



March 3, 2020

Representative Robert A. DeLeo, Speaker
Massachusetts House of Representatives
State House, Room 356
Boston, MA 02133

Dear Speaker DeLeo,

I am writing to submit testimony on behalf of the Greater Boston Chamber of Commerce on *H.4508 An Act relative to transportation finance*. The Chamber appreciates the House's leadership on this issue because it is critical to the state's continued economic success. The Commonwealth is at a juncture with its transportation system. Driven by economic and population surges, congestion plagues the entire state. While congestion is worsening, public transit also faces challenges as aging equipment and infrastructure, combined with many years of underinvestment, have created systems overwhelmed by delays and unreliable service.

A future ready transportation system will require substantial investments. As you prepare to debate this transportation financing plan, we respectfully urge you to consider the following provisions and their impact on creating the 21st Century transportation systems our residents deserve:

Support

Sections 7, 8 and 9: Increase in the Gas Tax and Diesel Fuel Tax

The Chamber supports increasing the gas tax as an immediate source of additional revenue for transportation investments in the Commonwealth. Since 1991 the state's gas tax has increased by only 14 percent while fees on public transit have increased by over 200 percent. Furthermore, a five-cent gas tax increase would amount to an average of only \$2.17 per passenger vehicle per month in additional costs, based on a conservative fuel efficiency assumption of 20 miles per gallon. The additional four-cent per gallon increase in the tax on diesel fuel will more accurately account for the impact that commercial vehicles have on our roadways.

Sections 17, 18,19 and 20: New fee and revenue distribution structure for Transportation Network Companies

The Chamber supports increasing the current Transportation Network Company (TNCs, or ride share) 20 cent per ride fee. The increase in the single passenger fee to \$1.20 per ride more accurately reflects the contribution of TNC companies to congestion, while retaining the 20 cent per ride fee for shared rides will encourage riders to choose this more efficient option. The addition of a \$1.00 per ride surcharge for luxury rides mirrors the pricing model of TNC companies and will help raise additional revenues.

The Chamber also supports the TNC fee revenue distribution model proposed in Section 20. The split of revenue between municipalities, the Commonwealth Transportation Fund, the MBTA, and regional transit authorities (RTAs) will ensure that every resident benefits from new revenues. Targeted investment in RTAs is key to increasing access to public transit options across the state.

While this TNC fee proposal is a good start the Legislature should consider adjustments to strengthen the fee structure. First, the fees should be transparent and passed along to the customer to encourage the use of more efficient alternatives. Second, the fee should be used to influence behavior by creating a variable structure, similar to the TNC pricing model, that would increase the per passenger fee for rides during peak congestion periods.

Section 20: Data sharing requirements for Transportation Network Companies

The Chamber supports increasing the data reporting requirements for TNCs. This data will allow the state and municipalities to better understand the impact of ride share vehicles on roads and traffic, while also helping to identify areas where public transportation alternatives could be improved.

Section 25: Special Commission on Roadway and Congestion Pricing

The Chamber enthusiastically supports creating a special commission on roadway and congestion pricing to make recommendations on tolling and congestion pricing in the Commonwealth. If executed properly, this commission will help the state transition into a 21st century roadway pricing model that can help to address widespread congestion, is more geographically equitable, and protects transportation funding when there is less dependence on gasoline.

For this commission to be effective, it needs to be given clear objectives. The commission should be tasked with designing comprehensive roadway pricing models. The commission must also be forward thinking and create long-term pricing models that will help the state to combat the future decline in gas tax revenue from improved fuel efficiency, the adoption of electric vehicles, and increased public transit ridership.

Oppose

Section 6: Increase in the Corporate Minimum Tax

The Chamber opposes the \$150 million increase in corporate minimum taxes. The state's corporate income tax structure is a complex issue and any changes should be part of a broader discussion of taxation in Massachusetts. Furthermore, this increase is a troubling signal to businesses in a time when cities and states around the country are competing for jobs and economic growth. Transportation revenue should be generated from sources that have the potential to influence behavior to help address the congestion crisis.

Sections 22 and 23: Extension of the Fiscal and Management Control Board (FMCB)

The Chamber opposes a basic extension of the FMCB for two more years and supports the creation of a permanent dedicated MBTA board.

Rather than extending the FMCB as is, the Legislature should adopt the recommendations of the MBTA Safety Review Panel with new enabling legislation that requires fewer meetings and allows the MBTA staff to refocus on safety and improved operations. The MBTA board should also have the power to appoint the general manager position. Finally, to reflect the City's large financial contribution to the system, the City of Boston should have a designated seat on the MBTA Board.

Section 26: Lowered gas tax rate if revenue raised from Transportation & Climate Initiative

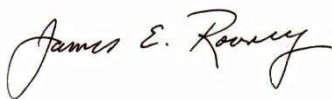
Given the modest increase to the gas tax proposed in this legislation, the Chamber opposes reducing the gas tax if the state enters into the regional Transportation and Climate Initiative (TCI). The Chamber has consistently stated that revenue from TCI should be in addition to revenues raised through an increase in the Massachusetts gas tax.

Amendments 28 and 83: Corporate Tax Disclosures

The Chamber strongly opposes altering the reporting requirements for corporations in Massachusetts. Such a provision is entirely out of the bounds of a transportation financing debate. Furthermore, our tax system relies on a shared understanding of privacy to encourage voluntary compliance. Making private revenue, tax, and other information public sends a chilling message to businesses of all sizes.

Thank you for your leadership on this complex issue. The Chamber looks forward to continuing to be a resource to you as you work to finalize this transportation funding package. Please do not hesitate to contact me if you have any questions.

Sincerely,



James E. Rooney
President and CEO

cc: Members of the House of Representatives