

STATE HOUSE NEWS SERVICE

ALOISI QUESTIONS TIMING, RELIABILITY OF SALES TAX TO STAVE OFF TOLL HIKE

By Kyle Cheney
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STATE HOUSE, BOSTON, JUNE 1, 2009. Transportation Secretary James Aloisi, who chairs the board of the Massachusetts Turnpike Authority, sidestepped a question Monday about whether the board would accept the \$100 million the Legislature intends to provide the authority to forestall a toll increase.

Asked whether the turnpike would accept the funds, Aloisi said, "There's no question that the turnpike doesn't want to raise tolls if it doesn't have to."

"The question really is going to be the timing of the funding, the reliability of the funding source," he said, adding, "The governor also been really clear that he's not going to sign a budget with a tax in it unless there are significant reforms both in the transportation arena and in the pension and ethics arena."

A spokesman for the Executive Office of Transportation elaborated on the secretary's comments.

"It's the Secretary's goal to avoid a toll increase on July 1," said the spokesman, Colin Durrant. "What he said today is that if done right the sales tax proposals could provide a short term infusion of cash to avoid the July 1 toll increase. They won't, however, be a long term solution to the Turnpike's massive debt problems and capital maintenance needs. In order to put our transportation system on a path to long term fiscal stability, the Administration's comprehensive solution proposes meaningful reforms that generate significant cost savings coupled with a proposed sustainable revenue source from the gas tax."

House and Senate budget bills due to be negotiated by a conference committee each contain a 25 percent increase in the sales tax and earmark \$275 million in expected revenues from the increase to transportation. The Senate plan estimates the sale tax increase will generate \$633 million overall while the House plan assumed a \$900 million overall take from the increase. Senators said their figure reflected both a delay in collections beyond the July 1 start of the fiscal year and a general decline in collections.

The Senate has rejected Gov. Patrick's call for an increase in the gas tax. The sales tax increase was approved by veto-proof majorities in both branches.

Last week, Sen. Karen Spilka pointed out that although the Legislature can appropriate funds to the turnpike, it's up to the board of the turnpike authority to take them.

"What the administration or the turnpike does with it, we can't force them to use it," said Spilka. "There is money in both the House budget and the Senate budget to prevent the toll hikes. It's the turnpike board - they have to vote to take the money."

Gov. Deval Patick has appointed three of five members of the turnpike board.

The turnpike authority is targeted for elimination under House and Senate transportation restructuring bills but its massive Big Dig-related debts will remain for taxpayers and tollpayers to whittle down for many years to come.

While Aloisi was noncommittal about the use of sales taxes to prevent toll hikes, MBTA General Manager Dan Grabauskas said he was “optimistic” that the proposal will pass, helping him avoid “draconian” fare hikes and service cuts.

Earlier this year, Grabauskas and Aloisi said that without a combination of cost-savings and revenue increases, commuters on the T could be faced with “an endless spiral of fare increases and massive service cuts.” Those include: 20 to 25 percent fare hikes, a 50 percent cut in evening and weekend subway and commuter rail service, elimination of 20 bus routes, elimination of a commuter boat subsidy, elimination of the Ride van service in nine municipalities and the elimination of a suburban bus subsidy.

“Both the House and the Senate have voted funding for the MBTA and Turnpike Authority,” Grabauskas told reporters at a Monday press conference to celebrate the opening of a revitalized Arlington Street T stop. “I don’t count chickens before they hatch. In this case I don’t count money until the funding is actually signed. I am encouraged and hopeful that a substantial portion of the funding to plug next year’s deficit will be on its way.”

Grabauskas has estimated that the T faces a \$160 million budget gap next fiscal year. He has initiated an analysis of the effect of fare hikes and service cuts on various demographics.

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