

5/28/08

Transportation Finance Breakout Session

Moderator: Eric Bourassa

Introductory Remarks: Barbara Lucas

- Eric Bourassa: introduction/purpose of event
 - Discuss which recommendations should be prioritized
 - What should the action steps (for MAPC, advocacy groups, etc.) be to move these policies forward?
 - Not a discussion on the merits of each of the individual recommendations
- Barbara Lucas
 - Transportation is the backbone of our region, and Transportation Finance Commission outlined the challenges that our system faces (including financial difficulties, and a crumbling infrastructure). Gap identified by TFC is \$15-\$19 billion
 - Backlog of projects throughout the system is also a serious challenge
 - Work today informed by MetroFuture, work by MAPC staff, and TFC, and has been discussed by Legislative Committee, Executive Committee, Officers Transportation Advisory Group, and others
 - Overview of recommendations:
 - Local/regional revenue generation
 - State revenue generation
 - Stabilize & strengthen MBTA finances
 - Stabilize & strengthen RTA finances
- Eric: political landscape
 - Over a year ago TFC came out with their report
 - At the same time, a number of groups came together and formed the Transportation Investment Coalition (TIC)
 - In April the Legislature passed a \$1.6 billion transportation bond bill, and is planning another bond bill for June. Governor has proposed a \$3 billion bond for bridges
 - State House leaders still feeling “hangover” from the Big Dig
 - Consensus from State House leaders that reforms are critical
- Eric: Which of these recommendations should MAPC, and all of us, prioritize?

Comments:

- Can't think status quo in terms of future plan, but need to be forward thinking
- Can't just think about revenue to deal with project backlog, but also about global warming and carbon emissions
- People are already shifting their modes to deal with the increased costs of fuel
 - This change in modes would change revenue projections on a per-mile basis
- Priorities: should be gas tax, tolls, and registry fees
- Difficult to raise gas tax and tolls with gas prices so high
- Priorities should focus on value capture tools and private public partnerships

- Priority should be impact fees (and they should be regional), and it should be linked with zoning reform
- Is open road tolling really a good idea? Should be put at bottom of the list until the issues below are resolved
 - Open road tolling may push traffic onto local roadways, and municipalities may not have the capacity to deal with these impacts
 - Open road tolling will also hide the real growth in traffic
- Need to shrink density down to save farmland
- We need to increase gas tax substantially
 - A large increase would allow us to do the things we want to do such as reducing CO2 emissions by altering people's behavior
 - Gas tax should be seen as a "rent" to use the roads
- Auto excise tax should be reformed, and be linked to weight. This should be directed to local transportation infrastructure
- Open road tolling: transponders would allow for tolling on all roads, including local roads
 - Increase price for roads as demand for and congestion on that road increase
- Tolling is currently inequitable in MA, and this needs to be addressed
- Need to be careful with congestion pricing
 - In Central London, many smaller, local shops are suffering, because people don't want to drive into the city, and strip malls and poor development are flourishing outside of the city
- We need to have a concrete idea of how we are using technology
- Many towns don't have restaurants and hotels to raise local revenue
- Excise tax should be looked at
- State sales tax for new and used vehicles should also be looked at, and isn't talked about enough
- \$19 billion figure is just to maintain, and we need more revenue, & value capture tools will not generate significant revenue
- There are too many people driving cars alone. We need to find ways to have people carpool more and use more transit
- Need to improve transportation in the suburbs and Boston
- We need to educate people about taxes policy and government structures
- Are we thinking too small with these recommendations?
- Public Policy Institute is working on campaigns that will help with state revenues
 - Defeat of income tax repeal that is on November, 2008 ballot
- We need to talk about enhancing state revenues through tools like the income tax and the capital gains tax
- We need to think long and hard about what is achievable

- It will require “an act of intestinal fortitude” for the Legislature to deal with many of the transportation finance challenges, such as MBTA pension issues. These difficult reform issues need to be addressed
- Increasing the gas tax is political suicide at this time, and would have little chance of passing
- Open road tolling is a good idea that should be considered, but the right technology needs to be in place, and this technology is not in the reality of the near future
- Tolls: we need to deal with the inequity of tolls in MetroWest
 - Because the tolls are being used to pay for the Big Dig, the Turnpike Authority is in dire straits

- Funding sources are not the biggest of our problems
- Against private/public partnerships & impact fees
- More tolls and increasing other fees also distort the incentives
 - Tolls are places where politicians can raise money without being accused of being “pro-tax”
- We should get rid of tolls on roads, as well as transit fares
 - Eliminating fares will encourage people to use public transit
- We should stop building so much parking – if we stop building parking then people will not drive as much
- We need to make sure that jobs are located near where people live
- Need to get rid of overly generous tax incentives that are meant to lure businesses to the state. They are not effective, and what gets companies to move to the state is good infrastructure
- We should eliminate authorities, including the MBTA and the MA Turnpike Authority. It eliminates inefficiencies and creates more accountable government
 - We need an accountable, transparent system that coordinates all modes
- We need to create a “transit constituency” made up of the vast middle class of Massachusetts

- In disagreement with 90% of what Shirley said
- MBTA is one place where you can see where the costs & revenue go. MBTA is in dire straits, and forward funding has not work because sales tax has not come close to meeting projections
- We should have a 5% sales tax on fuel, which would help buttress the MBTA’s finances
- Can’t expect legislature to act alone – they need citizen support to deal with these issues

- Increasing gas tax is a good idea
 - Maybe the idea of the gas tax would be more palpable if it were raised significantly (maybe at 3 or 4 times the current proposal) in exchange for eliminating tolls. This would be the most equitable, and it most easily understood
- Red light cameras are a good idea that would raise significant revenue, but there are privacy concerns

- The Commonwealth should definitely assume a portion of the MBTA's debt
- Document does not adequately address reform/cost side of the equation
 - We need to tell people not just how we are planning on raising revenue, but on how we are going to cut costs
- On the revenue side, open road tolling is critical because the gas tax will not be a reliable mechanism in the future
 - It will take years to figure out the technical issues around open road tolling, so we need to start planning today, and the state needs to devote significant resources to planning for open road tolling
- The new Ikea in Somerville will use the equivalent of one fifth of the capacity of the Big Dig
- Parking should be looked at carefully
 - Maybe something should be done at the State level to allow for parking fees on big box developments
- There is a lack of budget literacy on the part of many local officials
 - There should be a certificate program for public officials so they better understand development and finance issues
- We need to find a way to bridge the gap on the gas tax, and build support for it
 - Our gas taxes are comparatively low in Massachusetts
- How many people have asked their state legislators to go to State House leadership and asked for increased revenue? (about a third of the room raised their hands)
- Little discussion in the document about private transportation
- In the private sector, inefficiencies and costs are dealt with first, and the public sector should do the same
- There is not enough of a competitive process for distribution of transit funds, like there is with highway funds (?)
- Gas tax should be raised, and it would also encourage people to use more public transportation
- Private transportation should be seen as a part of the solution
- Ultimately what has been talked about today is a bit shortsighted. We need more long term solutions
- Impact fees, as a cooperative venture between local and state government, holds a lot of promise
- Transit needs to be made more attractive to people, by doing things like making modest repairs to loud air conditioning on the trains. Using transit needs to be made a more pleasant experience
- Maybe big capital projects aren't the way to increase ridership
- Supports gas tax and reforming police details

- There should be a personal mobility fund that allows individuals to achieve 24/7 mobility (very unclear???)
- Any new tolls, gas tax, etc., should not overburden people