



Massachusetts Taxpayers Foundation



NEWS RELEASE

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KEY BUSINESS GROUPS JOIN TOGETHER TO PROPOSE COMPREHENSIVE TRANSPORTATION REFORM AND FINANCE PLAN

Plan calls for reform measures, governance changes, and new sources of revenue

Boston- Five key businesses organizations representing employers across the state have joined together to propose a transportation reform and finance plan that will improve the transportation system and sustain the state's economy and competitiveness into the future. The plan includes comprehensive reform measures, improvements to policy and governance, and new sources of revenue – including raising the gas tax.

"It is time for Massachusetts to make bold decisions and take on the incredible challenges that our transportation infrastructure faces today," said Michael Widmer, president of the Massachusetts Taxpayers Foundation. "Our organizations are joining together to stand behind this plan because the viability of the Commonwealth's economy depends on having roads and bridges that are safe and well managed and a transit system that is not teetering on the brink of bankruptcy."

"We believe any improvement of the state's transportation system has to begin with the comprehensive, meaningful reforms recommended by the Transportation Finance Commission," said Alan Macdonald, executive director of the Massachusetts Business Roundtable. "We commend both the Governor and the Senate for including these recommendations in their proposals and urge swift action on this reform agenda to improve the state's economy."

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“The strength of our economy and our ability to compete as a state is deeply dependent on the financial and physical stability of our transportation system, which moves people to their jobs and goods and services across Massachusetts,” said Paul Guzzi, president and CEO of the Greater Boston Chamber of Commerce. “These proposed reforms will bring efficiencies to the management of the system while updating the sources of revenue that will ensure the viability of our transportation infrastructure into the future.”

“We in the business and real estate communities know very well that if we do not take steps to address the financial needs of our transportation infrastructure, the state’s economy will suffer,” said David Begelfer, CEO, NAIOP Massachusetts. “We are now looking to the leadership in Massachusetts to take the steps necessary to address these very serious problems, which affect our quality of life and economic well being.”

“The economy of our metropolitan areas and the entire state depends a great deal on having a transportation system that is safe, financially sound, and efficient as possible,” said Rick Dimino president and CEO of A Better City. “We need to implement these proposed measures all at once in order to bring the needed reforms and new revenues that will ensure the viability of our transportation system and allow for healthy economic development in the Commonwealth.”

The groups said, “The Senate President and Governor have put forward detailed legislative proposals which advance these issues in a very constructive way. We look forward to the House Speaker’s proposal and the passage of a comprehensive reform and revenue package this session.”

The plan proposed by the five groups includes the following reform and revenue measures:

Reforms

- Bring the MBTA employees’ retirement and health care benefits in line with that of other state employees, which could save between \$1 and \$2 billion over the next 20 years
- Restore full management rights to the MBTA to allow the Authority to determine levels of service and staffing

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BUSINESS GROUPS /TRANSPORTATION FINANCE PLAN

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- End the practice at Mass Highway and the MBTA of paying salaries and operational expenses with bond funds, which are future debt
- Improve the management of transportation-based projects through more accountability and reporting and oversight of federal stimulus dollars and future revenues
- Streamline the process of designing and building transportation projects to increase competitiveness and reduce costs
- Establish \$100,000 tort liability limit for all transportation authorities to be consistent with state agencies

Revenue

- Raise the gas tax by 25 cents, dedicate it to transportation, and index it to inflation and distribute these funds to:
 - The Metropolitan Highway System – to replace the proposed \$100 million toll hike
 - The Western portion of the MA Turnpike for capital expenditures
 - Forward funding the Regional Transit Authorities that serve all parts of the state
 - Reducing the backlog of maintenance projects at the Mass Highway Department and ensure that there is regional distribution of this money across the Commonwealth
 - The MBTA – to reduce the debt and put the T on stronger financial footing
- Maintain the current tolls on the Western Turnpike
- Investigate longer term sustainable road-based revenue generating systems such as open road tolling or vehicle mileage tax.

The groups proposing the transportation reform and finance plan are the Massachusetts Taxpayers Foundation, the Massachusetts Business Roundtable, the Greater Boston Chamber of Commerce, NAIOP Massachusetts, and A Better City.

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