



Joint Committee on Transportation
Public Hearing on the recommendations of the Transportation Finance Commission
January 6, 2009

Chairman Baddour, Chairman Wagner, Members of the Committee, thank you for this opportunity to provide testimony relative to the recommendations of the Transportation Finance Commission (TFC).

The main conclusions reached in the TFC reports remain valid today and, in fact, take on an increased sense of urgency given the current economic climate. Our transportation agencies remain in financial crisis, and there is not enough budget savings or additional state and federal revenue to close the \$15B to \$19B gap the TFC has identified to maintain our current infrastructure over the next 20 years.

Let me first say the Massachusetts Business Roundtable (MBR) is pleased to note a number of improvements that implement some of TFC's recommendations, such as the increased use of civilian flagmen, a reduction in overhead at the Massachusetts Turnpike Authority and the Massachusetts Bay Transportation Authority, the Legislature's enactment of transportation bond bills in 2007 and 2008, the Administration's recently announced Accelerated Bridge Repair program, and the improved transparency and shorter delivery times in the Massachusetts Highway Department for design and construction of highway projects.

These are necessary and much-welcomed steps. They represent an increased awareness by the Legislature's leaders and Governor Patrick's Administration of the urgency in properly managing and funding the Commonwealth's transportation system. Nevertheless, even with these steps, there still remains a significant short term and long term funding gap, as well as the need for additional cost savings and efficiency measures.

MBR agrees with the TFC report that cost saving measures must be addressed before new revenues, but we know that only ten to fifteen percent of the funding gap can be achieved through savings and more efficient management. We remain committed to the suggestions for savings in the TFC report, but we want to emphasize again, as we did in the report, that whatever reform the Committee chooses to pursue must also include a revenue component that addresses the shortfall, both in the short term and in a long term, sustainable way.

As we identified in the TFC report, without sufficient user-based fees to pay for the state's transportation needs, there will not be enough revenue to pay for the system in the years ahead. Given the enormous competing interests for general fund revenues, such as investments in education, health care and local aid, general fund revenues cannot be relied on to meet the long term needs of our transportation system. Consistent with the findings in the TFC report, we regard equitable user-based fees for transportation to be a more reliable and fairer way to raise the funds necessary to pay for the state's transportation needs.

With a near-term focus on cost savings initiatives to warrant raising reasonable user-fee revenues, we believe that additional revenues should be sought in the short term by increasing the gasoline tax, and in the longer term through innovative ideas that involve tolling and technology as a way to lower toll-collection costs and reduce traffic congestion, while increasing services and productivity in surface transportation.

Thank you for conducting this series of hearings on the enormous challenges that face the state in developing public policy to address the long-term sustainability of our transportation infrastructure. These are important conversations, and on behalf of the Massachusetts Business Roundtable, we are committed to supporting changes that are necessary to accomplish the goals of the Transportation Finance Commission report.

Respectfully submitted,

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Executive Director