February 24, 2009

Governor Patrick’s Transportation and Economic Security Plan

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Reform, Rebuild, Renew

- True regional equity - regional targets and dedicated funds
- Expanded transit service outside of Greater Boston
- Improved MBTA service to support economic engine of Greater Boston
- Green Transportation Program
- Creation of a consolidated funding mechanism that enables flexible and strategic use of transportation revenues
- Explore feasibility of alternative solutions for the future, like VMT
- Leverage non-core assets through public-private partnerships to pay-down debt
- Abolish boards and commissions, creating leaner, more cost-effective delivery of transportation services

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Reforming The System

- Enacting all of the Transportation Finance Commission recommendations in one way or another
- Pension and Benefit reforms:
  - End the “23 and out” benefit in the MBTA pension system
  - Bringing the Turnpike and MBTA employees into the state health care system
- Streamlining the transportation bureaucracy
  - Eliminating the Turnpike Authority, Massachusetts Aeronautics Commission, and the Outdoor Advertising Board
- Move employees off bond accounts
- Tort Reform
- Rightsizing the transportation workforce
- Authorizing EOT to enter into Public Private Partnerships
- Forward fund the RTAs
- Promote regional equity

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## Implement Recommendations of the TFC

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Addressed as of 2.3.2009</th>
<th>Legislation</th>
<th>TFC Estimate (+ is no TFC estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Road and bridge investments should be selected and advanced based on rational and transparent criteria</td>
<td>✓</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>2</td>
<td>The Executive Office of Transportation and Public Works (EOTPW) should utilize alternative procurement methods and public-private partnerships (P3)</td>
<td>✓</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>3</td>
<td>The use of private firms should be allowed on road and bridge projects</td>
<td>✓</td>
<td>In Part</td>
<td>+</td>
</tr>
<tr>
<td>4</td>
<td>Responsibility for the Department of Conservation and Recreation's (DCR) parkways and bridges should be transferred to MassHighway</td>
<td>Effectively, yes.</td>
<td></td>
<td>$100</td>
</tr>
<tr>
<td>5</td>
<td>Maintenance Responsibilities of I-93, I-84 and I-95 should be transferred to the Massachusetts Turnpike Authority</td>
<td>Yes</td>
<td></td>
<td>$60</td>
</tr>
<tr>
<td>6</td>
<td>EOTPW should establish the position of Private Projects Ombudsman</td>
<td>Yes</td>
<td>In Part</td>
<td>+</td>
</tr>
<tr>
<td>7</td>
<td>The Commonwealth should end the practice of using bonded funds for operating personnel and expenses</td>
<td>Yes</td>
<td>In Part</td>
<td>$825</td>
</tr>
<tr>
<td>8</td>
<td>The Commonwealth should improve the predictability of highway funding and coordination of projects funded by multiple entities</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>9</td>
<td>The rate of growth of MBTA fringe benefits costs should be reduced</td>
<td>Yes</td>
<td></td>
<td>$1,100</td>
</tr>
<tr>
<td>10</td>
<td>The unnecessary constraints on MBTA management should be removed</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>11</td>
<td>The MBTA needs to fully fund its state of good repair program. This goal can and should be achieved by the Commonwealth assuming the debt from Central Artery/Tunnel transit commitments</td>
<td>In Part</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>12</td>
<td>The Commonwealth should pay for all MBTA capital expansions, and before committing to a project, the MBTA should demonstrate that adequate revenues are in place to operate and maintain the expansions</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>13</td>
<td>Regional Transit Authorities (RTAs) should be forward-funded</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>14</td>
<td>The RTA's 2.5 percent per year cap in operating cost growth should be eliminated</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>15</td>
<td>RTAs should be allowed to borrow with the full faith and credit of the Commonwealth</td>
<td>✓</td>
<td></td>
<td>$65</td>
</tr>
<tr>
<td>16</td>
<td>The Secretary of Transportation should exercise a stronger coordinating role with respect to RTAs</td>
<td>✓</td>
<td>Yes, to a greater extent.</td>
<td>+</td>
</tr>
<tr>
<td>17</td>
<td>The Secretary of Transportation should have the authority to coordinate all aspects of the Commonwealth's transportation network</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>18</td>
<td>The CEO of each Massachusetts transportation agency should institute a rigorous performance evaluation process</td>
<td>Yes</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td>19</td>
<td>All Massachusetts transportation agencies should have the same $100,000 tort liability limit as municipalities</td>
<td>Yes, Tort Reform</td>
<td></td>
<td>$100</td>
</tr>
<tr>
<td>20</td>
<td>The vast majority of our funds for the foreseeable future should be devoted to maintenance and rehabilitation</td>
<td>✓</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>21</td>
<td>The Tobin Bridge should be transferred from Massport to the Metropolitan Highway System</td>
<td>Yes</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>22</td>
<td>Transportation user fees must be dedicated to transportation uses</td>
<td>✓</td>
<td>Yes</td>
<td>+</td>
</tr>
</tbody>
</table>

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Patrick Administration reforms to date

- **Civilian flaggers** - at all state road and bridge projects

- **40% Faster Project Delivery** - MassHighway

- **$47 Million in Savings from MBTA Reforms** - reduced overtime costs, staff reductions, and increased health care contributions for employees at the MBTA

- **$31 Million in Savings from Turnpike Reforms** - reduced toll-takers and middle-management at the Turnpike by 25% - total savings of $31 million

- **Greater Transparency** - established MassHighway online Scorecard so citizens can see project process and cost

- **Public Private Partnership** - Turnpike service areas put out to bid to try to generate additional revenue

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Recognize Transportation Impacts

- Mandate Massport to participate in public transportation initiatives serving airport facilities,
- Establish a “green car” sliding-scale for new automobile registration fees
- Focus on user-fee technology that ensures privacy and encourages a future of more fuel-efficient vehicles
- Implements “Buy Green” and “Build Green” strategies
- Authorize “Complete Streets” Initiative to Encourage Bicycling and Walking
- Create Healthy Transportation Compact

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Regional Benefits in the Patrick Plan

Targeted Annual Regional Spending Under Governor's Plan

- Current
- Governor's Plan

Annual Spending (Millions)

- Central and Western MA Rail Projects
- Regional Transit Authorities
- Regional Roads and Bridges Program

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Rebuild for Results

**Build a single, integrated and accountable transportation agency that plans for the future and is responsive to users**

- Create a consolidated Executive Office of Transportation with four Divisions: Highway, Rail and Transit, Aviation and Port, Registry of Motor Vehicles
- Abolish the Turnpike Authority, the Massachusetts Aeronautics Commission, and the MBTA Board as we know it
- Streamline state aviation bureaucracy
- Ensure accountability through Office of Performance Management and expansion of MassHighway Scorecard to all Divisions
- Create Private Project Ombudsman position to streamline project development and ensure regional equity

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Composition of the Divisions

- Highways: MHD, MTA, DCR Bridges, and the Tobin Memorial Bridge
- Rail and Transit: EOT Rail, the MBTA, and the RTAs
- Aviation and Port: MAC and Massport
- RMV: RMV and ITS Functions

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Refining Massport’s Mission

- Massport owns and operates Logan, Worcester, Hanscom Airports, as well as the Port of Boston
- The Tobin Bridge becomes an asset of the new Highway Division
- Massport Mobility Mandates will enable smoother vehicular mobility and offer affordable and reliable public-transportation options to Logan Airport
- Secretary becomes Chairman of Massport Board
- Airport & Seaport Division Director will be ex-officio member of the Massport board
- Mandate $2 carbon-impact fee on vehicles parking at Logan Airport parking facilities to fund Massport Mobility Mandates

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Pay down debt and make investments that fix broken infrastructure, improve service in every region and promote economic growth.

- Establish the Massachusetts Transportation Trust Fund “TransFund”, a consolidated funding mechanism that enables flexible and strategic use of transportation revenues
- Increase gas-tax by $0.19 to pay down debt and improve service in all regions
- Explore feasibility of alternative solutions for the future through VMT
- Leverage non-core assets through public-private partnerships

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Additional Gas Tax and RMV Fees Can Pay Down Debt and Make Sound Sustainable Investments for the Future

- Gas tax should increase by 19 cents
- Gas tax should be indexed annually to CPI, beginning in July 2011
- Average driver will pay about $8-10 per month
<table>
<thead>
<tr>
<th>Proposal</th>
<th>Total Cost in Cents</th>
<th>Annual Cost (m)</th>
<th>Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid Proposed Turnpike and Tunnel Toll Hike</td>
<td>4¢</td>
<td>$100</td>
<td>4¢</td>
</tr>
<tr>
<td>Avoid T and Commuter Rail Service Cuts and Fare Increases</td>
<td>6¢</td>
<td>$165</td>
<td>6¢</td>
</tr>
<tr>
<td>Innovative Gas and Toll Solutions</td>
<td>1¢</td>
<td>$25</td>
<td>1¢</td>
</tr>
<tr>
<td>Forward and Reliable Funding for Regional Transit</td>
<td>1.5¢</td>
<td>$40</td>
<td>1.5¢</td>
</tr>
<tr>
<td>Targeted Regional Road Projects</td>
<td>1.5¢</td>
<td>$40</td>
<td>1.5¢</td>
</tr>
<tr>
<td>South/West/North Rail Projects</td>
<td>5¢</td>
<td>$125</td>
<td>3¢</td>
</tr>
<tr>
<td>Stop Paying MassHighway Employees with Debt</td>
<td>5¢</td>
<td>$135</td>
<td>2¢</td>
</tr>
<tr>
<td>MBTA State of Good Repair Gap</td>
<td>4¢</td>
<td>$100</td>
<td>0¢</td>
</tr>
<tr>
<td>MassHighway Statewide Road and Bridge Program Gap</td>
<td>10¢</td>
<td>$250</td>
<td>0¢</td>
</tr>
<tr>
<td>Urban Transit Expansion Projects</td>
<td>14¢</td>
<td>$350</td>
<td>0¢</td>
</tr>
<tr>
<td>Remove Tolls on Turnpike</td>
<td>15¢</td>
<td>$380</td>
<td>0¢</td>
</tr>
<tr>
<td>MassHighway Expansion Projects (Route 3, I/93 - I/95)</td>
<td>6¢</td>
<td>$150</td>
<td>0¢</td>
</tr>
</tbody>
</table>

**Proposed Gas Tax** 19¢

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If We Had Indexed the Gas Tax Last Time Around, We Would Have No 20-year Transportation Funding Gap Now
Massachusetts Transportation Fund

- **TransFund becomes a repository for:**
  - Gas tax
  - RMV fees
  - Tolls
  - T, commuter rail, and RTA fares (with Board approval)
  - Funds appropriated by Legislature
  - Other transportation revenues (e.g. PPPs)
  - Contributions from Massport, federal, and other revenue sources

- **Distributes funds for:**
  - Annual operating and capital budgets for all Divisions

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Exploring Innovative Solutions: VMT Pilot

- We recognize that a greener, more fuel-efficient transportation system means that the gas tax will become a less viable means of funding our transportation system and generating economic growth.
- A user-fee based system, collected electronically, is a fair way to pay for our transportation needs in the future.
- We propose a voluntary pilot program based on Oregon’s User-Fee Pilot.
- Using GPS-based technology, drivers in pilot program pay for use of roads, and receive a full refund of the gas tax.
- User-privacy will be fully protected by statute, establishing tough penalties for violation of privacy.
The Cost of Inaction

- If we don’t reform, rebuild, and renew the system...
  - Significant threat to our long term economic future
  - Substantial Toll Increases - $7 tolls at the tunnels and $2 at the Turnpike
  - Subway and Commuter Rail Fare Increases and Service Reductions – 20 to 25% increases in fares and massive service cuts to address a $165m shortfall
  - Continued Growth in Pension and Health Care Costs - at cost to taxpayers of hundreds of more than $1.1 billion over 20 years.
  - Potential Default Massachusetts Turnpike Revenue Bonds
  - Potential Downgrading of the States Credit Rating
  - Continue to Pay State Employees with Capital Funds - Costing the Commonwealth approximately $8 million per year

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How You Can Help

- Let us know your concerns
- Talk with your elected officials
- Talk with the general public
- Visit www.mass.gov/youmovemassachusetts
- Contact: Brian Murphy
  - Brian.Murphy@eot.state.ma.us

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