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NEWS RELEASE

For Immediate Release

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March 20, 2014

TRANSPORTATION FOR MASSACHUSETTS, CONSERVATION LAW FOUNDATION, AND MASSPIRG RELEASE REPORT ON PROGRESS OF FUNDING AND REFORMING TRANSPORTATION IN MASSACHUSETTS

Progress report shows good amount of transportation finance law has been implemented in first seven months but the amount of funding still insufficient to meet all of state's transportation needs

Boston, MA – Transportation for Massachusetts, the Conservation Law Foundation, and MASSPIRG today released their first progress report on funding and reforms created by the Transportation Finance Act of 2013. The report titled *Keeping on Track: Our Progress in Reforming and Funding Transportation* finds that in the first seven months, most aspects of the transportation finance law have been implemented, including important reforms, and that significant projects are beginning to be funded. The report makes clear that the level of funding passed in the funding bill of 2013 is still not sufficient to meet the goals set in MassDOT's *The Way Forward* plan or many of the ongoing and future transportation needs that will help grow the state's economy and create new jobs.

"This report creates a clear picture of what has been made possible by the new law to better fund transportation, which includes important investments that will spur economic growth across the state. Our research also makes clear the need for further investment in our transportation system to meet current and future demands and help our state compete globally and nationally," said Kristina Egan, director of Transportation for Massachusetts. "We will continue to monitor whether revenues received match those that were projected as well as how funds are spent, and we will bring both the advances and setbacks to light through future progress reports."

"Passage of the Transportation Finance Act of 2013 was a major step for the Commonwealth towards reforming and funding our transportation system. Passing a law without monitoring its implementation, however, is little bit like chewing without swallowing. This report gives policymakers and stakeholders the information needed to successfully implement the



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transportation finance law, and is a tool for tracking the Commonwealth's progress in its efforts," said report co-author Rafael Mares, an attorney with the Conservation Law Foundation. "Overall, with only a few exceptions, the Commonwealth has diligently implemented the Act over the last eight months, but as the report shows, the law's own limitations in addressing the entire scope of the huge transportation funding problem, as well as continued threats to the law's funding sources, will leave critical transportation needs unmet, underscoring the need for further work to address the issue."

The report tracks the progress of the implementation of the Transportation Act listing important reforms and funding measures that are in effect such as:

- MassDOT shifting 198 full time employees and the subsequent \$20 million in salaries and fringe benefits off of the capital budget, which relies on debt service, to the operations budget where they belong. However the process of moving more expenditures from the capital budget to the operational budget is moving slower than planned.
- The gas tax was raised an additional three cents per gallon and indexed to inflation allowing it to provide more transportation revenue while retaining its value.
- The tolls on exits 1-6 of the Mass Pike were restored and money raised by these tolls will fund improvements in the Western part of the state.
- Regional transit authorities are developing service plans to improve bus service in regions across the state.
- The Project Selection Advisory Council created by the new transportation finance bill to develop a uniform project selection process has begun to meet.

"Our organizations are dedicated to building a modern transportation system in Massachusetts. These progress reports will not only keep track of investments in that system today, they will also help the Commonwealth make choices that improve the quality of our lives in the future," said Kirstie Pecci, staff attorney at MASSPIRG and co-author of the report. "We deserve a 21st Century transportation system that will make our state cleaner, healthier, more accessible and better equipped to build our economy."

Looking to the stability of the revenue sources, the report highlighted issues that will affect the future funding of transportation and the impact they will have on the future of the transportation system such as:



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- The unexpected repeal of the Computer and Software Services Sales Tax that would have raised \$161 million per year and help backfill the General Fund's contribution to transportation.
- The ballot initiative to repeal the indexing of the gas tax if passed could lead to a loss of about \$1 billion in transportation funding over the next ten years.
- The MBTA labor arbitration decision that will likely increase the MBTA's labor costs by an estimated \$26.4 million per year and include a retroactive payment of \$27 million.
- The requirement that MassDOT and the MBTA raise a portion of the new revenue for transportation through their own sources will cause fares and tolls to increase and could lead to service cuts in the future, if no additional funding is provided.

The report also highlights that the state will invest \$6.3 billion over the next five years, which is \$1.5 billion more than would have been possible without the new funding law. New capital investments such as replacing Orange and Red Line cars and repairing the Springfield I-91 Viaduct would not have been possible without the passage of the Act last year. The new law also makes possible small but significant operations expansions such as the late night service at the MBTA and the reopening of bus service on Route 7 in the Berkshires.

However, while MassDOT did include most projects listed in its *The Way Forward* plan, it funded these important investments at much lower levels, or even not at all, because less revenue was raised by the Transportation Finance Act than was identified as necessary to meet the state's critical transportation needs. As examples:

- The overhaul of the Red Line #3 line cars did not receive any funding
- Only \$2.6 million was allocated to acquire new Green Line cars when \$732 million is needed
- The MBTA power, facilities, and operations was originally slated to receive \$300 million but will only see \$25 million
- Assistance for vehicle and facilities upgrades for regional transit authorities across the state will only see \$170 million of the proposed \$200 million and 48 percent of those funds will not be available until FY18
- The continued accelerated bridge program will only receive \$323 million instead of \$1.175 billion



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During the research of this report, it was discovered that there would be no funding to replace the MBTA buses. Transportation for Massachusetts, Conservation Law Foundation, MASSPIRG, and other organizations rallied and successfully had the majority of the funding restored.

“Keeping on Track” is the first progress report and will be followed by similar reports every six months.

Transportation for Massachusetts, a diverse coalition of 36 organizations, promotes an environmentally sustainable, reliable, and affordable transportation system for people across the Commonwealth. The coalition believes that a strong and competitive Massachusetts economy requires a transportation system that supports and connects communities while reducing greenhouse gases and providing greater transportation choices to all residents.

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