

GOVERNOR PATRICK, STATE LEADERS ANNOUNCE FIRST TRIPLE-A CREDIT RATING IN STATE'S HISTORY

Rating agencies award highest possible credit rating to Accelerated Bridge Program; Triple-A rating results from transportation reform efforts

BOSTON - Tuesday, November 30, 2010 - Governor Deval Patrick, Treasurer Timothy Cahill and Legislative leaders today announced that the Commonwealth's Accelerated Bridge Program bonds have been awarded the highest possible credit rating by two major rating agencies. Both Moody's (Aaa) and Standard & Poor's (AAA) assigned the Program's triple-A credit ratings.

Over the life of the Accelerated Bridge Program, the triple-A ratings will save the Commonwealth an estimated \$60 million in interest costs, and allow the state to continue to make critical investments in infrastructure at a lower cost to taxpayers.

"It is welcome news today that these rating agencies have assigned the Accelerated Bridge Program bonds the highest possible credit rating," said Governor Patrick. "This is further proof that our strategy for finding new efficiencies in state government and investing in our broken infrastructure at record levels is paying off. We will continue to manage state finances in a fiscally responsible way, as we have throughout these challenging times, in order to maintain our rating and our ability to make these much-needed investments."

"The Accelerated Bridge Program continues to be an effective resource as we improve our infrastructure across the Commonwealth," said Lieutenant Governor Timothy Murray. "These ratings reflect our Administration's strategic investment in transportation reform, which also increases efficiencies, carefully manages taxpayer dollars and improves safety for Massachusetts residents."

"This rating underscores that the refinancing, streamlining and reform of our transportation system passed by the Legislature and signed into law last year were fiscally sound decisions to put Massachusetts on the right path as we move forward," said Senate President Therese Murray. "Eliminating inefficiencies and investing in our core infrastructure is essential to the future of the Commonwealth, and that is where the Senate will continue to focus."

"These triple-A ratings are a direct result of last year's landmark transportation reform package that removed inefficiencies within our state's transportation system," said House Speaker Robert A. DeLeo. "I am proud that our substantial transportation reform efforts will save taxpayer dollars as we continue to responsibly upgrade our state's transportation infrastructure."

The triple-A ratings were assigned in advance of the early-December sale of \$575 million of Accelerated Bridge Program, Commonwealth Transportation Fund Revenue Bonds. In addition, the Commonwealth will issue \$100 million of Accelerated Bridge Program, Grant Anticipation Notes, backed by future federal

grants, which will be rated AAA by Standard and Poor's, with a Moody's rating expected later this week. This is the first bond sale for the Accelerated Bridge Program. The State Treasurer's Office is managing the bond sale, with a combined effort between the Treasury, the Executive Office of Administration and Finance, and the Massachusetts Department of Transportation (MassDOT).

"I'm really proud to be able to say that Massachusetts has a 'AAA' rating on its newest bond program," said Massachusetts Treasurer Timothy Cahill. "We offered a bridge construction proposal back in early 2008, and worked constructively with the Governor on his larger bridge construction program. The 'AAA' rating reflects the strengths of the Accelerated Bridge Program, and will allow us to borrow at low interest rates. And the less we spend on borrowing costs, the more taxpayer funds are available for other budgetary needs. I'm very excited about these ratings."

These top credit ratings are a result of financing reforms proposed by Governor Patrick and the Legislature in the landmark Transportation Reform Act of 2009. The legislation authorizes the Commonwealth to create a new bond credit structure secured by gas tax and Registry of Motor Vehicle fees in the new Commonwealth Transportation Fund (CTF). The stability of these revenues, as well as provisions limiting the amount of bonds that can be issued, create a strong, secure credit structure.

"These triple-A ratings validate the financing reform strategy we pursued through the Transportation Reform Act and give us the ability to finance critical transportation infrastructure investments at the lowest possible cost," said Secretary of Administration and Finance Jay Gonzalez. "Today's announcement means we will be able to save tens of millions of dollars, make more critical infrastructure investments, create more jobs and better secure our economic future."

"The rating agencies' positive assessment of the Accelerated Bridge Program bonds is a validation of the Governor's visionary plan to rebuild our structurally-deficient bridges and is a direct result of transportation reform," said MassDOT Secretary and CEO Jeffrey Mullan. "I thank Secretary Gonzalez and his team for their leadership on this issue, and am pleased to report that we have already completed or are proceeding with construction within the next year on more than 150 Accelerated Bridge Program projects across the Commonwealth."

"It is imperative that the Commonwealth maintain the strongest credit rating possible during these difficult economic times and this report demonstrates the positive results that can be achieved by working together," said Senate Ways & Means Chair Steven C. Panagiotakos. "The Legislature and the Administration approved a major overhaul of our transportation financing mechanism that is truly paying off today."

"Any good news during these economic times is welcome news. The highest possible credit rating for the Accelerated Bridge Program will allow the Commonwealth to move forward on these projects for the lowest possible cost and address critical infrastructure improvements for the safety and benefit of all Massachusetts residents," said House Ways & Means Chair Charles Murphy.

"Congratulations to Governor Patrick and the Accelerated Bridge Program team," said Senate Chairman of the Joint Committee on Transportation Steven A. Baddour. "The Transportation Reform Act - which

authorized the financial restructuring that resulted in this strong rating - will save the taxpayers millions of dollars in interest payments and will allow the Commonwealth to do more with less."

"These ratings demonstrate that the Legislature's commitment to 'reform before revenue' has translated to millions of dollars in savings for the Commonwealth, and greater efficiencies in the delivery of transportation infrastructure," said House Chairman of the Joint Committee on Transportation Joseph F. Wagner.

Since the \$3 billion Accelerated Bridge Program was proposed by Governor Patrick and approved by the Legislature in 2008, the number of structurally deficient bridges has been reduced from 543 to 494, a decline of more than 9 percent. The program has also created thousands of construction jobs and will save the Commonwealth hundreds of millions of dollars in avoided construction cost inflation and deferred maintenance costs.

As a result of ABP alone, 13 bridge projects are already complete, with a total of 62 bridge projects scheduled for construction this coming construction season. Over the course of the program, at least 200 bridges will be repaired or reconstructed.

Together, the Commonwealth's investment in roads and bridges has grown from \$515 million in FY2007 to a projected \$1.085 billion in FY2010. The road and bridge construction program will support more than 10,000 jobs on 385 separate projects across the Commonwealth.

To learn more about the Accelerated Bridge Program and the Patrick-Murray Administration's record investments in infrastructure projects across the state click [here](#).