

Boston: MBTA seeks to pit transit riders against workers as infrastructure crumbles

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Last February, Massachusetts Bay Transportation Authority (MBTA) passengers in Massachusetts faced a catastrophic collapse of services during one of the worst February snowfalls on record. The “T,” as the MBTA is known, blamed this on the extreme weather conditions. But this year, in one of the warmest Februaries on record, riders have had no better experience as they struggle to get to work amid continued failures of a crumbling infrastructure.

In one week alone, a number of incidents revealed the dangers posed by the deterioration of mass transit for riders and T workers alike. These included:

- On February 14, during cold winter weather, MBTA workers had to use kerosene to thaw above-ground subway tracks near Assembly Station. Low temperatures had cracked the rails, despite the T’s claim to have spent more than \$80 million on winter preparations after last year’s crisis.

- On February 16, a metal panel measuring 1 foot by 12 feet fell off an Orange Line subway train near the State Street station. The train became disabled when it ran over the panel, which made contact with the electrified third rail and filled the station with smoke. Another train ran over the panel shortly afterward and also became disabled. Passengers in the second train had to kick out windows and pry open doors to escape.

- On February 18, a disabled Red Line subway train caused severe delays during the morning rush hour for thousands of riders.

- Also on February 18, failure of electrical track signals shared by Amtrak and the MBTA’s commuter rail system caused serious disruptions to the morning and evening commutes of thousands of people who travel to work through Boston’s South Station.

The MBTA, which runs subways, buses, commuter rail, ferries, and paratransit services in eastern

Massachusetts, is seeking to offload the continuing deferred maintenance crisis caused by years of underfunding onto the backs of the working class. MBTA executives and city and state officials are trumpeting lurid stories about workers’ overtime earnings and sick time benefits, blaming worker absenteeism for increased overtime operating costs.

At the same time as attacking T workers, the MBTA is seeking to introduce fare hikes anywhere between 6.7 percent and 10 percent system-wide and a possible 23 percent increase in the cost of student passes.

The funds gained through the fare hikes would do nothing to resolve the deferred maintenance crisis. Overtime of \$56.3 million was charged to the T’s operating budget in calendar year 2015. Of the two fare hike proposals, even the more draconian would increase revenues by less than \$50 million.

The first Annual Report of the system’s unelected Fiscal and Management Control Board (FMCB), released in December, puts the total spending backlog to date at \$7.3 billion. With inflation, it estimates that a total of \$24.8 billion—effectively \$1 billion per year—would need to be spent over the next 25 years to bring all MBTA infrastructure to a State of Good Repair.

Mass transit is not only an economic necessity for a modern city; it is a social right. But in cities across the United States, mass transportation systems have been starved of public investment and allowed to decay.

All 120 cars in the MBTA’s Orange Line fleet were put into service between 1979 and 1981, and have not been rebuilt since. After the February 16 incident, T officials tried to reassure riders that only Orange Line trains are at risk for loose panels because cars on the other lines are built differently. Nonetheless, news channel NECN reported that inspections afterward

found 13 other Orange Line cars needing panel repairs.

Rather than being publicly funded, the MBTA's crucial infrastructure is funded not from current government revenues, but from bonds that enrich, through interest, lenders like Goldman Sachs, Deutsche Bank and others. Debt service, which includes interest and an amortized portion of the principal, is charged yearly to the operating budget of the government entity.

The MBTA is already billions of dollars in debt, and charges its operating budget more than \$400 million per year for debt service. This amount dwarfs the size of the structural deficit, which the FMCB claims to be addressing through fare hikes and overtime cuts. Any further bond issues for the maintenance, upgrade and repair of the system's infrastructure will, under the capitalist profit system, increase this parasitic illness.

Predatory lenders find additional ways of profiting from the system of capital budgeting. A February 21 *Boston Globe* article reported on the \$26 million per year being paid out by the MBTA on interest rate swaps through which it bet, before the Great Recession, that interest rates on its debts would go up. Because rates have not increased since 2008, the T is instead losing money. About \$9 million per year goes to Deutsche Bank. Cancelling all existing swaps at once would cost a lump sum of about \$121 million.

This profiteering keeps the MBTA in a perpetual bind, unable to provide safe or on-time services. The breakdowns are unpredictable, with the result that commuters wake up each morning not knowing when they will arrive at work, causing significant financial losses for hourly paid workers.

In 2014, the MBTA placed a \$566.6 million contract with China CNR Corporation Limited and CNR Changchun Railway Vehicles Co. for new Red Line and Orange Line trains. Delivery of the Orange Line cars is scheduled to start in 2018 and be complete by 2022. However, in a February 25 meeting with the *Boston Globe*'s editorial board, Massachusetts Transportation Secretary Stephanie Pollack made the bizarre statement that MBTA management was not aware until recently that Chinese transit systems assume some of their cars will always be out of service for repairs, while the T assumes that all its cars need to be used to run at capacity. The implication seems to be that the cost of the purchase will go even higher than stated.

Warning that "based on available resources, there is a significant gap in available funding to meet the target outlined in the 2015 FMCB Annual Report," a February 22 presentation to the MassDOT Capital Program Committee projected total State of Good Repair funding of \$3,825,000,000 over the next five years, including projects for which budgets have already been set. This spending, which represents barely half of what's needed, would be budgeted at \$675 million in the fiscal year beginning July 1, 2015, and increase to \$765 million per year starting July 1, 2018.

These figures are routinely rolled out at public hearings seeking to justify the fare hikes. The message is that nothing can be done because there "simply isn't the money." Workers are told that fixing the T requires fare hikes and attacks on T workers, and the only debate is how far these can go. Workers must reject such arguments. The issue is not that there is no money, but that the vast wealth in Massachusetts is held in the hands of a financial elite that has no interest in the maintenance of social infrastructure.

Using 2012 data from the Massachusetts Department of Revenue and the US Census, the *Boston Globe* calculated last year that 15,499 households in Massachusetts have an adjusted gross income of more than \$1 million. One year of their income, combined, is more than twice the \$7.3 billion needed to fix the MBTA. Fidelity Investments president Abigail Johnson, in whose 401(k) plans millions of workers have been forced to invest as traditional defined benefit pension plans are replaced, is worth more than \$13 billion. The New England Patriots football franchise, whose president, Robert Kraft, is a billionaire, benefits directly from MBTA commuter rail lines.

Riders and T workers must unite in a common offensive against the attempts to make the working class pay for this crisis. In particular, they must reject both fare hikes and attacks on the wages and conditions of workers, and efforts to pit the interests of riders against those of MBTA workers.



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