Massachusetts public transportation workers' wages, benefits, and safety under attack

John Marion
29 December 2017

On December 15 the Fiscal and Management Control Board (FMCB), which has been dictating policy for the Massachusetts Bay Transportation Authority (MBTA, or T) since the systemic failures of February 2015, released its third annual report. The report points to plans to continue privatizing the nation's fifth-largest public transportation system while underfunding infrastructure repairs, but what comes out most clearly is that workers are being deprived of jobs, raises and benefits while upper-level management jobs are booming.

The new management—euphemistically referred to as "talent" in the report—has already shown its true colors in the hiring of General Manager Luis Manuel Ramírez last August. The FMCB report's letter to the state legislature describes Ramírez as "stable and tested leadership … leading a reorganized MBTA management and staff that is … open to innovated approaches." The letter does not mention that these "innovative approaches" included signing false and misleading accounting statements when he was head of the private company Global Power.

On the other hand, the report calls the cost of workers' pensions—estimated at $90 million in fiscal year 2018 for more than 6,000 workers—"unsustainable." A net total of more than 400 MBTA workers lost their jobs in fiscal year 2017—mainly through early retirement "incentives"—and opportunities for overtime have been cut way back.

Between September 2016 and March of this year—"a very aggressive timeline," in the FMCB's words—the rate of denial of Family and Medical Leave Act applications by workers went from 25 percent to 50 percent. At the same time, workers' safety is being risked with speed-up measures. The report boasts that "using accelerated rail replacement techniques, the agency's track department can now install 500 feet of track in three-hour periods during overnight hours," when this job used to take a full weekend.

What the report offers workers and riders is a subjective gloss: for example, FMCB member Monica Tibbits-Nutt "last year initiated a series of outreach efforts to T employees in order to make them feel heard." The result will be different uniforms and "more nutritional options in work areas." The T has also hired a new Director of Customer Service, whose job will be to ignore riders' complaints.

The FMCB's report is riddled with boasts of "transparency," yet the T's web site has no payroll or budget data beyond 2016, even though the agency will soon be preparing its 2019 budget. It therefore gives no details about the size of the raises given to 62 top managers in calendar year 2017. It does, however, note that 35 of the managers with the highest salaries have been hired since 2015. New hires include a Director of Cost Control & Lean Strategy, two Deputy Directors for Advertising, a Director of Flexible Contracting, and a Deputy Chief of Real Estate. The Strategic Plan Timeline created last April promises to expand the number of executive managers in all years from 2017 to 2023.

The report boasts that the average annual growth of the MBTA's operating budget is projected to be 0 percent for fiscal years 2016, 2017 and 2018. The 2017 job cuts resulted in a total budget reduction of $50 million including benefits, while a wage-cutting deal to which Boston Carmen's Union Local 589 cravenly agreed last December has cut another $20 million per year from the operating budget.

State funding for the MBTA, which receives less than half of its total revenues from fares, is mostly from the

Massachusetts sales tax. Not only is this tax regressive, but it is unreliable as a source of revenue. Lower than expected sales taxes in 2017 resulted in $35 million less for T operating expenses than had been budgeted.

The capitalist method of funding infrastructure budgets in US cities and states also creates a contradiction in the MBTA's capital budget. This budget is used for infrastructure, including new subway cars, buses, track and station improvements, etc., not salaries and benefits. It is funded by the issuance of bonds, but payments to the bondholders are charged to the operating budget.

The T has a deferred maintenance backlog of more than $7 billion, which not only creates serious safety risks but also results in frequent subway breakdowns as riders are trying to get to work. In order to fund much-needed repairs, money will need to be borrowed and the cost of debt service—money which could be used for workers' wages and benefits instead of being paid to predatory lenders—increases.

MBTA debt service costs dropped briefly in 2017, but will increase by $50 million per year starting next July. The total cost, including principal and interest payments to bondholders, is more than $400 million per year, while wages and benefits totaled only $772 million in fiscal year 2017.

According to the FMCB's report, the T "hopes" to spend $800 million on infrastructure improvements in 2018. Nearly half of that amount—$357 million—was committed in November for a new fare collection system contract. In contrast, the small amount being spent on signal repairs is coming from "savings" in the operating budget; in other words, from cuts in workers' raises, overtime and jobs.

While new Orange and Red Line subway cars are on order, the schedule for putting them into service means that riders will continue to suffer from broken down trains for several years. The FMCB's Strategic Plan Timeline allocates only $30 million for maintenance and reliability of the old cars for all of calendar years 2017 and 2018.

In September, the combination of privatization and inadequate maintenance funding caused a commuter rail car to decouple from the rest of a train between stops in Lynn. Keolis, which runs the commuter rail system under contract, handled the investigation of the incident so poorly that the Federal Railroad Administration (FRA) threatened to fine them. The *Boston Herald* has reported that Keolis did not interview witnesses, did not take photographs of the scene, and "moved some of the defective equipment before" the FRA could inspect it.

In keeping with the MBTA's lack of transparency, an 87-page report on the incident was not available anywhere on its web site as of this writing.

However, Governor Charlie Baker is satisfied enough with the efforts of the FMCB that he has extended its term by two years, through the end of June 2020.