

A SYSTEM FOR GROWTH: Funding the Transportation System the Massachusetts Economy Needs



Massachusetts is a global economic leader because of our culture of innovation, but our transportation system is holding us back. Employee commutes are becoming longer and more unpredictable. Our status quo transit network concentrates growth and wealth only in certain communities, driving up housing prices and the costs of doing business. Employers and employees alike are stressed and frustrated, and it is time to take action.

We must invest in a new vision for transportation. Massachusetts residents deserve a transportation system that is multi-modal, modern, convenient and predictable, physically accessible to all, resilient to extreme weather, safe and clean, low-carbon, and responsive to technological innovations.

Below, you'll find a list of problems that we as a business community are facing, the solutions that we propose exploring, and the principles that guided our recommendations.

Our economic strength is tied to our transportation system

Metro Boston provides 3 out of 4 jobs across the Commonwealth and generates 84% of the state's GDP. However, businesses in Greater Boston and across the Commonwealth are plagued by the most congested transportation system in the country. If action is not taken, it will adversely affect our economy and stifle our growth.

We are all transit users

Whether or not we step foot on a bus or train, each of us benefits from the reduced carbon emissions and congestion that having a transit system creates. Given that we all use and benefit from the system, it stands to reason that we should all invest in its repair and expansion.

It's a long standing problem, but we can fix it

For the last generation, we have put off the maintenance and long-term planning our transportation system needs. The funds currently allocated fall short of getting us to a state of good repair on an acceptable time horizon and don't begin to make meaningful progress in addressing climate resiliency or the expansion our economy demands. The system requires a reliable injection of tens of billions of dollars over the next twenty years. We can do this by developing sources of new revenue in the long and short term, adopting best practices and learning from similar efforts all over the world.

We need a multi-pronged approach, that raises revenue and decreases congestion

Massachusetts' transportation crisis will not be solved with a silver bullet. No one strategy or funding source will help us clear this hurdle. The following solutions will do much more than just raise revenue, many of them also present an array of opportunities to reduce congestion and reach our sustainability goals.

We deserve and demand accountability

Every person in Massachusetts works hard to provide for themselves and their families. Every last penny collected must be applied strategically, productively and transparently. New systems must be put in place to report to Massachusetts citizens and businesses how our funds are being deployed.

BUSINESS & ECONOMIC PROBLEM: Traffic steals time from employees and businesses

Massachusetts workers are sitting in traffic when they could be contributing in the workplace or engaging in life at home or in their community. With some of the worst traffic in the nation, half of recently polled full-time workers who commute more than 45 minutes to work have considered changing jobs, and 30 percent have considered moving all together. The current status of our transportation system puts Massachusetts' economic prosperity in jeopardy, and is leaving businesses concerned about keeping up with competitors in other states.

POLICY SOLUTIONS: User Fees for Drivers

Gas Tax

Increase the State Gas Tax by at least 18¢ per gallon.

Increasing the state gas tax by 18¢ would bring in additional funds dedicated for road maintenance, bridge repair, and transit services. It has only been raised 3¢ since 1991 and has lost nearly half its value since then. We encourage the state to continue to advance cleaning up the transportation sector, and recognize that the gas tax is not designed to be a sustainable source of revenue.

Transportation Network Company Fees (TNCs)

Transportation Network Companies play an integral role in moving employees and customers from point A to B and connecting riders on their first or last mile, but have also contributed to congestion and moving workers away from public transit. TNC fees should be increased to encourage shared rides, walking, biking, and public transit when applicable.

Roadway Pricing

Greater Boston is the only region of the 10 largest Metropolitan Areas in the country that does not have some form of "time of day" roadway pricing. This tool is a proven way to curb congestion, including but not limited to freight, on the most gridlocked roadways within 128, reduce emissions and fund new transportation options. Congestion pricing must be combined with steps to mitigate the impact of these fees on low-income drivers.

BUSINESS & ECONOMIC PROBLEM: Climate change threatens our economy

Climate change poses a significant threat to the state's economy, and businesses that call Massachusetts home. From changing weather patterns in the middle of the state, to rising sea levels on the coast, businesses across the state see the risks of inaction. This year, The United Nations Intergovernmental Panel on Climate Change warned that we have about 12 years to mitigate carbon dioxide emissions before it's too late. Today, the transportation sector represents over 40% of emissions in the Commonwealth, and that projection is on the rise. Businesses see the value in reducing our carbon footprint to remain competitive, support a resilient economy, invest in more equitable and smarter travel, and sustainable infrastructure.

POLICY SOLUTIONS

Transportation and Climate Initiative (TCI)

We support a robust and equitable Transportation Climate Initiative that can make progress on both transportation needs and the state's climate goals. The state should prioritize a process that includes the voices of low-income and moderate-income individuals, and develop a policy where revenue is invested in protecting our most vulnerable communities from transportation related emissions, in modernizing the system to ensure that all residents have access to a safe, affordable, reliable and clean transportation system. We should also use TCI revenue to make our transportation system resilient to the effects of climate change.

BUSINESS & ECONOMIC PROBLEM: Local cities and towns aren't empowered to lead on solutions

Businesses in different areas of the state are facing different transportation-related challenges. The needs of businesses in MetroWest are different from the needs of businesses in the Berkshires, on the North Shore, or in Greater Boston. Currently, it is virtually impossible to meet these needs at the local or regional level because municipalities don't have a way to raise local money to partner with businesses to invest in local solutions.

POLICY SOLUTIONS: Tools for Local Investments

Regional Ballot Initiatives

are used throughout the country by municipalities or groups of municipalities to raise additional local money for transportation projects through ballot initiatives. These initiatives do not bring in revenue for the state, but give residents and businesses a more direct role in improving transportation in their area.

Expand Public Private Partnerships

opportunities to help bring private sector knowledge, innovation, and funding to specific transportation projects. While not tools for systemic change, they can open doors for targeted improvements in dedicated areas that are mutually beneficial to businesses and to the public.

Value Capture

helps cities and towns work with the state to invest in transportation infrastructure by capturing the value created in the area surrounding a new development in order to support transit upgrades. Many other metropolitan areas do this already, including D.C.

BUSINESS & ECONOMIC PROBLEM: We need to ensure dollars are well spent

Everyday businesses across the Commonwealth bear the cost of an unreliable and unpredictable transportation system. Employees are late for work, delivery of goods are delayed, and businesses are having to adjust to a new normal. After years of a failing system, there is a continued desire for transparency and accountability with transportation funds and projects. Businesses and households require basic assurances about the investments they will be asked to make in our transportation system and the responsible way in which those funds will be managed.

POLICY SOLUTION: Accountability Tool(s)

Make the Fiscal Management Control Board (FMCB) permanent

The MBTA's FMCB has helped the MBTA make progress in advancing reforms and efficiencies. Upon the expiration of the current FMCB in 2020, a governance structure should be established to provide transparency about MBTA spending and project delivery. The Board should consist of appointed officials representing a range of interests, with a focus on providing strategic guidance for fiscal responsibility.

Work with MassDOT to provide more information on its web site about project commitments and progress

We recommend that MassDOT convene a stakeholder group of business, municipal, and environmental leaders to work with MassDOT to determine what would be useful for the public to see quarterly on MassDOT's plans and progress. The goal would be to create a stronger website presence that enables the public to access and easily understand how the agency is performing against performance targets, project commitments, and budgets.

SUMMARY

Transportation in Massachusetts must be brought to a state of good repair and expanded to support the people and institutions currently calling the Commonwealth home— and those who will do so in the future. The future of the Massachusetts economy and the businesses based here is directly tied to the strength and equity of our transportation system. Transportation must be viewed as a common good, with all residents benefiting from safe and reliable modes regardless of their personal usage.

Accomplishing this will require new revenue. The funds currently allocated to transportation fall short of getting us to a state of good repair, and don't begin to make progress on the expansion our economy demands. Any transportation revenue and expenditure package must center on economic equity, regional equity, climate goals, and predictability. Businesses and households require basic assurances about the investments they will be asked to make in our transportation system and the responsible way in which those funds will be managed.

The primary goal of a reliable and accessible transportation system in Massachusetts must be the movement of people and the resources that support them. It must be multi-modal, convenient and predictable, physically accessible, resilient, safe and clean, low-carbon, and responsive to technological innovations.

