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State transport bill gets OK

By Martine Powers June 26, 2013

State lawmakers approved a transportation bill Wednesday that would pump an average of \$600 million in new revenue into the state's financially perilous transport agencies over each of the next five years. However, Governor Deval Patrick, threatened to veto the legislation, saying the bill would not provide as much new revenue as it promises.

Though the bill passed by a veto-proof margin, Patrick's refusal to sign it could put the MBTA's finances at risk as the July 1 deadline for the agency's budget looms.

"While I appreciate the efforts the conferees have made . . . I cannot support this bill in its current form," Patrick said in a statement.

The compromise bill, which raises taxes by \$265 million in 2014 and \$504 million in 2015, ramping up to \$805 million in 2018, emerged from committee just days before the beginning of the MBTA's fiscal year, when the T would be forced to enact harsh service cuts and steep fare increases to balance their budget if a funding plan is not approved.

Early this year, Patrick had proposed a series of aggressive tax increases including an income tax hike to provide up to \$1 billion per year to aid the state's financially beleaguered Department of Transportation and shore up Massachusetts' aging system of roads, trains, bridges, and buses with big projects like the revamping of South Station and a train to the South Coast. But legislators came back with a more moderate plan: It would prevent MassDOT and regional bus agencies from having to pay for operating costs with borrowed money, but earmarked almost no money for big-budget projects.

Patrick said he would veto the plan passed Wednesday, not because it provides too little money, but because it relies on unreliable financial projections.

Patrick's threatened veto throws MBTA finances into unsettled territory, with a new fiscal year starting Monday and a budget that is dependent on an influx of cash from the state. A Massachusetts Bay Transportation Authority spokeswoman declined to comment on the bill, saying T officials were waiting for the process to conclude.

The plan passed the House on a 105-to-47 vote, and sailed through the Senate 34 to 6. That is enough to withstand a veto, but by only by three votes in the House.

"We think it does everything the governor wanted, in a little different way, but it's comprehensive," said Senate President Therese Murray.

Many of the bill's major components remain the same as the version approved by the Senate on April 13: It raises the gas tax by 3 cents, bringing it up to 24 cents per gallon; and adds \$1 to the tax on cigarettes. It also reroutes a little-known 2.5-cent gas tax, currently dedicated to underground storage tank cleanups, to transportation coffers. But in the new version, legislators swapped some of the more nebulous revenue sources, such as a requirement that MassDOT raise revenue by leasing rights-of-way to utilities, with money from the state's general fund, part of an effort to address the very concerns that Patrick had laid out in his statement Wednesday.

In both the House and Senate Wednesday, Republican lawmakers lambasted the legislation, arguing that it would create a financial hardship for taxpayers and business owners, stifle economic growth, and encourage overspending at the Department of Transportation.

"We're asking taxpayers to pay \$500 million to continue to fund a transportation program that is broken," said Representative James J. Lyons Jr., a Republican from Andover.

In addition to raising taxes, the bill also requires the Transportation Department to establish several committees that would seek out cost-saving opportunities, pursue potential toll increases in Western Massachusetts, and assess the possibility of obtaining a federal waiver to allow tolls along state borders.

Additionally, it orders the MBTA to issue a request for proposals to private companies to operate late night service on the T and mandates that T fares may rise no more than 5 percent every two years.

Some transportation advocates said the bill doesn't go far enough toward putting the system on firm financial footing. Kristina Egan, director of transportation for Massachusetts, said she, like Patrick, has been concerned about whether the funding sources outlined in the bill are reliable. "We think the bill is a good start, but it still falls short of what we need to address the transportation challenges in Massachusetts," Egan said. "It fixes about half the problems . . . but everyone, including legislative leadership, agrees it's not enough funding to really support the economy of tomorrow."

Rafael Mares, staff attorney at the Conservation Law Foundation, a transportation and environmental advocacy organization, said in a statement that the bill provides an acceptable amount of baseline funding, but would need to be buoyed in coming years.

"We will need to take up the conversation again within the next couple of years to begin to map out a more comprehensive plan to solve longstanding problems," Mares said.