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Insurance could ease Big Dig costs

Coverage totals \$800m; Greenway funds backed

By Raja Mishra, Globe Staff | August 1, 2006

The Big Dig has at least \$800 million in insurance coverage that would pay for much of the repair bills, inspection costs, and lawsuits stemming from the deadly Interstate 90 connector tunnel ceiling collapse, according to a memo that circulated yesterday among state lawmakers.

The memo, from the Massachusetts Turnpike Authority, was given to key legislators worried about the financial fallout from the July 10 death of Milena Del Valle. The ongoing repair effort, scheduled to last months, could grow in scope and cost as inspections reveal more flaws.

To help pay repair and other costs, Governor Mitt Romney had proposed to shift \$31 million from the long-planned Rose Kennedy Greenway to the Big Dig repair budget, but lawmakers rejected that plan overwhelmingly yesterday.

Romney and lawmakers also pledged yesterday not to increase tolls to finance any of the fixes.

Previously, Romney and state officials have said lawsuits against Big Dig contractors found responsible for construction shortcomings that resulted in Del Valle's death would ultimately cover repair costs. A spokesman for Attorney General Thomas F. Reilly, who would handle any cases, said his office would aggressively pursue the companies involved.

“We are committed to getting to the bottom of this and ensuring taxpayers don't have to pay for any mistakes made in design, construction, testing, inspection, and oversight of the ceiling panels in that section of the I-90 connector,” said David Guarino, the Reilly spokesman.

The attorney general plans to file claims against the contractors, regardless of any insurance coverage, Guarino said.

But the extent of coverage revealed in the Turnpike Authority memo -- titled “How will the Financial Obligations of the I-90 Connector Accident be Met” -- added a potentially significant safety net to the financial picture.

The insurance provides the Turnpike Authority with \$550 million in tunnel damage coverage for the Big Dig and \$50 million in liability coverage for lawsuits, while the Central Artery Project has \$200 million in liability insurance, the memo said. Del Valle's

relatives have said they will file wrongful death suits against the state and Big Dig contractors.

Turnpike Authority officials circulated the memo on Beacon Hill to help bolster the effort to override Romney's veto of the greenway money. Lawmakers were reassured that insurance coverage would handle ``most, if not all" of the costs stemming from the accident, according to one legislative aide who attended a Turnpike Authority briefing.

Contacted yesterday about the memo, Big Dig spokeswoman Mariellen Burns said in an e-mail: ``There are multiple investigations occurring to determine responsibility, and the extent, if any, that insurance coverage will apply will not be known until the investigations and reviews currently underway are completed."

State engineers and work crews are preparing extensive repairs in the I-90 connector tunnel, and safety checks throughout the Big Dig could lead to more fixes.

However, the Ted Williams Tunnel, which uses the same epoxy-secured ceiling bolts that failed in the connector tunnel, could have far lower repair costs than once feared.

State transportation officials said yesterday that all the bolts strength-tested there thus far have passed, making it less likely that costly, extensive repairs will be necessary.

``It's much too early to speculate even what the costs are so far," said state transportation spokesman Jon Carlisle. ``All the bills haven't come in. There are too many moving parts at this point to come up with a credible estimate."

The Legislature gave Romney \$20 million to pay for his ``stem to stern" audit of the entire Big Dig network of tunnels and ramps. Thus far, state transportation officials have granted the private firms conducting repair work open-ended contracts based on standard Big Dig pay rates. State officials have said the Big Dig's contingency fund, \$142 million at the end of May, can pay for the work in the short term.

US Senator John F. Kerry , a Massachusetts Democrat, said yesterday that Congress would probably not help out the \$14.6 billion Big Dig, funded partly with federal money.

``No, I don't think the federal government will chip in," he said. ``I don't know if they're in a position, in a mood, to revisit it."

Lawmakers have mostly focused on Reilly's plans to sue contractors as the primary avenue for covering repair costs.

State Senator Steven A. Baddour, a Methuen Democrat and cochairman of the Joint Committee on Transportation, recently met with Reilly to discuss potential cases.

``He looked at me and said, `You don't have to worry about me being aggressive,' " Baddour said. ``It's clear that in the end all the roads will lead to Bechtel."

However, Bechtel/Parsons Brinckerhoff, the lead Big Dig contractor, has an agreement with the state limiting its liability lawsuit payments to \$150 million.

Michael Widmer, president of the Massachusetts Taxpayers Foundation, said previous lawsuits in similar cases did not result in windfalls for state governments.

“If you look at cases on projects like the Big Dig, it was hard [for states] to assign direct blame to anyone,” he said. “In the end, there were settlements that only partially covered costs.”

Romney said that repairing the Big Dig tunnels, a key link in Boston's economic infrastructure, was more important than spending money on the 27-acre greenway.

The \$31 million would pay for covering ramps that connect I-93 to streets near the North End, Faneuil Hall, and Rowes Wharf. That would make way for the planned construction of a museum, a history center, an arts and cultural center, and a YMCA community center.

Several lawmakers said the money was promised long ago and added that the Big Dig could not be considered complete without it. Greenway supporters were thrilled with the 132 to 21 vote by the House and the unanimous vote by the Senate to preserve the money.

“We didn't understand why the governor was taking a step backward In light of recent happenings, isn't it good to have the project meeting its environmental commitment?” said Richard A. Dimino, president and chief executive officer of A Better City, a group that has monitored the Big Dig for Boston businesses.

Some tourists and visitors downtown also seemed to support the greenway, which also includes gardens, fountains, and other park space.

“We want the garden,” said Virginia Carr, 62, of Dorchester, who was downtown visiting her brother. “We've suffered enough, and the parks make life worthwhile.”

David Hildebrandt, 27, also of Dorchester, was walking around the dusty construction site and comparing Boston to his recent visit to Chicago. He said he didn't understand why a project to beautify the city would be delayed.

“I was over there, and thought that it blew Boston away,” said Hildebrandt. “We don't even come close.”

Adrienne P. Samuels of the Globe staff contributed to this report.