Massachusetts: New attacks on public transportation and transit workers

John Marion 4 January 2016

The MBTA Fiscal and Management Control Board (FMCB), appointed after last winter's systemic breakdown of the eastern Massachusetts public transportation system, issued its first annual report December 22. Calling them "tough choices," the report threatens layoffs, fare hikes and privatization of services.

In a coordinated attack on workers, management of the MBTA (Massachusetts Bay Transportation Authority, known as the "T") released payroll figures in December, listing by name the 24 percent of hourly T employees who have made \$100,000 or more in 2015. One day before the FMCB report's release, the board approved a policy allowing for a 10 percent fare increase in 2016.

The FMCB was established by the Democratic Party-controlled state legislature and subsequently appointed by Republican Governor Charlie Baker, who was inaugurated shortly before the 2015 winter crisis that saw record snowfall. Baker, who in May and June forced thousands of state workers into early retirement, sees the MBTA's breakdown as an opportunity to attack public transportation.

The FMCB report proposes to put the squeeze on workers by shifting salaries from the capital budget to the operating budget and then cutting operating expenses. The expense reduction in the capital budget—\$52 million in the fiscal year beginning July 2016—is pennies compared to the MBTA's deferred maintenance backlog of more than \$7 billion.

The report then proposes to cut operating expenses by \$187 million so that this amount, allocated by the legislature in fiscal year 2016, can be used for capital rather than operating expenses. These cuts, to be taken mainly from workers' wages and benefits, total less than 25 percent of the \$765 million that needs to be

spent per year to bring the deferred maintenance backlog to \$0 by 2040. As in the past, the majority of capital funding will still come from bonds, which will increase the debt service cuts in the operating budget. In the board's opinion, however, "debt in itself is not a bad thing for the MBTA."

In reality, debt is not a bad thing for the predatory lenders that will receive the interest. The 2015 law establishing the FMCB stipulated that "no existing rights of the holders of bonds, notes and other financing obligations issued by or on behalf of the Massachusetts Bay Transportation Authority ... shall be impaired, and nothing herein shall be construed to alter or grant the power to alter existing agreements securing such bonds or other obligations, hedge agreements or investment contracts pertaining thereto."

One is tempted to compile a glossary of the board report's euphemisms. "Significant internal cost savings" = layoffs, "reducing the rate of future forecast operating expense growth" = cuts to workers' health insurance and pensions, "alternative approaches to service delivery" = privatization, "workforce cost savings" = wage freezes, etc.

While the FMCB promises to "work with stakeholders" and improve the MBTA's "customerfacing transparency," it stresses in the report its authority to make and impose changes to the public transportation system. As with its appointment, its operation will be undemocratic. The governor appoints all five board members, with one "referred" by the House speaker and one by the Senate president.

The viciousness of the coming attack on workers' wages is demonstrated by management's publishing of the names of all workers who made more than \$100,000 this year. The *Boston Globe*, traditionally considered liberal, and the *Boston Herald*, traditionally

right-wing, have picked up on the attack by also questioning the amount of overtime earned by the 1,551 hourly workers whose data was released.

The total overtime of approximately \$75 million that will be paid this year pales in comparison to the more than \$400 million in debt service that will be paid to predatory lenders.

The pay of many of the workers also included delayed back pay from union contracts, going back as far as five years. Management's own numbers show that the average MBTA rail operator makes \$35.58 per hour and the average bus operator makes \$34.99. For a 40-hour workweek all year long, these wages total \$72,780 to \$74,000. The Boston area has a high cost of living, with some estimates putting the average monthly rent for a two-bedroom apartment at \$2,600.

Many public transportation workers put their lives on the line to earn their wages. A 2014 National Transportation Safety Board Special Investigation Report on Railroad and Rail Transit Roadway Worker Protection included a January 2007 incident in which two roadway workers were killed and two injured when they were struck by an MBTA commuter rail train. In May 2012 a vehicle malfunction killed a worker who was fueling a ferry in Quincy. In January 2005, three workers were hit by an Orange Line subway train while clearing snow from the tracks, killing one.

Baker and the FMCB are also preparing to fight existing union contracts that include binding arbitration clauses that provide some protection to workers. So far their plans for privatization have been limited to some bus routes, but the state government is looking to go further. After the data on workers' wages was released, House Speaker Robert DeLeo boasted to *McClatchy* that "we suspended the Pacheco Law, which is something that we have been talking about for many, many a year." The Pacheco Law had put in place limits on privatizing work that could be done by state employees, including MBTA maintenance personnel.

The release of the salary data also paves the way for pitting MBTA workers against riders, who are being threatened with a 10 percent fare hike. The media has deliberately stirred up this antagonism. However, the fact that less than 10 percent of Massachusetts tax revenues come from corporations is kept hidden, as is the regressive nature of the sales tax from which the legislature passes on revenues to the MBTA.

While a 2013 state law allowed the MBTA to raise fares by 5 percent every two years, the FMCB has ruled that it can impose a 10 percent hike every two years, given the wording of the law. The most recent fare hike, in 2014, was 5 percent.



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