



H3347 An Act for a reliable, sustainable Massachusetts Bay Transportation Authority

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Please accept this written testimony on behalf of Paul D. Craney, the executive director of the Massachusetts Fiscal Alliance. Massachusetts Fiscal Alliance is a right-of-center economic, fiscal and good government non-profit organization that advocates for fiscal responsibility in state government. Our office is located at 18 Tremont St. in Boston and our website is www.MassFiscal.org.

I am submitting this testimony regarding Governor Baker's MBTA Reform bill. After the mess we saw this winter, we need no further illustration to show us that we are far beyond throwing more money at such a problem-plagued agency. It's very clear that some serious reforms need to be made to the structure and operations of the MBTA. I believe that Governor Baker's bill takes the right steps to assure us that these important, fundamental changes will be made.

First, by establishing a Fiscal Management Control Board, we will finally have an accountable management system in place for tracking spending, requiring reporting, and creating long-term plans to put the MBTA on a successful path going forward. Further, the abuses of the MBTA's pension funds and lack of transparency show the need to audit the T's retirement funds and to make them subject to the Public Records Act, which this bill will also accomplish.

Next, by freeing the MBTA from the Pacheco law, we will have an opportunity to reap the benefits of the competitive private-sector markets, resulting in getting the taxpayers the most for their money with significant cost savings. A perfect example of this possibility was shown through a statement by the MBTA's procurement director, who told the T's Board of Directors in December 2012 that it would cost 50% more to perform a major bus overhaul at its own facilities than to outsource the work.ⁱ

This bill also eliminates the 2013 requirement for future funding. As shown in a report by the Pioneer Institute, the MBTA does not have a funding problem. They report that the T received the most capital funding of any of the nation's 10 largest transit agencies between 1991 and 2013, which are the most recent years for which data are available.ⁱⁱ Despite this generous funding, the T was the only system in the nation to decline in its ridership. According to the Pioneer Institute, the average system increased its annual passenger trips by an average of 63 percent, while the MBTA's total fell by over 13 percent.ⁱⁱⁱ The requirement for future funding is unnecessary and irresponsible.

It's time that the Massachusetts transit users and taxpayers are given a transportation system that fixes its fundamental flaws instead of kicking the can down the road. Governor Baker's reform bill will save the taxpayers money and create a needed focus on fiscal responsibility and transparency within the MBTA.

ⁱMassachusetts' Technology Tax an Unnecessary Detour http://chieppostrategies.com/chieppo_docs/Tech-Tax-PB.pdf

ⁱⁱThe MBTA's Problem is Not Lack of Funding http://pioneerinstitute.org/better_government/the-mbtas-problem-is-not-lack-of-funding/

ⁱⁱⁱMBTA Commuter Rail Only System in Country in Decline Over the Last Decade <http://pioneerinstitute.org/blog/mbta-commuter-rail-only-system-in-country-in-decline-over-the-last-decade/>