Massachusetts: MBTA proposes steep public transit fare hikes

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The Massachusetts Bay Transportation Authority (MBTA, or "T") is planning steep fare increases effective July 1, with the discussion at an upcoming series of public meetings to be limited to two proposals put forward by the unelected Fiscal and Management Control Board (FMCB). One proposal would result in an average fare increase of 6.71 percent system-wide, while the average increase in the other is 9.77 percent.

These figures represent averages of the increases across a wide variety of payment methods (monthly passes, paper tickets, and stored-value "CharlieCards") and modes of transportation (subways, buses, ferries, paratransit mandated by the federal Americans with Disabilities Act, and commuter rail lines to suburbs and smaller outlying cities).

Fare hikes for some services would be at least double the average. The cost of a monthly local bus pass, for example, would go up by 16 percent in the lower proposal and 19.5 percent in the more draconian one. Monthly LinkPasses (which cover subways and local buses) would go up by 23.1 percent for students with a smaller increase for adults.

Monthly passes are designed to provide discounts to riders who use them frequently. The current cost of a bus pass, for example, is $50; the cash fare for one bus ride is $2.10. Any use above 24 rides per month thus decreases the average cost per trip for the user.

The cost of monthly LinkPasses for adults would go up by either 10 percent or 12.7 percent. These passes are one of the most popular payment options for commuters who use the system, with the *Boston Globe* reporting that the MBTA sold 1,959,710 in its 2015 fiscal year. Increasing the cost of these passes by 10 percent, or $7.50 each, would bring in additional revenue of less than $15 million per year. The system's projected operating deficit for the fiscal year beginning July 1 will be around $240 million, even with this increase.

Workers using the MBTA for their daily commutes have to contend with broken-down buses, subways, and commuter rail trains, often overcrowded and behind schedule, with the old and failing vehicles causing unpredictable delays and risks to safety. At the heart of the problem is a deferred maintenance backlog of more than $7 billion, accumulated over years of the government's refusal to adequately fund the system.

The FMCB, appointed by Republican Governor Charlie Baker and Transportation Secretary Stephanie Pollack, is spearheading the drive for fare hikes. While trying to squeeze as much revenue as possible out of public transportation riders, Massachusetts and its municipal governments are far more generous with their corporate allies.

The most recent example is General Electric Corporation, which announced last week that it will move its corporate headquarters from Connecticut to Boston after being wooed by the city. The move will bring about 800 jobs, mostly executive positions, to Boston. Incentives from the Massachusetts, Boston and federal governments total some $145 million. These incentives include the use of public land, money for ferries serving the GE headquarters, rebates on corporate property taxes, and a trolley tour of Boston neighborhoods so that GE executives can decide which to grace with their upscale lifestyles. In comparison, the total revenue increases expected from the upcoming MBTA fare hikes will be no more than one third of this amount.

Only one category of MBTA fares will be cut significantly under the proposed fare scheme. The cost of riding an Outer Express Bus (which usually run from Boston to outlying suburbs) will be slashed by 26.5 percent no matter which proposal is adopted. These routes are among the first the governor is planning to privatize and the lower fares will be used to promote the supposed benefits of privatization.

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Even more cynically, the governor, transportation secretary and FMCB are parsing the language of a 2013 law limiting fare hikes so that it means next to nothing. The legal cap was passed after fare hikes averaging 23 percent system-wide in 2012, when riders were threatened with draconian cuts to service if they didn't agree to pay more.

The legislature and governor responded in 2013 with a law stating that the MBTA "shall not increase fares at intervals of less than 24 months or at an annual rate greater than 5 percent." The Senate intended the limit to be 5 percent every two years, and a precedent was set the following year when fares were increased by 5 percent in 2014.

Senators Tom McGee and Sonia Chang-Diaz have recently confirmed that intention. Former state senator Katherine Clark, now a US Representative, said in floor debate at the time that "the fares could only be increased under this amendment every two years and not more than 5 percent at any time." However, the conference committee that finalized the legislation inserted the word "annual" in such a way that the increases can be 10 percent instead of 5 percent every two years. While Representative Bill Strauss, the chair of the House Transportation Committee, is willing to admit to this sleight of hand, Senate President Stanley Rosenberg has now dismissed the issue arrogantly by calling it "the flea on the tail of the dog."

The FMCB and Secretary Pollack have developed three excuses for skirting the limit in the 2013 law:

- their contention that it allows for a 10 percent increase;
- their claim that the legal cap governs only the system-wide average of increases and not fare hikes for specific modes of transportation;
- and their excuse that the law limits increases to fares but not to the cost of passes.

MBTA workers should take heed that the same disrespect for laws and contracts will be applied to the union contracts they have struggled for during their careers. Seeking to pit MBTA riders against the system's workers, a campaign has been launched against overtime pay for the latter. The names and salaries of more than 1,500 MBTA employees were recently released by management to show that these workers earned more than $100,000 last year, including overtime. One of the main targets of this attack is the stipulation in union contracts that overtime is paid after an 8-hour workday rather than after the standard 40-hour workweek.

Other attacks on T workers are being planned, including unspecified "incentives" for 1,000 retirement-eligible staff to leave now rather than continuing to work. Three hundred of these jobs, mostly administrative, would not be filled again. MBTA Chief Administrator Brian Shortsleeve expects that the unfilled positions and lower salaries of new workers will yield a recurring cut of $30 million to $36 million as a result of the retirements.

The overtime issue is being used frequently in the local news media to pit riders against workers. In just one example, NECN headlined a January 5 report, "Riders Rankled by MBTA Overtime." However, the report included only two interviews with riders about the fare hikes, while the president of the right-wing Massachusetts Taxpayers Association was extensively quoted about the overtime.

Another argument is advanced frequently to excuse the increases: that they would still leave the MBTA cheaper than transit systems in other cities. This facile comparison obscures both the extreme income inequality in the Boston area and the high cost of other necessities.

According to a Brookings Institution study released last week, the income of a household in the 20th percentile in Boston is slightly less than $15,000 per year, and the city has the highest income inequality in the country when measured as the ratio of the 95th percentile to the 20th. In the greater Boston area, including surrounding cities and towns, average household income for the 20th percentile is slightly less than $28,000. Even this amount is impossible to live on.

According to the real estate firm Zillow, rents in greater Boston increased by 7 percent from November 2014 to November 2015. Nationally, average rents increased by 4 percent for the year, and Zillow's figures show an average rent of $2,245 in the Boston area vs. $1,383 nationwide. Boston is one of the 10 most expensive cities in the US for apartment rentals.

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