

02.20.09 - Comprehensive Transportation Reform

Governor Deval L. Patrick

Transportation and Economic Security Plan

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As prepared for delivery

Welcome and thank you for joining me this afternoon. I want to talk candidly and bluntly this afternoon about our transportation system - and its importance in securing the economic future of our Commonwealth.

WHERE WE ARE

With due respect to all who toil to make it work, the picture today is not pretty. Our current system is a cluster of tangled knots. We have six different bureaucracies, some public and some quasi-public, overseen by a variety of different boards. Until the Mobility Compact was introduced by former Transportation Secretary Bernard Cohen, most of these agencies did not even talk to each other, let alone plan and execute an integrated transportation strategy for the state.

The level of neglect is shocking. We have a large backlog of structurally deficient bridges and a long list of other critical but neglected projects, from resurfacing Route 7 in Pittsfield or repairing the Longfellow Bridge, to South Coast Rail, for which the people of that region have been waiting for more than 20 years. The decision to postpone or forego these projects costs all of us - both in terms of the safety of our roads and bridges and the impact on our region's economy.

Those projects we do undertake take years to get from concept to completion and have on too many occasions come in late and over budget, the Big Dig being just the most extreme example.

Rail service - whether on the subways or commuter and freight rail - is unreliable on many lines and inadequate on others. This makes it difficult for people in some communities to gain access to job opportunities, and drives up the cost of shipping goods for local companies. And the Regional Transit Authorities, on which workers, seniors and students alike rely outside of the Greater Boston area, are chronically underfunded.

Meanwhile the roads are too congested on a number of key commuting arteries, our residents spend \$718 million each year on car repairs because of the sorry condition of many other roadways, and debt from the Big Dig - some \$4 billion of it - has been stashed away at the MBTA and the Turnpike Authority, putting those entities in financial peril and constraining our ability to make investments elsewhere.

Cost overruns and shoddy oversight on the Big Dig have shattered the public's confidence in the public transportation system in Massachusetts. And every time we hear another story about a toll taker pocketing tolls or a police officer protesting civilian flaggers or a state worker collecting one pension from the T while earning another in state government, the average citizen just gets madder.

That, in frank terms, is where we are. It's time we leveled with each other and with the public about it, and put it all - the neglect, the shortsightedness, the excesses and the excuses - to an end.

In 2007, the Transportation Finance Commission -- many of whose members are here this afternoon -- issued an important report on much of this, concluding that, if we continue down the same path, we would underfund our roads, bridges and rail by a staggering \$15 to \$19 billion over the next 20 years.

The Commission stated that "the real cost of this neglect will be felt in our regional economy and in our way of life." "Business as usual," they wrote, "will not suffice."

They were right. It really doesn't matter that we got here under somebody else's watch or because of somebody else's short-sighted judgments. This is where we are. And we are all here together.

WHY IT MATTERS

A modern transportation network, adequately funded and professionally managed, is essential to our economic and social future. Just as the Internet serves as a platform for modern communication, our roads, rails and bridges serve as a platform for commerce and economic growth. If we are going to attract and retain the kind of investment that assures opportunities for ourselves and our children, a high functioning transportation system is no luxury - it is a necessity

And it matters to all of us.

It matters to all of us who need to get to work every day and home again safely and reliably.

It matters to students who need to get back and forth to school.

It matters to elders who want a measure of independence and mobility.

It matters to emergency workers who need to reach people in distress.

It matters to tourists and other visitors who need convenient access to the Commonwealth's many cultural and recreational attractions.

It matters to businesses which need to be able to move goods and services around, across and through the state to markets.

And it matters to the thousands of diligent, dedicated and responsible employees in each one of the transportation agencies today who are just as embarrassed as the rest of us when some foolishness by one of their colleagues reflects badly on everybody else.

For everyone's sake, the days of avoiding the truth and the consequences must end and end now. We are all out of time. Now is the time to reform and renew our system from top to bottom.

STEPS SO FAR

Thanks to many of you here, we have taken a number of steps already.

We streamlined project delivery at MassHighway, cutting the average project timeline by 40 percent, created an online scorecard for accountability and transparency, and joined 49 other states in using civilian flaggers on road projects.

We saved \$47 million at the MBTA by reducing overtime costs and staff levels and increasing employee health care contributions.

We saved more than \$31 million at the Turnpike Authority by eliminating unnecessary management positions and reducing the number of toll takers. We also made Fast Lane transponders easily available and put the service areas out to bid to generate funds to reduce the outstanding debt.

With the Legislature's support, we have launched the Accelerated Bridge repair program to fix a large number of our structurally deficient bridges over the next few years, and passed the first Transportation Bond bill in years.

These are important steps forward. But they are not enough. **WHERE WE NEED TO GO**

Last year, as you know, we announced plans to take further steps to simplify our system by eliminating the Turnpike Authority and giving Massport more authority over access roads and tunnels. It is now clear that many in the Legislature and in the public are ready for a bigger step forward. I applaud the initiative of the Senate President and Senate Chairman Steve Baddour in proposing a restructuring plan. I applaud the Speaker and the many members of the House and general public who have expressed support for new revenue for transportation needs. But neither reform nor new revenue will do the job alone. Our

system needs both. That is why we are announcing today our Transportation and Economic Security Plan. I believe this plan provides a long-term, sustainable and equitable solution to the many challenges facing us in transportation.

First, we propose to create a consolidated, simplified Executive Office of Transportation, under the authority of the Secretary of Transportation, with four divisions: Highway, Rail and Transit, Aviation and Port, and the Registry of Motor Vehicles. We will abolish the Massachusetts Turnpike Authority, the Massachusetts Aeronautics Commission, and the Outdoor Advertising Board. This simplification will eliminate redundancy, streamline operations, reduce headcount (by about 300 positions), increase efficiency, and save money. Any savings will be plowed back into deferred maintenance.

Second, we propose several reforms. These include moving all transportation employees, including at the T and at the Turnpike, to the same health insurance plan as other public employees, and aligning the T pension system with the state pension system. Let me be clear: the "23 years and out" rule, where T employees start receiving a pension earlier than any reasonable retirement, is coming to an end.

We will also create a new dedicated Transportation fund that will responsibly pay down the Big Dig debt and increase public safety and economic security through a sustained statewide maintenance and expansion program. We will follow the lead of the State Senate and look to expand public-private partnerships, particularly with respect to non-core assets where the proceeds can help us pay down debt. We will gradually move MassHighway employees off the capital budget and back onto the regular payroll. And in crucial steps towards restoring the public's trust in the integrity of their government, we will modernize the bidding process and create an Office of Performance Management and a Private Project Ombudsman to improve transparency and accountability.

In addition, with new "buy green" and "build green" requirements, a green car sliding scale for vehicle registrations, and pilot programs focused on user-fee technology that both protect privacy and encourage a future of more fuel-efficient vehicles, we can achieve progress while improving our environment.

Reforms are vital and therefore central to our plan. But we cannot secure our economic future and the public's safety on the roads, rails and bridges with reforms alone. So, our Plan calls for a 19-cent increase in the gas tax. The average driver would pay the equivalent of about one large cup of coffee a week, less than \$8 per month. And by restricting the gas tax to the transportation fund, taxpayers will be assured that their money is dedicated exclusively to transportation projects.

Even at the cost of a cup of coffee per week, for some a 19-cent hike in the gas tax will seem too high. For others it will seem too low. I looked at a range of options. You can see from this chart here that if we wanted to solve all of our accumulated transportation needs, to address the full cost of neglect and inaction over the last 16 or more years, it would take a 73-cent increase in the gas tax!

That is clearly unacceptable. So we set about to make choices. The chart shows you which ones we are proposing to make:

4 cents allows us to roll back the toll increases on the Turnpike and Tunnels that are proposed to take effect this spring.

6 cents ensures that there will be no cuts to existing T and commuter rail services, and no fare increase, for at least two or three years.

To ensure economic development and job growth in all parts of the Commonwealth, including outside of the Greater Boston area, we dedicate 1.5 cents to the regional transit authorities, 1.5 cents to targeted regional road projects, and 3 cents to southern, western and northern rail projects - which includes a significant down payment on South Coast Rail.

2 cents starts to end the costly practice of paying the salaries and benefits of transportation personnel with debt.

And finally we propose 1 cent for innovative gas and toll solutions that will prepare us for the inevitable decline in gas tax revenue as fuel efficiency improves.

You can see from the chart that we also made choices not to fund certain needs. For example, we were not able to fully fund the gap in the MBTA's state of good repair program, or MassHighway's "Statewide Road and Bridge" program. Though these are important, too, and have been similarly neglected over the years, an increase in the gas tax beyond 19 cents was just too much to ask. We will have to find other ways to address these outstanding issues.

The gas tax has not been increased since 1991 --18 years ago -- and has declined in real value by over 33% since that time. If we had let the gas tax adjust with inflation the last time around, we would not have the problem we have today. So that we don't have to revisit this again for a long time, our plan will tie the gas tax to the Consumer Price Index. That way, transportation leaders will have the resources they need to provide the services our economy needs.

I have considered all of the options - including the option of failing to act. I have considered the commuters from the North Shore, East Boston and Metro West who are facing stiff imminent increases in tolls. I have considered the tens of thousands of people in Western Mass, the Cape and Worcester County who will see service on already inadequate Regional Transit systems reduced. I have considered the folks who ride the T and commuter rail who will see both service cuts and a fare increase of up to 25 percent. And I have considered the good people of Fall River and New Bedford, and all along the South Coast, who have been waiting for 2 decades for a connection to opportunity in Boston.

I do not believe that a gas tax alone will solve all our challenges. In fact I do not and will not support an increase in the gas tax without the restructurings and reforms I have outlined. But I do believe a gas tax increase of 19 cents, together with major reforms and a simplified bureaucracy, are central parts of what we need. Our long-term job growth and economic security, as well as the safety of our system, depend on both major reforms and new revenue now.

Now, it's clear to me that there is political risk in these proposals. My friends in the Unions may not be happy with the reductions in force or the changes in their pension and health care plans. My friends in the Legislature may favor different choices from this chart. Political rivals will find fault because they always do. I welcome the debate. But to all those who object to or detract from our ideas, I challenge you: this time, don't just criticize from the sidelines, and watch a bad situation get worse, as those before us have. Don't perpetuate the Big Dig culture. Come be a part of solving one of the biggest challenges confronting the people of Massachusetts.

Diane and I were in a restaurant we like in Chinatown the other day picking up take out for dinner. A fellow named Bill came up and introduced himself. He told me he was an electrician and that business is slow right now. Like so many others, Bill is feeling anxious. He told me he thought I was doing a good job, which I appreciated. "But please," he said, "don't raise my gas tax." My gas tax.

I understand what Bill is feeling. He is not alone. It is a crummy time to ask people to contribute more. That is just one of the reasons I have come so reluctantly to support increasing the gas tax.

But, Bill, just as it is your gas tax, it's also your broken roads, your rusted bridges, your higher Turnpike tolls and higher T fares, your inadequate regional transit, and yes, your mountain of Big Dig debt. It belongs to all of us today and tomorrow. And just as our parents and grandparents sacrificed to build it for us in their time, we in ours are going to have to sacrifice to maintain it and improve it for tomorrow.

This is one Commonwealth. We share in the sacrifices. We share in the challenges. We share in the investments in our future. And when those investments bear fruit, we share in the benefit, together.

"Business as usual will not suffice." Together we have to deal honestly and responsibly with the neglect and inaction of the past. If we do, we will come out of this economic downturn stronger and better prepared to build a prosperous future for everyone. That's a job worth doing. And I look forward to working with you to get that job done.

Thank you.