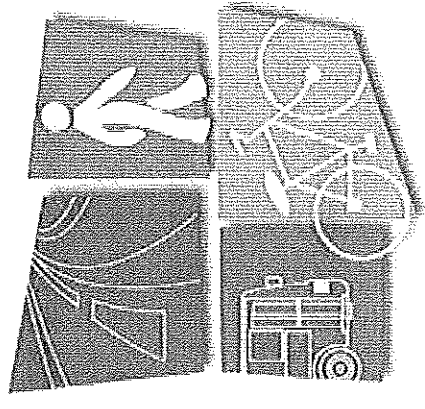


February 24, 2009

Governor Patrick's Transportation and Economic Security Plan



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Reform, Rebuild, Renew

- **True regional equity - regional targets and dedicated funds**
- **Expanded transit service outside of Greater Boston**
- **Improved MBTA service to support economic engine of Greater Boston**
- **Green Transportation Program**
- **Creation of a consolidated funding mechanism that enables flexible and strategic use of transportation revenues**
- **Explore feasibility of alternative solutions for the future, like VMT**
- **Leverage non-core assets through public-private partnerships to pay-down debt**
- **Abolish boards and commissions, creating leaner, more cost-effective delivery of transportation services**

Reforming The System

- **Enacting all of the Transportation Finance Commission recommendations in one way or another**
- **Pension and Benefit reforms:**
 - End the “23 and out” benefit in the MBTA pension system
 - Brining the Turnpike and MBTA employees into the state health care system
- **Streamlining the transportation bureaucracy**
 - Eliminating the Turnpike Authority, Massachusetts Aeronautics Commission, and the Outdoor Advertising Board
- **Move employees off bond accounts**
- **Tort Reform**
- **Rightsizing the transportation workforce**
- **Authorizing EOT to enter into Public Private Partnerships**
- **Forward fund the RTAs**
- **Promote regional equity**

Implement Recommendations of the TFC

No.	Item	Addressed as of 2.3.2009	Legislation	TFC Estimate (+ is no TFC estimate)
1	Road and bridge investments should be selected and advanced based on rational and transparent criteria	✓		+
2	The Executive Office of Transportation and Public Works (EOTPW) should utilize alternative procurement methods and public private partnerships (P3)	✓		+
3	The use of private flagmen should be allowed on road and bridge projects	✓		\$100
4	Responsibility for the Department of Conservation and Recreation's (DOR) parkways and bridges should be transferred to MassHighway		In Part	+
5	Maintenance Responsibilities of I-395, I-84 and I-291 should be transferred to the Massachusetts Turnpike Authority		Effectively, yes.	\$60
6	EOTPW should establish the position of Private Project Ombudsman		Yes	+
7	The Commonwealth should end the practice of using bonded funds for operating personnel and expenses		In Part	\$825
8	The Commonwealth should improve the predictability of highway funding and coordination of projects funded by multiple entities		Yes	+
9	The rate of growth of MBTA fringe benefits costs should be reduced		Yes	\$1,100
10	The unnecessary constraints on MBTA management should be removed		Yes	+
11	The MBTA needs to fully fund its state of good repair program. This goal can and should be achieved by the Commonwealth assuming the debt from Central Artery/Tunnel transit commitments		In Part	+
12	The Commonwealth should pay for all MBTA capital expansions, and before committing to a project, the MBTA should demonstrate that adequate revenues are in place to operate and maintain the expansions		Yes	+
13	Regional Transit Authorities (RTAs) should be forward-funded		Yes	+
14	The RTAs' 2.5 percent per year cap in operating cost growth should be eliminated		Yes	+
15	RTAs should be allowed to borrow with the full faith and credit of the Commonwealth	✓		\$65
16	The Secretary of Transportation should exercise a stronger coordinating role with respect to RTAs	✓	Yes, to a greater extent	+
17	The Secretary of Transportation should have the authority to coordinate all aspects of the Commonwealth's transportation network		Yes	+
18	The CEO of each Massachusetts transportation agency should institute a rigorous performance evaluation process		Yes	\$200
19	All Massachusetts transportation agencies should have the same \$100,000 tort liability limit as municipalities		Yes, Tort Reform	\$100
20	The vast majority of our funds for the foreseeable future should be devoted to maintenance and rehabilitation	✓		+
21	The Tobin Bridge should be transferred from Massport to the Metropolitan Highway System		Yes	+
22	Transportation user fees must be dedicated to transportation uses	✓	Yes	+

Patrick Administration reforms to date

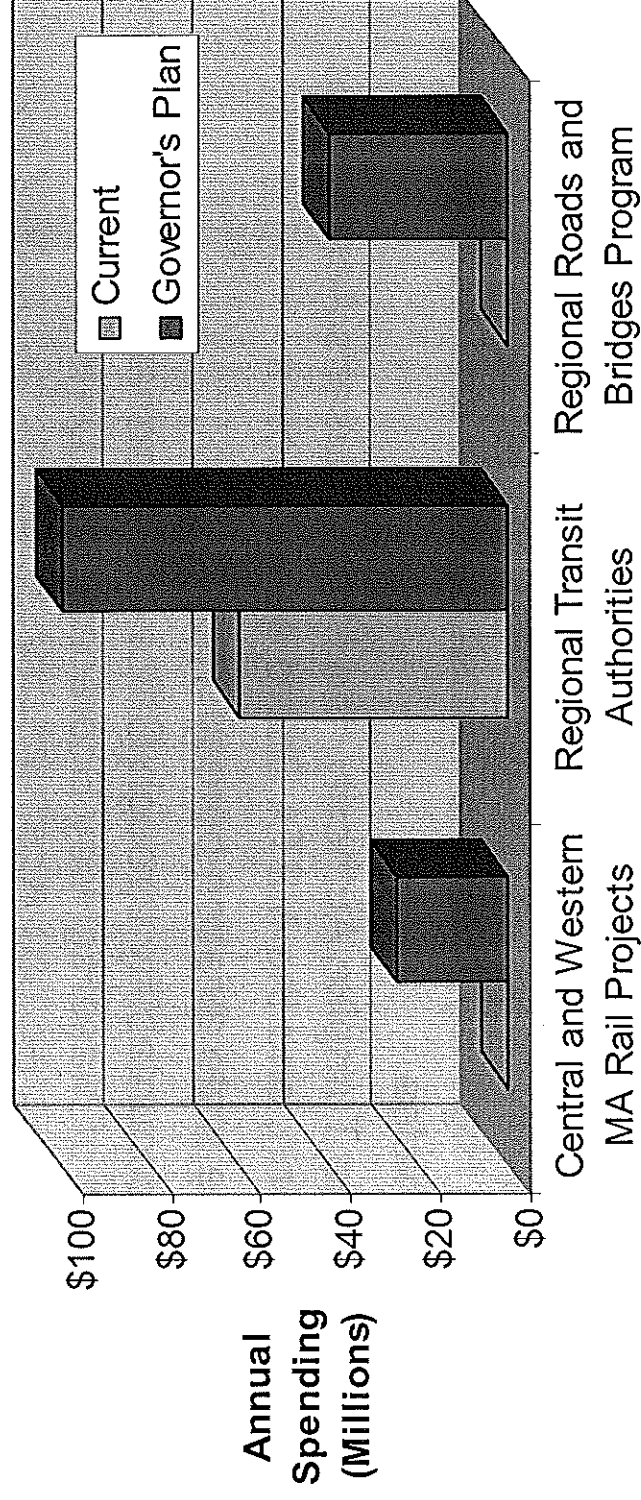
- **Civilian flaggers** - at all state road and bridge projects
- **40% Faster Project Delivery** - MassHighway
- **\$47 Million in Savings from MBTA Reforms** - reduced overtime costs, staff reductions, and increased health care contributions for employees at the MBTA
- **\$31 Million in Savings from Turnpike Reforms** - reduced toll-takers and middle-management at the Turnpike by 25% - total savings of \$31 million
- **Greater Transparency** - established MassHighway online Scorecard so citizens can see project process and cost
- **Public Private Partnership** - Turnpike service areas put out to bid to try to generate additional revenue

Recognize Transportation Impacts

- **Mandate Massport to participate in public transportation initiatives serving airport facilities,**
- **Establish a “green car” sliding-scale for new automobile registration fees**
- **Focus on user-fee technology that ensures privacy and encourages a future of more fuel-efficient vehicles**
- **Implements “Buy Green” and “Build Green” strategies**
- **Authorize “Complete Streets” Initiative to Encourage Bicycling and Walking**
- **Create Healthy Transportation Compact**

Regional Benefits in the Patrick Plan

Targeted Annual Regional Spending Under Governor's Plan

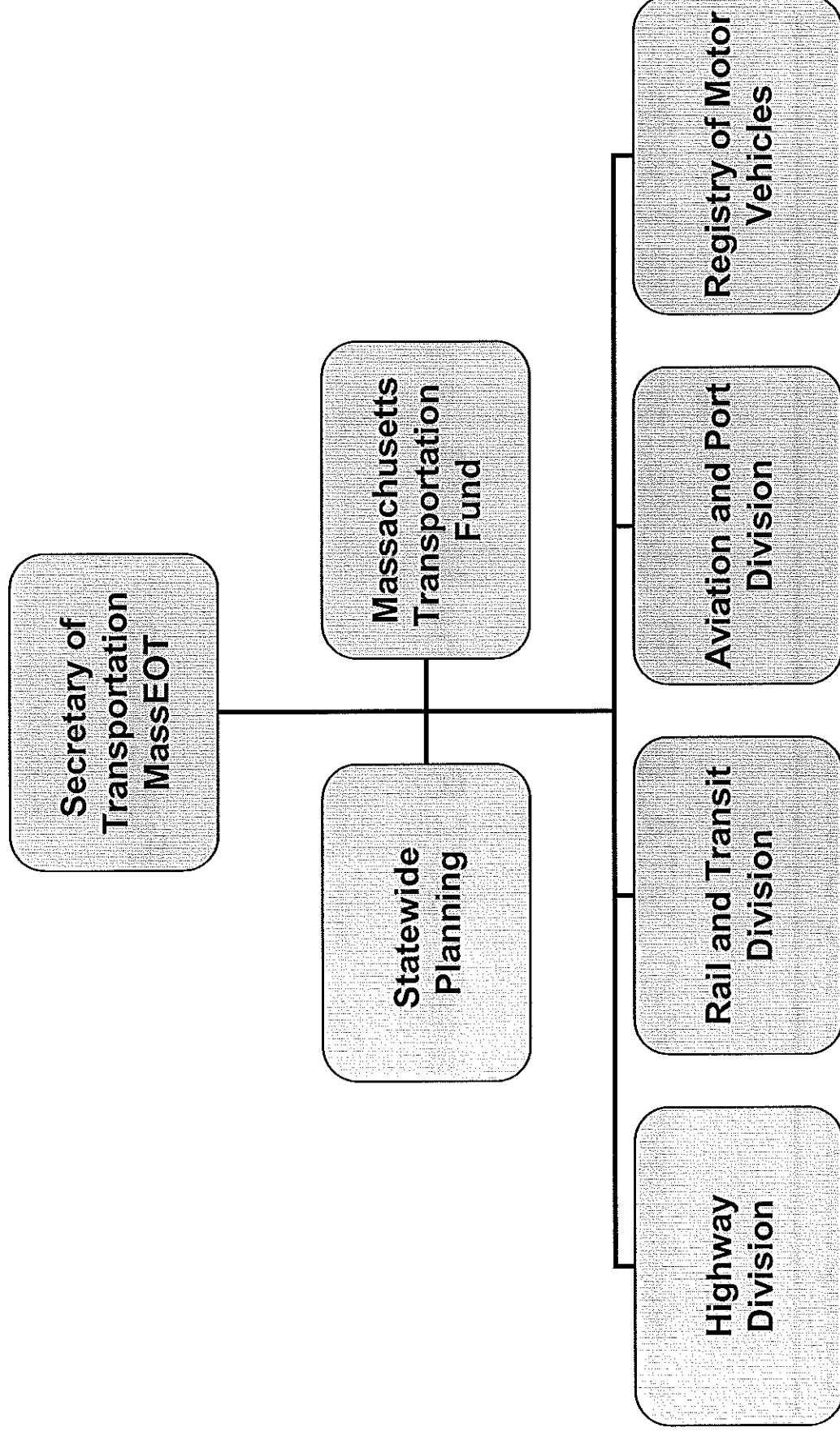


Rebuild for Results

Build a single, integrated and accountable transportation agency that plans for the future and is responsive to users

- Create a consolidated Executive Office of Transportation with four Divisions: Highway, Rail and Transit, Aviation and Port, Registry of Motor Vehicles
- Abolish the Turnpike Authority, the Massachusetts Aeronautics Commission, and the MBTA Board as we know it
- Streamline state aviation bureaucracy
- Ensure accountability through Office of Performance Management and expansion of MassHighway Scorecard to all Divisions
- Create Private Project Ombudsman position to streamline project development and ensure regional equity

Simplified Governance



Composition of the Divisions

- **Highways: MHD, MTA, DCR Bridges, and the Tobin Memorial Bridge**
- **Rail and Transit: EOT Rail, the MBTA, and the RTAs**
- **Aviation and Port: MAC and Massport**
- **RMV: RMV and ITS Functions**

Refining Massport's Mission

- **Massport owns and operates Logan, Worcester, Hanscom Airports, as well as the Port of Boston**
- **The Tobin Bridge becomes an asset of the new Highway Division**
- **Massport Mobility Mandates will enable smoother vehicular mobility and offer affordable and reliable public-transportation options to Logan Airport**
- **Secretary becomes Chairman of Massport Board**
- **Airport & Seaport Division Director will be ex-officio member of the Massport board**
- **Mandate \$2 carbon-impact fee on vehicles parking at Logan Airport parking facilities to fund Massport Mobility Mandates**

Renew: Securing Our Economic Future

Pay down debt and make investments that fix broken infrastructure, improve service in every region and promote economic growth.

- Establish the Massachusetts Transportation Trust Fund “TransFund”, a consolidated funding mechanism that enables flexible and strategic use of transportation revenues
- Increase gas-tax by \$0.19 to pay down debt and improve service in all regions
- Explore feasibility of alternative solutions for the future through VMT
- Leverage non-core assets through public-private partnerships

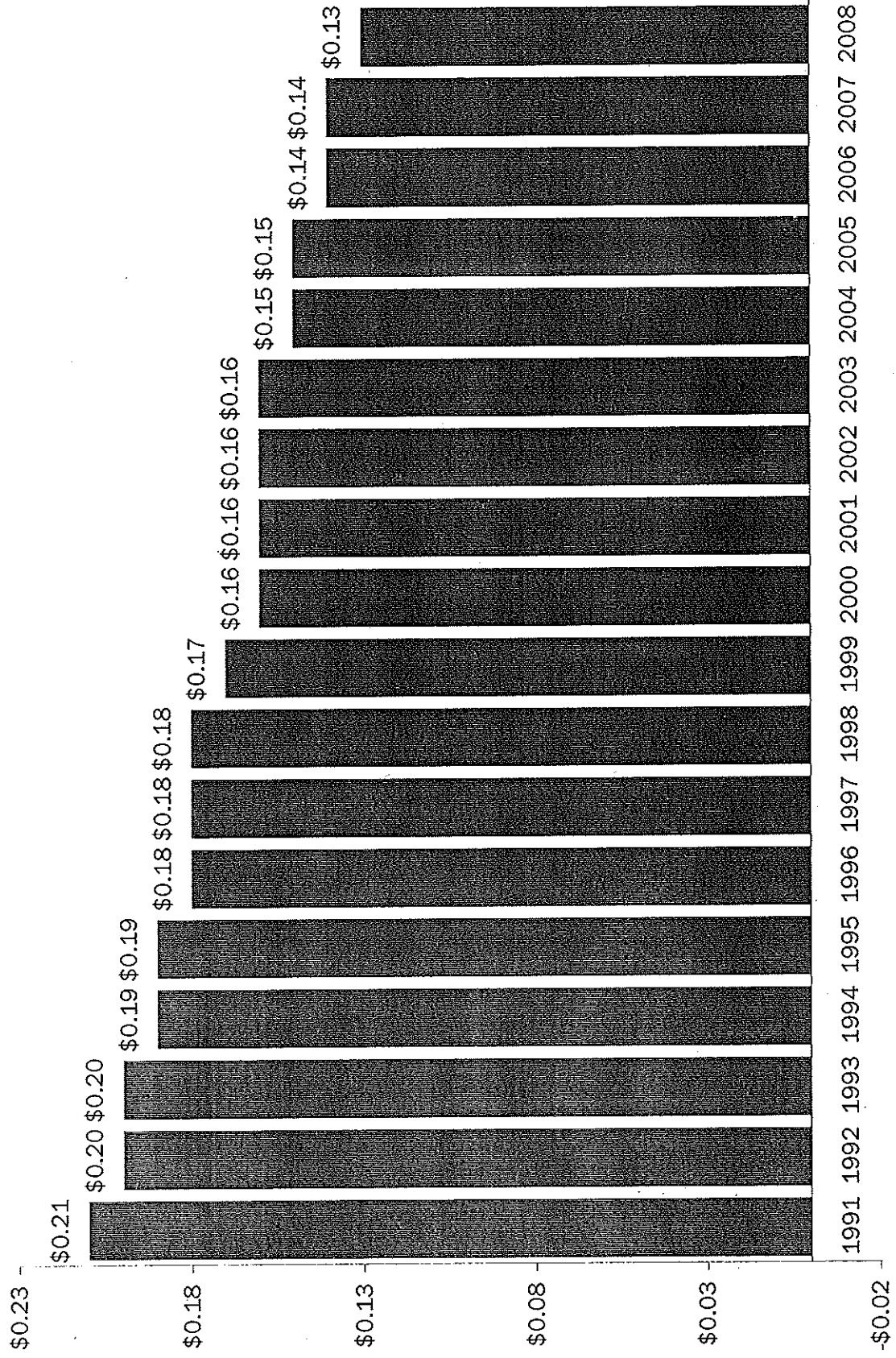
Additional Gas Tax and RMV Fees Can Pay Down Debt and Make Sound Sustainable Investments for the Future

- **Gas tax should increase by 19 cents**
- **Gas tax should be indexed annually to CPI, beginning in July 2011**
- **Average driver will pay about \$8-10 per month**

Securing Our Economic Future: Gas Tax Options

	Total Cost in Cents	Annual Cost (m)	Proposal
Avoid Proposed Turnpike and Tunnel Toll Hike	4¢	\$100	4¢
Avoid T and Commuter Rail Service Cuts and Fare Increases	6¢	\$165	6¢
Innovative Gas and Toll Solutions	1¢	\$25	1¢
Forward and Reliable Funding for Regional Transit	1.5¢	\$40	1.5¢
Targeted Regional Road Projects	1.5¢	\$40	1.5¢
South/West/North Rail Projects	5¢	\$125	3¢
Stop Paying MassHighway Employees with Debt	5¢	\$135	2¢
MBTA State of Good Repair Gap	4¢	\$100	0¢
MassHighway Statewide Road and Bridge Program Gap	10¢	\$250	0¢
Urban Transit Expansion Projects	14¢	\$350	0¢
Remove Tolls on Turnpike	15¢	\$380	0¢
MassHighway Expansion Projects (Route 3, I/93 - I/95)	6¢	\$150	0¢
Proposed Gas Tax			19 ¢

If We Had Indexed the Gas Tax Last Time Around, We Would Have No 20-year Transportation Funding Gap Now



Massachusetts Transportation Fund

- **TransFund becomes a repository for:**
 - Gas tax
 - RMV fees
 - Tolls
 - T, commuter rail, and RTA fares (with Board approval)
 - Funds appropriated by Legislature
 - Other transportation revenues (e.g. PPPs)
 - Contributions from Massport, federal, and other revenue sources
- **Distributes funds for:**
 - Annual operating and capital budgets for all Divisions

Exploring Innovative Solutions: VMT Pilot

- We recognize that a greener, more fuel-efficient transportation system means that the gas tax will become a less viable means of funding our transportation system and generating economic growth
- A user-fee based system, collected electronically, is a fair way to pay for our transportation needs in the future
- We propose a voluntary pilot program based on Oregon's User-Fee Pilot
- Using GPS-based technology, drivers in pilot program pay for use of roads, and receive a full refund of the gas tax
- User-privacy will be fully protected by statute, establishing tough penalties for violation of privacy

The Cost of Inaction

- **If we don't reform, rebuild, and renew the system...**
 - **Significant threat to our long term economic future**
 - **Substantial Toll Increases** - \$7 tolls at the tunnels and \$2 at the Turnpike
 - **Subway and Commuter Rail Fare Increases and Service Reductions** – 20 to 25% increases in fares and massive service cuts to address a \$165m shortfall
 - **Continued Growth in Pension and Health Care Costs** - at cost to taxpayers of hundreds of more than \$1.1 billion over 20 years.
 - **Potential Default Massachusetts Turnpike Revenue Bonds**
 - **Potential Downgrading of the States Credit Rating**
 - **Continue to Pay State Employees with Capital Funds** - Costing the Commonwealth approximately \$8 million per year

How You Can Help

- Let us know your concerns
- Talk with your elected officials
- Talk with the general public
- Visit www.mass.gov/youmovemassachusetts
- **Contact: Brian Murphy**
 - Brian.Murphy@eot.state.ma.us

