

MASSDOT RELEASES 21ST-CENTURY TRANSPORTATION PLAN

10-year Plan Calls for \$13B Statewide Capital Investment, Solves MBTA and RTA Debt Challenges

BOSTON – Monday, January 14, 2013 –The Board of the Massachusetts Department of Transportation and Transportation Secretary and CEO Richard A. Davey today announced a plan for the next generation of transportation investment in the Commonwealth.

The long-term financing plan shows that the state needs \$684 million to operate the same system we have today. The plan calls for an additional investment in our transportation assets of \$5.2 billion over ten years in road and highway repair in order to reduce the number of structurally deficient bridges and ease congestion on major arteries throughout the state; \$3.8 billion to invest in existing transit services; and \$275 million for Registry and airport maintenance. These investments are to responsibly maintain the current transportation assets we have today.

Lastly, the plan identifies a number of high-impact transportation projects across Massachusetts that, if built, will create thousands of jobs and spur economic development across the Commonwealth. In all, the plan identifies a \$1.02 billion average additional need each year to create a 21st-Century transportation network.

“The plan released today is a stark, clear-eyed, non-partisan presentation of the facts,” said Governor Deval Patrick. “If we are serious about improving our transportation system for a generation, then we have to be willing to make the necessary investments. We must invest in transportation, not for the sake of transportation itself, but for the jobs and economic opportunity it creates.”

“Transportation is the enabling network of our economy, creating and supporting jobs in all regions of the Commonwealth,” said Lieutenant Governor Timothy Murray. “The MassDOT Board has outlined how far we’ve come and how far we have to go to ensure a safe, reliable and regionally equitable transportation network. Now we all need to work together to make this vision a reality.”

The plan addresses systemic budget deficits at the MBTA, MassDOT and the 15 Regional Transit Authorities, much of which has been caused by the debt burden related to the Central Artery.

“We have spent the last year engaging our customers, the business community and various stakeholders in a conversation about what kind of transportation system they want,” said MassDOT Secretary and CEO Richard A. Davey. “What is clear is that we can’t afford the system we have today, much less the system we all want. This plan clearly articulates our vision for a 21st-Century Transportation system and the steps we must take to achieve that.”

Additional operating needs are as outlined:

MassDOT - \$371 million in FY14; \$4.4 billion over 10 years

The proposed new funding will allow MassDOT to end the decades-long practice of funding operating costs – personnel, rent, utilities, lawn mowing, etc – with borrowed funds. Currently, for every dollar MassDOT spends today on these items, it pays \$1.76 in principal and interest costs. Appropriately paying for these items with operating funds will save the Commonwealth money over time and free up capital dollars to invest in infrastructure improvements.

The additional funding will also allow MassDOT to sufficiently fund its snow and ice operations at an appropriate level based on the average five-year cost and support and maintain its new capital investments.

Regional Transit Authorities -- \$100 million in FY14; \$1.1 billion over 10 years

This additional investment will allow the RTA’s to end the practice of borrowing, with interest costs, to fund annual operating costs by instead forward-funding each agency. Beginning in FY15, the additional \$100 million will be used to expand RTA service by adding hours of operation, increasing frequency on existing routes and adding new service.

MBTA - \$166 million in FY14; \$3.2 billion over 10 years

This new investment will allow the MBTA to close its current and projected budget deficits, much of which is caused by the debt burden related to the Central Artery public transit commitments. Beginning in FY2014, \$25 million in annual operating funds will also be available to provide modest service enhancements such as possibly expanding evening hours, restoring weekend service in areas that have been cut and improved customer service.

In addition to responsibly paying for our daily operations, the 21st-Century Plan calls for a \$13 billion infusion of capital investment funds. These funds, which would supplement the Administration’s current capital investment plans, will allow MassDOT to address a backlog of deferred maintenance and improve current assets in order to reduce congestion on our roads, curb delays and minimize crowding on our trains and buses and improve customer service at our

facilities.

In 2007, the Transportation Finance Commission issued a report pegging our maintenance funding gap at \$15 billion to \$19 billion over 20 years. The investment proposed in the 21st-Century Plan is an aggressive plan to eliminate that backlog.

The additional investment includes (over 10 years)

Regional Priority Projects (\$930 million) – Funds three major highway projects, including the I-91 viaduct in Springfield, the I-93/I-95 interchange in Woburn and the I-93/I-95 Interchange in Canton. These projects will address safety and mobility concerns in severely crowded areas.

Chapter 90 (\$1.0 billion) – An additional \$100 million per year to help the Commonwealth's 351 cities and towns improve local roads and bridges.

Bridge program (\$1.175 billion) – Funds a new targeted program modeled after the successful Accelerated Bridge Program (which ends in 2016) to accelerate repair to local bridges and complete several larger bridges.

Multimodal Highway Program (\$1.25 billion) – Funds a statewide portfolio of local and regional projects designed to improve safety, reduce the number of high crash locations and reduce congestion. This also includes \$250 million for the transportation assets owned by the Department of Conservation and Recreation (DCR).

Highway Preservation Facilities & Systems (\$400 million) – Targeted funding for a municipal small bottlenecks program; safety and operational improvements at depots; deployment of roadside traffic and travel information; equipment procurements and completion of an integrated asset management system.

Bicycle & Pedestrian Facilities (\$430 million) -- Dedicated funding to construct and improve bicycle and pedestrian facilities owned and managed by MassDOT and DCR.

RTA Vehicles (\$400 million) -- Funds a 10-year program to replace regional buses that have exceeded their useful life, add buses for expanded service and support replacement of other equipment and facility upgrades, resulting in fewer delays and improved reliability.

New MBTA Red and Orange Line Cars (\$1.5 billion) – Funds the replacement of 43-year-old Red Line cars and 31-year-old Orange Line cars as well as improvements to tracks, signals and systems. The new cars and system upgrade will result in faster and less crowded commutes. The cars will be made in Massachusetts, supporting the local economy.

Red Line Car #3 Overhaul (\$200 million) – Overhauls the newest Red Line cars, which are nearly 20 years old.

Green Line Cars (\$732 million) – Funds new Green Line cars and system improvements, reducing wait times and allowing for more 3-car trains that enable increased passenger capacity.

The cars will be made in Massachusetts, supporting the local economy.

MBTA Buses (\$450 million) – Accelerates a 10-year program to replace buses that have exceeded their useful life, increasing capacity and reducing breakdowns.

MBTA Power Facilities & Operations (\$300 million) – Funds critical upgrades to decades-old electrical service, fuel systems, water pumps, track, tunnel and other infrastructure that is essential for the timely operation of trains and buses. Coupled with new subway vehicles trips will be faster and more reliable.

Aeronautics (\$125 million) – Addresses maintenance and safety improvements at our general aviation airports. These investments will help support jobs in the aviation industry.

Registry of Motor Vehicles (\$150 million) – Funding to allow for the consolidation of current registry branches into new regional super centers; development and installation of self-service kiosks at retail and municipal centers for customer convenience.

Modernization Pilot Projects (\$200 million) – Funds the piloting of Bus Rapid Transit and Diesel Multiple Unit services. These innovative transit options would increase mobility for residents expand business and economic opportunities.

The Patrick-Murray Administration has made targeted infrastructure investment a cornerstone of its economic development efforts. Current projects like Assembly Square Station, Wonderland Garage and Brighton Landing are leveraging major new development projects that include new housing units, office and retail and space and creating new jobs.

Recognizing the link between investments like those and a strong economy and job growth, the plan also allows for targeted expansion projects across the state. These expansions focus on areas of the state where opportunity is constrained by substandard service or by lack of access.

Projects include:

South Coast Rail (\$1.8 billion) – Completion of the South Coast Rail Line with diesel-fueled commuter trains to connect Boston to Fall River and New Bedford. This results in greater mobility for South Coast residents and less congestion on Route 24. The project is expected to create 3,800 jobs and generate \$500 million in new economic activity statewide annually.

Green Line Extension (\$674 million) – Extension of the current Green Line from relocated Lechmere station in Cambridge to College Avenue in Medford, fulfilling a commitment made during the construction of the Central Artery Project and unlocking new economic opportunity in the region.

South Station Expansion (\$850 million) – Design and construction, within 10 years, of an expanded South Station that will accommodate future passenger rail growth for the existing commuter rail system, South Coast rail, Amtrak, Worcester to Springfield rail and future high-speed service to Montreal. The expansion will also allow for additional rush hour service.

Rail between Springfield and Boston (\$362.4 million) –Passenger rail service directly connecting Boston with Springfield via what is known commonly as the Inland Route. Funding will cover rehabilitation along the route, creating a second track, widening bridges, upgrading signals purchasing train equipment, and constructing or rehabilitating stations. This will also support future high-speed rail connection to New York City via Springfield.

Berkshires to NYC Rail (\$113.8 million) – Rehabilitation of track, signals and structures between Pittsfield and the Massachusetts-Connecticut state line to support future rail service between Pittsfield and New York City. The current line is served by freight carriers and is not up to standards necessary for commuter service.

Rail to Cape Cod (\$20.8 million) – Seasonal service on weekends between Boston and Hyannis. Upgrades rail, grade crossings, bridges and station accessibility. Service during the summer season will connect a key tourist destination with Boston.

The 21st-Century Plan does not fund all the capital projects that have been proposed recently and in the past, including the Urban Ring, North-South Rail Link or Red-Blue Line Connector. While those and other projects may be worthy, the plan put forward considers our ability to pay for and maintain new projects so resources are not drained from future transportation needs.

The 21st-Century Transportation Plan follows the 2009 Transportation Reform Act, which significantly altered the way our transportation system functions. Through that reform, MassDOT has saved more than \$500 million through internal consolidations and efficiencies and employee benefit changes, improved its business practices, and enhanced customer service through the greater use of technology.

The plan identifies other potential reforms MassDOT is exploring including a move to all-electronic tolling on the MassPike and other tolled assets; modernization of Registry of Motor Vehicles services; greater Performance Management to measure progress and identify areas of improvement; a fully-integrated asset management system, further MBTA retirement changes; and additional partnership opportunities with the Massachusetts Port Authority. These reforms would help MassDOT improve the customer experience and address a portion of the \$1.02 billion in additional revenue needed each year.

However, the report also acknowledges the need for additional revenue to meet its ambitious goals. Included in the plan are suggested revenue options proposed by members of the public and other stakeholders over the last year.

Those recommendations include an increase in the gas tax, payroll tax, sales tax or income tax; a new green fee on vehicle registrations; a vehicle miles traveled tax; regular and modest fare, fee

and toll increases; and new tolling mechanisms. The plan also assumes that tolls are maintained on the Western portion of the Massachusetts Turnpike.

Without new revenues, the MassDOT Board of Directors will need to cut service at the MBTA and RTAs and significantly increase fares in order to approve a balanced budget for Fiscal Year 2014, which begins July 1.

The Governor, who attended MassDOT's presentation of the plan today at the University of Massachusetts Boston, commended the report's authors and the public who contributed to the comprehensive set of recommendations. He made clear in his remarks the choices before the Commonwealth.

"What's plain as day is that we have to make choices. We can choose to invest in ourselves, to invest in a growth strategy that has been proven time and again to work. Or we can choose to do nothing. But let us be clear: doing nothing is a choice, too," said Governor Patrick. "And that choice has consequences. It means longer commutes, cuts in services, larger fare and fee increases, and a continuation of the self-defeating economics of cutting off large parts of our population from opportunity and growth."

He concluded by saying: "I choose growth. I choose shaping our own future over letting the future happen to us. I hope we all are ready that make that choice, and I look forward to working together with you to do so."

Read the Plan:

http://www.massdot.state.ma.us/Portals/0/docs/infoCenter/docs_materials/TheWayForward_Jan13.pdf

View the Summary:

http://www.massdot.state.ma.us/Portals/0/docs/infoCenter/docs_materials/TheWayForward_RollOut_Jan13.pdf