
September	460	7.0	492	2.8	506	(4.9)	481
October	460	11.7	514	(2.7)	500	1.8	509
November	444	7.9	479	(4.6)	457	(0.4)	455
December	395	8.6	429	(8.6)	392		
January	348	6.3	370	(2.2)	362		
February	339	(1.8)	333	4.8	349		
March	401	7.5	431	(2.6)	420		
April	447	7.2	479	(0.8)	475		
May	485	10.3	535	0.6	538		
Total Year	5,458	4.9	5,723	0.3	5,739		
June-Nov	3,043	3.4	3,146	1.8	3,203	0.2	3,210

PA 60

Passenger Cars

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	553	(2.7)	541	22.9	665	(2.4)	649
July	587	(4.4)	561	23.7	694	0.3	696
August	575	(2.1)	563	26.6	712	(1.1)	704
September	507	2.0	517	25.7	650	(2.9)	631
October	519	2.9	534	25.1	668	(1.8)	656
November	501	1.2	507	21.5	616	(3.7)	593
December	492	3.9	511	15.3	589		
January	449	0.9	453	20.3	545		
February	428	2.8	440	18.0	519		
March	499	17.8	588	1.4	596		
April	498	19.7	596	4.7	624		
May	521	24.6	649	0.9	655		
Total Year	6,129	5.4	6,450	16.8	7,533		
June-Nov	3,242	(0.6)	3,223	24.3	4,005	(1.9)	3,929

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	78	2.6	80	25.0	100	(2.0)	98
July	75	(2.7)	73	26.0	92	12.0	103
August	79	3.8	82	20.7	99	3.0	102
September	74	(2.7)	72	23.6	89	10.1	98
October	71	4.2	74	33.8	99	(2.0)	97
November	64	3.1	66	28.8	85	(11.8)	75
December	57	7.0	61	14.8	70		
January	58	10.3	64	26.6	81		
February	54	11.1	60	26.7	76		
March	67	14.9	77	5.2	81		
April	68	20.6	82	17.1	96		
May	78	29.5	101	(2.0)	99		
Total Year	823	8.4	892	18.6	1,057		
June-Nov	441	1.4	447	28.2	504	1.6	573

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	631	(1.6)	621	23.2	765	(2.4)	747
July	662	(4.2)	634	24.0	786	1.7	799
August	654	(1.4)	645	25.7	811	(0.6)	806
September	581	1.4	589	25.6	739	(1.4)	729
October	590	3.1	608	29.2	787	(1.8)	753
November	565	1.4	573	22.3	701	(4.7)	668
December	549	4.2	572	15.2	659		
January	507	2.0	517	21.1	626		
February	482	3.7	500	19.0	595		
March	566	17.5	665	1.8	677		
April	556	10.8	678	6.2	720		
May	609	25.2	750	0.5	754		
Total Year	6,952	5.8	7,352	17.0	8,600		
June-Nov	3,683	(0.4)	3,670	24.5	4,569	(1.5)	4,502

Total Transactions

Passenger Cars

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	14,493	(4.9)	13,785	4.0	14,336	(2.6)	13,964
July	14,945	(5.1)	14,180	3.5	14,671	0.1	14,685
August	15,024	(2.5)	14,655	4.8	15,359	(0.8)	15,234
September	13,355	0.4	13,415	3.3	13,853	(2.8)	13,464
October	13,694	2.3	14,015	3.8	14,549	(0.7)	14,450
November	13,306	0.4	13,361	1.5	13,565	(1.8)	13,319
December	12,885	2.0	13,141	(2.8)	12,777		
January	12,018	1.2	12,159	2.0	12,410		
February	11,171	(2.5)	10,896	7.5	11,715		
March	13,094	(0.3)	13,050	2.0	13,316		
April	12,991	1.8	13,221	1.7	13,451		
May	13,614	4.4	14,211	(0.8)	14,095		
Total Year	160,591	(0.3)	160,108	2.5	164,097		
June-Nov	84,817	(1.7)	83,411	3.5	86,333	(1.4)	85,116

Commercial Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	2,339	(3.2)	2,263	1.0	2,285	(4.2)	2,190
July	2,198	(3.4)	2,124	4.7	2,223	1.5	2,259
August	2,377	(0.8)	2,358	1.2	2,388	(7.4)	2,210
September	2,233	(4.4)	2,135	(0.6)	2,122	0.6	2,134
October	2,224	0.8	2,241	4.7	2,347	(5.8)	2,211
November	2,085	(2.0)	2,044	0.4	2,053	(12.3)	1,800
December	1,962	(4.0)	1,884	(2.5)	1,836		
January	1,847	6.6	1,969	0.5	1,980		
February	1,739	3.9	1,806	2.4	1,850		
March	2,091	(0.3)	2,084	(4.7)	1,986		
April	1,891	3.9	2,063	5.3	2,178		
May	2,224	5.1	2,336	(5.6)	2,206		
Total Year	25,310	0.0	25,315	0.6	25,455		
June-Nov	13,456	(2.2)	13,165	1.9	13,416	(4.6)	12,804

Total Vehicles

Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	16,832	(4.7)	16,048	3.6	16,621	(2.8)	16,154
July	17,143	(4.9)	16,304	3.6	16,894	0.3	16,944
August	17,401	(2.2)	17,013	4.3	17,745	(1.7)	17,444
September	15,588	(0.2)	15,550	2.7	15,976	(2.4)	15,598
October	15,918	2.1	16,256	3.9	16,896	(1.4)	16,661
November	15,391	0.1	15,405	1.4	15,618	(3.2)	15,119
December	14,848	1.2	15,026	(2.7)	14,613		
January	13,865	2.0	14,137	1.8	14,390		
February	12,910	(1.6)	12,702	6.8	13,565		
March	15,185	(0.3)	15,144	1.0	15,302		
April	14,882	2.1	15,290	2.2	15,630		
May	15,838	4.5	16,549	(1.5)	16,303		
Total Year	185,901	(0.3)	185,423	2.2	189,552		
June-Nov	98,273	(1.7)	96,576	3.3	99,749	(1.8)	97,920

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							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$28,374	(2.6)	$27,631	3.7	$28,665	(5.4)	$27,110	$24,105	3.5	$24,945	(0.9)	$24,714	(5.6)	$23,324	$52,479	0.2	$52,576	1.5	$53,379	(5.5)	$50,434
July	30,961	(3.0)	29,860	0.3	29,935	(2.3)	29,244	22,468	1.6	22,823	6.1	24,208	(1.6)	23,824	53,429	(1.4)	52,680	2.8	54,143	(2.0)	53,068
August	30,410	(1.2)	30,032	5.4	31,655	(2.2)	30,972	24,617	4.2	25,642	1.6	26,055	(10.0)	23,439	55,027	1.2	55,674	3.7	57,710	(5.7)	54,411
September	25,146	3.2	25,960	1.0	26,218	(5.9)	24,682	23,181	2.0	23,655	0.3	23,715	(3.9)	22,787	48,327	2.7	49,615	0.6	49,934	(4.9)	47,469
October	26,278	1.3	26,628	(0.8)	26,410	0.3	26,482	24,005	3.9	24,930	3.6	25,828	(9.1)	23,477	50,283	2.5	51,558	1.3	52,238	(4.4)	49,959
November	25,590	1.8	26,055	(1.5)	25,673	(2.8)	24,956	22,450	1.8	22,647	0.1	22,665	(16.0)	19,202	48,040	1.8	48,902	(0.7)	48,536	(9.0)	44,158
December	24,088	4.5	25,160	(6.3)	23,564			21,840	(2.1)	21,378	(0.9)	21,193			45,928	1.3	46,538	(3.8)	44,757		
January	21,671	(0.9)	21,434	(1.2)	21,182			21,618	4.7	22,636	1.3	22,929			43,239	1.9	44,070	0.1	44,111		
February	18,904	(8.0)	18,197	8.2	19,687			20,479	8.9	22,507	(4.5)	21,504			40,383	0.8	40,704	1.2	41,191		
March	23,907	(1.6)	23,511	0.6	23,622			24,270	0.9	24,497	(4.7)	23,336			48,181	(0.4)	48,006	(2.2)	46,958		
April	21,726	3.4	22,466	6.7	23,981			26,057	(0.3)	26,983	(9.3)	23,608			47,783	1.4	48,449	(1.8)	47,549		
May	26,202	3.6	27,118	(1.5)	26,706			24,536	4.2	25,559	(7.7)	23,597			50,738	3.8	52,677	(4.6)	50,300		
Total Year	$304,207	(0.0)	$304,052	1.1	$307,298			$279,835	2.8	$287,402	(1.4)	$283,513			$583,837	1.3	$591,454	(0.1)	$590,811		
June-Nov	$166,759	(0.4)	$166,166	1.4	$168,556	(3.0)	$163,445	$140,826	2.9	$144,842	1.9	$147,385	(7.7)	$136,053	$307,585	1.1	$311,008	1.6	$315,942	(8.2)	$290,489

PA 43 (Mon Fayette Expressway)

	Passenger Cars							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$518	1.0	$523	5.0	$549	1.8	$559	$54	1.9	$55	9.1	$60	25.0	$75	$572	1.0	$578	5.4	$609	4.1	$634
July	523	2.9	538	3.7	558	4.6	583	51	2.0	52	19.2	62	29.0	80	574	2.8	590	6.1	620	6.9	663
August	554	5.6	585	3.8	608	3.5	629	55	1.8	56	12.5	63	25.4	79	609	5.3	641	4.7	671	5.5	708
September	556	6.5	592	1.4	600	4.2	625	49	2.0	50	10.0	55	36.4	75	605	6.1	642	2.0	655	6.9	700
October	573	7.5	616	2.6	632	7.8	681	48	14.6	55	12.7	62	27.4	79	621	8.1	671	3.4	694	9.5	760
November	532	5.6	562	1.2	569	13.9	648	42	14.3	48	4.2	50	44.0	72	574	6.3	610	1.5	619	16.3	720
December	520	6.7	555	(3.2)	537			37	10.8	41	(2.4)	40			557	7.0	596	(3.2)	577		
January	490	4.3	511	2.7	525			36	8.3	39	15.4	45			526	4.5	550	3.6	570		
February	478	0.2	479	9.0	522			35	8.6	38	28.3	49			513	0.8	517	10.3	570		
March	538	4.5	562	(1.4)	554			46	0.0	46	4.3	48			584	4.1	608	(1.0)	602		
April	539	3.3	557	5.2	586			47	2.1	48	20.8	58			586	3.2	605	6.4	644		
May	541	6.8	578	0.3	580			52	7.7	56	17.9	66			593	6.9	634	1.9	646		
Total Year	$6,362	4.7	$6,659	2.4	$6,820			$552	5.8	$584	12.5	$657			$6,914	4.7	$7,242	3.2	$7,477		
June-Nov	$3,256	4.9	$3,416	2.9	$3,516	5.9	$3,725	$299	5.7	$316	11.4	$352	30.7	$460	$3,555	5.0	$3,732	3.6	$3,868	8.2	$4,185

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	Passenger Cars							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$357	7.0	$382	26.7	$484	8.5	$525	$182	13.2	$206	12.6	$232	(0.9)	$230	$539	9.1	$588	21.8	$716	5.4	$755
July	358	18.7	425	15.8	492	10.4	543	171	22.8	210	9.5	230	3.0	237	529	20.0	635	13.7	722	8.0	780
August	364	26.1	459	12.0	514	10.3	567	184	28.8	237	0.0	237	(2.5)	231	548	27.0	696	7.9	751	6.3	798
September	340	30.9	445	12.8	502	6.6	535	183	12.6	206	3.4	213	9.4	233	523	24.5	651	9.8	715	7.4	768
October	345	34.6	464	21.3	563	0.0	563	174	28.2	223	15.2	257	(7.4)	238	519	32.4	687	19.4	820	(2.3)	801
November	326	33.1	434	18.9	516	(0.6)	513	148	29.1	191	7.3	205	(9.8)	185	474	31.9	625	15.4	721	(3.2)	698
December	319	34.5	429	18.2	507			130	26.9	165	3.0	170			449	32.3	594	14.0	677		
January	302	29.5	391	21.5	475			135	28.1	173	12.1	194			437	29.1	564	16.8	659		
February	287	20.2	345	30.7	451			126	16.7	147	25.2	184			413	18.1	492	29.1	635		
March	341	26.1	430	17.0	503			157	21.0	190	3.2	196			498	24.5	620	12.7	699		
April	352	25.0	440	18.6	522			159	23.3	196	13.3	222			511	24.5	636	17.0	744		
May	360	35.8	489	9.8	537			173	36.4	236	(4.2)	226			533	36.0	725	5.2	763		
Total Year	$4,051	26.7	$5,133	18.2	$6,066			$1,922	23.8	$2,380	7.8	$2,566			$5,973	25.8	$7,513	14.9	$8,632		
June-Nov	$2,090	24.8	$2,609	17.7	$3,071	6.7	$3,246	$1,042	22.2	$1,273	7.9	$1,374	(1.5)	$1,354	$3,132	23.9	$3,882	14.5	$4,445	3.5	$4,600

Northeast Extension Barrier Plazas Only

	Passenger Cars							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$215	(3.7)	$207	3.8	$215	1.4	$218	$198	8.6	$215	4.7	$225	(2.2)	$220	$413	2.2	$422	4.3	$440	(0.5)	$438
July	263	(4.2)	252	1.6	256	1.2	259	186	11.8	208	5.8	220	5.0	231	449	2.4	460	3.5	476	2.9	490
August	255	0.0	255	8.6	277	2.9	285	207	11.1	230	5.2	242	(6.6)	226	462	5.0	485	7.0	519	(1.5)	511
September	196	6.1	208	2.8	214	(6.1)	201	194	11.9	217	1.8	221	3.6	229	390	9.0	425	2.4	435	(1.1)	430
October	196	11.2	218	(3.7)	210	2.4	215	197	16.2	229	2.6	235	(3.0)	228	393	13.7	447	(0.4)	445	(0.4)	443
November	190	7.9	205	(4.4)	196	0.5	197	190	8.9	207	(5.3)	196	(6.1)	184	380	8.4	412	(4.9)	392	(2.8)	381
December	169	8.0	184	(9.8)	166			172	7.6	185	(2.7)	180			341	8.2	369	(6.2)	346		
January	145	4.8	152	(2.0)	149			174	13.2	197	(2.0)	193			319	9.4	349	(2.0)	342		
February	142	(9.9)	128	11.7	143			165	6.7	176	5.7	186			307	(1.0)	304	8.2	329		
March	168	6.5	179	(1.1)	177			195	11.8	218	(10.6)	195			363	9.4	397	(6.3)	372		
April	192	5.2	202	(1.5)	199			191	16.2	222	5.4	234			383	10.7	424	2.1	433		
May	206	8.7	224	1.8	228			214	15.4	247	(4.5)	236			420	12.1	471	(1.6)	464		
Total Year	$2,337	3.3	$2,414	0.7	$2,430			$2,283	11.7	$2,551	0.5	$2,563			$4,620	7.5	$4,965	0.6	$4,993		
June-Nov	$1,316	2.3	$1,345	1.7	$1,368	0.5	$1,375	$1,172	11.4	$1,306	2.5	$1,339	(1.6)	$1,318	$2,487	6.6	$2,651	2.1	$2,707	(0.6)	$2,693

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	Passenger Cars							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$389	(1.6)	$383	18.8	$455	(2.6)	$443	$161	6.6	$170	22.9	$209	(11.0)	$186	$550	0.6	$553	20.1	$664	(5.3)	$629
July	414	(3.9)	398	19.3	475	0.4	477	152	1.3	154	14.9	177	11.9	198	566	(2.5)	552	18.1	652	3.5	675
August	405	(1.7)	398	22.4	487	(0.8)	483	163	6.1	173	9.8	190	3.2	196	568	0.6	571	18.6	677	0.3	679
September	357	2.8	367	21.3	445	(2.9)	432	156	(2.6)	152	12.5	171	10.5	189	513	1.2	519	18.7	616	0.8	621
October	366	3.0	377	21.2	457	(1.5)	450	150	6.0	159	20.1	191	(2.1)	187	516	3.9	536	20.9	648	(1.7)	637
November	352	2.3	360	17.2	422	(3.8)	406	136	4.4	142	18.9	169	(12.7)	145	488	2.9	502	17.1	588	(6.3)	551
December	349	6.2	364	10.2	401			123	9.8	135	0.7	136			469	6.4	499	7.6	537		
January	316	1.9	322	15.8	373			128	11.7	143	12.6	161			444	4.7	465	14.8	534		
February	300	1.0	303	16.5	353			119	10.9	132	14.4	151			419	3.8	435	15.9	504		
March	351	14.5	402	1.0	406			149	12.8	168	(3.6)	162			500	14.0	570	(0.4)	568		
April	352	15.3	406	4.9	426			142	24.6	177	7.3	190			494	18.0	583	5.7	616		
May	369	20.3	444	0.9	448			165	29.1	213	(11.3)	189			534	23.0	657	(3.0)	637		
Total Year	$4,317	4.8	$4,524	13.8	$5,148			$1,744	10.0	$1,918	9.1	$2,093			$6,061	6.3	$6,442	12.4	$7,241		
June-Nov	$2,283	0.0	$2,283	20.1	$2,741	(1.8)	$2,691	$919	3.6	$950	16.2	$1,104	(0.3)	$1,101	$3,201	1.0	$3,233	18.9	$3,845	(1.4)	$3,792

Total Revenues

	Passenger Cars							Commercial Vehicles							Total Vehicles						
Month	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09	2005-06	% Chg	2006-07	% Chg	2007-08	% Chg	2008-09
June	$29,853	(2.4)	$29,126	4.3	$30,368	(5.0)	$28,856	$24,700	3.6	$25,591	(0.6)	$25,440	(5.5)	$24,036	$54,553	0.3	$54,717	2.0	$55,808	(5.2)	$52,892
July	32,519	(3.2)	31,473	0.8	31,718	(1.9)	31,108	23,028	1.8	23,447	6.2	24,897	(1.3)	24,570	55,547	(1.1)	54,920	3.1	56,613	(1.7)	55,678
August	31,988	(0.8)	31,729	6.7	33,841	(1.8)	32,936	25,226	4.4	26,338	1.7	26,787	(9.8)	24,171	57,214	1.5	58,067	3.9	60,328	(5.3)	57,107
September	26,595	3.7	27,572	1.5	27,979	(5.4)	26,475	23,763	2.2	24,280	0.4	24,376	(3.5)	23,513	50,358	3.0	51,852	1.0	52,355	(4.8)	49,988
October	27,758	2.0	28,300	(0.1)	28,272	0.4	28,391	24,574	4.2	25,596	3.8	26,573	(8.9)	24,209	52,332	3.0	53,899	1.6	54,845	(4.1)	52,600
November	26,990	2.3	27,616	(0.9)	27,376	(2.4)	26,720	22,968	2.0	23,435	0.2	23,482	(15.7)	19,788	49,958	2.2	51,051	(0.4)	50,858	(8.6)	46,508
December	25,442	4.9	26,692	(5.7)	25,175			22,302	(1.8)	21,904	(0.8)	21,719			47,744	1.8	48,596	(3.5)	46,894		
January	22,874	(0.3)	22,810	(0.5)	22,704			22,091	5.0	23,188	1.4	23,522			44,965	2.3	45,998	0.5	46,226		
February	21,111	(7.9)	19,452	8.8	21,156			20,824	9.9	23,000	(4.0)	22,073			42,005	1.0	42,452	1.8	43,229		
March	25,300	(0.9)	25,084	0.7	25,262			24,828	1.2	25,119	(4.7)	23,937			50,128	0.2	50,203	(2.0)	49,199		
April	23,161	3.9	24,071	6.8	25,714			26,598	0.1	26,626	(8.8)	24,272			49,757	1.9	50,697	(1.4)	49,986		
May	27,878	4.2	28,853	(1.2)	28,499			25,140	4.7	26,311	(7.6)	24,314			52,818	4.4	55,164	(4.3)	52,813		
Total Year	$321,269	0.5	$322,781	1.5	$327,782			$288,136	3.0	$294,835	(1.2)	$291,392			$607,405	1.7	$617,616	0.2	$619,154		
June-Nov	$175,703	0.1	$175,819	2.0	$179,252	(2.7)	$174,483	$144,257	3.1	$148,687	1.9	$151,555	(7.4)	$140,286	$319,960	1.4	$324,506	1.9	$330,807	(4.8)	$314,769

SOCIOECONOMIC TRENDS AND FORECASTS

A detailed analysis of longer term economic trends and forecasts in the corridor was conducted as part of this analysis. These were used as input to the corridor growth analysis. Tables 5-8 provide a summary of various economic measures reviewed for this study, including population, employment, retail sales and gross state product. Additional detailed information is provided regarding monthly unemployment levels in the Turnpike corridor as well as weekly gasoline price trends.

The nation is now, according to most economists, in a recession. Traffic and revenue trends on the Pennsylvania Turnpike, and on most other toll facilities, clearly show the effect of the current economic downturn. Actual long term traffic and revenue trends along with the information provided in Tables 5-8 provide a good indication of the longer term growth potential for the Pennsylvania Turnpike, but short term (one to two year) adjustments are required to reflect the likely continued negative effects of the recession.

While there is no "crystal ball", it is widely expected that, on a national level, negative GDP growth will continue for the next one to two quarters, with low to flat GDP growth for another one to two quarters before an economic recovery begins to take effect. For purposes of developing the current forecasts, WSA has assumed continued negative growth through the middle of FY 2009-10. And then flat to no growth through the middle of FY 2010-11. Thereafter, we expect some recovery and then a continuation of more "normal" growth patterns as would be expected by the longer term economic growth forecasts shown in Tables 5-8.

POPULATION TRENDS AND FORECASTS

Historic population data were obtained from the U.S. Census, and future rates of growth were obtained from an economic research firm, Woods and Poole, for counties and states that significantly contribute to Pennsylvania Turnpike traffic demand. The historic and forecast rates of growth in total population are presented in Table 5, from 1980 through 2030. Historic data were available up to 2007. The rates of growth are summarized as the AAPC between the following time periods:

- 1980 through 1990;
- 1990 through 2000;
- 2000 through 2007;
- 2007 through 2010;
- 2010 through 2020;
- 2020 through 2030; and
- 2007 through 2030.

The rates of growth are presented for the following five states: New Jersey, New York, Ohio, Pennsylvania, and West Virginia. Information for the United States is provided as well. The county level data were summarized into the following four groups:

- **Pittsburgh Area Counties**: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington and Westmoreland,
- **Interurban Area Counties**: Adams, Bedford, Blair, Cambria, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Somerset and York,
- **Philadelphia Area Counties:** Berks, Bucks, Chester, Delaware, Montgomery and Philadelphia, and
- **Northeastern Corridor Counties**: Carbon, Lackawanna, Lehigh, Luzerne, Northampton and Wyoming.

Table 5

Population Trends and Forecast

Area		Average Annual Percent Change						
		1980 - 90	1990 - 00	2000 - 07	2007 - 10	2010 - 20	2020 - 30	2007 - 30
Pittsburgh Area	(1)	(0.7)	(0.2)	(0.3)	0.3	0.4	0.5	0.4
Interurban Area	(2)	0.6	0.7	0.7	0.7	0.8	0.8	0.8
Philadelphia Area	(3)	0.2	0.4	0.3	0.3	0.4	0.5	0.4
Northeastern Corridor	(4)	0.2	0.2	0.6	0.3	0.4	0.5	0.4
Subtotal		**0.0**	**0.3**	**0.3**	**0.4**	**0.5**	**0.6**	**0.5**
New Jersey		0.5	0.8	0.6	0.8	0.8	0.9	0.8
New York		0.3	0.5	0.3	0.3	0.4	0.4	0.4
Ohio		0.1	0.5	0.2	0.2	0.3	0.4	0.3
Pennsylvania		0.0	0.3	0.3	0.4	0.5	0.6	0.5
West Virginia		(0.9)	0.1	0.1	0.2	0.2	0.4	0.3
Subtotal		**0.2**	**0.5**	**0.3**	**0.4**	**0.4**	**0.5**	**0.5**
United States		0.9	1.2	1.0	1.0	1.0	1.0	1.0

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban 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, Lackawana, Lehigh, Luzerne, Northhampton, and Wyoming.

Note: Years 1980 to 2000 represents U.S. Census data. Forecast year growth rates were obtained from Woods & Poole CEDDS, 2007 edition.

These groups of counties were used to describe areas of the Turnpike centered on the Pittsburgh metropolitan area, mid-state Pennsylvania, the Philadelphia metropolitan area, and the Northeastern Extension corridor. The data helped WSA to analyze the longer term growth potential of traffic demand on the Turnpike through 2030.

As can be seen in Table 5, population growth is very moderate in the Turnpike subregion, the states and the United States. Historically, Pennsylvania population has increased by between 0.0 and 0.3 percent per year between 1980 and 2007; this is about the same as population growth in the Turnpike corridor as well. For comparative purposes, population growth in the Unites States has averaged about 1.0 percent growth per year over the same period.

It is interesting to note that, as shown in Table 1, traffic growth on the Turnpike grew at 3.3 percent between 1987 and 2007; a much greater level than population growth, even in spite of multiple toll increases over this period. This demonstrates the ability of the Turnpike to attract a greater and greater share of travel in the corridor. It is also indicative of the nature of a facility of this type to both attract and generate its own traffic as motorists and businesses choose to locate along the Turnpike corridor to take advantage of the high level of service it offers.

Future population growth in the Turnpike corridor is forecast to increase slightly compared to historical levels. As shown, estimates average about 0.5 percent per year through 2030. This is more or less comparable to that for the states in the region, but only about half of the longer term population forecasts for the U.S.

Employment and Unemployment Trends and Forecasts

Rates of growth in employment are shown in Table 6. Historical data are from the U.S. Department of Commerce, and the future growth rates are based on data from Woods & Poole.

Table 6
Employment Trends and Forecast

Area		Average Annual Percent Change						
		1980 - 90	1990 - 00	2000 - 07	2007 - 10	2010 - 20	2020 - 30	2007 - 30
Pittsburgh Area	(1)	0.4	0.9	0.5	1.4	1.3	1.1	1.2
Interurban Area	(2)	1.9	1.2	1.0	1.3	1.2	1.1	1.2
Philadelphia Area	(3)	1.3	0.8	0.6	1.1	1.0	0.9	1.0
Northeastern Corridor	(4)	1.1	0.9	0.8	1.2	1.1	1.0	1.1
Subtotal		**1.2**	**0.9**	**0.7**	**1.2**	**1.1**	**1.0**	**1.1**
New Jersey		1.9	0.9	1.1	1.3	1.2	1.0	1.1
New York		1.3	0.6	0.7	0.8	0.8	0.7	0.8
Ohio		1.2	1.5	0.3	1.3	1.2	1.1	1.2
Pennsylvania		1.2	1.0	0.7	1.2	1.1	1.0	1.1
West Virginia		(0.0)	1.3	0.8	1.4	1.3	1.1	1.2
Subtotal		**1.3**	**1.0**	**0.7**	**1.1**	**1.1**	**1.0**	**1.0**
United States		2.0	1.8	1.1	1.6	1.4	1.3	1.4

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban 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, Lackawana, Lehigh, Luzerne, Northhampton, and Wyoming.

Note: Historical data through 2000 are based on the U.S. Department of Commerce. Forecast data are based on growth rates obtained from Woods & Poole CEDDS, 2007 edition.

Historically, employment growth has averaged between 0.7 and 1.2 percent per year in Pennsylvania and the Turnpike corridor from 1980 through 2007. Employment growth in the United States increased at a faster rate, averaging between 1.1 and 2.0 percent per year during this time period. As with historical population growth, the 3.3 percent annual growth in traffic on Turnpike toll facilities is more than triple the average annual rate of growth in employment.

From 2000 through 2030, employment growth is estimated to increase by 1.4 percent per year in the Unites States, 1.1 percent in Pennsylvania, and 1.1 percent in the Turnpike corridors. Within the Turnpike corridor, employment growth rates are fairly consistent, estimated to average between 1.0 percent and 1.2 percent per year through 2030.

Figure 2 provides a detailed monthly trend in unemployment levels for various segments of the Turnpike, for the state and the U.S. Data are shown from January 1998 through November 2008 for the state and the U.S., and through October 2008 for the state sub-regions. This graph shows both the seasonal variations in unemployment levels during each year as well as the longer, multi-year, cyclical patterns.

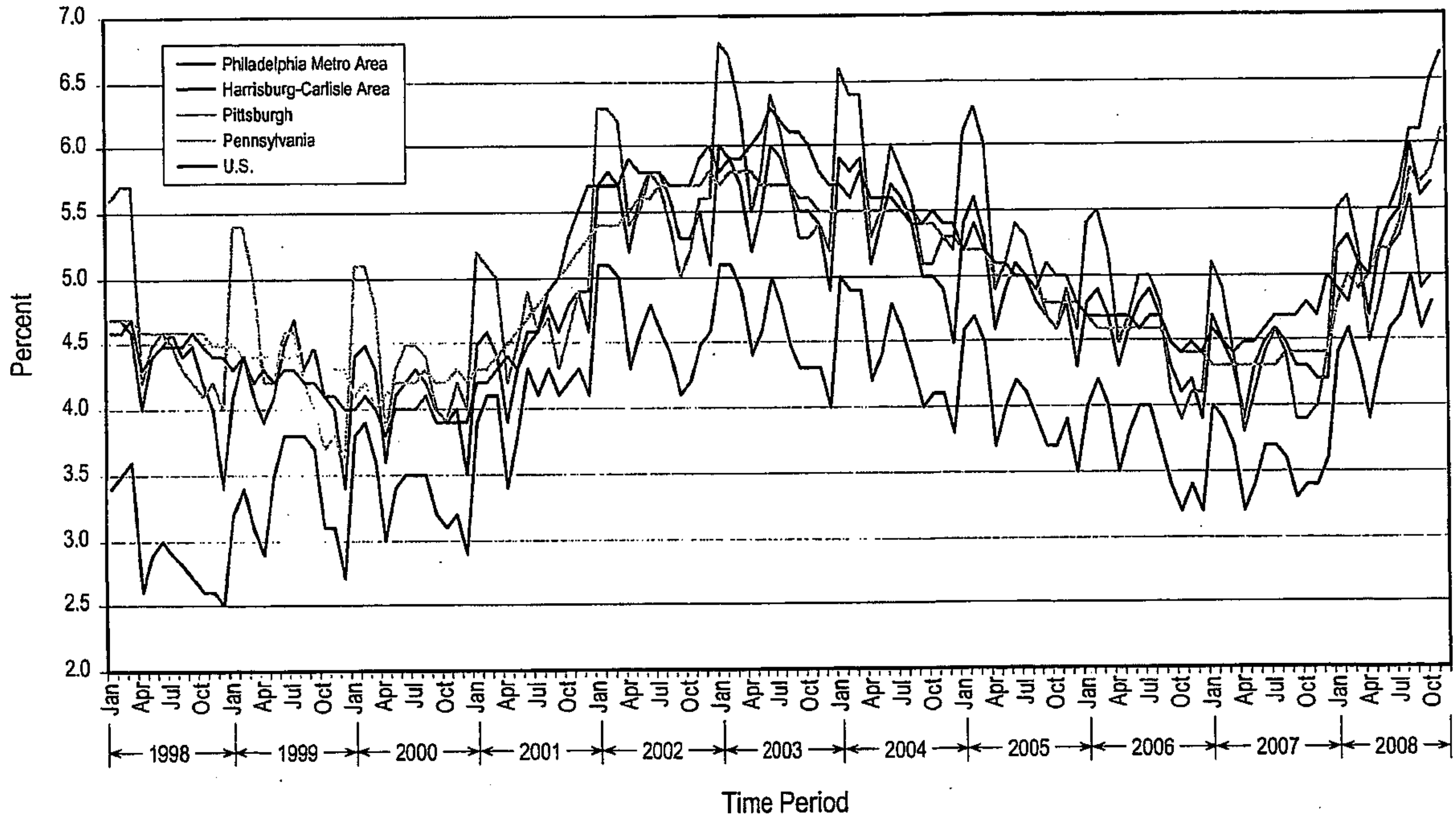
Historically, the Harrisburg-Carlisle area has exhibited the lowest unemployment rates. This is probably a result of state government employment in the state capitol. Unemployment levels for the state, Philadelphia metro area and Pittsburgh have generally tended to vary at, or near, levels for the U.S. Only in the last few months has there been a divergence where unemployment levels for the U.S. have begun to exceed those for the state and corridor areas. Estimated November 2008 unemployment for the US reached 6.7 percent while that for Pennsylvania was 6.1 percent. October 2008 unemployment estimates totaled 5.7 percent for the Philadelphia metro area, 4.8 percent for Harrisburg-Carlisle, and 5.0 percent for Pittsburgh.

Economists are estimating continued short term increases in unemployment levels for the U.S. before a recovery to pre-recession levels. Various estimates for national unemployment levels reach the 9 to 10 percent level. This would put unemployment rates at levels not seen since 1982 when they averaged 9.7 percent. However, based on recent historical trends, it would appear that unemployment levels for Pennsylvania, and particularly for the Turnpike corridor itself, will be lower than those at the national level.

Retail Sales Trends and Forecasts

Retail sales trend and forecast information is shown in Table 7. Trends for Pennsylvania and the Turnpike corridor are very similar with the surrounding states, though lower than those for the U.S. as a whole.

Growth rates in retail sales are estimated to be slightly lower in the future, averaging 2.0 percent per year in the United States, 1.6 percent in Pennsylvania, and 1.6 percent in the Turnpike corridor between 2007 and 2030. The strongest growth in retail sales within the Turnpike corridor is forecast to occur in the Interurban Area (1.9 percent per year), followed by the Philadelphia Area (1.7 percent per year). The Northeastern Corridor is forecast to experience growth in retail sales averaging 1.4 percent per year from



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SUMMARY OF HISTORICAL MONTHLY UNEMPLOYMENT RATES

FIGURE 2

2007 through 2030, and retail sales in the Pittsburgh Area are forecast to average 1.4 percent per year through the same time period.

Table 7
Retail Sales Trends and Forecast

Area		Average Annual Percent Change 1980 - 90	1990 - 00	2000 - 07	2007 - 10	2010 - 20	2020 - 30	2007 - 30
Pittsburgh Area	(1)	0.3	2.2	0.8	1.3	1.4	1.5	1.4
Interurban Area	(2)	2.1	2.7	1.8	1.8	1.8	1.9	1.9
Philadelphia Area	(3)	2.0	2.5	1.6	1.6	1.6	1.7	1.7
Northeastern Corridor	(4)	1.5	2.3	1.7	1.3	1.4	1.5	1.4
Subtotal		**1.5**	**2.4**	**1.5**	**1.5**	**1.6**	**1.7**	**1.6**
New Jersey		2.1	2.4	1.8	1.9	2.0	2.0	2.0
New York		1.4	2.0	1.5	1.4	1.5	1.6	1.5
Ohio		1.1	3.1	1.4	1.3	1.4	1.5	1.4
Pennsylvania		1.5	2.4	1.5	1.5	1.6	1.7	1.6
West Virginia		(0.3)	2.7	1.3	1.3	1.4	1.5	1.4
Subtotal		**1.4**	**2.4**	**1.5**	**1.5**	**1.6**	**1.7**	**1.6**
United States		1.8	3.3	2.0	2.0	2.0	2.0	2.0

(1) Pittsburgh Area Counties: Allegheny, Armstrong, Beaver, Butler, Indiana, Lawrence, Washington, and Westmoreland.
(2) Interurban 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, Lackawana, Lehigh, Luzerne, Northhampton, and Wyoming.

Note: Data is based on Woods & Poole, CEDDS, 2007 Edition.

GROSS STATE PRODUCT TRENDS AND FORECASTS

Another economic indicator that can reflect changing traffic demand is gross state product (GSP) and the gross domestic product (GDP) of the United States. The historic and forecast rates of growth for these variables are shown in Table 8. U.S. GDP increased by an average of about 3.0 percent per year between 1980 through 2007. Pennsylvania's GSP increased by an average 2.4 percent during the same time period. The growth rate of the combined five states averaged 2.6 percent per year, though much of this average growth was fueled by the high 4.5 percent growth exhibited by New Jersey between 1980 and 1990.

Future growth rates are estimated to decrease somewhat, averaging 2.3 percent for the US GDP from 2007 through 2030. Pennsylvania is estimated to experience an average increase in GSP of about 2.0 percent per year, while the combined five states are forecast to average an increase in GSP of 1.9 percent during that time period. Increasing GSP and GDP are positive indicators reflecting the potential for increasing traffic demand on the Turnpike.

Table 8
Gross State Product Trends and Forecast

State	1980 - 90	1990 - 00	2000 - 07	2007 - 10	2010 - 20	2020 - 30	2007 - 30
	Average Annual Percent Change						
New Jersey	4.5	2.4	2.5	2.0	2.1	2.2	2.2
New York	3.3	2.4	2.0	1.5	1.6	1.8	1.7
Ohio	1.9	2.5	2.2	1.9	2.0	2.1	2.0
Pennsylvania	2.2	2.3	2.6	1.9	2.0	2.1	2.0
West Virginia	(0.4)	1.6	3.1	2.1	2.1	2.2	2.1
Subtotal	**2.9**	**2.4**	**2.3**	**1.8**	**1.9**	**2.0**	**1.9**
United States	3.1	3.2	2.5	2.3	2.3	2.4	2.3

Note: Data was obtained from Woods & Poole, CEDDS, 2007 Edition.

It should be pointed out that these longer term forecasts are about one year old at this time. Current short term GDP forecasts are much more pessimistic than those shown in Table 8 for the 2007 to 2010 period. In their December 10, 2008 report, the Wachovia Economic Group is estimating negative US GDP growth of 2.0 percent in 2009 and positive 1.4 percent growth in 2010.

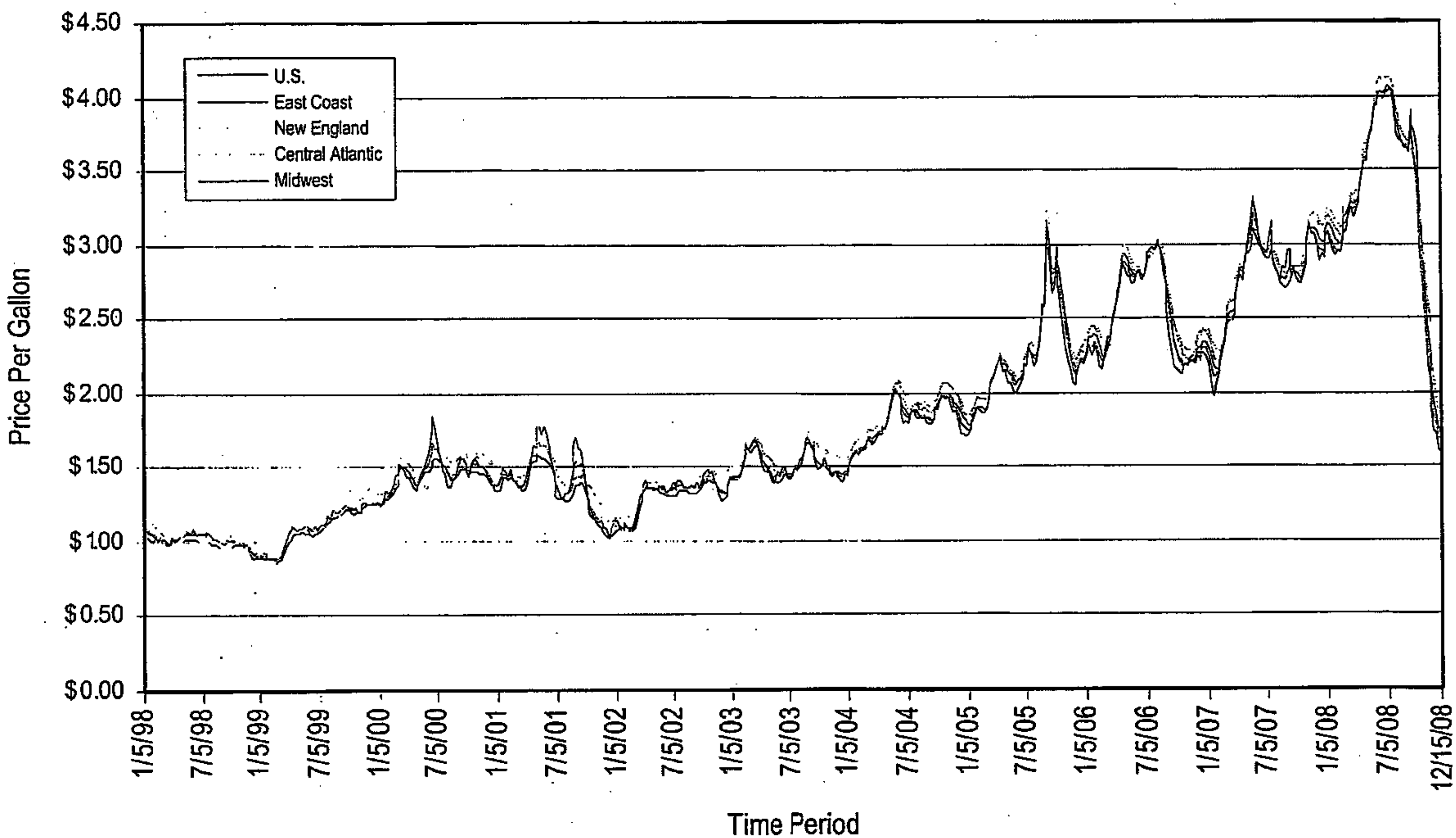
As discussed at the beginning of this section (Socioeconomic Trends and Forecasts), WSA has assumed continued short term negative growth for purposes of developing traffic and revenue forecasts for the Pennsylvania Turnpike. As discussed above, we assume continued negative growth through the middle of FY 2009-10 and then flat to no growth through the middle of FY 2010-11. Thereafter, we expect some recovery and then a continuation of more "normal" growth patterns as would be expected by the longer term economic growth forecasts shown for the economic indicators in Tables 5 through 8.

Historical Gasoline Prices

Another variable that can influence driver behavior is the price of gasoline. Figure 3 shows the weekly price per gallon of regular unleaded gasoline from January 5, 1998 through December 15, 2008. Data are shown for the U.S., the East Coast, New England, Central Atlantic (including Pennsylvania) and Midwest states. The most obvious characteristic is how consistent prices are for all of these regions. Prices tend not to vary more than about $0.10 to $0.20 between the five regions shown.

Prices peaked in June and July 2008 at just over $4.00 per gallon. This price increase was accompanied by decreasing traffic volumes on the Pennsylvania Turnpike and other toll and non-toll roads around the country. Many attributed this decline in trip making to high gas prices. Since July 2008, gas prices have dropped dramatically to a U.S. average of $1.65 per gallon by December 15, 2008. Averages for the Central Atlantic region are slightly higher at about $1.80 per gallon.

Trip making has continued to decline, however, even as gasoline prices have declined to levels not seen in the last five years. Thus, it is clear that the primary cause of declining traffic volumes was, and is, the underlying economic conditions of the region (and the US as a whole) and not simply gasoline prices. That said, however, low fuel costs do result in real savings to the consumer, and longer term that can only be positive in terms of future trip making.



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WEEKLY REGULAR UNLEADED GASOLINE PRICES

FIGURE 3

DEVELOPMENT OF NORMAL GROWTH ASSUMPTIONS

All of the socioeconomic data described above was used in the development of estimated growth rates on the Turnpike. Regression analyses were used to develop a relationship between these various measures and historical Turnpike traffic growth. While the data shown in Tables 5-8 are summarized into the four county groupings, WSA actually analyzed each interchange and barrier location based on the market area it serves. Using data collected as part of the 1999 origin and destination survey, WSA developed an interchange level profile (for both cars and commercial vehicles) identifying the Pennsylvania counties and states that contribute traffic to each Turnpike interchange.

As these types of data were not available for the barrier locations, county data were used based on the surrounding counties at each barrier location. Based on the analysis of the ticket system market share, this probably reflects an accurate reflection of actual barrier usage.

It should be emphasized again, however, that the regression analysis was used to develop longer term normal growth estimates beyond FY 2011-12. Shorter term estimates were developed recognizing the current economic recession and assumed continued negative growth through the middle of FY 2009-10 and zero to very low growth through the end of FY 2010-11.

ESTIMATED TRAFFIC AND TOLL REVENUE

This section of the report summarizes the study findings. Estimates of toll transaction and gross and net toll revenue are presented through FY 2030-31. These forecasts take into account the recent 25 percent toll rate increase on January 4, 2009 as well as the 3.0 percent annual toll rate adjustments on or about each subsequent January 1. A brief discussion is also provided of historical toll rate increases on the Pennsylvania Turnpike and the estimated effect they have had on traffic. Lastly, the currently proposed future rate structure will be discussed.

HISTORICAL AND PROPOSED PENNSYLVANIA TURNPIKE TOLL RATES

Table 9 provides a historical summary of all past rate increases on the Turnpike, up to and including the one implemented on January 4, 2009. Since 1940, when the Turnpike's first section opened to traffic, there have only been five rate increases. The one on January 4, 2009 was the sixth. Table 9 also shows the average annual percent rate of growth in the per mile rate charged to use the Turnpike. Since 1940 the rate of growth has averaged 2.9 percent per year.

To keep up with inflation and to improve funding capability for proposed capital projects, the Turnpike will now implement a 3.0 percent toll adjustment that occurs each year (beginning on or about January 1, 2010) instead of a toll increase once every 10 years, at a compounded rate of 3.0 percent per year. Table 10 shows an example of how rates will increase through 2030 for various rates, including a current $1.00, $2.50 and $10.00 toll. This table begins with hypothetical rates just prior to the January 4, 2009 rate increase. As shown, the rounding convention will be different for cash and E-ZPass transactions. Today, there is no difference between these two payment types. E-ZPass tolls will be rounded to the nearest $0.01 while cash rates will be rounded up to the nearest $0.05.

Table 9
Historical and Future Per Mile Toll Rates
Pennsylvania Turnpike System

Year	Car Per Mile Toll	Total Percent Increase	Average Annual Increase
1940 (1)	$0.010	---	---
1969	0.020	100.0%	2.4%
1978	0.022	10.0	1.1
1987	0.031	40.9	3.9
1991	0.041	32.3	7.2
2004	0.059	43.9	2.8
2009 (2)	0.074	25.4	4.6
1940 - 2009			2.9

(1) The first section of the Turnpike opened in October 1940.
(2) This is the most recent rate increase which took place on January 4, 2009. Annual 3.0 percent rate increases will occur on or about January 1 of each succeeding year.

Table 10
Sample of Future Cash and E-ZPass Toll Rates
Pennsylvania Turnpike System

Calendar Year (1)	Percent Toll Rate Increase (2)	Growth in Rates from Levels Prior to January 4, 2009 Rate Increase					
		$1.00 Toll		$2.50 Toll		$10.00 Toll	
		Cash (3)	E-ZPass (3)	Cash (3)	E-ZPass (3)	Cash (3)	E-ZPass (3)
2008 (4)	—	$1.00	$1.00	$2.50	$2.50	$10.00	$10.00
2009 (5)	25.0%	1.25	1.25	3.15	3.13	12.50	12.50
2010	3.0	1.30	1.29	3.25	3.22	12.90	12.88
2011	3.0	1.35	1.33	3.35	3.32	13.30	13.27
2012	3.0	1.40	1.37	3.45	3.42	13.70	13.67
2013	3.0	1.45	1.41	3.55	3.52	14.10	14.08
2014	3.0	1.45	1.45	3.65	3.63	14.50	14.50
2015	3.0	1.50	1.49	3.75	3.74	14.95	14.94
2016	3.0	1.55	1.53	3.85	3.85	15.40	15.39
2017	3.0	1.60	1.58	4.00	3.97	15.85	15.85
2018	3.0	1.65	1.63	4.10	4.09	16.35	16.33
2019	3.0	1.70	1.68	4.25	4.21	16.85	16.82
2020	3.0	1.75	1.73	4.35	4.34	17.35	17.32
2021	3.0	1.80	1.78	4.50	4.47	17.85	17.84
2022	3.0	1.85	1.83	4.60	4.60	18.40	18.38
2023	3.0	1.90	1.88	4.75	4.74	18.95	18.93
2024	3.0	1.95	1.94	4.90	4.88	19.50	19.50
2025	3.0	2.00	2.00	5.05	5.03	20.10	20.09
2026	3.0	2.10	2.06	5.20	5.18	20.70	20.69
2027	3.0	2.15	2.12	5.35	5.34	21.35	21.31
2028	3.0	2.20	2.18	5.50	5.50	21.95	21.95
2029	3.0	2.25	2.25	5.70	5.67	22.65	22.61
2030	3.0	2.35	2.32	5.85	5.84	23.30	23.29

(1) The 25 percent rate increase occurred on January 4, 2009; all other rate increases are assumed to occur on or about January 1 of the indicated year.
(2) These rate increases apply to all Turnpike toll facilities except for tolls on the Findlay Connector. Passenger Car toll rates on the Findlay Connector are currently $0.50 (with higher rates for commercial vehicles) and are assumed to remain unchanged over the forecast period.
(3) Cash rates are rounded up to the nearest $0.05 and E-ZPass rates are rounded to the nearest $0.01.
(4) These rates reflect those that would have been in effect prior to January 4, 2009.
(5) These are the rates that would currently be in effect subsequent to the January 4, 2009 rate increase.

Table 11 shows the historical growth in E-ZPass transactions. Over the last five years, passenger car E-ZPass market share has increased from almost 32 percent to nearly 47 percent of toll transactions. Commercial vehicle market share growth has been even greater, growing from about 40 percent in FY 2003-04 to over 70 percent by FY 2007-08. The actual rate of growth has been declining each year and we would expect that trend to continue. Some toll facilities offer toll discounts to those who pay electronically, that is not the case on the Pennsylvania Turnpike. Though the new rate schedules will introduce a very small toll savings for some E-ZPass users, that difference will never be greater than $0.04 and is not, therefore, expected to create an inducement to join the E-ZPass program. All of the other benefits of E-ZPass (no need for cash, faster toll transactions, payment accountability, etc.) will be the driving factors behind continued growth in the E-ZPass program.

Table 11
E-ZPass Transaction Market Share Trends
Pennsylvania Turnpike System

Fiscal Year	Passenger Car	Commercial Vehicle	Total
2003-04	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

As shown in Table 9, the most recent toll increase for which data are available on the Pennsylvania Turnpike occurred in 2004 (August 1st). Impact information is not yet available for the January 4, 2009 increase. Table 12 provides a summary of the estimated impact the 42.5 percent rate increase had on toll transactions. Traffic volumes for the June and July period just before the toll increase (2004) were compared to the June and July period following the toll increase (2005). The impact between these two periods would include both normal growth between 2004 and 2005 and the impact of the toll increase.

As shown in Table 12, passenger car traffic decreased by 1.2 percent and commercial vehicle transactions dropped by 0.6 percent. Based on general growth trends after the toll increase, we estimate normal growth between 2004 and 2005 to have been 0.5 percent for passenger cars and about 3.0 percent for commercial vehicles. The difference between observed growth and estimated normal growth reflects the impact of the toll rate increase. In this case, the passenger car toll rate increase impact is estimated at negative 1.7 percent and a loss of about 3.6 percent for commercial vehicles. The elasticity measure is a way to benchmark these impacts. Thus, for each 100 percent increase in rates, passenger car traffic would be expected to decrease by about 4.0 percent and commercial vehicle trips by about 8.5 percent.

Table 12
Estimated Impact of 2004 Toll Rate Increase (1)
Pennsylvania Turnpike System

Time Period/Impact Estimates	Passenger Car	Commercial Vehicle	Total
Toll Increase plus Normal Growth Impact (2)	-1.2%	-0.6%	-1.1%
Estimated Normal Growth Only	0.5%	3.0%	0.8%
Estimated Toll Increase Impact (3)	-1.7%	-3.6%	-1.9%
Percent Toll Increase	42.5%	42.5%	42.5%
Elasticity of Demand (4)	-4.0%	-8.5%	-4.5%

(1) A rate increase of 42.5 percent was implemented for all vehicle classes on August 1, 2004.
(2) This reflects growth between June/July 2005 compared to June/July 2004. The June/July 2004 period excludes the toll increase impact while the June/July 2005 period does include the toll increase impact. Thus, the percent impacts shown in this row reflect the impact of the toll increase plus normal growth. between 2004 and 2005
(3) The estimated toll impact is calculated by subtracting normal growth (row two) from the toll increase plus normal growth estimates in row one.
(4) Elasticity of demand is calculated by dividing the estimated toll increase impact by the percent toll rate increase.

Estimated Traffic and Toll Revenue

Tables 13 through 15 show the resulting estimates of annual traffic and gross toll revenue. Table 13 provides information for the ticket system only (including Gateway barrier plaza information as well) while Table 14 shows estimated traffic and gross toll revenue for the barrier systems (excluding Gateway). Table 15 provides a summary of total Turnpike traffic and toll revenue. All data for FY 2007-08 are actual and FY 2008-09 includes actual data for the first six months of the year (June through November 2008).

As shown in Table 13, total ticket transactions are expected to increase from about 158 million in FY 2007-08 to 233.1 million by FY 2030-31, an average annual growth rate of 1.7 percent. Estimated annual toll revenue increases from $571.5 million (after accounting for discounts and adjustments) to approximately $2,004.3 million over the same period. This represents an average annual growth rate of 5.6 percent and reflects the impact of both normal growth and the effects of annual toll rate increases.

Barrier system toll traffic (Table 14) is expected to increase from almost 31.3 million in FY 2007-08 to 61.4 million by the last forecast year, reflecting an average growth rate of about 3.0 percent per year. Growth rates on these facilities are higher than those on the ticket system due to the new market areas these facilities tend to serve. They are located on the fringes of urban areas where new suburban growth rates exceed those of the more developed areas served by the ticket system. Annual barrier toll revenue is shown to grow from about $27.4 million to $125.1 million over the forecast period; this represents an annualized growth of 6.8 percent.

Table 15 shows total Turnpike traffic and toll revenue. Total toll transactions are estimated to increase from 189.6 million in FY 2007-08 to almost 294.5 million by FY 2030-31. This represents annual growth of 1.9 percent. Total adjusted gross toll revenue is estimated to increase from $598.9 million to $2,129.5 million over the same period, representing 5.7 percent annualized growth.

Table 13
Estimated Annual Traffic and Gross Toll Revenue
Ticket System Only

Fiscal Year	Annual Traffic (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Annual Gross Revenue (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Revenue Discounts and Adjustments (1,000s) (4)	Adjusted Annual Gross Revenue (1,000s)
2007-08 (1)	136,018	22,253	158,272	$307,299	$283,511	$590,810	($19,296)	$571,514
2008-09 (2)	132,241	20,788	153,029	323,715	285,714	609,430	(19,904)	589,526
2009-10 (3)	129,996	19,887	149,883	366,066	314,577	680,643	(22,230)	658,413
2010-11 (3)	130,618	19,984	150,601	378,797	325,641	704,438	(23,007)	681,431
2011-12 (3)	135,189	20,883	156,072	403,817	350,503	754,320	(24,636)	729,684
2012-13 (3)	139,245	21,718	160,963	428,409	375,459	803,869	(26,254)	777,614
2013-14 (3)	142,726	22,479	165,205	452,293	400,258	852,551	(27,844)	824,707
2014-15 (3)	146,009	23,153	169,162	476,577	424,634	901,211	(29,434)	871,777
2015-16 (3)	149,075	23,824	172,899	501,183	450,057	951,239	(31,067)	920,172
2016-17 (3)	152,205	24,515	176,721	527,059	477,002	1,004,060	(32,793)	971,268
2017-18 (3)	155,402	25,202	180,604	554,271	505,068	1,059,339	(34,598)	1,024,741
2018-19 (3)	158,510	25,907	184,417	582,317	534,787	1,117,103	(36,485)	1,080,619
2019-20 (3)	161,680	26,607	188,287	611,782	565,703	1,177,485	(38,457)	1,139,028
2020-21 (3)	164,914	27,325	192,239	642,738	598,406	1,241,144	(40,536)	1,200,608
2021-22 (3)	168,047	28,063	196,110	674,599	633,000	1,307,598	(42,706)	1,264,892
2022-23 (3)	171,240	28,793	200,033	708,039	668,941	1,376,980	(44,972)	1,332,008
2023-24 (3)	174,493	29,541	204,035	743,136	706,924	1,450,060	(47,359)	1,402,701
2024-25 (3)	177,809	30,309	208,118	779,973	747,063	1,527,036	(49,873)	1,477,163
2025-26 (3)	181,009	31,097	212,107	817,833	789,481	1,607,315	(52,495)	1,554,820
2026-27 (3)	184,268	31,875	216,142	857,531	833,495	1,691,026	(55,229)	1,635,797
2027-28 (3)	187,584	32,672	220,256	899,155	879,962	1,779,118	(58,106)	1,721,012
2028-29 (3)	190,961	33,488	224,449	942,800	929,020	1,871,821	(61,134)	1,810,687
2029-30 (3)	194,398	34,326	228,724	988,564	980,813	1,969,377	(64,320)	1,905,057
2030-31 (3)	197,897	35,184	233,081	1,036,549	1,035,493	2,072,042	(67,673)	2,004,369

(1) Reflects actual traffic and revenue experience.
(2) Assumes implementation of the 25 percent rate increase on January 4, 2009. FY 2008-09 contains six months of actual experience.
(3) Assumes implementation of a 3 percent rate increase on or about January 1 of the indicated year.
(4) Discounts and adjustments are based on actual experience in FY 2007-08 and reflect approximately 3.3 percent of gross toll revenue.

Table 14
Estimated Annual Traffic and Gross Toll Revenue
Barrier System Only

Fiscal Year	Annual Traffic (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Annual Revenue (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Discounts and Adjustments (1,000s) (4)	Adjusted Annual Gross Revenue (1,000s)
2007-08 (1)	28,078	3,201	31,280	$20,462	$7,878	$28,340	($926)	$27,415
2008-09 (2)	28,438	3,200	31,639	22,811	8,590	31,402	(1,026)	30,376
2009-10 (3)	28,316	3,135	31,451	26,157	9,690	35,847	(1,171)	34,676
2010-11 (3)	28,557	3,159	31,717	27,175	10,057	37,232	(1,216)	36,016
2011-12 (3)	29,912	3,297	33,210	29,340	10,809	40,149	(1,311)	38,838
2012-13 (3)	31,182	3,425	34,607	31,528	11,561	43,089	(1,407)	41,682
2013-14 (3)	32,352	3,550	35,901	33,717	12,338	46,055	(1,504)	44,551
2014-15 (3)	33,539	3,669	37,209	36,040	13,133	49,173	(1,606)	47,567
2015-16 (3)	34,733	3,783	38,516	38,483	13,943	52,426	(1,712)	50,714
2016-17 (3)	35,971	3,891	39,863	41,093	14,770	55,863	(1,824)	54,038
2017-18 (3)	37,220	3,997	41,217	43,839	15,622	59,460	(1,942)	57,519
2018-19 (3)	38,514	4,105	42,619	46,771	16,517	63,288	(2,067)	61,221
2019-20 (3)	39,855	4,212	44,068	49,900	17,453	67,353	(2,200)	65,153
2020-21 (3)	41,205	4,322	45,527	53,190	18,436	71,626	(2,339)	69,287
2021-22 (3)	42,604	4,434	47,038	56,699	19,475	76,174	(2,488)	73,686
2022-23 (3)	44,009	4,546	48,555	60,383	20,569	80,942	(2,644)	78,298
2023-24 (3)	45,425	4,661	50,086	64,253	21,703	85,955	(2,807)	83,148
2024-25 (3)	46,889	4,778	51,667	68,372	22,911	91,283	(2,981)	88,302
2025-26 (3)	48,362	4,899	53,261	72,694	24,186	96,881	(3,164)	93,717
2026-27 (3)	49,841	5,019	54,860	77,224	25,516	102,740	(3,355)	99,384
2027-28 (3)	51,317	5,142	56,459	81,958	26,918	108,876	(3,556)	105,321
2028-29 (3)	52,839	5,268	58,107	86,985	28,398	115,383	(3,768)	111,615
2029-30 (3)	54,362	5,398	59,759	92,241	29,959	122,200	(3,991)	118,209
2030-31 (3)	55,882	5,530	61,413	97,729	31,607	129,335	(4,224)	125,111

(1) Reflects actual traffic and revenue experience.
(2) Assumes implementation of the 25 percent rate increase on January 4, 2009. FY 2008-09 contains six months of actual experience.
(3) Assumes implementation of a 3 percent rate increase on or about January 1 of the indicated year.
(4) Discounts and adjustments are based on actual experience in FY 2007-08 and reflect approximately 3.3 percent of gross toll revenue.

Table 15
Estimated Annual Traffic and Gross Toll Revenue
Total Turnpike System

Fiscal Year	Annual Traffic (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Annual Revenue (1,000s) Passenger Cars	Commercial Vehicles	Total Vehicles	Discounts and Adjustments (1,000s) (4)	Adjusted Annual Gross Revenue (1,000s)
2007-08 (1)	164,097	25,455	189,552	$327,761	$291,389	$619,150	($20,221)	$598,929
2008-09 (2)	160,679	23,988	184,667	346,527	294,305	640,831	(20,930)	619,902
2009-10 (3)	158,312	23,022	181,334	392,223	324,266	716,489	(23,401)	693,089
2010-11 (3)	159,175	23,143	182,318	405,972	335,698	741,670	(24,223)	717,447
2011-12 (3)	165,101	24,181	189,282	433,157	361,312	794,469	(25,947)	768,522
2012-13 (3)	170,427	25,143	195,571	459,938	387,020	846,958	(27,662)	819,296
2013-14 (3)	175,078	26,028	201,106	486,011	412,596	898,607	(29,348)	869,258
2014-15 (3)	179,548	26,822	206,370	512,617	437,767	950,384	(31,040)	919,344
2015-16 (3)	183,808	27,607	211,415	539,665	464,000	1,003,665	(32,780)	970,885
2016-17 (3)	188,177	28,407	216,584	568,151	491,772	1,059,923	(34,617)	1,025,306
2017-18 (3)	192,622	29,199	221,821	598,110	520,690	1,118,800	(36,540)	1,082,260
2018-19 (3)	197,024	30,012	227,036	629,087	551,304	1,180,391	(38,552)	1,141,840
2019-20 (3)	201,535	30,819	232,355	661,682	583,156	1,244,838	(40,656)	1,204,181
2020-21 (3)	206,119	31,647	237,766	695,928	616,842	1,312,770	(42,875)	1,269,895
2021-22 (3)	210,651	32,497	243,148	731,298	652,475	1,383,772	(45,194)	1,338,578
2022-23 (3)	215,249	33,339	248,587	768,422	689,500	1,457,922	(47,616)	1,410,306
2023-24 (3)	219,918	34,202	254,120	807,389	728,627	1,536,015	(50,166)	1,485,849
2024-25 (3)	224,698	35,088	259,785	848,346	769,974	1,618,319	(52,854)	1,565,465
2025-26 (3)	229,371	35,996	265,367	890,528	813,668	1,704,195	(55,659)	1,648,536
2026-27 (3)	234,108	36,894	271,002	934,755	859,011	1,793,765	(58,584)	1,735,181
2027-28 (3)	238,901	37,814	276,715	981,114	906,880	1,887,994	(61,662)	1,826,332
2028-29 (3)	243,800	38,757	282,556	1,029,785	957,418	1,987,203	(64,902)	1,922,301
2029-30 (3)	248,760	39,723	288,483	1,080,804	1,010,772	2,091,577	(68,311)	2,023,266
2030-31 (3)	253,780	40,714	294,494	1,134,277	1,067,100	2,201,377	(71,897)	2,129,480

(1) Reflects actual traffic and revenue experience.
(2) Assumes implementation of the 25 percent rate increase on January 4, 2009. FY 2008-09 contains six months of actual experience.
(3) Assumes implementation of a 3 percent rate increase on or about January 1 of the indicated year.
(4) Discounts and adjustments are based on actual experience in FY 2007-08 and reflect approximately 3.3 percent of gross toll revenue.

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DISCLAIMER

Current professional practices and procedures were used in the development of these findings. However, there is considerable uncertainty inherent in future traffic and revenue forecasts for any toll facility. There may sometimes be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. These differences could be material. Also, it should be recognized that traffic and revenue forecasts in this document are intended to reflect the overall estimated long-term trend. Actual experience in any given year may vary due to economic conditions and other factors.

Respectfully submitted,

WILBUR SMITH ASSOCIATES

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