

April 30, 2009

The State of the Commonwealth's Transportation System



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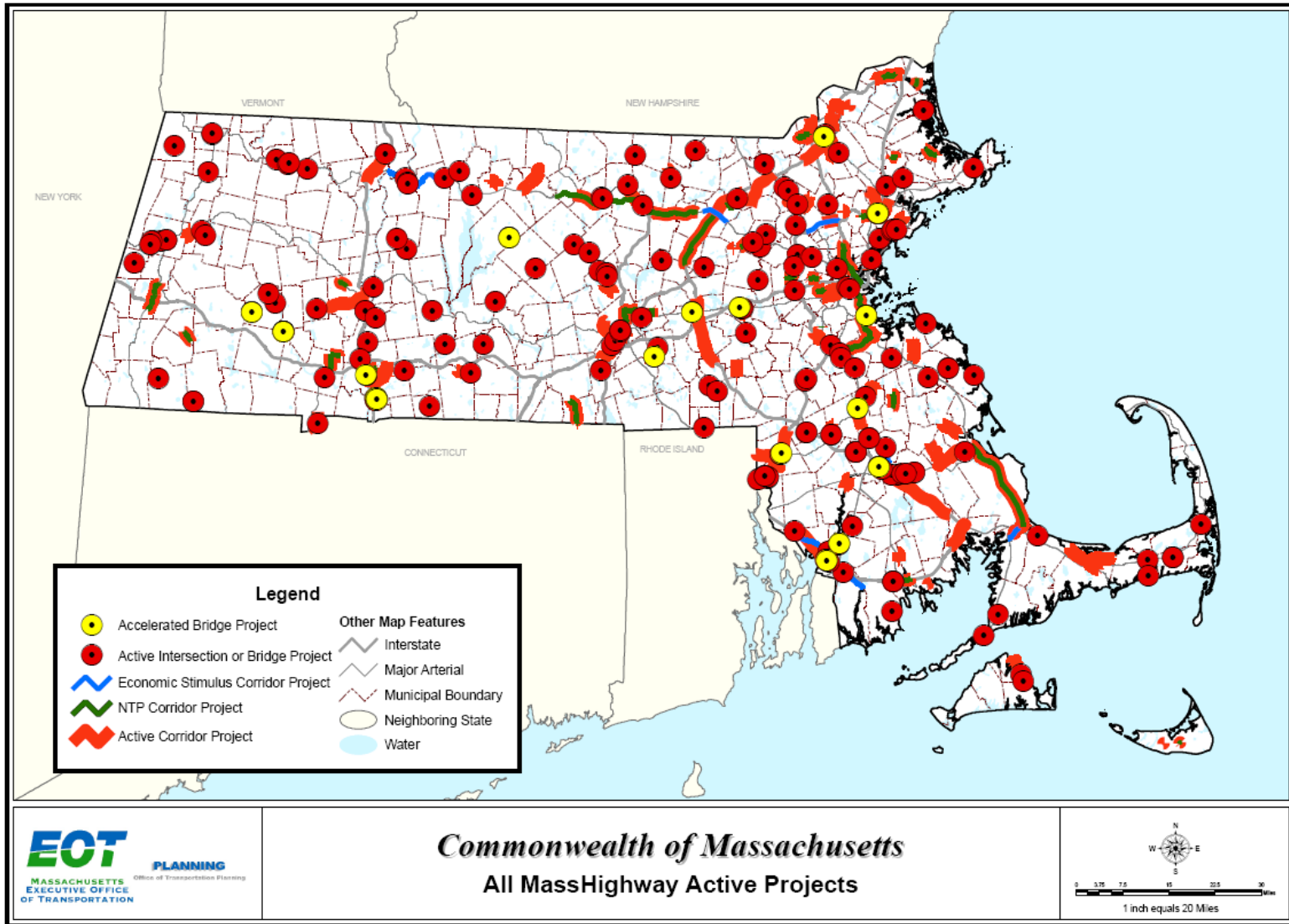
A National Perspective/Trends

- **The status quo is not an option; others are nipping at our heels; change is the word of the day**
- **Congestion is worse (VMT up nearly 200% in 20 yrs/lanes up 120%)**
- **A renewed focus on user fees, deferred maintenance, and the relationship of infrastructure to economic development**
- **Greater cooperation amongst modes is key, as is a balanced transportation program**
- **We must think regionally and globally**
- **We must tap private-sector capital**

MassHighway

- **1,900 employees; just 400 paid on operating budget; down from over 3,000 in 1990, 2,500 of whom were on operating budget**
- **\$725m annual road and bridge spending program**
- **\$250m+ Accelerated Bridge Program**
- **Program has grown to over \$1B/year**
- **First – time ever MassHighway Scorecard**
- **Adopted flagger reform**
- **40% increase in project delivery speed**
- **Large part of Governor’s Economic Security Plan**

Cranes Across the Commonwealth



Commonwealth of Massachusetts
All MassHighway Active Projects



Regional Transit Authorities

- **Face declining service every year**
- **Are not properly subsidized**
- **Borrow for operating expenses**
- **Are not incented to save or to work together because of net cost of service formula**

MBTA

- **Reaches 74% of the Commonwealth's population**
- **Record ridership – more than 1M trips/day**
- **\$4.9B in debt (28 cents of every dollar the T has is spent on debt)**
- **\$160M operating deficit in FY10**
- **\$230M operating deficit projected by FY11**
- **Facing 30% fare hikes and deep service cuts**
- **Recently completed \$47M in savings from staff reductions, reduced overtime and increased health care contributions**
- **Also recently initiated layoffs and furloughs**

Massachusetts Turnpike Authority

- **\$2.2B in “Big Dig” debt**
- **\$125M structural deficit**
- **Regional inequity; toll burden spread unfairly**
 - No North/South tolls
 - No WT toll increase since 1991
 - Tolls removal at exits 1-6 and at exit 16
- **Saved \$31M by reductions in force (labor and management)**

Years of Buildup

- **Since 1990 –**

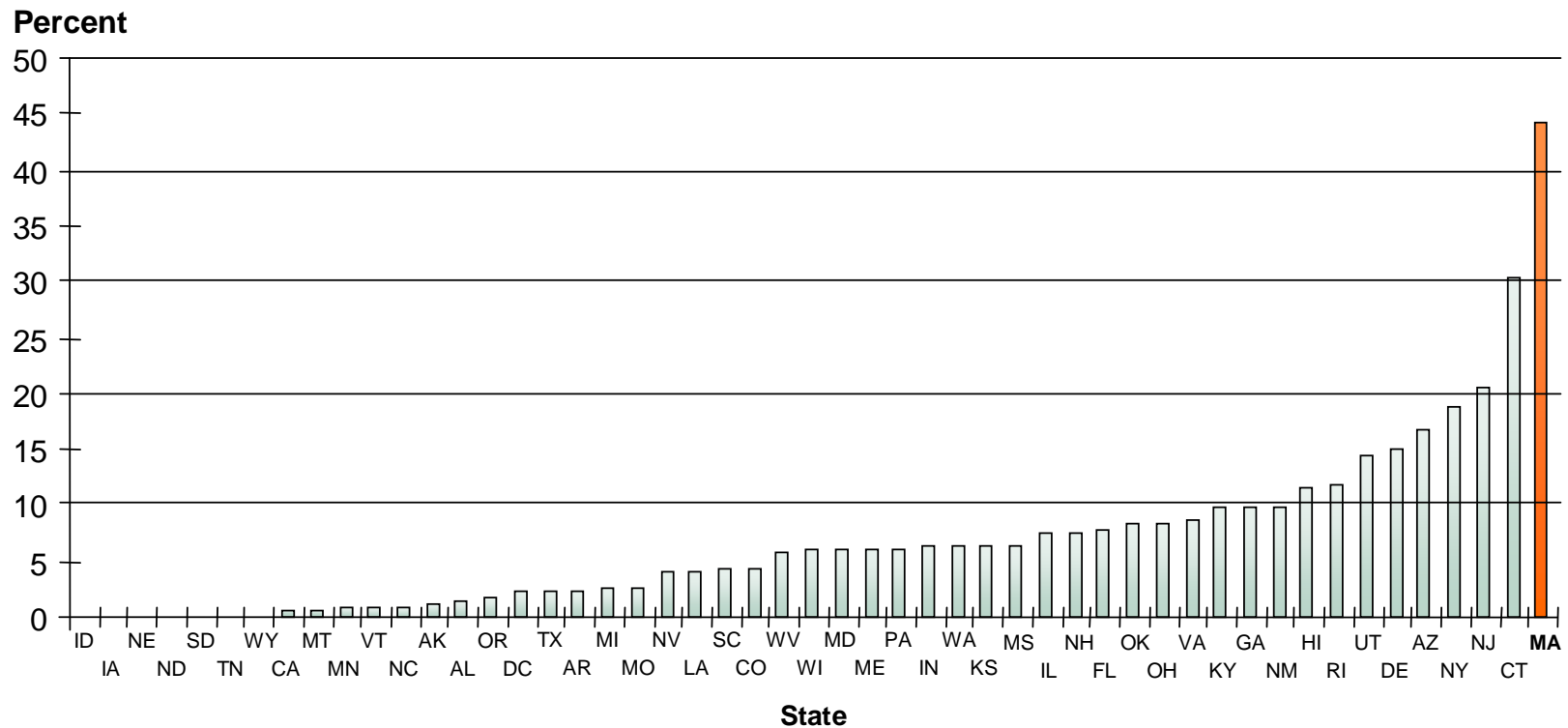
- No increase to gas tax
- Tolls increased by 177%
- Fares increased by 100%
- RMV fees are lower today (In 1990: license was \$43.75; registration was \$45)
- No increase in WT Tolls (ride was \$2.45 in 1957; \$2.70 today)

- **CA/T and other costs result in record borrowing**

- Initial estimates were from between \$2B and \$7B (90% FA expected)
- Total cost was \$14.798B
- \$8.549B paid by federal government
- \$6.24B paid by Commonwealth (\$365M from Massport, \$2B from MTA)
- Plus, the MBTA borrowed another \$2B for transit commitments

Transportation Debt

Exhibit 8. Debt Payments as a Percent of Total Highway Spending
2004



Leaving Us With

- **Record spending**
- **An unmanageable debt load**
- **A frustrated and skeptical electorate**
- **A lack of trust of government in general and state transportation in particular**
- **Significant regional inequities (both N-S and E-W)**

Governor Patrick's Transportation and Economic Security Plan

- **Reform**
- **Respect**
- **Rebuild**
- **Renew**

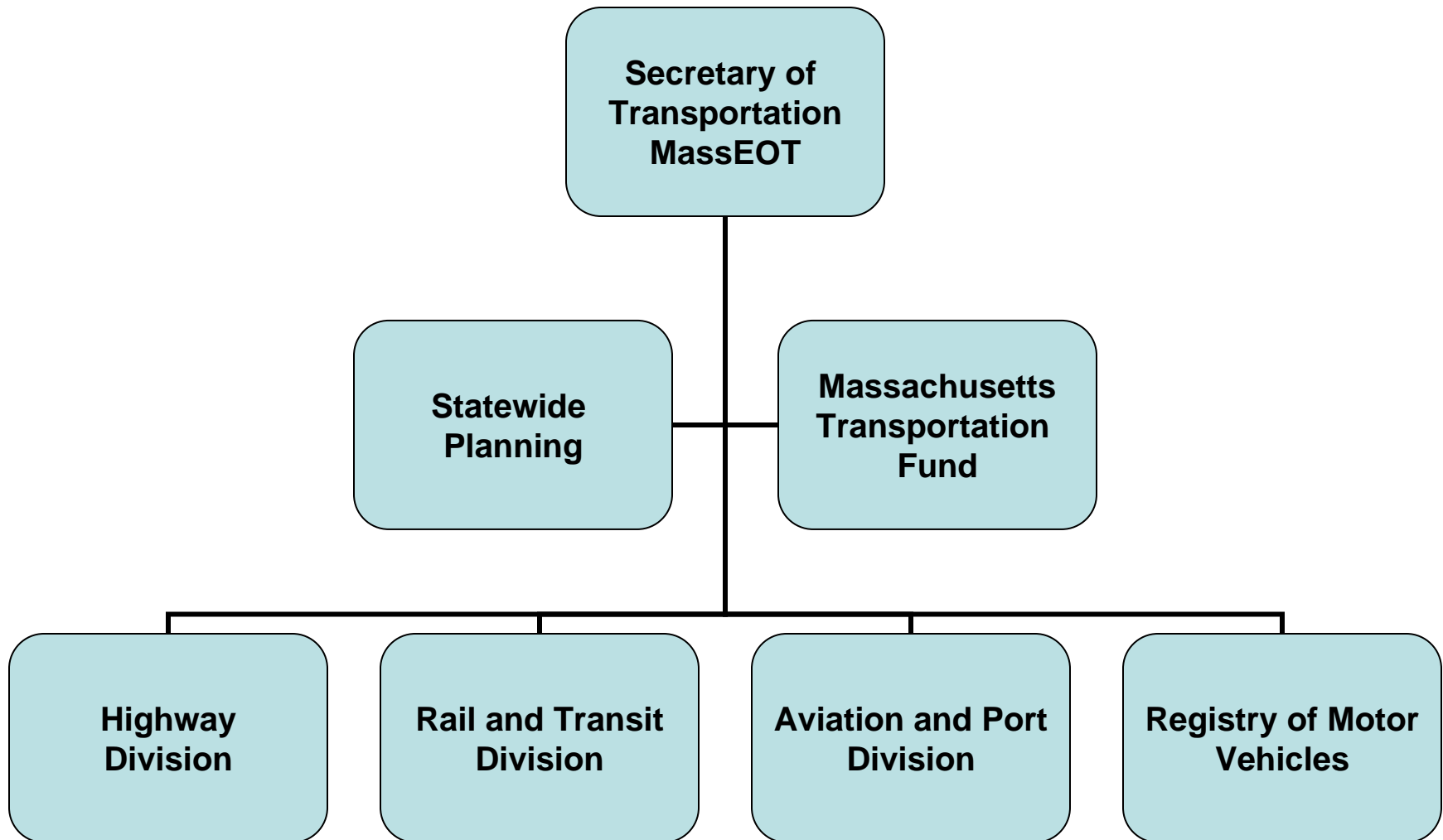
Reform

- **End 23 and out; move to state system**
- **All MBTA / MTA employees on G.I.C.**
- **Tort Reform**
- **Move MHD/EOT off bonds**
- **Authorize PPP/Create economic development office**
- **Create Performance Management Office**

Respect

- **Buy/build green**
- **Healthy Transportation Compact**
- **Authorize rebates**
- **Encourage Massport's help**

Rebuild



Renew

- **Convert Highway Fund to Transportation Fund**
- **Raise gas tax by 19 cents**
 - 4¢ for toll relief
 - 6¢ for the MBTA
 - 1.5¢ for RTAs
 - 1.5¢ for Regional road projects
 - 3¢ for Regional road projects
 - 2¢ for EOT/MHD bond employee transfer
 - 1¢ for next generation technology
- **Index gas tax to inflation**

Different Plans

Senate

- **Authority**
- **No revenue**
- **DCR Bridge & Parkways**
- **T asset transfer**

Governor

- **Agency**
- **0.19 cents**
- **DCR Bridges**
- **No asset transfer**

House

- **Authority**
- **No revenue**
- **No DCR**
- **No asset transfer**

For More Information

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