



Deval L. Patrick, Governor
Richard A. Davey, MassDOT Secretary & CEO
Beverly A. Scott, Ph.D., General Manager
and Rail & Transit Administrator



Testimony of MBTA General Manager Beverly Scott before the Senate Banking Committee's Sub-Committee on Housing, Transportation and Community Development

May 22, 2014

Chairman Menendez, Ranking Member Moran, and members of the Committee, thank you for inviting me to testify before you today on this important issue. The Massachusetts Bay Transportation Authority is the fifth largest transit provider in the United States, with more than 1.3 million passenger trips per day and in excess of 395 million trips per year. The MBTA system is the original and oldest transit network in the US, with the subway opening in 1897 and expanding throughout the 20th century. The commuter rail system was originally laid out in the 1830's as some of the first railroads in the US. Some of the MBTA bus facilities date to the early 20th century, having been initially designed to serve horse-drawn omnibuses. With this great history in transit comes some of the oldest and in many cases outdated infrastructure. Operating this important network in a State of Good Repair (SGR) is a significant challenge for the MBTA and for which we are heavily engaged with our federal partners at the FTA to work with us to keep this system operating in a safe, reliable, accessible and sustainable manner.

Under the leadership of Governor Patrick, Massachusetts has taken great steps to address the growing SGR backlog that existed at the MBTA. The backlog encompasses all those assets that are past their useful lives and in need of investment for replacement/renewal (*e.g.*, vehicles, bridges, tracks, stations, facilities, power, signal and communication systems, *etc.*). When Governor Patrick came into office in 2007, the MBTA's SGR backlog was upwards of \$5 billion, with only a small portion of that funded annually through our capital program. The Patrick Administration recognized that this issue is one that cannot be further deferred and has taken action to implement important transportation reforms. These reforms include employee health care, retirement benefits, and other administrative programs that are designed to maximize efficiencies, eliminate redundancy, incorporate

innovative technology, and focus on sustainability to bring stability to rising transit costs and limited revenues.

After launching these comprehensive transportation reforms, Governor Patrick proposed the *Way Forward* program to provide the necessary funding for the transportation system. Governor Patrick worked with the Massachusetts Legislature to implement strategies that generate new state revenues dedicated to funding transportation. These new revenues include the first increase in over 20 years of the state gasoline tax. This increase is aligned with inflation to ensure that the level of funding will keep pace over time. The plan was approved by the Legislature in 2013 and will generate over \$800 million in new revenue for transportation, which, when leveraged, will support \$2.6 billion to address the MBTA's SGR backlog over the next decade. The *Way Forward* Program provides reliable and predictable revenue to address the most pressing needs of the MBTA, which include new vehicles, upgraded track, electric traction power, signal and communications improvements as well as investments in bridges and facilities.

While focusing on the present, the Governor has continued to look toward the future by investing in new projects. One notable project is the Green Line Extension, which we anticipate will receive a 50% funding grant from the FTA's New Starts Program. This transformative project will bring transportation, land use, environmental and economic development benefits to areas currently under served by transit.

The MBTA has allocated funding with a focus on safety, security, and service reliability. We have also focused our investments to create secondary benefits, such as promoting private commercial and residential development at transit stations. We have also focused on developing infrastructure that will consume less energy, investments to make the system more accessible to people with disabilities and to an aging population, and making the system more resilient to extreme storms and the on-coming effects of climate change.

Additionally, the MBTA has changed the way we make decisions on future investments, and implemented systems to track and measure those investments. We have developed tools to focus our long term capital investment decisions, including a strong asset management program and SGR database. Consistent with MAP -21, we have integrated an overall focus on investment outcomes, using performance metrics and other tools to measure the value of investments.

It is important not to lose site of the nexus between our SGR and a skilled future workforce. We need to ensure that tomorrow's workers have the skills and training necessary to build, install and maintain this equipment, such as signals and communications, power systems, engineering, information technology and the other fields that we will rely on even more in the future to build and maintain this infrastructure.

The MBTA recognizes the need for fiscal responsibility when it comes to funding our SGR backlog. We anticipate spending nearly \$6 billion over the next five years, with more than 60% of those funds being local funds. Despite the significant local investment, there is a critical need -- particularly for older rail agencies -- for a strong and robust federal investment in SGR. As we face record-high transit ridership on increasingly aging systems, reaffirming the federal commitment to the millions of Americans who ride public transportation is more essential than ever. Transit agencies across the country see an increased need for vigorous federal funding in the next surface transportation authorization bill given that federal investment in transportation is an investment in American jobs, American communities, American strategies to address climate change and American economic competitiveness.

Delivering safe, reliable and accessible public transit has always been a partnership between public sector agencies at all levels of government working with communities and stakeholders. While the MBTA and many other transit agencies have made significant investments using local funds, a reliable and predictable level of federal funding is needed if we are going to

seriously address the significant SGR backlog faced by transit agencies such as the MBTA. We are hopeful that this Congress, through its upcoming Transportation Reauthorization Bill, can begin to address this critical need by supporting the funding levels that were proposed in the Administration's reauthorization proposal.

Thank you for this opportunity to testify and I am happy to take any questions you may have.