

GAS TAX, TOLLS DEBATED AS LAWMAKERS READY TRANSPORTATION PLAN

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SERVICE STATE HOUSE, BOSTON, DEC. 17, 2008.....Lawmakers on Wednesday urged their colleagues to quickly take up their own plan that restructures the state's transportation bureaucracy.

Rep. Steven Walsh (D-Lynn) called for the Transportation Committee to write and endorse a comprehensive transportation plan while the Legislature is still in informal sessions, which last only another three weeks.

"We are elected to take the hard votes," Walsh said in testimony supporting his bill to freeze the Turnpike Authority board's ability to raise tolls until December 2009 or until the Legislature passes its plan. "That's what our constituents are asking us to do. That's what I know we're all willing to do."

Formal sessions resume Jan. 7. The Patrick administration has been working for much of its two-year tenure on transportation reform legislation.

The Patrick-controlled Turnpike Authority last month gave initial approval to \$100 million in toll increases, which have been strongly rapped by affected commuters and their representatives and senators. Authority officials say the toll revenue is urgently needed to backstop financial commitments and avoid incurring large fiscal penalties.

The hikes come as Gov. Deval Patrick has outlined plans to dismantle the Turnpike Authority and move its responsibilities to Massport, which would "jeopardize our ability to provide neighborhood checks and balances on significant projects within our city," according to Boston Mayor Thomas Menino.

"Massport has financial issues also," Menino told reporters after testifying in support of freezing the Turnpike Authority's ability to raise tolls. "Massport does not have the qualifications." Menino added: "I don't think this plan is well thought out."

Menino called for quick action from either the governor or the Legislature on a comprehensive transportation plan.

Higher tolls would add to public and environmental safety concerns, with 200,000 extra vehicles potentially on local roads, he said. "Why do we want to urge more drivers to use local roads when we just spent \$20 billion to build a highway system that puts cars on a more direct route to their destination?" Menino asked in prepared testimony.

Under the turnpike's plans, commuters coming into downtown Boston will see tolls in Allston rise to \$2 from \$1.25, with Weston tolls also rising by 75 cents. Tolls at the Sumner and Ted Williams tunnels are both due to rise by \$3.50, to \$7. Commuters with the Fast Lane electronic toll transponders would see a \$3 increase at the tunnels and a 50-cent increase at all other tolls.

The move to double tolls at the Boston tunnel was a "rash decision," he said. "It's not fair and it's bad policy."

Menino said higher tolls would add to public and environmental safety concerns, with 200,000 extra vehicles on local roads. The mayor said East Boston was fearful of the effects of higher tolls: health centers and schools concerned they would discourage recruiting efforts, landlords worried about a crippled rental market, and business owners "scared" of losing customers from other neighborhoods.

Lawmakers from the North Shore and MetroWest regions of the state argue they are unfairly being asked to shoulder the burden of the expensive Big Dig construction project in Boston.

Rep. David Linsky (D-Natick) testified in favor of his bill that would hike the gas tax by 11 cents, which drew support from other legislators, including Rep. Pam Richardson (D-Framingham), who also urged quick action.

Patrick has said any increase to the 23.5-cent-per-gallon tax must be considered as part of a broader debate on transportation reform. The governor expressed opposition to a gas tax hike as a candidate in 2006 but said recently he is “not hostile” to the idea. House Speaker Salvatore DiMasi has also expressed support for upping the gas tax.

“We are looking at everything right now,” said Sen. Steven Baddour (D-Methuen), committee co-chair. “We’re aggressively meeting and developing a plan that will be filed early in the year,” he added.

But, echoing a refrain within the transportation community, “the gas tax is, frankly, running out of gas” because fast-developing modes of transportation aren’t as dependent on gas, Baddour said.

Both Baddour and Rep. Joseph Wagner (D-Chicopee), the House co-chair of the committee, urged Patrick administration officials, who did not attend the hearing, to endorse a smaller toll increase. Baddour said the size of the toll hike was “disingenuous.” “It could’ve been and should’ve been a much smaller,” he said.

Turnpike Authority officials say the increases are needed to prop up the debt-saddled agency’s finances and avoid a potentially costly credit rating downgrade. The finances are tied in part to complex financial instruments – known as “swaptions” – that were used to fund the Big Dig but which could lead to hundreds of millions in new costs.

Wagner and Baddour questioned Mary Connaughton, a Turnpike Authority board member appointed by Gov. Mitt Romney, on why a deal over one swaption with the Lehman Brothers, a global investment bank that went bankrupt earlier this fall, had not been brought up during the recent board discussion to raise tolls.

The News Service reported this week that that the Turnpike Authority board planned to meet behind in a closed session to discuss the deal, in which the agency could pay Lehman Brothers because of more favorable market conditions, which tend to fluctuate and cause the termination payment to go up and down.

A Turnpike spokesman said on Wednesday that the board has given Turnpike executive director Alan LeBovidge the go-ahead to negotiate the payment.

“How is it that we couldn’t have known that?” Wagner asked Connaughton. “If the Lehman bankruptcy triggered ... the option, we should have known that in the context of the toll discussion.”

Connaughton said she would look into the matter. “It’s not like an easy option,” she said. “You still have to pay to get out. The question is how much.”

Patrick administration officials did not testify at the public hearing on the bills, which is open to anyone interested in testifying. One official, speaking on background, said it was because they weren’t invited.

Fred Salvucci, transportation secretary under Gov. Michael Dukakis, said lawmakers needed to come up with a plan before April in order to maximize the state’s ability to receive federal money under the incoming Obama administration, which is readying a national public works infrastructure plan.

Others testified that an 11-cent gas tax increase wasn’t enough to deal with the state’s transportation infrastructure maintenance, with a \$15 billion to \$19 billion funding gap over 20 years.

Berl Hartman, the New England chapter leader of Environmental Entrepreneurs, suggested a 30-cent gas tax hike.

“I think you guys should think big,” she told legislators. “You might also be able to shrink the sales tax.”

“If we raised the gas tax by 30 cents, the next time you testify before this committee, none of us will be sitting here,” Wagner said. -END- 12/17/2008