



## **Patrick faces highway-finance crisis**

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By Charles Chioppo

MASSACHUSETTS GOV. Deval Patrick faces a transportation challenge potentially bigger than the \$15 billion Big Dig. Addressing it will require him to confront some of his most powerful backers. The Transportation Finance Commission (TFC), which was created to propose a comprehensive long-term plan for financing transportation projects, has identified a 20-year roadway-funding shortfall of about \$9 billion, and the transit-finance picture looks no better.

The Massachusetts Bay Transportation Authority, which provides more than 90 percent of all transit rides in the commonwealth, faces a \$4 billion to \$8 billion shortfall. The funding gaps become even more sobering when you realize they assume that not a single new highway or transit line will be built. The commonwealth's 23.5-cent-a-gallon gas tax, which provides revenue for roads and bridges, hasn't been raised since 1991 and has lost 30 percent of its buying power in the intervening years.

During the campaign, Patrick attacked Lt. Gov. Kerry Healey, his Republican rival in last year's governor's race, for Romney administration fee hikes, but user fees are the only way out of our transportation mess. Few highways are crowded all the time; traffic generally clogs roads during peak periods. Building more roads to accommodate peak volume would not only be prohibitively expensive but often impractical in dense metropolitan areas. Providers of such things as electricity, cell phones and water use variable pricing to deal with the peaking problem, charging more to discourage use during hours of highest demand. The gasoline tax does little to manage roadway use, since it can't be varied based on time of day.

But new toll technology can, by charging more during peak hours. Over time, electronic tolling (Massachusetts's Fast Lane program is just a first step) will make toll collection far more convenient and efficient. Overhead devices that communicate with vehicle transponders can collect tolls without cars and trucks even slowing down, as they do on Florida's SR 417 and on parts of New Jersey's Garden State Parkway. Even after 15 years in which slow-growing Massachusetts has been home to both the most expensive road project in American history and the nation's fastest-expanding transit system, calls for expansion remain constant. Projects have often been selected based on who had the best lobby.

Most notably, transit and environmental advocates were able to require the commonwealth to commit to 14 new transit projects in 1991 as a condition of granting environmental permits for the Big Dig. The \$3 billion to build and tens of millions to operate the Big Dig transit requirements have saddled the T with so much debt that it pays as much in debt service as it collects in fares. New construction siphoned money from maintenance, resulting in a \$2.7 billion maintenance backlog and deteriorating service quality. Not surprisingly, ridership has fallen every year since 2001 and fares have risen three times since 2000. Still, expansionistas want more.

Patrick has committed to developing a schedule for construction of New Bedford/Fall River commuter-rail service within 90 days of taking office, and that's just one of many projects under consideration. High costs exacerbate our transportation problems. Last fall, a Massachusetts Turnpike Authority task force found the average toll collector earned more than \$56,000, received nearly six weeks' vacation and paid almost nothing for health insurance. Not surprisingly, it costs almost 30 cents for each dollar of toll revenue collected manually.

After 23 years, MBTA employees can retire and immediately collect a pension. Once retired (often in their 40s), their health insurance is funded entirely by the T. MBTA employees contribute about 4 percent of salary toward pensions. In contrast, other Massachusetts state employees contribute about 10 percent, can't collect a pension until age 55 and pay 10-15 percent of the cost of health care after retirement. The T pays about as much for

retiree health care as it does for active employees, and pension costs have almost doubled in three years. The TFC estimates the MBTA would save \$14 million by making retiree health benefits consistent with the rest of state government, and realize additional savings by bringing pension benefits in line with industry standards.

Being right doesn't make hard political decisions any easier, and politics makes the right decisions even harder for Patrick. In the short run, the gas tax will likely have to be raised. But in the long run, tolling will become an increasingly important tool for managing demand, and possibly for financing new road projects. Resisting the pressure for new transit service would be particularly challenging for Patrick. First, it would require standing up to his supporters in the environmental community. Second, Lt. Gov. Tim Murray made expanding commuter-rail service the centerpiece of his primary campaign.

Finally, choosing maintenance over ribbon cutting is hardly a natural choice for any public official. But the transportation funding problem will never be solved if we keep building more when we can't even maintain what we've got. Confronting cost problems would put Patrick on a collision course with the public-employee unions who might just be the strongest force in Massachusetts politics — and who put every ounce of their power behind Patrick's campaign. And thus the transportation finance dilemma falls into Governor Patrick's lap. Will he be willing to risk political harm by raising user fees and taking on his own constituencies? If not, Massachusetts's transportation infrastructure— and its economic competitiveness — will suffer for a long time to come.

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