

# Transit woes bad for business, executives say

By Casey Ross, Globe Staff | May 4, 2009

Ellen Zane never thought running one of Boston's largest hospitals, Tufts Medical Center, would require her to spend so much time thinking about traffic jams and subway fares.

Yet for the hospital to operate smoothly, Zane's employees have to get to work on time, and ambulances can't constantly get stuck in traffic. So she often finds herself worrying about congestion on the Massachusetts Turnpike and Interstate 93, and the continued threat of service cuts on the MBTA, which carries 40 percent of the hospital's 5,000 employees to and from work every day.

"A vibrant transportation system is beyond critical for us," Zane said. "I've always believed there is a day of reckoning coming if we don't take this seriously. And if we only do something incremental that masks the underlying problems, it's going to come back to bite us."

Zane is among a number of Massachusetts business executives who have become increasingly concerned about the condition of the state's ailing transportation system and its woeful finances. Those executives are now lobbying the state, arguing that a failure to take swift action will have severe consequences for the state's economy. A new study published by A Better City, a Boston-based business organization, found that congestion on Massachusetts roads cost businesses \$1.8 billion a year in lost productivity and increased shipping costs, a nearly fourfold increase since 1990.

"Fixing our transportation system is an economic imperative," said Richard Dimino, the president of A Better City. "Transportation investment creates jobs, stimulates the economy, and reduces costs for motorists and businesses."

The Legislature is negotiating a transportation bill that would cut costs by putting the transit system and most state highways under a single agency.

Also, lawmakers and Governor Deval Patrick are debating ways to raise more money for transportation services, though the sides remain sharply divided on just how. Patrick has proposed a 19 cent increase in the gas tax, while House lawmakers favor raising the sales tax and using \$275 million of its proceeds for transportation.

The chairman of the Senate's transportation committee said he doesn't support either of those proposals and does not intend to pursue tax increases until changes are made.

"The focus needs to be on fixing the system first," said Senator Steve Baddour, a Methuen Democrat.

Many executives said the funding questions need to be answered quickly. "We're at a crisis stage, and reform is not enough to produce the dollars we need," said Michael Mooney, chairman of A Better City and managing partner of the Boston law firm Nutter McClennen & Fish.

Executives said delays will only undermine efforts to revitalize the state's economy. The few industry sectors that continue to grow in Massachusetts, such as life sciences and healthcare, will have trouble expanding if they can't efficiently transport products and employees.

"Being able to move within the city is important to us," said Jeff Lockwood, a spokesman for the drug maker [Novartis](#), which has nearly 2,000 workers in Cambridge, more than 60 percent of whom use public transit.

"Our folks are regularly working with people over at Harvard and at the Longwood Medical Area, so we see transportation as an important part of the ecosystem of working in the Greater Boston area," he said.

A Better City found that highway and transit services are under increasing financial strain.

The Massachusetts Bay Transportation Authority's deficit, expected to be \$160 million next year, will grow to \$438 million by 2013 under the current funding formula, according to the group. Meantime, state highway agencies in some years spend more than 40 percent of their budgets on debt, the highest percentage of any state in the nation.

The study identified a number of revenue measures, such as higher gas taxes, tolls on the turnpike, and bus, subway and commuter fares, and concluded the gas tax is the most efficient. But it stopped short of advocating a large increase.

"The portion of the Massachusetts [gas] tax devoted to transportation improvements has not been raised since 1991," the report stated. "During that same period, we have neglected to adequately maintain our transportation system, meaning that fixing the system has become ever more costly, and we have resorted to debt to cover current operating expenses, digging an ever deeper hole."