Massachusetts: MBTA imposes more fare hikes

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On May 14, the Massachusetts Department of Transportation approved fare increases on subways, buses, and commuter rail trains in the Massachusetts Bay Transportation Authority (MBTA) system. The increases, which will take effect on July 1, are being imposed despite overwhelming opposition expressed by riders through email and in public meetings.

The cost of a local bus ride will increase from $1.50 to $1.60 and the cost of a subway ride from $2.00 to $2.10. Fares on the commuter rail, which brings workers into Boston from the suburbs and also provides access to entertainment and beaches, will go up as much as 50 cents per trip. The cost of a monthly combined bus and subway pass will increase by $5 to $75, while monthly passes on the commuter rail will increase by as much as $17 depending on the rider's distance from Boston.

These increases have been calculated at the maximum percentage allowed by state law.

On the day of the vote, the *Boston Globe* reported that 82 percent of emails sent to the MBTA (the "T") about the hikes were in opposition. It cited a comment from one rider who "would boycott the T if she could." In response, the system's spokesman told the *Globe* that the public comments would have no effect on the implementation of the plan.

In fact, the MBTA knows that it has riders over a barrel. When planning the fare increases, it estimated that they would result in a loss of ridership of less than 1 percent. Commuting by car in an area where the yearly cost of parking can be as much as $2,000 is too expensive for many workers. In an April 2013 press release the MBTA boasted that using its services costs a commuter at least $12,600 less per year than using a car, ranking Boston just below San Francisco and New York on this scale. When MBTA fare increases of more than 20 percent were imposed two years ago, ridership did not decline at all.

While rider opposition to the latest fare increases has been ignored, commuters continue to suffer in a system that is poorly maintained and prone to delays, and in which buses are often so full that they drive right past stops where people are waiting. In January 2014 Director of Bus Operations Dave Carney told WGBH News that the system has such a shortage of buses that "if you go to any one of our bus garages during a rush hour you will find that they are completely empty."

According to WGBH, "the decision … to skip stops altogether—is by design, a deliberate decision by both the bus driver and his or her dispatcher back at the control center."

In addition to such shortages, maintenance of the system is underfunded and poorly managed. Subway maintenance is often done during the day on weekends, causing delays for riders forced to use shuttle buses. The MBTA's maintenance backlog—what it would cost to bring the system back to a "state of good repair"—was at least $3 billion as of April 2012. While the latest Capital Improvement Plan proposes to spend $651 million for that purpose in fiscal year 2015 (beginning 7/1/2014), the yearly expenditure would decrease for each of the four following years; it would also be little more than enough to keep the backlog from growing.

While announcements in subway stations repeatedly claim that safety is the T's "number one priority," its budget deliberations prove the opposite. In an April 3, 2013 Summary Sheet about the system's fiscal year (FY) 2014 budget, stop-gap measures were proposed for balancing this year's budget because the 2012 fare increases had not been enough. Included were a diversion of $48.1 million of federal preventive

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maintenance into the MBTA's operating budget and the elimination of an additional $9.5 million of capital maintenance funding. Deferring a $5 million payment owed to the retiree health benefits fund was also proposed.

Massachusetts workers fund public transportation not just through fares but also through the state's regressive sales tax. State law commits 1 percent of yearly sales tax revenues to the T, and that funding accounts for nearly 42 percent of the system's total revenues in the FY15 budget. Non-fare revenues contribute about 40 cents per passenger mile to the T. Of that amount, approximately 76 percent comes from the sales tax and municipal assessments. In contrast, none of the large companies, hospitals or universities benefiting from public transportation are taxed to pay for it.

While these employers benefit at no cost—beyond, sometimes, subsidizing their workers' monthly passes—predatory bond traders reap a profit. Debt service cost the MBTA $532.6 million in FY13. In comparison, the total revenues received from sales tax and from assessments on cities and towns served by the system was $983.4 million, or less than twice the cost of debt service. The FY13 cost of debt service was an increase from $424.5 million in FY12. More than $410 million worth of bonds were issued in that year.

The MBTA's total outstanding debt—principal and interest included—is nearly $9 billion. Of this amount, more than $3.5 billion is interest.

In comparison, MBTA employee benefits that are often demonized in the corporate media only pennies on the dollar. According to the T's 2013 financial statements, accrued vacation pay owed to workers was only $17.25 million. Workers' Compensation expenditures were only $8.8 million and the total cost to the T of workers' health insurance was only $122.8 million.

The Summary Sheet on the FY14 budget lists a system-wide cost of only $8.3 million for workers' wage increases, and only $5.7 million in increased contributions to two retirement plans. In contrast, $33.6 million in extra payments were promised to the private companies that subcontract the commuter rail.

In one particularly vicious measure, the MBTA is insisting on saving $15 million over three years by allowing its cleaning subcontractors to cut at least 90 jobs this September. Last year the two cleaning companies were signed to three-year contracts that allowed them to cut staff after one year. In the meantime, the system has added late night service on weekends but is showing no mercy to the workers who clean subway stations. The jobs of more than 28 percent of the cleaning staff would be eliminated.

Spokesman Joe Pesaturo threatened the remaining workers who will be left with an impossible job: "the MBTA will closely monitor the cleaners' work to ensure that contractual obligations are being met," he told t*he Boston Globe*. "If corrective measures need to be taken, the MBTA will order such action."

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