

M A S S A C H U S E T T S
HIGHTECHNOLOGYCOUNCIL

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TESTIMONY

**Statement to the Joint Committee on Transportation
In Support of:**

**House Bill 4002
An Act Authorizing and Accelerating Transportation Investment
October 8, 2019**

**Mark J. Gallagher, Vice President
Massachusetts High Technology Council**

Chairman Boncore, Chairman Straus, Members of the Committee:

Thank you for the opportunity to provide testimony in support of House Bill 4002, An Act Authorizing and Accelerating Transportation Investment as filed by the Governor.

The Massachusetts High Technology Council is an organization of CEOs and senior executives representing technology companies, professional services firms, and research institutions who are dedicated to creating and sustaining conditions that support investment, job growth and improved quality of life in Massachusetts. The Council has 42-year history of non-partisan, data-driven advocacy in support of one overarching mission: To make Massachusetts the world's most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.

Council leaders are focused on advancing impactful responses to the Commonwealth's transportation opportunities and challenges, which are crucially important to improving Massachusetts' quality of life and maintaining our economic prosperity.

Prioritizing Systemic Innovation, Not Revenue

Meeting Massachusetts' current and future transportation needs will require the Commonwealth's leaders to fully embrace and demand the most innovative and impactful approaches and solutions to address current and future challenges and to make them available to the public agencies responsible for building and operating transportation infrastructure and systems.

The Commonwealth's most pressing need and urgent focus is and must be to equip public transportation agencies with the innovative and enhanced project delivery tools and capacity they need to succeed, including the ability to optimize their use of external/private sector partners and resources.

As you are aware, a robust public debate centered on new transportation revenues is underway and intensifying. Irrespective of whether transportation-dedicated resources and revenues increase or decrease in the future, the Commonwealth must choose to innovate in its approach to transportation governance, finance and procurement and eliminate tolerance for waste and inefficiency.

The failure to do so will simply push more public resources into a system that transportation agencies and experts agree is not sufficiently equipped or empowered to efficiently and effectively put them to use.

The Massachusetts High Technology Council (the "Council") believes that the highest-potential opportunities and solutions lie in choosing to enact statutory changes and embrace innovative approaches that give our public transportation agencies the tools they need and are asking for, including those proposed in House Bill 4002.

The Council encourages the members of the Joint Committee on Transportation and your colleagues in the House and Senate to make the General Court's highest transportation policy priority the timely enactment of House Bill 4002, not the pursuit of a multi-year, multi-pronged and multi-billion-dollar toll and tax plan that will make Massachusetts a more costly place to live and work.

With state revenues up more than \$10 billion (or 60%) over the past decade, identifying and imposing an array of new taxes and costs on individuals and businesses in order to provide even more revenue is not the most pressing need facing the Commonwealth's transportation system, despite unrelenting calls for additional taxes and dire warnings about a revenue crisis.

According to approved Capital Improvement Plans for MassDOT and the MBTA, the Commonwealth is poised to invest more than \$20 billion in transportation infrastructure and improvements over the next 5 years using identified and available funding sources. House Bill 4002 presents a critically important opportunity to advance long-overdue policy changes that will equip Massachusetts transportation agencies with the project-delivery and procurement tools they need to succeed in delivering those planned improvements and effectively investing each and every resource provided by taxpayers and system users.

Fostering Economic Growth and Competitiveness

These historic levels of public funding and investment in transportation are supported by billions of dollars in new and additional revenues being collected by the Commonwealth each year, largely due to our thriving private sector economy. Imposing additional and unneeded costs on Massachusetts families, individuals and employers creates unnecessary risks of making the type of policy choices that have made other states less attractive places to live, work and invest and will result in lost urgency and opportunities for the Commonwealth to pursue the forward-looking transportation approaches it must.

For the past decade, Massachusetts' revenues have grown by an average of nearly \$1 billion each year, a growth rate of almost 60%; more than triple the rate of inflation over the same period. In just the past 2

years, annual revenue collections have increased \$4 billion and the Commonwealth had budget surpluses in excess of \$1 billion in both FY19 and FY18.

The current public focus on identifying and imposing new taxes on individuals and businesses in order to provide additional revenues is misplaced, rooted in a false-urgency unsupported by revenue data and will simply push more resources into a system that transportation agencies and experts agree has not been appropriately equipped to most efficiently and effectively put them to use.

Transportation Climate Initiative

The proposed Transportation Climate Initiative (TCI) is the type of solution-focused policy worthy of continued consideration by our Commonwealth's leaders and has key advantages differentiating it from other revenue proposals currently under public discussion, including its regional scope and targeted investment of resources directly in the meaningful reduction of transportation-related greenhouse gas emissions.

According to the draft TCI framework released on October 1, each TCI jurisdiction would "independently decide how proceeds are invested to achieve carbon emission reductions and other policy goals". The Council believes that any and all revenues raised for the specific purpose of funding transportation investments and improvements, including those that may be generated by TCI, should be dedicated to such uses, in a specific and enforceable manner, particularly when assurances of exclusive usage are made to Massachusetts taxpayers and citizens.

Conclusion

Today, innovative technologies and approaches (many of which are being developed right here in Massachusetts) are revolutionizing how citizens and governments plan, design, construct, maintain, operate and use transportation systems and resources. Council leaders urge you to embrace innovation by enacting House Bill 4002 and look forward to continuing to work with you and other policy makers, transportation agencies and stakeholders to advance pro-growth transportation policies that harness and apply innovative approaches to the challenges we face and the opportunities we possess.

On behalf of the Council's members and Board of Directors, I thank you for your consideration and ask that you report the bill with a recommendation that it "ought to pass" and work with your House and Senate colleagues to enact the bill expeditiously.

Mark J. Gallagher
Vice President