Advertising - proposed policy changes

06.26.2017
Summary

• 4/13/17: FMCB approved FY18 budget, which included placeholder for revised advertising policy
• Alcohol advertising is generally 3-10% of transit agency ad revenues, but policy choices determine the actual impact
• Most US transit agencies (and many MA municipalities) accept alcohol advertising and follow standard industry rules and regulations
• Staff recommends a limited re-introduction of alcohol advertising to assist in assuring the fiscal sustainability of the MBTA
A sample of peer agencies accepting
What are the industry rules and regulations?

• Outdoor Advertising Association standards prohibit outdoor alcohol advertising from being visible above ground within “500 feet of elementary and secondary schools, public playgrounds, and established places of worship”

• Beverage advertiser standards: do not place media unless at least 71.6% of the audience is 21+

Sources:
$2.5M in additional advertising revenue would pay wage costs for **30** of the Operations Critical Hire positions the FMCB approved in the FY18 budget.

Maintenance of Way (15 roles, $1.2M), Chief Engineer (2 roles, $0.4M), Heavy Rail (5 roles, $0.3M), Rail Maintenance (4 roles, $0.3M), OCC & Training (4 roles, $0.3M) proposed in 4/13/2017 Critical Hires presentation to the FMCB, and in FY18 Budget.
Staff recommendation

Proposed Scope
Permit advertising in select stations and specialty units, and limited number of train exteriors:

• No advertisements permitted on buses
• Vendor must comply with all industry standards, including 500 foot buffer rule for ads visible at street level from churches, schools, and playgrounds
• Exclude stations where Student Pass usage exceeds 10% of station ridership, as determined by the MBTA
• No more than 15 rail cars may have exterior wrap advertisements for alcohol products at any one time

Expected results: $2.0 to $4.5 MM in annualized revenue