



Deval L. Patrick, Governor
Timothy P. Murray, Lt. Governor
Richard A. Davey, MassDOT Secretary & CEO
Beverly A. Scott, Ph.D., General Manager
and Rail & Transit Administrator



March 20, 2013

To the Members of the MassDOT Board,

Following our recent discussion at the Audit and Finance Committee meetings this month, I would like to take this opportunity to suggest a path forward for closing the MBTA's Fiscal Year 2014 budget gap.

As you know, the MBTA faces an operating budget gap of \$140 million in Fiscal Year 14. By statute, the Board must approve a balanced budget by April 15th.

While the board considers options for closing that deficit, the Legislature is reviewing the Governor's proposal for investing in our transportation and education system Commonwealth-wide. If approved, the Governor's plan would allow us to permanently address our MBTA budget challenges without the now-annual ritual of dramatic fare increases and service cuts that place a significant burden on our riders.

I continue to hope that the Legislature will approve the Governor's plan and do so expeditiously. I am cognizant, however, that that vote might not happen before the Board meets on April 10th. To that end, I am recommending that the budget the Board approves next month include a placeholder for new revenue as part of the solution.

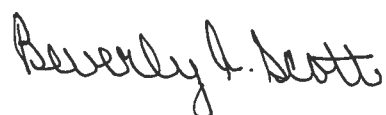
This is similar to what the Board did last year when it approved the Fiscal Year 2013 budget. At the time, the Legislature was considering a short-term fix for the MBTA that included \$51 million in state funds to help us avoid deeper cuts and higher fare increases. When the bill was signed in June, it went into effect immediately.

I am clear-eyed about the challenges we face, which is why we have seriously worked to continue our cost-containment measures to help narrow the gap and have taken the prudent steps of planning for the worst case scenario – no new revenue. We have both a statutory obligation and a fiduciary responsibility to develop a contingency plan if the Legislature does not approve new funding for our transportation and education systems.

Without a new, stable and predictable stream of funding to help us right our ship once and for all, we will have no choice but to implement stringent budget deficit reduction measures that make it possible to live within our means. The system we have today will need to be significantly scaled back, impacting millions of residents and businesses.

I hope you will consider approving a budget that assumes new revenue. I am optimistic that the Legislature understands the economic and social benefits to a well-funded transportation system that provides for all areas of the Commonwealth. I know we will continue to work together on this important issue in the weeks ahead.

Sincerely,

A handwritten signature in black ink that reads "Beverly A. Scott". The signature is written in a cursive, flowing style.

Beverly A. Scott, Ph.D.

General Manager & Rail Transit Administrator