# Financial board demands new cuts, privatizations in Boston transit system

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Despite recent revelations of the lack of concern for safety at the Massachusetts Bay Transportation Authority (MBTA), the January 14 annual report by the Financial and Management Control Board (FMCB) shows little change from their charted course. The unelected body is proceeding with further budget cuts, privatizations and fixation on “capital delivery,” all of which have been found to be the main factors behind abhorrent safety in nearly all sectors of the Greater Boston transit system’s operations.

The content of the report, along with the FMCB’s recent calls for the addition of 60 privatized buses, also signals preparations for what will be a long and protracted attack carried out by Massachusetts Governor Charlie Baker and future boards against transit workers. This is a continuation of the slow-motion attrition against workers and commuters, ramped up since the formation of the FMCB five years ago that has resulted in the lowering of wages and pensions, decaying infrastructure, fare hikes and unsafe conditions.

Through the common tactic of the ruling class to “never let a good crisis go to waste,” the FMCB was undemocratically formed by Baker in 2015 after a record-level snowfall immobilized the underfunded and indebted MBTA. This unelected board was further armed with the temporary suspension of the Taxpayer Protection Act, a 1993 statute protecting against the privatization of public services.

The suspension of the Act allowed the FMCB to privatize the cash collection and warehousing departments. Then, utilizing threats of privatizing driving and maintenance jobs, the MBTA and the Carmen’s Union signed a contract, which reneged on already agreed upon raises for current workers, lowered wages for new employees, and allowed the privatization of expanded services.

The FMCB utilized contract concessions in pay as well as new tiers in wage increases for new employees to justify purging hundreds of employees, offering buyouts for “voluntary” retirement, only to hire new lower-paid employees in their stead. The number of employees went from 6,547 in fiscal year 2017 to 5,643 in fiscal year 2018. It was 6,198 as of June 30, 2019.

A Safety Review Panel (SRP) report in December found that safety was being sacrificed in the interest of capital development. The report noted that “the most seasoned and knowledgeable employees accepting management sponsored ‘buy outs’ ... resulted in significant brain drain [at the MBTA.] With no clear succession planning or employee development processes in place, the organization finds itself limited in its ability to effectively run the system.”

The SRP was informed of a particularly egregious demonstration of the lack of attention to safety, in which professional in-color training manuals used for Right of Way training for employees had stopped being printed by an external vendor due to budget constraints. Even though these manuals depict all of the different color-flagging devices used in Right of Way signaling, staff resorted to printing the manuals in black and white to cut down on expenses, resulting in all of the various colored flags appearing as “black objects in the training manual.”

The FMCB’s 20-page annual report gives scarcely any concrete proposals on improving safety, merely mentioning the need of a safety report at each future FMCB meeting. On the other hand, the text is filled with plans for future attacks on workers and hiring more employees to meet aggressive capital initiatives. Part of the fiscal year 2020 budget is allocated for an additional 80 positions in capital delivery, the department that reviews, authorizes and oversees new construction projects in and around transit properties.

The report directs the MBTA General Manager (GM) to immediately establish both a regional/urban rail and bus transformation office, which “shall have no other responsibilities outside the transformation mission.” This transformation means “developing and maintaining the business case to support the investments needed,” as well as “developing and implementing a stakeholder engagement plan.”

The report further notes, “The level of investment and the complexity of mission ... will require consideration of new contract mechanisms and new labor practices.” It also calls on the state legislature to support “public-private partnership” and reform proposals in Baker’s transportation bond bill, and that “greater use of the talent and innovation in the private sector is critical and tools that provide the Authority with greater leverage over long term performance of the private sector [are] essential.”

Some legislation has already been introduced on this frontal attack on workers. Bill MA H3153, which is in committee, threatens MBTA workers’ and retirees’ pensions. The bill calls a special commission to investigate and report on retirement benefits provided to employees of the MBTA. It states: “The report shall analyze the feasibility of providing retirement benefits to future employees of the Authority” under current laws as opposed to “any other statutory or contractual plan or system ...” Also, to be examined are all retirement benefits currently received, “relevant contractual provisions and applicable federal and state laws and the legal effects” of changing or removing these benefits.

Plans for further privatization are also under consideration. In what FMCB Chairman Joseph Aiello referred to as a “gift to the next board,” the FMCB is proposing the addition of 60 new buses to be privately contracted. This will no doubt be used as a bulwark for future attacks on MBTA workers. Any savings from these buses, joined with high public demand for fare-free MBTA services, could be one of many tactics used to pit commuters against MBTA workers in order to garner support for privatizing existing services.

Never mentioned are the billions syphoned from Massachusetts tax revenue by predatory bond debt payments. The MBTA, along with myriad other crucial social infrastructure in Massachusetts, are funded to a high degree by bonds, enriching lenders like Goldman Sachs and Deutsche Bank through predatory interest payments.

Nearly $500 million, half of which is interest, goes annually from the MBTA budget to bondholders. Massachusetts bond debt has gone from $18.6 billion in 2008 to $27.2 billion in 2018, bringing the yearly payment of interest alone to approximately $1 billion.

In Massachusetts, the number of people with yearly income exceeding $1 million has grown substantially, almost doubling from 10,458 in 2010 to 18,205 people in 2017. The combined net worth of the 18 billionaires in Massachusetts is $64 billion, more than enough to pay off the state’s bond debt and modernize and expand rail service throughout Massachusetts and beyond.

The reality is that no concessions by the bankrupt transit unions will stop the relentless siege by finance capital on transit workers and riders alike. Just as they have done for decades, the unions are preparing to tell workers that they have no choice but to hand over their hard-won gains, benefits and rights in order to keep the MBTA “solvent.”

While the capitalist class, its bought-and-paid-for political representatives, and their unelected boards, organize and work in the interest of financial trusts and investments, workers, students and youth must respond in kind, democratically forming their own independent rank-and-file committees to organize and defend their class interests, including the basic social right to free, high-quality and safe transportation.

The appointment of supposed “workers’ representatives” to the financial board, including FMCB member Brian Lang, president of UNITE HERE Local 26, has done nothing to protect riders and transit workers. On the contrary, with Lang the FMCB’s attacks on workers are able to run like clockwork, ironically the only part of the MBTA that does.