



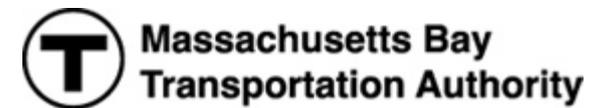
Governor  
Charlie Baker

**July 22, 2016**

## **MBTA: \$150 Million Savings Expected After Competitive Bond Sale**

Acting MBTA General Manager Brian Shortsleeve on Tuesday announced that the agency successfully held its first competitive bond sale in 21 years, issuing \$337.3 million in bonds.

By locking into the lowest interest rates in the transit agency's history, the MBTA will experience more than \$150 million in future cash flow savings, putting the T on a more sustainable financial path.



With the strong bond market and high credit ratings, the MBTA decided to offer callable capital appreciation bonds, traditionally sold via negotiated sale, as a competitive offering. A total of seven bidders participated in the offering. JP Morgan purchased the callable capital appreciation bonds, which mature from 7/1/2021 - 7/1/2024 and from 7/1/2028 - 7/1/2033 at yields ranging from 1.28% to 2.67%, the lowest yields MBTA has achieved on capital appreciation bonds.

The interest rates on the bonds refunded were from 4.55% to 4.82%.

Following the competitive bid on the capital appreciation bonds, MBTA offered the Assessment bonds to ten prospective bidders. Morgan Stanley purchased the Assessment Bonds, which mature from 7/1/2024-7/1/2028 and are callable at 7/1/2026, at yields ranging from 1.35% to 2.00%. The average yield was approximately 1.75%, well below the 4% to 5% yields on the bonds refunded. The assessment bonds are rated Aa1/AAA.

The newly-issued \$119.3 million of assessment bonds and \$217.6 million in sales tax bonds will refund prior debt obligations and reduce the authority's debt service burden. It represents the second step of the MBTA's three-part plan to lower debt service costs to create additional funds for capital improvement projects.

The bond sales follow a vote by the T's Fiscal and Management Control Board and MassDOT Board to enact a comprehensive debt strategy in May that included terminating several legacy interest rate swap contracts, refinancing existing bonds, and re-deploying excess debt reserves into the Capital Maintenance Lockbox. The swap terminations will create a more balanced cost of capital for the T, allow for greater investment in capital projects and promote long-term fiscal sustainability.

"This comprehensive debt strategy will give the MBTA greater financial flexibility and strengthen its balance sheet, putting the T on a more sustainable path and capitalizing on historically low interest rates," said General Manager Shortsleeve.

### **MassDOT August Board Meeting**

**August 22**  
**Transportation Building**  
**10 Park Plaza**  
**Second Floor Board Room**  
**Boston, MA 02150**

[Full Meeting Schedule](#)

### **On the MassDOT Blog**

**Coming Soon: Electric Vehicle Fast Charging Stations**



MassDOT has announced that "Fast Charging" Stations for Electric Vehicles will be available at I-90 Service Plazas beginning later this

year. Depending upon the electric vehicle and the state of its current charge, the stations will charge an electric vehicle to at least 80% power in 10-20 minutes.

The 50kW charging stations are expected to be installed at Framingham westbound, Natick eastbound, Charlton eastbound and westbound, Blandford westbound and Lee eastbound. These six are preferred locations pending any site utility or construction issues.

View the entire [Electric Vehicle Fast Charging Stations](#) blog post.



- ▶ [Renew Your Driver's License](#)
- ▶ [Renew Your Registration](#)
- ▶ [Branch Locator](#)

## MBTA: Automated Fare Collection System RFQ Issued

The MBTA issued a Request for Qualifications (RFQ) for systems integrators interested in development of a new Automated Fare Collection (AFC) system under a performance-based contracting arrangement with private financing and integrated delivery.

The RFQ calls for firms or teams capable of designing, installing, financing and operating a new AFC system for the MBTA's transportation network. The new AFC system will replace the existing CharlieCard and CharlieTicket and allow riders to utilize smart phones, bank cards, and/or a new MBTA fare card to access all MBTA services.

MBTA Chief Administrative Officer Brian Shortsleeve says, "Our primary job is get people where they are going safely and reliably. With automatic fare collections we will be able to have customers boarding at more than one location on vehicles, we will reduce the congestion which occurs when people pay with cash, and we will get riders on and off buses and trains much quicker. All of that adds up to more efficient operations and more seamless travel for our customers."

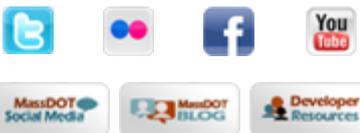
Policies enabled by the new system are anticipated to allow the MBTA to improve bus and light rail speed by 10 percent or greater by letting passengers board at all doors. The MBTA will also be able to greatly expand its retail network to make purchasing fare ubiquitous across the region while reducing cash handling costs, currently used by less 4% of customers on board buses and green line vehicles. Currently 91 percent of riders use a station or stop with a vending machine each day. By expanding the retail network and enabling mobile payment the MBTA will fill in those gaps for all riders. The MBTA's new fare card will also enable "one more trip" overdraft protection that allows users with insufficient fare to board vehicles when needed. By partnering with teams on a performance-based contracting arrangement, the MBTA will be able to ensure that these benefits and more are delivered to its riders.

The procurement will follow a two phased approach: the issuance of the RFQ in order to qualify teams with the necessary experience and qualifications to deliver the system followed by the issuance of a Request for Proposals (RFP) in order to secure detailed proposals and select the winning proposal. The MBTA intends to select the winner in Spring 2017 and for the new AFC to be operational 24 months from selection, with incentives for quicker delivery.

Additional information is available via the [MBTA procurement website](#).



### Follow Us On...



## New Whittier Bridge Continues to Take Shape



Visible progress continues at the site of the new I-95 Whittier Bridge in the Newburyport, Amesbury, and Salisbury area!

Check out the wood formwork installed by crews to construct the cap for Pier 3 of the new southbound span of the Whittier Bridge. Steel rebar, which reinforces the concrete pier, is visible in green on each side.

Follow the progress and check for traffic impacts on the [Whittier Bridge website](#)

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