

March 1, 2012

Massachusetts Bay Transportation Authority
Attention: Fare Proposal Committee
10 Park Plaza
Boston, MA 02116

Re: Proposed Fare and Service Changes

Dear Members of the Fare Proposal Committee:

The Conservation Law Foundation (CLF) appreciates the opportunity to comment on the Massachusetts Bay Transportation Authority's (MBTA) Proposed Fare and Service Changes. CLF is a nonprofit, member-supported, regional environmental organization working to conserve natural resources, protect public health and promote thriving communities for all in the New England region. CLF has a long-history of advocating for enhanced public transportation and is a leader in two Commonwealth-wide transportation coalitions: Transportation for Massachusetts and Our Transportation Future. The proposed fare and service changes are therefore of great concern to the organization and its membership. Thus far, representatives of CLF testified at six of the MBTA's public meetings and hearings on this matter. Please accept this letter as CLF's written comments.

MBTA's Current Financial Condition

For FY2013, the MBTA is facing an operating budget deficit of \$161 million.¹ Pursuant to the Forward Funding law enacted in 2000 the MBTA is required to balance its budget.² In previous years, the MBTA has been able to balance its budget through restructuring some of its debt and implementation of cost reductions.³ However, as noted by the MBTA itself, "those savings opportunities no longer exist."⁴ In April of 2011, then General Manager of the MBTA, now Secretary of Transportation, Richard Davey announced that "he has no more rabbits to pull out of his hat."⁵

The proposed fare increase and service cuts, however, are at best only a temporary fix for a much larger problem. The MBTA has estimated that the operating budgets for FY14-FY16

¹ See MBTA *Pro Forma* FY12-FY16.

² M.G.L. c. 161A, s. 20.

³ See MBTA, *2011 Operating Budget Proposals to the Board of Directors*, www.mbta.com/uploadedfiles/About_the_T/Financials/FY2011%20Operating%20Budget%20Board%20Action.pdf (last viewed on February 10, 2012) at 8.

⁴ *Id.* at 8.

⁵ See, e.g., Paul McMorow, *At the T, Reform Gives Way to Revenue*, Commonwealth Magazine (April 28, 2011).

will be \$40 million, almost \$90 million, and almost \$170 million respectively larger than the FY13 funding gap of \$161 million.⁶ Increasing fares will not relieve the MBTA of any of its debt burden—the largest of any transit agency in the country.⁷ Likewise, these proposals do not attempt to address the MBTA’s state of good repair problem. The MBTA is currently spending about \$580 million per year to prevent its long list of maintenance needs, estimated at \$4.5 billion, from growing.⁸ However, about \$750 million are needed annually to fix the system and buy new equipment.⁹

The MBTA’s assets are deteriorating; old infrastructure is in need of repair and vehicles are long beyond their useful life. For example, all 120 Orange Line subway cars are well past their intended lifespan. Manufacturers build subway cars to last twenty five years, provided they receive a mid-life overhaul to refurbish or replace major elements such as propulsion systems, brakes, lighting, and ventilation. None of the now over thirty-year-old Orange Line cars has been overhauled. A similar problem exists with one third of the Red Line cars, which as the Boston Globe reported “were pressed into service during Richard Nixon’s first term, and have not been overhauled for a quarter century.”¹⁰ These aging subway cars are challenging the MBTA’s ability to run a full set of trains each day, causing longer waits on platforms and more frequent service interruptions, as well as at least one breakdown that stranded passengers for hours in a tunnel.¹¹

It is important to keep in mind, as well, that it is not just the MBTA that is facing a funding crisis. In 2007, the Transportation Finance Commission concluded that transportation in the Commonwealth “has been neglected for years...[T]he system we take for granted will fail if we do not take prompt and decisive action.”¹² The Commission estimated that “over the next twenty years, the cost just to maintain our transportation system exceeds the anticipated resources by \$15 billion to \$19 billion.”¹³ Five years later, the gap between the transportation system’s needs and resources is even greater.¹⁴ The Massachusetts Department of Transportation (MassDOT) has recently identified major highway maintenance and repair

⁶ See MBTA *Pro Forma* FY12-FY16.

⁷ See Brian Kane, *Born Broke* (MBTA Advisory Board, April 2009).

⁸ See MBTA Draft Capital Investment Program (FY13-FY17), [http://mbta.com/uploadedfiles/About_the_T/Financials/0000%2013-17%20Draft%20CIP%20\[2011%2012-12\].pdf](http://mbta.com/uploadedfiles/About_the_T/Financials/0000%2013-17%20Draft%20CIP%20[2011%2012-12].pdf) (last viewed February 10, 2012) at 10.

⁹ See Boston Region Metropolitan Planning Organization, *Long-Range Transportation Plan: Paths to a Sustainable Region*, www.ctps.org/bostonmpo/3_programs/1_transportation_plan/plan/2035_LRTP_Chapter7_9.11.pdf (last viewed February 13, 2012) at 7-7.

¹⁰ Eric Moskowitz, *T Cars Need Immediate \$100m in Upgrades*, Boston Globe (June 9, 2011).

¹¹ See, e.g., Laura J. Nelson and Eric Moskowitz, *Hundreds Stranded Below in Another T Breakdown*, Boston Globe (July 13, 2011).

¹² Transportation Finance Commission, *Transportation Finance: An Unsustainable System* (March 28, 2007) at 1.

¹³ *Id.*

¹⁴ See, e.g., Transportation for Massachusetts, *Maxed Out: Massachusetts Transportation at a Financing Crossroad* (October 2011) at 5.

projects, currently estimated to cost \$550 million, for which no funding exists.¹⁵ Likewise, while the Accelerated Bridge Program (ABP) has been a great success, after the program's completion, the average age of MassDOT bridges will still be forty-three years, *i.e.*, nearing the point at which significant reconstruction can be expected. Even with ABP being brought to a successful conclusion, MassDOT estimates that it would need \$305 million annually outside of ABP to reduce the number of structurally deficient bridges to zero over twenty years. Slightly less than half that amount is currently programmed.¹⁶ The Regional Transit Authorities (RTAs) around the state have also continued to be seriously underfunded. The financial problems related to transportation the Commonwealth is facing are thus clearly much larger than the MBTA's issues. These are serious, long term finance problems that present a great risk to the Commonwealth's—and the New England Region's—economic well being, quality of life, and environment. The MBTA must identify new sources of revenue, and diversify the sources of revenue upon which it relies. Fare increases can and should be a part of that package, however, the MBTA must not be permitted to close its FY13 deficit solely through increased fares and steep service cuts.

Proposed Fare Increase and Service Cuts Scenarios

Confronted by these serious financial problems and the statutory obligation to balance its budget, the MBTA has now prepared two scenarios for fare increases and service cuts aimed at closing its projected FY2013 operating budget gap. Scenario 1 involves an average fare increase of 43% across all fare media types and significant service cuts, while scenario 2 centers on huge service cuts combined with an average fare increase of 35% also across all fare media types. Both scenarios proposed—and likely any revised combination of them that still seeks to close the FY2013 budget gap with a fare increase and/or service cuts only—would permanently damage our public transportation system. The following chart compares key components of the scenarios:

¹⁵ MassDOT, *FY2011 Capital Investment Plan* at 4-12.

¹⁶ *Id.* at 3-10.

	Scenario 1	Scenario 2
Overall Fare Increase (all fare media types)	43%	35%
Current /Proposed Fares		
Local Bus Transit CharlieTicket	\$1.50/\$2.25	\$1.50/\$2.00
Rapid Transit CharlieTicket	\$2.00/\$3.00	\$2.00/\$3.00
Local Bus CharlieCard	\$1.25 / \$1.75	\$1.25 / \$1.50
Rapid Transit CharlieCard	\$1.70 / \$2.40	\$1.70 / \$2.25
Service Eliminations or Reductions	No weekend service or night service (after 10pm) on commuter rail, elimination of 23 weekday, 19 Saturday, 18 Sunday bus routes, no E Line on weekends, elimination of ferries, decrease in ADA RIDE service area	No weekend service or night service (after 10pm) on commuter rail, elimination of 101 weekday, 69 Saturday, 50 Sunday bus routes, no E Line on weekends, elimination of ferries, greater decrease in ADA RIDE service area

The service cuts, particularly as proposed in scenario 2, are severe. As part of this proposal, the MBTA intends to eliminate 111 weekday bus lines.¹⁷ Such cuts would amount to elimination of close to 60% of all weekday bus routes as there currently are 173 weekday bus routes within the MBTA service area.¹⁸ In addition, in both scenarios, the MBTA proposes to eliminate all weekend and evening (after 10 p.m.) commuter rail service, all ferry service, and weekend service on two light rail lines, among other significant cuts to the system.¹⁹

The scenario 2 service cuts are juxtaposed with the fare increase in scenario 1 to appear like the better choice, but for many riders the scenario 1 price increases will be equivalent to elimination of service. As one reporter on this subject has put it, “[i]t’s basically a decision between the Apocalypse and Apocalypse Now.”²⁰ Examples of how incredibly large these proposed fare increases are abound across the system, but it is worth noting that the MBTA is proposing to increase the adult rapid base fare by 41.2% in scenario 1. Our research reveals no other major transit authority which has raised its fare by this much in one single increase in recent history. It would also be the largest increase of MBTA fares by percentage since 1949.²¹

Under scenario 1, a commuter, for example, who parks her car at the Braintree Red Line station every weekday and takes the Red Line to work in downtown Boston will be required to spend an additional \$3 per day on parking and \$21 per month for her LinkPass for a total of over \$1000 per year. Student and senior passes would go up 100%, not to speak of the RIDE, the

¹⁷ See, e.g., Central Transportation Planning Staff (CTPS), *Potential MBTA Fare Increase and Service Reductions in 2012: Impact Analysis* (December 30, 2011) at 5.

¹⁸ See MBTA Website www.mbta.com/schedules_and_maps/bus/ (last viewed on February 10, 2012).

¹⁹ See CTPS, *Potential MBTA Fare Increase and Service Reductions in 2012: Impact Analysis* (December 30, 2011) at 6.

²⁰ Jon Chesto, *Gov. Deval Patrick Dodges an Important Opportunity to Address the MBTA’s Funding Crisis*, The Patriot Ledger (January 24, 2012).

²¹ See Eric Moskowitz, *Top Official Favors Fare Hike Over Service Cut*, Boston Globe (February 19, 2012).

MBTA's paratransit program, which would go up by 500% outside the Americans with Disability Act (ADA) service area and timing of request requirements. Scenario 2 is described as a "slightly lower" fare increase by the MBTA in its information booklet, and at 35% is unfortunately not much less drastic.²²

In scenario 1, the MBTA is currently proposing a senior and student local bus fare that would violate the MBTA's own enabling legislation and its fare policy. The proposed senior and student local bus fare of \$1.10 would be more than half of the proposed adult local bus fare of \$1.75 although the MBTA's enabling legislation prohibits the MBTA board from establishing a fare in excess of one-half of the regular adult cash fare for students, persons sixty-five and older, and persons with disabilities who reside within the Commonwealth.²³ This would also violate the MBTA Fare Policy, which defines base fares for bus and rapid transit as "the levels paid by CharlieCard stored-value users" and states that fares for students, seniors (age sixty-five or older), and persons with disabilities will not exceed one-half the adult base paid by stored-value CharlieCard users.²⁴ While the proposed senior and student local bus fare is less than half of the CharlieTicket fare, which would be \$2.25, the relevant comparison for the regular adult fare is the CharlieCard, which does not include a \$0.50 premium that exists to incentivize its use.²⁵

In defense of its proposed record setting fare hike, the MBTA cites the fact that its fares have not been increased in five years, alleges that almost all other major transit authorities have raised their prices during the same time period, and that the Boston area's public transportation costs are relatively low.²⁶ The MBTA, however, fails to take into account the differences in services provided by those other agencies. The MBTA, for example, is closed from 1 a.m. to 5 a.m. every night, whereas New York City's Metropolitan Transportation Authority (MTA) never closes its subway lines and buses. The Chicago Transit Authority, Philadelphia's Southeastern Pennsylvania Transportation Authority, and San Francisco Municipal Railway keep some subways and buses open all night long, and the District of Columbia's Metro at least keeps some bus service running and closes the subway system later (at 3 a.m.) during the weekends. Even the Los Angeles County Metropolitan Transportation Authority provides some night owl service. While the MTA services a much larger population, more comparable transit systems, such as those in the District of Columbia, Philadelphia and San Francisco, are able to provide longer hours of service. If either of the proposed scenarios is adopted, this discrepancy would increase even further since the MBTA would cease to offer any commuter rail service on the weekends, despite the fare increase.

²² See *MBTA Fare and Service Changes: Join the Discussion* at 10.

²³ M.G.L. c. 161A, s. 5(e).

²⁴ See MBTA Fare Policy at III. B. 2.

²⁵ *Id.* at III. B. 2 and 3.

²⁶ See *MBTA Transit Service Price Comparison*,

[www.mbta.com/uploadedfiles/About the T/Fare Proposals 2012/MBTA,%20other%20transit%20fare%20comparison.pdf](http://www.mbta.com/uploadedfiles/About%20the%20T/Fare%20Proposals%202012/MBTA,%20other%20transit%20fare%20comparison.pdf) (last viewed February 10, 2012).

Plan for Future Fare Increases

CLF understands that some level of fare increase must be among a package of additional revenue sources to be identified to address MBTA's long term structural financial problems. The cost of closing the FY2013 operating budget deficit, however, should not be borne solely by riders. As is proposed this time, the MBTA has implemented fare increases historically on an as-needed basis. This has resulted in relatively infrequent changes in fares which are often largely as a result of the need to catch up on increased costs and expenses since the previous fare change. Such fare increases, particularly when as high as 35% or 43%, will result in a loss of ridership in contravention of the MBTA's statutory directive to "maximize ridership."²⁷ A better approach to fare policy—as the experience of other transit agencies around the country shows—is planned or scheduled fare increases programmed to keep up with expenses on a predetermined regular basis.²⁸

Such programmed fare increases offer great benefits to both transit agencies and riders. Customers experience modest fare increases that, though more frequent, are more predictable and therefore more acceptable. Agencies experience less of an adverse impact on ridership and the predictability of these regular increases facilitates capital programs, service improvements, and financial planning.²⁹ Such programmed fare increases could occur on a two or even three year basis. Riders are more willing to pay higher fares if the change is relatively small each time; the increase is regular and expected; they feel they benefit from reliable transit service; the agency does its fair share in contributing to the most efficient and cost effective operation possible; and the fare increases are small and predictable.³⁰

The MBTA's proposed fare increase violates almost all these prerequisites to an effective fare increase. The proposed fare increase, in both scenarios, is extremely high, and would be implemented within less than six months from the date it was proposed (January 3, 2012). Riders are also not experiencing reliable transit service as a result of the long list of the MBTA's maintenance needs. In his November 2009 "frank assessment of the MBTA's condition" requested by Governor Deval Patrick, David D'Alessandro concluded that a fare increase "defies credibility" citing the MBTA's service and safety problems.³¹ Little, other than the repairs of the Red Line tracks between the Harvard and Alewife stations, has changed since then, while the infrastructure and rolling stock has continued to age. Furthermore, while the MBTA has made significant strides in ensuring that it runs efficiently and cost effectively, the public unfortunately has not fully recognized this change yet. Therefore, any fare increase, particularly of the size

²⁷ See M.G.L. c. 161A, s. 11 and *Ridley v. MBTA*, 390 F.3d 65 (1st Cir. 2004).

²⁸ See, e.g., Linda M. Spock, *Fare Policy Regarding Regular and/or Inflation-related ("Programmed") Price Increases*, (NYU Wagner Rudin Center for Transportation Policy & Management, November 2007).

²⁹ *Id.*

³⁰ *Id.*

³¹ David F. D'Alessandro, *MBTA Review* (November 1, 2009) at 2 and 31.

proposed, should be avoided at this time, and a plan should be made immediately for reasonable, planned, and regular fare increases.

In addition, when the MBTA increases its fares next, it should institute a reduced or discounted fare for its low-income passengers. This would help the MBTA ensure that any fare increase is equitable. The MBTA would be following a growing trend in the country. The Chicago Transit Authority (CTA), for example, in September of 2011, launched free fare cards for low-income seniors, paired with reduced fares for all seniors.³² Sun Tran in Tuscan, Arizona all Pima County residents over the age of five who meet low-income requirements are eligible for a reduced fare.³³ C-TRAN in Vancouver, Washington, also has a similar program for low-income residents, as do Iowa City Transit in Iowa City, Iowa and Kitsap Transit in Kitsap County, Washington.³⁴

Plan for Future Service Cuts

The MBTA's proposal for service cuts is unfortunately even less consistent with prudent planning principals. To differentiate between those services proposed for elimination and those that would be retained, the MBTA appears to have relied on cost-effectiveness figures cited in the CTPS study.³⁵ However, the basis for those calculations is not included in the CTPS report. The MBTA should therefore explain to the public how these calculations were made. In addition, the public should be provided with the underlying ridership data (rather than the net subsidy per unlinked trip) by mode and bus route, including both weekend and weekday ridership data for those services for which weekend cuts are under consideration and peak and off peak data for those slated for complete elimination. This information should be accompanied by a clear explanation of how that ridership, revenue collected, and operating cost data were developed.

It is CLF's understanding that the ridership data for buses was collected in 2010 and is not from actual fare box counts. A lot has changed since then and ridership on buses has likely increased as a result of the release of real-time data at the end of August of 2010. It is not apparent whether the MBTA in developing the proposed service cuts for scenarios 1 and 2 also relied at all on its service plan. If it did, it appears that the most recent MBTA service plan was published in last 2008 based on data from around the time that automated fare collection was first implemented and fares were raised, which clearly makes it less reliable.³⁶

³² See *CTA Website* www.transitchicago.com/seniors/ (last viewed February 17, 2012).

³³ See www.suntran.com/fares_red_lowinc.php (last viewed February 17, 2012).

³⁴ See www.c-tran.com/fares.html, www.icgov.org/default/?id=1516, and <http://www.kitsaptransit.com/ReducedFare.html>, respectively (last viewed February 17, 2012).

³⁵ See CTPS, *Potential MBTA Fare Increase and Service Reductions in 2012: Impact Analysis* (December 30, 2011) at 9-10.

³⁶ See www.mbtta.com/about_the_mbtta/document_library/ (last viewed February 12, 2012).

Furthermore, any cost-effectiveness standard should be applied to all modes— both the CTPS study and the 2008 service plan only set out a cost-effectiveness standard for buses. The 2010 MBTA service delivery policy promised a future development of parallel criteria for other modes but that was never completed and, in any event, such data do not appear to have been used to develop the current proposals for service cuts.³⁷ For the rapid transit and commuter rail systems, not only did the MBTA not apply a specific cost-effectiveness standard but apparently only across-the-board service cuts were evaluated. For example, if a more specific cost-effectiveness standard was applied perhaps weekend service on some commuter rail routes would be eliminated but not all because some commuter rail lines have higher weekend ridership than others. Likewise, it appears that for buses no peak ridership was evaluated in comparison to off peak numbers. It is thus impossible for the public, or the MBTA, to have any confidence in the data that was used to propose the current service cuts under both scenarios.

CLF is not suggesting that service cuts are never appropriate. Periodically reviewing existing service and adjusting it to eliminate services which are truly not cost-effective to be replaced with services in areas of the system that need it more is good policy and should be instituted in the future. However, such service cuts should be explicitly decoupled from the fare increase conversation and therefore should never occur during the same year for which a fare increase is planned. In the future, the MBTA should also assess proposed service cuts at a finer grain, applying a clearly-stated cost-effectiveness standard, and involve local stakeholders, prior to proposing any service cuts.

Adverse Impacts of the Proposed Fare Increase and Service Cuts

The proposed fare increases and service cuts will not only burden commuters and travelers financially, they will also impede economic growth for our region and damage the environment. Fare increases and service cuts will cause ridership to decline. CTPS estimates that the scenarios result in an annual ridership loss of up to 17% and 20% respectively for scenario 1 and 2, as transit riders switch to other modes because of increased costs or loss of service or because they will not be able to afford certain trips.³⁸ This will reverse a portion of the recent positive trend of record high levels of ridership, and will result in less efficient service and less revenue for the MBTA. It is possible that these estimates would be surpassed if fare increase and service cuts are put in place at the same time, as the CTPS estimates that MBTA relies upon do not appear to take the synergistic effect of this combination into account.

Declining transit ridership will increase traffic congestion. Total daily vehicle miles traveled (VMT) will increase by between 430,837 miles and 626,060 miles under the two

³⁷ See MBTA, *Service Delivery Policy* (MBTA Board of Directors, June 2, 2010) at 15.

³⁸ CTPS, *Potential MBTA Fare Increase and Service Reductions in 2012: Impact Analysis* (December 30, 2011) at 27 and 29.

scenarios.³⁹ That is the equivalent of between 55,000 and 92,000 more cars on the road each day.⁴⁰ That means greater congestion, lost productivity for workers sitting in traffic, and decreased quality of life and access to jobs.

Declining MBTA ridership will also increase air pollution and greenhouse gas emissions. Carbon dioxide emissions alone, the leading cause of global warming, has been estimated to increase by approximately 50,000 tons per year, which is the equivalent of the carbon dioxide emitted annually by a small oil burning power plant.⁴¹ The increased highway congestion and reduced air quality will have a greater negative impact on environmental justice communities, which will further exacerbate the disparity that already exists.⁴² In scenario 1, for the urban fixed-route service area, the absolute increase in the average VMT per square mile for environmental justice communities is more than five times that for non-EJ communities, and the absolute increase in the average CO per square mile for EJ communities is more than six times that for non-environmental justice communities. Similar ratios hold for scenario 2, and the increases are larger than those in scenario 1.⁴³

Service cuts will significantly decrease access to jobs. Under both scenarios, many businesses that currently have access to transit will lose MBTA service. Under scenario 1, an estimated 4,400 businesses and 78,000 workers will be affected; under scenario 2, a staggering 340,000 workers are projected to lose transit access to jobs at 27,000 businesses.⁴⁴ Likewise, service cuts will significantly decrease access to housing. Under both scenarios, many housing units that are currently within a half mile of transit will lose their MBTA service. Under scenario 1, 41,000 housing units with 108,000 residents will lose transit access; under scenario 2, nearly half a million people living in 208,000 housing units will no longer be served by the MBTA.⁴⁵ Service cuts will also reverse efforts to promote transit-oriented development. There are currently more than 250 private-sector developments planned or proposed near subway and commuter rail stations, which collectively would create 36,000 housing units and space for 92,000 new jobs between now and 2035. Many of these developments cannot occur without MBTA service.⁴⁶

Other Potential Better Solutions

³⁹ *Id.* at 41.

⁴⁰ See Metropolitan Area Planning Council, *Talking Points: MBTA Fare Increase and Service Cuts*, www.mapc.org/sites/default/files/MBTA_MAPC_Position.pdf (last viewed February 10, 2012) at 2.

⁴¹ See *Id.* at 2.

⁴² See CTPS, *Potential MBTA Fare Increase and Service Reductions in 2012: Impact Analysis* (December 30, 2011) at 47.

⁴³ *Id.*

⁴⁴ See Metropolitan Area Planning Council, *Talking Points: MBTA Fare Increase and Service Cuts*, www.mapc.org/sites/default/files/MBTA_MAPC_Position.pdf (last viewed February 10, 2012) at 1.

⁴⁵ *Id.* at 1.

⁴⁶ *Id.* at 1.

As stated above, fare increases are an essential part of the MBTA's revenue. However, everyone who benefits from the MBTA, not just riders, should help pay for its operating costs, debt service, maintenance and investment needs. Drivers benefit from reduced congestion on the roads when others use the MBTA. Many of the region's employers rely on their employees to get to work on public transportation. Without the MBTA, the region's universities would likely lose a percentage of their students to other regions of the country or at least have a harder time competing for the best ones. The Massachusetts Port Authority (Massport) relies on the MBTA to provide access to Logan Airport. Taxpayers, in general, need the MBTA to help build and sustain a thriving economy. The MBTA also provides help to the Commonwealth in achieving its greenhouse gas emission reduction goals. And finally, everyone in the area appreciates the better air quality of the region to which the MBTA contributes by reducing air pollution from automobile traffic.

Thus, as there are many beneficiaries, there are many potential solutions beyond a fare increase and service cuts that should be considered. Since these solutions are generally not in its sole control, the MBTA should actively reach out and seek help from others. Some of the solutions the MBTA should consider closely include revenue from non-user beneficiaries such as a U-Pass program for students, T-tickets for athletic and cultural events, and a regional payroll tax.⁴⁷ Additional revenue raised by the state for the MBTA could include increased registry motor vehicle fees, parking surcharges, a restructured or increase gas tax, and a VMT fee, just to name a few.⁴⁸

Good ideas for additional revenue sources for the MBTA have recently been raised by a number of organizations and merit a close look. The MBTA Advisory Board, for example, proposed shifting the cost of water transportation to Massport, selling certain assets such as portions of the Silver Line to Massport, an annual \$10 fee on college students residing in the MBTA's service area, a surcharge on sporting, concert, and theater tickets, reinstatement of the alcohol advertising program, and short term leasing of unused land to abutters, among other ideas.⁴⁹ A Better City recommended taking a closer look at cross-subsidization (i.e., using tolls and other transportation revenues to pay for transit) and geographically tailored revenues, among other possible revenue ideas.⁵⁰ MassINC issued a report on regional transportation revenue, including a regional payroll tax.⁵¹

⁴⁷ See, e.g., Rafael Mares and Stephanie Pollack, *A Framework for Creating a Financially Stable Public Transportation System for Massachusetts*, (Kitty and Michael Dukakis Center for Urban and Regional Policy and Conservation Law Foundation, 2011).

⁴⁸ *Id.*

⁴⁹ MBTA Advisory Board, *Review of MassDOT Fare Increase and Service Cut Proposals* (February 2012).

⁵⁰ Astrid Glynn, *Fixing Transit Finance* (A Better City, Inc., April 2011).

⁵¹ Benjamin Forman, Dan Darcy, and James Emilio, *Moving Forward with Funding* (MassINC, October 2011).

The MBTA also should not be responsible for all of its debt. The system's annual debt payments are now nearly as large as its total revenue from fares.⁵² Over 60% of the debt on the MBTA's books was assigned to it by the Commonwealth.⁵³ A portion of that, i.e., \$1.67 billion, stems from the companion transit work the Commonwealth was legally obligated to complete, to avoid violating the federal Clean Air Act for all the emissions car traffic from the Big Dig would generate.⁵⁴ As such, the debt was incurred by the Commonwealth in order to be able to complete the Big Dig. In 2000, the MBTA was made responsible for this debt as part of the Forward Funding legislation.⁵⁵ A dedicated funding stream from the sales tax was supposed to help pay for this debt, but it has underperformed significantly since then.⁵⁶ Payments for the Big Dig-related debt should therefore be assumed by the Commonwealth or the MBTA should be provided with an additional and adequate dedicated revenue stream to pay for it.

Proposed General Fare Structure Changes

In addition to the proposed fare increases and service cuts, the MBTA is considering some general fare structure changes. Inexplicably, the MBTA has not included even a reference to these proposals in its *MBTA Fare and Service Changes: Join the Discussion* information booklet that was handed out to its riders. Also, only some of the general fare structure changes were described at the MBTA's public meetings and hearings. CLF is particularly concerned about the institution of a minimum \$10 fare box cash upload to the CharlieCard. While such a policy could clearly contribute to improved passenger boarding speed on buses and the Green Line, it would also disproportionately impact low-income riders who would likely have to pay the higher single fare CharlieTicket price to board. This is especially troubling when the new premium on a CharlieTicket fare would be doubled to \$0.50 for a bus. It is not good public participation policy to tuck such a significant modification into a broader fare increase and service cut proposal without announcing this change more broadly. Prior to instituting such changes, the public should be given an opportunity to comment.

That is not to say that some of the general fare structure changes currently proposed by the MBTA are not good ideas. For example, the elimination of the commuter rail twelve-ride ticket would provide a simple way to raise more revenue since it would avoid the existing widespread fare evasion by users of this fare medium. Likewise, offering a lower off-peak/reverse commute fare (75% discount of peak price) for commuter rail trains, would encourage the use of trains when they are least used and raise additional fare revenue. While other reduced off peak fares, such as for the Senior Link/Pass or subway and bus fares in general, have not been proposed, the MBTA should consider instituting them in the future for the same good reason.

⁵² See MBTA, *Statement of Revenue and Expenses*, FY2001 to FY2011.

⁵³ See MBTA, *Capital Investment Program*, FY12-FY16 at 6.

⁵⁴ *Id.*

⁵⁵ See M.G.L. c. 161A, s. 13(d) and See *MBTA Fare and Service Changes: Join the Discussion* at 5.

⁵⁶ M.G.L. c. 10, s. 35T.

Conclusion

Raising \$161 million over the next year from any combination of a fare increase and service cuts would permanently hurt the Commonwealth's public transportation system, cause irreparable damage to the economy and environment, and unfairly burden some of the state's most vulnerable residents, while leaving unsolved for another day the MBTA's financial problems. As David D'Alessandro stated in his review of the MBTA: "While the financial picture is grim, it is important to note that the MBTA is too valuable an economic asset to permit its further deterioration or even collapse."⁵⁷

Therefore, and for all the above reasons, CLF respectfully requests that:

- the MBTA not implement either of the two scenarios proposed; and
- to the extent a third scenario is proposed, make public all underlying data that informed service cut determinations.

Instead the MBTA should:

- publicly announce and explain that the transit authority cannot solve its financial problems alone, since it does not have the legal authority to raise sufficient revenue;
- actively seek assistance from the Legislature and the Governor to develop a comprehensive finance solution including sufficient funding to operate, maintain, and strategically expand the MBTA—this should be coordinated with a larger MassDOT effort to fix transportation funding for the Commonwealth;
- actively seek assistance from other stakeholders, such as private entities, who can help raise revenue;
- implement regular, planned, modest fare increases on a two or three year basis to provide sufficient and adequate notice to its customers;
- develop an up-to-date, consistent, and adequate cost-effectiveness standard for all modes and make the specifics of how such a standard is developed and applied available to the public, prior to any elimination of service;

⁵⁷ See David F. D'Alessandro, *MBTA Review* (November 1, 2009) at 30.



- review existing service and make proposals for prudent service cuts to be replaced by increases in services in other areas that experience a greater need, beginning in FY2015, and continuing during years in which no fare increases are planned;
- implement a new policy that creates a watch list of underperforming routes and gives the stakeholders dependent on those routes an opportunity to be engaged in the decision-making process before any such service is eliminated;
- institute a reduced or discounted fare for low-income passengers to help ensure that any fare increase is equitable;
- eliminate the twelve-ride-ticket on commuter rail lines; and
- study off peak fares across the system and implement where appropriate.

Thank you for the opportunity to comment. If you have any questions, please feel free to contact me by phone at (617) 850-1739 or by email at rmares@clf.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rafael Mares".

Rafael Mares
Staff Attorney

cc

Acting General Manager Jonathan Davis, MBTA
Secretary Richard Davey, MassDOT
Senator Thomas McGee, Chair, Joint Transportation Committee
Lieutenant Governor Timothy Murray
Governor Deval Patrick
Representative William Straus, Chair, Joint Transportation Committee