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Statement on the first report of the MBTA Fiscal and Management Control Board September 22, 2015

The Fiscal and Management Control Board (the Board) and MBTA management have worked hard over the last sixty days, meeting frequently and digging into the many challenges facing the MBTA. We appreciate the Board's dedication and focus and are glad to have a succinct, readable report detailing the key issues the Board will take action on over the coming years. The Board has already begun to tackle many important issues such as procurement, customer service, transparency, winter resiliency, and employee absenteeism.

Today's report starkly reinforces the MBTA Special Panel's conclusions after the winter meltdown: the MBTA needs to operate more efficiently and it also needs new revenues to be able to deliver reliable service and support the economy. The Board is right to seek to contain costs and creatively maximize revenues. We look forward to the Board's recommendations in December about how to do this.

But, we all understand that improving the MBTA's efficiency, while necessary, will not be sufficient to get the MBTA back on track. No amount of reform will be enough to allow the MBTA to catch up on its \$7.3 billion state of good repair backlog in a timely way, nevermind meet the other accessibility, capacity, and safety needs the report outlines. As a Commonwealth, it's also important to remember that additional revenue is needed not just for the MBTA. We have significant statewide road, bridge, and regional transit needs, as well as opportunities the state should support to create safer neighborhoods with bike lanes and sidewalks.

As the Board begins its deliberations on how to address the widening MBTA deficit, we urge the members to recall that the intent of the legislature in 2013 was to dedicate some of the additional revenues raised by the Transportation Finance Act to the MBTA's operations. The report does not take into account this important source of revenue. It is also important to remember that the MBTA Special Panel proposed that this additional state assistance from the 2013 Act be used to backfill the cost of moving employees off of the capital budget and onto the operating budget and to cover the debt service related to the Central Artery and Legacy Debt. The projected deficits in the Board's report do not include any amount of additional assistance. While it is important to have a long-term strategy to reduce a widening imbalance between revenues and expenses, this state assistance is an important source of funds to ensure fares remain affordable and transit service continues at current levels.

We look forward to working with the Board and MBTA management as they explore the best ways to fix and modernize the T.

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