

# Plenty of problems still down the road

## House plan won't solve long-term transit-fund crisis

By Noah Bierman, Globe Staff | April 28, 2009

The House plan to raise the state sales tax could create some short-term relief for commuters anxious about toll hikes and MBTA fare increases in the coming year, but it would do little to halt the larger crisis that has made transportation a top issue on Beacon Hill, advocates and observers say.

"If the public thinks that, 'Oh, this sales tax is going to solve all the problems,' it won't," said Eric Bourassa, a public transit advocate for the Massachusetts Public Interest Research Group. "It might improve the short-term problems, but it might just push them off into the future."

The House bill would generate about \$275 million a year for transportation, but would leave the specifics on how it will be spent to future debates, which would probably pit transit riders, turnpike users, and other interests against each other.

So far, top lawmakers have indicated they are most eager to prevent about \$100 million worth of toll increases on the Massachusetts Turnpike that would double tolls to \$7 for cash-paying passenger cars at the Sumner and Ted Williams tunnels and raise them substantially elsewhere.

Transit riders have had a harder time getting lawmakers' attention than motorists who pay tolls to drive on the Pike. Still, the remaining transportation money in the House plan, if dedicated to the T, could probably halt, or at least reduce, a fare hike of as much as 30 percent, as well as severe service cuts that threaten to eliminate weekend commuter rail runs and reduce the frequency of service on almost every other bus and subway route. The Massachusetts Bay Transportation Authority is officially projecting a \$165 million deficit next budget year, but Daniel A. Grabauskas, the general manager, said last week that the gap is expected to grow larger than that by July 1, when the budget year begins.

Even if the state stretches the new sales tax money enough to cover that growing deficit, the bigger problems - most notably, the MBTA's \$8.2 billion debt load - would remain unsolved. The state would still have to borrow \$135 million every year to pay for its basic highway maintenance costs. It would have nothing to give regional bus systems outside Boston or to cover \$68 million a year in needed repairs on the turnpike west of Route 128.

"It's a start," said Marc Draisen, executive director of the Metropolitan Area Planning Council. "It's not the end."

Draisen praised House Speaker Robert A. DeLeo for cobbling together votes to help transportation in what most agree is a very difficult political environment, given the large volume of state needs and the weakened economy. But the same poor economy that is hitting taxpayers and government agencies could diminish how much money the House plan generates, if spending continues to decline.

MBTA managers know that problem well. In 2000, the T began taking in one cent of every taxable dollar in the state, a system designed to give the authority enough money to pay its own bills forever and cover its existing debt, then more than \$2 billion. But even the most conservative sales tax projections, of 3 percent growth per year, were too optimistic. In the previous decade, revenue from the sales tax had grown 6.5 percent a year. But after 2000, it grew an average of 1 percent a year, and the T went further into debt as it paid for expansion projects required to mitigate the Big Dig's environmental impacts.

If the T plugs next year's operating deficit, it will still need to borrow about \$200 million a year to replace old train cars, rebuild aging stations, and complete other large-scale repair programs.

In 2007, a bipartisan commission that studied the transportation problem recommended a higher gas tax, as well as moderate toll increases and MBTA fare hikes, to raise a total of nearly \$20 billion in unmet needs over the next two decades. The chairman of that commission, Stephen J. Silveira, said yesterday that the members intentionally chose the gas tax and other user fees so the public would see a direct connection between transportation costs and services, rather than simply another tax. Using more sales tax dollars for transportation would end that approach.

"OK, I go and I buy my new flat-screen TV, and I pay an extra \$25," he said. "And, what, \$6 of that is for transportation?"

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