A New Chapter for the MBTA, A Proud Moment for Lawmakers

By Rob Dolan and Eileen McAnneny

Today marks an important new chapter for the MBTA and its riders. Today is the first meeting of the Fiscal Management Control Board. This board will bring much-needed focus, expertise, urgency, discipline and accountability to the MBTA over the next three years – powers that can be extended for another two years if deemed necessary. Today is the day that reform of the MBTA begins in earnest. This is the culmination of an important phenomenon on Beacon Hill: a political process benefitting Massachusetts' families, taxpayers and businesses.

When the Legislature met to discuss the future of the MBTA, several hard facts were staring them in the face – a maintenance backlog approaching $7 billion; a widening gap between operating revenues and expenses that will reach nearly a half-billion dollars by 2020 and strains on the Commonwealth's own operating budget that will not allow taxpayers to make up the MBTA's shortfalls without sacrifice in other areas.

Leaders on Beacon Hill rose to the occasion, motivated by a few simple truths: that Massachusetts can't afford another winter with a broken MBTA and fixing this will require real leadership and decisive action. In response, legislators enacted key components to fixing the T and we applaud them for their bold action.

In addition to creation of a strong fiscal control board, lawmakers also agreed to suspension of the so-called "Pacheco law" for three years, giving the MBTA the authority it needs to competitively contract services in more innovative and cost-effective ways. Given the T's incapacity to spend available operating funds, this contractual flexibility represents a major step forward as do the improved procurement protocols that enable use of new, time and money-saving procurement and construction techniques.

So, is the job done?

Not quite. Our diverse coalition of business groups and mayors representing 1.5 million taxpayers, commuters and residents across the Commonwealth believes three additional measures to address the T's long-term viability are necessary.

(1) Removal of the statutory fare cap of five percent every two years and a comprehensive review of <u>all</u> of the T's revenue sources, pushing the T to grow its "own-sources" of revenue as necessary. Otherwise, the MBTA will never be able to balance its operating budget because expenses exceed revenues by more than a two-to-one margin.

(2) Management approval of arbitrated settlements, similar to how municipalities handle collective bargaining agreements today, is another necessary power the

legislature should grant. Not only will this provide the proper incentives to bargain in good faith, it will also better align the salaries and benefits of the T workers with others in state and municipal government.

(3) More transparency in the MBTA's Retirement Fund so that T employees, retirees and taxpayers understand the full extent of the liability and T management can take the necessary steps to ensure adequate funding.

These actions are common sense steps that will put the T on a sustainable fiscal path. Ultimately, this isn't about new boards or labor arbitration. It's about fixing a problem that impacts us all. We owe it to our families and businesses to complete the job – and do it right. We thank lawmakers for the reforms to date and urge them to adopt these additional measures immediately.

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