



July 15, 2020

Karen E. Spilka, President
Massachusetts Senate
State House, Room 332
Boston, MA 02133

Dear Senate President Spilka,

I am writing to submit testimony on behalf of the Greater Boston Chamber of Commerce on S.2813 *An Act authorizing and accelerating transportation investment*. This bond bill offers a vehicle to introduce needed reform to our transportation system and its management. A future ready transportation system will require both reform and investments. As you prepare to debate this transportation bond bill, we respectfully urge you to consider the following provisions and their impact on creating the 21st Century transportation systems our residents deserve:

Section 10: 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.

Sections 4 and 19: Project Delivery Reforms

The Chamber supports including a series of changes to the procurement and project delivery tools available to MassDOT and the MBTA that will strengthen their ability to deliver capital projects. The need for these tools is that much greater because the state budget is projected to have unprecedented shortfalls in upcoming fiscal years. Project delivery tools – such as alternative procurement methods, expanding public-private partnerships (P3s), and adding flexibility to contracting – can streamline the procurement process and improve MassDOT's and the MBTA's ability to complete projects. The impact of efficient procurement and project delivery tools will be magnified if federal funding becomes available.

In particular, the Chamber supports section 4, which allows for “job order contracting” for MBTA and MassDOT projects that cost less than \$500,000. This contracting method increases efficiency by allowing agencies to bundle several smaller capital projects and enables the state to address a backlog of much needed maintenance. Additionally, section 19 authorizes the use of cost-plus-time bidding for projects that may impact traffic. This bidding process will allow the state to consider the length of time for projects, rather than solely considering cost, when it selects contractors.

In order to further strengthen project delivery, the Senate should restore several project delivery reform provisions that are in H.4002 *An Act authorizing and accelerating transportation investment*. These provisions include:

- **Sections 3 and 5:** Allow MassDOT and the MBTA to partner with developers on competitive procurements and the private construction of facilities.
- **Sections 6 through 48:** Expand the use of public-private partnerships (P3s) for transit infrastructure projects.
- **Section 49 through 54:** Allow modernized procurement practices for transportation infrastructure projects.
- **Sections 55 and 56:** Raise the threshold from \$50,000 to \$100,000 to trigger a public bidding process on transportation projects.
- **Sections 62-89:** Expand the use of the design/build project delivery methods to include transportation projects with budgets under \$5 million.

- **Section 98:** Allows MassDOT to build increased internal capacity by creating new positions and accompanying job descriptions for highway maintenance, facilities maintenance, and special projects.

Section 21: 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 address widespread congestion, is more geographically equitable, and protects transportation funding when dependence on gasoline declines.

For this commission to be effective, it needs to have 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.

Section 40: Requirement to file biannual status reports on the Capital Improvement Plan with Legislature

The Chamber supports requiring the Secretaries of Transportation and of Administration and Finance to file biannual status reports on the five-year Capital Improvement Plans (CIP) with the Legislature. By increasing transparency these reports increase public awareness and improve confidence in our transportation systems.

Amendment 230: Strike Section 5 (regional ballot initiatives)

The Chamber supports Amendment #230 which strikes regional ballot initiatives (RBIs) because the approach risks exacerbating, rather than diminishing, equal access to reliable, safe, and high-quality transportation across Massachusetts communities. The Division of Local Services data on per capita income and optional local tax increases paid by residents, namely property tax overrides and Community Preservation Act adoption, shows that the state's municipalities with lower incomes are less likely to accept optional additional tax burdens even when their municipality directly benefits from the additional revenue. The results are a dramatic difference in local resources.

Since 2000, of the municipalities with the 10 lowest per capita incomes in the state only North Adams has attempted a property tax override and that failed. On the other hand, the 10 municipalities with the highest per capita incomes in the state have all adopted multiple overrides totaling nearly \$70 million during the same time period.

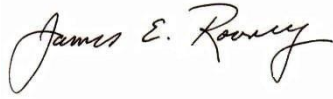
Those communities with lower incomes that did adopt overrides generated significantly less revenue. Strikingly, the 175 communities with per capita income below the state median approved \$80 million in overrides since 2000 while those 175 communities with per capita incomes above the state median adopted more than \$426 million in overrides during the same time – more than five times their lower income counterparts. This disparity is the result of both more override approvals and approvals in greater amounts.

There is a similar trend with adoption of the Community Preservation Act (CPA), though not as extreme. Of the 177 municipalities that have adopted the CPA, the majority of communities are those with per capita incomes above the state median. Only one-third of the cities and towns that have adopted the CPA have per capita incomes below the state median.

Conceptually regional ballot initiatives seem like a sensible way to allow local governments to improve their local transportation. However, in Massachusetts we have a long history of allowing municipalities to generate local revenue and the result is a significant disparity in resources that are available to communities. To create a safe, reliable, and equitable transportation system, it is better to generate broad-based revenues and equitably distribute those resources across the state.

Thank you for your leadership on this complex matter. The Chamber looks forward to continuing to be a resource to you as you work to address the transportation needs of the Commonwealth. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "James E. Rooney". The signature is written in a cursive style with a large initial 'J' and 'R'.

James E. Rooney
President and CEO

cc: Members of the Massachusetts Senate