



Joint Committee on Transportation – Public Hearing
State House, Room A-1
Thursday, March 12, 2009

H.107/S.13 – An Act to Reform, Rebuild and Renew the Transportation System of the Commonwealth for the Twenty-First Century

S.10 – An Act Modernizing the Transportation System of the Commonwealth

Senator Baddour, Chairman Wagner, members of the Committee, thank you for the opportunity to speak to you today about various proposals to reform the state's transportation system. We are here, at this critical juncture in the history of our state's transportation system, because of the leadership of this Committee, first in establishing the Transportation Finance Commission (TFC), and second in the meetings and hearings you have held since the release of the TFC reports. On behalf of the Massachusetts Business Roundtable (MBR), we thank you for that leadership and for your commitment to reforming and modernizing the state's transportation system.

As you know, MBR has been involved with this issue for the past decade. We were pleased to serve on the TFC, and we share your commitment to the reforms outlined in its reports. As was stated in those reports, a well-managed, well-maintained, and well-financed transportation system is essential to businesses to move people and product, promote commerce, and position our economy for growth in the future. The legislation before you today, both the Senate proposal and the Governor's, offer proposals toward that end. MBR firmly supports these reforms.

Last year, MBR convened its members for a Summit on State Fiscal Policy. Long term transportation funding was discussed, and the MBR Membership concluded that there should be a "focus on cost savings initiatives and an increase in the gasoline tax in the short term, while in the long term exploring the use of technology as a way to reduce costs, and increase services and productivity." Similarly, MBR's Transportation and Infrastructure Task Force and Board of Directors met last month to discuss this issue.

From those conversations, two clear messages have emerged, which we would like to emphasize today as MBR's highest priorities in the transportation reform discussion:

- 1) MBR will strongly advocate for and support both management and structural reforms to the state's transportation system; and

- 2) MBR strongly supports the notion of regional equity. While we recognize the financial crises facing both the MBTA and Turnpike Authority, MBR feels strongly that savings realized from reform, as well as any increases in revenue, must be distributed equitably throughout the state.

As the TFC highlighted, the reforms when implemented will save more than \$2 billion. Given the 20-year funding gap identified by the TFC of nearly 10 times that amount, MBR believes that in order to achieve the long-term goal of a sustainable transportation system and infrastructure, additional revenue is also necessary.

MBR has joined with four other business organizations – Massachusetts Taxpayers Foundation, Greater Boston Chamber of Commerce, NAIOP Massachusetts, and A Better City – as part of our common agenda to propose a comprehensive transportation reform and finance plan. The plan incorporates all of the management reforms and structural changes proposed by the TFC, and also recommends an increase in the state’s gasoline tax of \$.25 with an emphasis on regional equity in the distribution of new funds. This figure is what we believe is necessary to both meet the goals outlined by the Governor and fund the recommendations of the TFC.

As was noted in the TFC’s report, reforms must come either before or along with revenue, but “both reforms and significant new revenues are essential to maintain our current transportation infrastructure.” MBR’s focus is not as much on the sequencing of reform and revenue, but more on the long term goal of a sustainable and efficient transportation system and avoiding an outcome of revenue without reform, which we could not support.

MBR has enjoyed working with this Committee over the years and looks forward to continuing that productive relationship throughout the transportation reform deliberations.

Respectfully submitted,

Alan G. Macdonald
Executive Director