

Additional Revenue for the MBTA and MA Regional Transportation

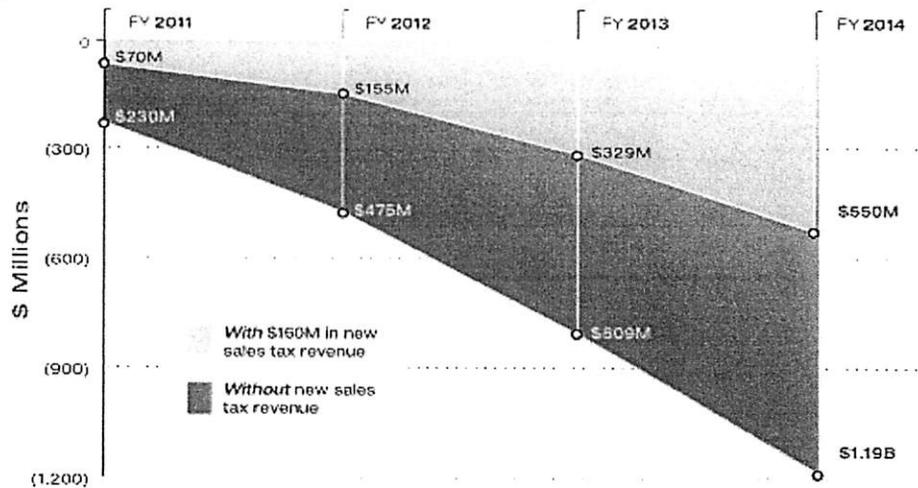
Small Actions The City of Cambridge Can Take

Councillor Minka vanBeuzekom

February 21, 2012

For Purposes*

Projected MBTA Cumulative Deficits FY11-FY14



MBTA Review November 2009

Draft

**Challenges and Solutions Regarding Proposed
Fare Increases and Service Cuts for the MBTA**

This document compiles suggestions compiled by Councillor Minka vanBeuzekom and a variety of communications from public/state officials regarding the proposed MBTA fare increases & service cuts and it's impact on the residents of Massachusetts. Most of the selected pieces focus on solutions.

Transportation is crucial to every aspect of life in Massachusetts, connecting workers to jobs, businesses to markets, students to schools, and residents and visitors to the state's cultural and recreational resources. Yet decades of over-borrowing and underinvestment have left the Commonwealth's transportation system buried in debt and facing an overwhelming maintenance backlog. Action is needed now to put our transportation system on a sound financial footing and build the 21st century transportation system that will enable us to meet our economic and environmental goals. (From the document *Transportation Finance Recommendations*; Metropolitan Area Planning Council (MAPC) 11/16/2011)

First Draft Suggestions:

1. Provide strong advocacy to increase the state gas tax from current 23.5¢/gallon (approx 7.3%) to a percentage (20%) or dramatically increase the rate per gallon. Allocate additional revenue to MBTA operating and capital costs as well as general transportation infrastructure.
2. Provide strong advocacy for peak travel time surcharge on subway trips.
3. Require Universities to provide graduate and undergraduate student school- term monthly University MBTA Pass – estimated to benefit 43,000 University students in Cambridge.
4. Update the formula for Cambridge's annual assessment to the Massachusetts Bay Transportation Authority State and Local Assistance Fund. Increase the weighting to 18; on par with Boston's contribution. (Cambridge currently is weighted 12 – as is Brookline) Current annual contribution is \$8.744M with a possible increase to \$13.12M.
5. Increase the direct contribution that business makes to support the MBTA. Cambridge could be assessed via special real estate tax surcharge or reevaluation of the formula for Cambridge MBTA State and Local Assistance Fund.
6. Add more levels to the parking garage at Alewife T station to increase capacity. Implement SmartPass –like electronic payment system for parking charge.
7. Develop an education campaign about the true cost of car ownership to encourage change in behavior.
8. Promote Cambridge Parking & Traffic Demand Management Ordinance that covers approximately 28,000 employees in the city (more than ¼ of the city's workforce). [Cambridge General Ordinance Chapter: 10.18]
9. Explore the possibility of public/private corporation partnerships to maintain Cambridge stations and bus shelters. Perhaps in exchange for naming rights.
10. Eliminate the second person on Redline trains – currently the only subway line with two employees per train.

SENATOR WILL BROWNSBERGER

From an article (Jan. 18, 2012) and a draft letter (Feb. 11, 2012) both from the Senator's website.

SUMMARY:

From Article. "An infusion of additional state subsidy funds might appear to offer an alternative to the grim scenarios proposed, but there is more bad news that we need to absorb: (a) the budget gap is expected to widen in future years; (b) the true budget gap is much greater than stated — if the T were spending what it should to maintain its assets, the gap would be several hundred million dollars greater.

...
Some combination of fare increases and service cuts appears inevitable in Fiscal 2013. An infusion of state funds is also inevitable, and I will advocate for that over the months to come. However, it would not surprise me if it takes another year or two for us to grapple with the long-term issues and structure a new revenue source for the T. We will need to satisfy legislators across the state that the cost structure of the T is reasonable and that all alternatives to greater subsidy have been fully explored."

From Draft Letter. "A great demand exists and we must develop a sustainable fiscal solution. I look forward to working with you (the residents of MA) and my colleagues in state government to put public transportation on a track to financial stability for the long term. While I will continue to urge short-term relief from the legislature, if that is not forthcoming, I reluctantly acknowledge the need for a 2013 fare increase in order to prevent the deeper service cuts proposed under scenario 2."

The complete article is located here.

<http://willbrownsberger.com/index.php/archives/8972>

REPRESENTATIVE ALICE WOLF

Representative Wolf's website states, "I am part of a legislative caucus working to develop a consensus strategy for supporting public transportation, a key public service. Even if we are successful, there may be some changes in fares or service.

SUMMARY: "Everyone in Massachusetts benefits from public transportation, whether we rely on it for our daily commute, spend less time in traffic because there are fewer cars on the road, breathe a little easier due to reduced motor vehicle emissions, or recognize its economic benefits for business and tourism. Seniors, teens, disabled and low-income residents can get around because of the T.

We have to look past our individual frustrations and regional disputes to focus on the common good. It will take a dedicated revenue stream to address the T's unsustainable debt, maintain a state of good repair for T assets, improve overall MBTA service, and also meet the needs of residents in other regions. Two options that have been proposed are increasing the gas tax or tolling I-93, both with major detractors."

REPRESENTATIVE DENISE PROVOST

On January 25, 2012 Representative Provost issued an op-ed piece refreshing public memory regarding the history of the MA Public Transit System. On January 21, 2012, she sponsored a new bill (H:2659) **An Act relative to transportation finance and equity.** (A tax and toll recommendation for MBTA revenue.)

Summary: "... In 2008, the Massachusetts Turnpike Authority (MTA – remember it?) approved steep toll increases. MTA was in a precarious position from attempting to improve its fiscal condition through credit default swaps. The State Senate filed a transportation reform bill to abolish MTA; reorganize the state's other transportation agencies under a new Department of Transportation (MassDOT); and introduce new efficiencies into the state's transportation bureaucracy.

The Senate pointedly did not propose any new revenue in its bill. Under the slogan, “reform before revenue,” the legislature rallied around the idea that efficiencies and savings would keep the transportation system running. When Governor Patrick introduced, in 2009, a transportation reform bill that pointedly included new revenue in the form of a gas tax increase, it was essentially dead on arrival in the legislative branch.

Though refinanced just about annually, the principal amount of MBTA’s debt is now about \$5.6 billion, making MBTA perhaps the most highly indebted transit system in the US. Payment of interest on its debt eats up over 30% of MBTA’s entire budget. Its transit system is, to put it delicately, not in a state of good repair. But – and it’s crucial to keep this point in mind – neither is the rest of our transportation system in good repair. This problem is bigger than the MBTA, and the solution has to be bigger, too. *MBTA is part of a system; its health is part of the health of the system as a whole.*”

CAMBRIDGE CITY COUNCILLOR MINKA VANBEUZEKOM

On February 13, 2012, Mark Levy of Cambridge City Day quoted Cambridge City Councillor vanBuezekom and spoke of the proposed cuts to MBTA services and how it may impact development within the City of Cambridge. The article is titled **Radical Cuts to T, Bus Service Could End Development, Some Say.**

SUMMARY:

“The gloom has been gathering for weeks about proposed cuts to MBTA service, with students mustering their forces to prevent a proposed doubling of rates and city councillor Minka vanBeuzekom going so far as to suggest on Sunday that “we may have to ban further development until the T is back on stable footing.” The Communications Officer for The Metropolitan Area Planning Council (MAPA): Smart Growth & Regional Collaboration, Amanda Mantone Liffhan shared some of the environmental and economic impacts the proposed MBTA changes would have on the Boston area. “Carbon dioxide emissions alone will increase by some 50,000 tons per year, ... the equivalent of the carbon dioxide emitted annually by a small oil burning power plant. Total daily auto miles traveled will increase by 431,000 miles under Scenario One and 626,000 miles under Scenario Two — the equivalent of 55,000 and 92,000 more cars on the road each day, respectively. That means more congestion, lost productivity for workers sitting in traffic, less time spent with families, and reduced access to jobs. Cuts to suburban bus service, commuter rail and ferries will have a particularly severe impact on traffic congestion along Interstate 93, Interstate 90, Route 1, Route 3 and Route 2 as many commuters shift from the train, suburban bus, and express bus services to the single occupancy vehicle.

Under both scenarios, many businesses that have access to transit will lose MBTA service. Under Scenario One, 4,400 businesses and 78,000 workers will lose all MBTA service; under Scenario Two, a staggering 340,000 workers will lose transit access to jobs at 27,000 businesses. Businesses will suffer as their workers’ commutes become more difficult, expensive and unpredictable. Elimination of evening and weekend commuter rail will particularly affect some of our region’s major employers and attractions, such as hospitals, museums, theaters and restaurants.”

The complete article is located here.

<http://www.cambridgeday.com/2012/02/13/radical-cuts-to-t-bus-service-could-end-development-some-say/>

REPRESENTATIVE JONATHAN HECHT

Representative Hecht shared what transportation finance bills are currently before the Massachusetts Legislature. These bills may be able to generate funding as help alleviate the upcoming crisis.

House Bill: H 2659, An act relative to transportation finance and equity (Rep. Provost's bill)

House Bill: H 3093, An act relative to the Chapter 90 program
House Bill: H 3248, An act establishing the Massachusetts transportation infrastructure revolving fund
Senate Bill: S 1776, An act relative to safe transportation infrastructure
House Bill: H 1848, A act on weight-based, registration fees.

The full text and legislative history of these bills on the legislature's website:
www.malegislature.gov/Bills/Search

MAPC - ERIC BOURASSA
Transportation Manager for the Metropolitan Area Planning Council (MAPC)

Suggested Solutions

The challenges facing the MBTA are real, and they require transformative solutions that will help to make the region more prosperous, more livable, and healthier.

- The entire transportation system needs adequate, sustainable funding. The MassDOT reform legislation enacted three years ago is saving significant taxpayer dollars. However, it was known at the time that the transportation network would need new revenue. The mantra when that bill was passed was “reform before revenue.” We have accomplished major, cost-saving reforms; now is the time for revenue. Governor Patrick and the Legislature should continue the work they started three years ago, providing adequate resources not only for the MBTA, but also for Regional Transit Authorities throughout the state, as well as roadways, bike paths, sidewalks and all aspects of our transportation system.
- When the Fiscal 2013 state budget is adopted this spring, the Legislature and Governor Patrick need to help plug part of the MBTA’s structural deficit. MAPC supports a range of strategies to provide adequate revenue for the MBTA and the entire transportation system, which include direct support from the state budget, expanding tolls on limited-access highways, introducing “vehicle miles traveled” fees that charge drivers based on how many miles they drive annually, raising the state’s gas tax (which last saw an increase more than 20 years ago), or increasing vehicle registration fees among others. We don’t have to take all these steps, but we need to take enough to plug the growing gap in the state’s transportation budget.
- Massport should help support transit services that bring customers to Logan Airport. Part of the MBTA costs for operating the ferries and Silver Line services to Logan Airport should be supported by Massport.
- Riders will certainly have to pay more, but the proposed fare increases and service cuts are too deep. Regular, modest fare hikes every few years are more sensible than the large fare hikes that have been proposed.

SEE ALSO MAPC TALKING POINTS/POSITION PAPER WITH SOLUTIONS PDF
http://mapc.org/sites/default/files/MBTA_MAPC_Position.pdf

and
MAPC TRANSPORTATION FINANCE RECOMMENDATIONS PDF
http://mapc.org/sites/default/files/MAPC_Transportation_Finance_Recommendations.pdf