

MBTA Advisory Board

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July 10, 2008

Chairman Bernard Cohen
Members of the Board of Directors
Massachusetts Bay
Transportation Authority
10 Park Plaza
Boston, MA 02116

Dear Chairman Cohen and Members of the Board:

The MBTA Advisory Board notes with alarm the MBTA's growing budget problems. The Advisory Board has called for the last several years for a legislative solution to what we see as a structural deficit that impacts the Authority's budget. The Authority's struggle to balance the FY2009 budget is a case in point. After closing a \$74m budget gap caused by the poor performance of the sales tax as a revenue stream combined with the need to service entirely too much debt, the Authority lacks reserves to address the combined fiscal challenge of the Arbiters award and the growing costs of fuel.

The MBTA Advisory Board contends that the only solution that makes sense from a transportation and an environmental point of view is debt relief for the MBTA. The Authority needs the Legislature and the Administration to act to take back a portion of the debt that was transferred from the Commonwealth to the MBTA as part of the Forward Funding restructuring. The MBTA Advisory Board is not alone in calling for this action. Debt relief was one of the solutions proposed by the Transportation Finance Commission and has been endorsed as a solution by diverse interests including environmental organizations and business interests.

The MBTA did not create this crisis and only actions at the State level can address it. I speak to MBTA Board of Directors today to urge them to draft and adopt a Resolution that requests the Legislature and the Administration to move quickly to solve the growing fiscal problems at the MBTA. Now, at this moment of growing transit dependency is the ideal time to address the structural deficit facing the MBTA.

Sincerely,

Paul Regan
Executive Director

Cc: Governor Deval Patrick
Senate President Therese Murray
Speaker Salvatore F. DiMasi
Representative Joseph Wagner
Senator Steven Baddour
Representative Robert DeLeo
Senator Steven Panagoitakos