Massachusetts: Consulting firm hired to begin privatization of transit system

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Massachusetts Governor Charlie Baker, the Fiscal and Management Control Board (FMCB) he appointed after the February 2015 systemic breakdown, and the chief administrator of the Massachusetts Bay Transportation Authority (MBTA, or the "T") are moving rapidly toward wholesale privatization of the public transportation system.

On Tuesday, the *Boston Herald* reported that MBTA management is secretively paying nearly $1 million to consulting firm McKinsey & Company for "a proposal on what will be required to develop and execute" privatization plans for subway and bus lines. Should the T decide to extend the McKinsey project beyond its original six weeks, the cost per week will be an additional $156,000. In a document obtained by the *Herald*, McKinsey warned MBTA management that "our clients including the … MBTA are best served when our name is not used externally related to our support."

The *Herald* 's article is the second time in less than a week that secret deals favoring private corporations have come to light. The *Boston Globe* reported Saturday that the T had forgiven nearly half of the $1.7 million in fines levied against Keolis, which operates the system's commuter rail trains under contract, after the February 2015 snowstorms. The forgiveness of fines was communicated to Keolis in a November 2015 letter that was kept secret until the *Globe* obtained it with a public records request. The unelected FMCB, which reports to Secretary of Transportation Stephanie Pollack and Governor Baker, would have been fully aware of both deals.

Maintenance of the MBTA's buses, subways, trolleys, commuter rail, and related infrastructure has been dangerously underfunded for years. In February 2015, record snowfall from a series of storms broke the camel's back, causing several system-wide shutdowns along with weeks of cancelled or severely delayed commuter trains. During the first two weeks of the month, only 8 percent of trains on the Fitchburg line were on time; on the Newburyport/Rockport line, only 14 percent of trains to and from Boston were on time. Many of the commuter rail stations were open air, and stranded commuters had to wait as long as four hours in the cold.

Keolis was fined more than $1.7 million for its part in the crisis, a paltry amount compared to its total eight-year contract of $2.6 billion. The $839,000 was forgiven, leaving the company to pay less than $900,000 in fines. According to the *Globe*, Keolis has given the contradictory explanation that it paid fines for the late trains but not for not having enough trains in service, but the MBTA accepted Keolis's "satisfactory explanations."

In the first three months of this fiscal year Keolis also received an extra $35 million in unrelated contract adjustments.

MBTA workers are not being treated as generously. An October 17 report from the system's general manager to the FMCB boasts that the average daily overtime costs for the system's 6,300 workers have been cut by $43,000 through limits placed on overtime hours. In a July interview with WBZ regarding regular wages, MBTA Chief Administrator Brian Shortsleeve expressed his expectation that the unions will agree to concessions even before the next contract negotiations in 2018.

MBTA riders will also not receive the largesse given to private contractors. As the system moves toward the requirement that all riders use stored value cards, a report to the FMCB proposes charging $5 just for the plastic card, before any value is put on it. The FMCB is

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also considering hiring 40-50 inspectors to watch for fare jumpers.

On October 6 the FMCB voted to privatize the MBTA's money room, eliminating 72 union jobs and awarding a $3.6 million per year contract to Brinks. The speed at which the decision was made should serve as a warning to workers. Per the board's report, it had "a discussion of money room security and operations" on July 11, issued a request for proposals on July 21, and made the final decision in less than four months.

Brinks will not be the only ones profiting from the arrangement. The FMCB presentation promises five new executive jobs for managing the contract.

Claiming that the laid-off money room workers will be given jobs as bus drivers, Governor Baker irritably told an October 6 audience that "nobody is going to lose an opportunity to work at the T as a result of this." At the time of this statement McKinskey & Company were already looking at ways to privatize the jobs of bus drivers.

Brian Lang, president of UNITE HERE Local 26, sits on the FMCB but skipped the vote on money room privatization. The other four members voted unanimously to hire Brinks, while board member Steve Poftak was left to tell the press that Lang would have voted against. Local 26 represents the Harvard University Dining Services workers currently on strike.

The response of Boston Carmen's Union Local 589's leadership has been even more craven. While seven members of its Executive Board, including President Jimmy O'Brien, were arrested for disorderly conduct on October 6 for an anti-privatization protest outside the MBTA money room, the stunt was not geared toward the mobilization of workers. Instead, in an email sent out after the arrest, the union said only that "we're sending a message to the public that privatization is wrong for Massachusetts."

Similarly, in a September 19 email O'Brien "expected to have a lot of signers on a letter calling on Gov. Baker to slow down privatization," and was satisfied that union rallies had "caused Baker to frame some of his comments to the media" differently.

In concrete terms, at the beginning of the summer O'Brien proposed to a meeting of the FMCB that the union would agree to an 11 percent pay cut for new employees if the board would agree to halt privatization.

The privatization of public transportation has bipartisan support in Massachusetts. US Representative Steven Lynch, a Democrat, State Senator Marc Pacheco and a handful of other local Democrats made a showing at an October 12 union protest. However, both houses of the state legislature have been controlled by the Democrats for decades, and gave Baker (a Republican) the privatization authority he demanded after the 2015 snowstorms.

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